Whether American nuclear airpower will succeed in remaining an effective tool for the prevention of war depends entirely upon this Congress. Based upon our actions alone, the Soviets can be made to realize that they cannot defeat the United States or if they irrationally decide to attack us there will be little chance of forestalling even more devastating counterblows.

The price we will pay for these measures will not be small but the cost of an atomic holocaust directed against this country would be incalculable.

Gen. Thaddeus Kosciuszko

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1956

Mr. FEIGHAN. Mr. Speaker, under leave previously granted, I wish to insert in the RECORD an address I delivered Sunday, February 12, at the Kosciuszko monument in Lafayette Park, Washington, in commemoration of the birth of the well-known and beloved patriot, Gen. Thaddeus Kosciuszko, an original American patriot:

GENERAL KOSCIUSZKO, AN ORIGINAL AMERICAN PATRIOT

I am very happy to join with all those who today are commemorating the anniversary of the birth of that great patriot, Gen. Thaddeus Kosciuszko. Those of us who know the timeless contribution made by General Kosciuszko to the cause of human freedom and individual liberty, look forward to this day each year as an occasion to rekindle the flame of human freedom by whatever means available to us.

You and I know full well that the cause of freedom will be kept alive only by those who are willing to sacrifice for it and who have come to learn that simple fundamental—that freedom is life itself and that there can be no life worth living without individual liberty.

It seems to me most fitting this year that we give some thought to General Kosciuszko and his great patriotism for the United States and for his beloved country of birth—Poland. It will be recalled that General Kosciuszko journeyed to the United States to take part in the American Revolution which he so often said involved a cause and principles dear to all mankind. He was both a dedicated and inspired leader in the victorious campaign of the Continental Army—being blessed with both the genius of military leadership and an abundant knowledge of mankind's endless struggle for equality, independence, and dignity. During his entire life, General Kosciuszko expressed a warm patriotism for the United States and fervent hopes for its prosperity. At the same time he expressed an equal patriotism for Poland which was then, as now, occupied by the Russians, and a fervent determination that Poland would soon be free of alien occupation and be sovereign among all the powers of the world.

General Kosciuszko did not consider it unusual that he would have such a strong patriotism for the noble cause of the United States and Poland. The leaders of the American Revolutionary War, the war by which we threw off colonial status and won our national independence, did not consider the dual patriotism of Kosciuszko as a bit unusual. In fact, the leaders of the 13 original colonies were ever mindful that the freedom-loving sons of many countries came to our shores all for the same purpose of supporting the inspiring cause set forth in the American Declaration of Independence.

It will be recalled that after the victory of the American Revolution, General Kosciuszko was offered a land grant in the hope that he would remain on the soil of the free America he helped to create. It is important in this connection to remember that when General Kosciuszko expressed his thanks for this offer and explained that he would have to decline because his native Poland was enslaved by the Russians, the leaders of the American Government understood immediately that the fire of freedom burned so brightly in his heart that he had no other choice but to return to Europe and there to carry on his struggle for the liberation of Poland.

It seems strange to me that today we here in the United States, entrusted as we are with the task of keeping bright the flame of human freedom, should have any question about the dual patriotism of men like General Kosciuszko. For some strange reason it has become the vogue since the Russians occupied Poland and many other once free and independent nations of Central and Eastern Europe, to frown upon or look with suspicion on anyone who would dare to express a concern for the enslavement of Poland or any of the other non-Russian nations. It is even more strange that one's patriotism to our beloved United States is likely to fall into question for advocating the liberation of Poland and the other enslaved nations from the ruthless colonial empire of the Russians. I cannot but wonder what the American patriots of 1776 who fought shoulder to shoulder with General Kosciuszko would think if they were to return to America today and would hear people raising questions on the subject of patriotism for the United States and patriotism for one's native land.

The very things that gave General Kosciuszko an equal patriotism for the cause of the American Revolution and the cause of liberating the Russian occupied Poland of his day, were the same moral and political principles spelled out in the American Declaration of Independence.

Those great principles made it possible for General Kosciuszko to have complete loyalty for the cause of both nations. These same moral and political principles bind the people of Poland and the people of the United States today.

History has the habit of repeating itself and sometimes the repeats in history are very happy ones. It is my fervent hope that American patriotism of our day will find a means of liberating Poland and restoring that once free and independent nation to her rightful place in the family of nations. I have no doubt that if we could inspire the world of today with our fundamental political beliefs as the signers of the American Declaration of Independence did in 1776, the liberation of Poland and the securing of a just and lasting peace for all the nations of the world would be a certainty.

It is a challenge to our traditions as well as to our moral responsibility, to awaken all the people of the world to the fact that human freedom and individual liberty will be secure only when all people of the world equally enjoy it.

General Kosciuszko stood for those same timeless moral and political principles and it is the clear duty of the people of the United States to stand up for those same principles. That is the great challenge of our time.

SENATE

WEDNESDAY, FEBRUARY 8, 1956

The Senate met at 11 o'clock a. m.

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

Our Father God, Thou dost so fill all things with Thy glory that earth and sky and sea but thinly veil Thy presence. For the beauty which colors the earth, for the love which hallows our homes, for the joy which springs from work faithfully done, we thank Thee, the source of all pure gladness.

As we bow before Thee, open our eyes to the faults and failings which mar our democracy. Make us conscious of the evils in ourselves that we so readily condemn in others. Make us tall enough for these testing days. Cast out our pride—national, racial, and personal. Join us to those who labor to bring sense and system to this disordered globe, and grant that our eyes may yet look upon a world that has found a path leading toward the plains of universal peace—

"When all men's good shall be each man's rule
Through all the circle of the golden years."

In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 8, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EVERETT M. DIRKSEN, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

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

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 7, 1956, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Tribbe, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Franklin G. Floete, of Iowa, to be Administrator of General Services, vice Edmund F. Mansure, resigned, which was referred to the Committee on Government Operations.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

MESSAGE FROM THE HOUSE

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

S. 97. An act for the relief of Barbara D. Colthurst;

S. 213. An act for the relief of Mrs. Ingeborg C. Karde; and

S. 315. An act for the relief of Asher Ezrachi.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 64) providing for a joint committee to arrange for the inauguration of the President-elect of the United States, January 20, 1957, with an amendment, in which it requested the concurrence of the Senate.

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

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; and

H. R. 9064. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Appropriations:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; and

H. R. 9064. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on Rules and Administration was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

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

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, six reports relating to overobligations of appropriations (with accompanying papers); to the Committee on Appropriations.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to authorize the admission into the United States of certain aliens, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, TO REGULATE JUDICIAL REVIEW OF DEPORTATION AND EXCLUSION ORDERS

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTIONS 201 AND 202 OF IMMIGRATION AND NATIONALITY ACT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution adopted at a mass meeting of Americans of Lithuanian descent, of the City of Racine, Wis., relating to communism; to the Committee on Foreign Relations.

A resolution adopted by the Long Island General Assembly, Fourth (Patriotic) Knights of Columbus, Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

A resolution adopted by the board of directors of the Chamber of Commerce of the City of Tulare, Calif., favoring the enactment of legislation to provide funds for the completion of the Success Dam on the Tule River, and the Terminus Dam on the Kaweah River, Calif.; to the Committee on Appropriations.

OPERATION AND MAINTENANCE OF RANSOM COUNTY DEVELOPMENT FARM, N. DAK.—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 State Water Conservation Commission, favoring the enactment of legislation to provide for the operation and maintenance of the Ransom County Development Farm in North Dakota by the Bureau of Reclamation.

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

RESOLUTION BY NORTH DAKOTA STATE WATER CONSERVATION COMMISSION URGING CONGRESSIONAL APPROVAL FOR THE OPERATION AND MAINTENANCE OF THE RANSOM COUNTY DEVELOPMENT FARM IN NORTH DAKOTA BY THE BUREAU OF RECLAMATION

Whereas a resolution adopted by representative residents of Ransom County, N. Dak., who constitute the irrigation development committee duly designated for that county by the board of directors of the Missouri River Diversion Conservancy District, has been presented to, and filed with, the State water conservation commission, requesting the approval and assistance of this commission with reference to the establishment and maintenance therein of an irrigation development farm in order to determine and demonstrate irrigation practices best suited to climatic conditions and various soil types in the irrigable areas of the county; and

Whereas data developed and results obtained from the operation of an irrigation and development farm will not only serve to demonstrate methods of irrigation suitable to climatic conditions and types of soil in a large typical area in southeastern North Dakota, but will also materially aid the Bureau of Reclamation in design and capacity studies of needed irrigation facilities; and

Whereas the development farm established by the Bureau of Reclamation in Burke County, N. Dak., known as the Bowbells Development Farm, demonstrated that irrigation of a vast area in the northern and northwestern sections of North Dakota was not feasible on account of the impermeable nature of the subsoil, rendering adequate drainage impossible, and thus waterlogging the land if artificially watered; and

Whereas the unfeasibility of irrigation demonstrated on the Bowbells Development Farm undoubtedly prevented the establishment of a vast project for the irrigation of lands in Missouri Souris Conservancy and Reclamation District, established by the Legislative Assembly of North Dakota in 1949, which project, if undertaken, would have cost millions of dollars: Now, therefore, be it

Resolved by the State water conservation commission in regular meeting assembled this 20th day of January 1956, That the establishment and maintenance of an irrigation development farm in Ransom County, N. Dak., is deemed highly desirable; that our Senators and Representatives in Congress are respectfully asked to give the establishment and maintenance of such irrigation development farm their wholehearted support and that the Director of the Bureau of the Budget is respectfully urged to approve appropriation by Congress of funds required by the Bureau of Reclamation for the establishment and maintenance of such irrigation and development farm; be it further

Resolved, That copies of this resolution be mailed to our Senators and Representatives in Congress, to the Director of the Bureau of the Budget and to the chairman of the Committees on Appropriations of the Senate and House of Representatives.

PROTECTION OF FOREIGN-BORN AMERICAN CITIZENS FROM SOVIET HARASSMENT—RESOLUTION

Mr. WILEY. Mr. President, February 16 marks the 38th anniversary of the Declaration of Independence of Lithuania.

It constitutes another occasion for us to recall that the light of liberty has not

been extinguished in Lithuania, or for that matter, in the other oppressed Baltic lands. Since June of 1940, when they were occupied by Soviet invasion forces, they have suffered as few other peoples have suffered, but they have held fast to the ideal of liberty as have other brave enslaved peoples.

As in previous years, I am glad to call attention to this forthcoming anniversary of the Lithuanian Declaration of Independence.

I was happy to receive today from Mr. Stanley P. Budrys, secretary of the Racine branch of the Lithuanian American Council, a resolution relative to America's continued moral support of the oppressed people of that country.

I invite attention to the fact that the resolution stresses that there has been interference on the part of the Soviet Union and its agents in the private affairs of citizens of the United States and of intended citizens of our country. We are all aware that the Soviet Union has been carrying on an intensive worldwide propaganda campaign designed to lure back to their home countries refugees from Communist oppression, as well as members of families still living behind the Iron Curtain.

This entire subject of the harassment of our citizens and of would-be citizens is a subject which I believe merits the attention of appropriate groups within the legislative and executive branches. I believe, therefore, that the Department of Justice should initiate the appropriate study of this problem.

It falls as well within the jurisdiction of the Subcommittee on Constitutional Liberties of the Senate Judiciary Committee and/or of the Subcommittee on Internal Security of that same committee.

I ask unanimous consent that the text of the resolution be printed in the RECORD in order that it may be appropriately studied thereafter by the groups which I have mentioned, so that necessary action can be taken to protect our citizens.

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

Whereas Soviet Russia has since June of 1940 extinguished the light of liberty in Lithuania; and

Whereas since then its peoples have been subjects of brutal terror and unheard oppression; and

Whereas the Kremlin rulers are plotting all freedom-loving nations to crush beneath the heel of international conspiracy; and

Whereas Soviet assurances have been and are virtually useless or worth no more than the measure of expedience which suits Communist policy at the time; and

Whereas our aim has been, and will always be, to insure the rights of our citizens to life, liberty, and the pursuit of happiness; and

Whereas at the same time it should be our purpose to assist others in acquiring these same blessings: Therefore be it

Resolved, That this mass meeting appeal to the executive and legislative branches of our Government asking for bipartisan leadership and cooperation in the field of national defense and foreign policy; and be it further

Resolved, That we are urgently in need of a more realistic approach on the part of our Nation as regards to the solution of the problem of Communist menace which is gradually but surely moving nearer us; and be it further

Resolved, That our Nation must always by word and by deed keeep alive and nurture the courage and the faith of the millions of enslaved peoples who are striving and fighting for liberation; and be it further

Resolved, That a congressional investigation is necessary to check actual Communist propaganda interference in the private affairs of the citizens of the United States which is being carried out by the Committee "For Return to Homeland" whose headquarters are in East Berlin, East, Germany; and be it further

Resolved, That the reply of the President of the United States to the recent proposals of the Soviet Government is wholeheartedly supported by this mass meeting as having great importance to the unity of a free world and the hopeful encouragement of enslaved peoples; and be it finally

Resolved, That this mass meeting express gratitude to our Government for its pledged nonrecognition of forcible annexation of Lithuania and other nations into the Soviet Union and for strenuous efforts to spread its beliefs in truth, justice, and the equality of free men everywhere and for everyone.

Prof. JONAS SIMOLIUNAS,
Chairman, Lithuanian American Council, Racine Branch.
STANLEY P. BUDRYS,
Secretary.

RACINE WIS., *February 5, 1956.*

REPORT OF COMMITTEES

The following reports of committees were submitted:

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

S. 2711. A bill to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes (Rept. No. 1473); and

S. 2972. A bill to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes (Rept. 1472).

By Mr. HAYDEN, from the Committee on Appropriations:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; with amendments (Rept. No. 1476).

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. J. Res. 95. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to General John J. Pershing (Rept. No. 1475);

S. Res. 180. Resolution providing additional funds for the Committee on Interstate and Foreign Commerce;

S. Res. 194. Resolution authorizing the Committee on Labor and Public Welfare to employ four additional temporary clerical assistants (Rept. No. 1474); and

S. Res. 195. Resolution to print the 37th biennial report of the Convention of American Instructors of the Deaf.

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

S. Res. 193. Resolution to provide additional funds for the Committee on Labor and Public Welfare.

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, without amendment:

S. J. Res. 111. Joint resolution relating to burley tobacco acreage allotments and marketing quotas (Rept. No. 1477); and

S. J. Res. 141. Joint resolution relating to Maryland Tobacco acreage allotments and marketing quotas (Rept. No. 1478).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, with amendments:

S. J. Res. 136. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas (Rept. No. 1479).

MARGARET K. HAMMOND—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 207), which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret K. Hammond, sister-in-law of Nancy E. Hammond, an employee of the Senate at the time of her death, a sum equal to 6½ months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRINTING OF REPORT ENTITLED "FEDERAL CORRUPT PRACTICES AND POLITICAL ACTIVITIES" AS A SENATE DOCUMENT—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 208), which was placed on the calendar, as follows:

Resolved, That a revised edition of Senate Document No. 233 of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities," be printed as a Senate document.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Warren R. Cushman, and sundry other persons, for appointment in the United States Coast Guard; and

John H. Brittain, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

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. LEHMAN:

S. 3157. A bill for the relief of Tadeusz Z. Kassern and his wife, Longina Kassern; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. KEFAUVER, Mr. MURRAY, and Mr. MCNAMARA):

S. 3158. A bill to amend certain laws relating to the provision of housing and the elimination of slums, to establish a National Mortgage Corporation to assist in the provision of housing for families of moderate income, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. MURRAY, and Mr. MCNAMARA):

S. 3159. A bill to provide for the establishment in the executive branch of the Gov-

ernment of a Department of Housing and Urban Affairs; to the Committee on Government Operations.

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

By Mr. KUCHEL:

S. 3160. A bill for the relief of Aly Wassil; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3161. A bill 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; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER:

S. 3162. A bill to provide for the development of a comprehensive master plan to abate and prevent water pollution in the District of Columbia and areas immediately adjacent thereto, and for the conservation and development of the Potomac River Basin for water supply, pollution control, agricultural, industrial, municipal, and recreational purposes; to the Committee on Public Works.

By Mr. MAGNUSON:

S. 3163. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating in Hawaii and Alaska; and

S. 3164. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. BENDER:

S. 3165. A bill to authorize the appropriation of funds to assist in financing the 1957 World's Conservation Exposition and Plowing Contests to be held in Adams County, Ohio, in September 1957, and for other purposes; to the Committee on Agriculture and Forestry.

S. 3166. A bill for the relief of Lucie Toehl; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 3167. A bill to authorize the admission to the United States of certain aliens, and for other purposes;

S. 3168. A bill to amend the Immigration and Nationality Act, and for other purposes;

S. 3169. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; and

S. 3170. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

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

By Mr. WILEY (by request):

S. 3171. A bill for the relief of Mrs. Riva Kagan; to the Committee on the Judiciary.

S. 3172. A bill to provide for the promotion, and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals; to the Committee on Foreign Relations.

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

By Mr. CARLSON:

S. 3173. A bill to encourage the operation of marginal lead and zinc mines necessary to the national defense; to the Committee on Banking and Currency.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 3174. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

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

By Mr. DIRKSEN:

S. J. Res. 140. Joint resolution authorizing the President of the United States to proclaim the period from February 12, 1956, to February 19, 1956, as National Negro History Week; to the Committee on the Judiciary.

By Mr. BUTLER:

S. J. Res. 141. Joint resolution relating to Maryland tobacco acreage allotments and marketing quotas; to the Committee on Agriculture and Forestry.

By Mr. GOLDWATER:

S. J. Res. 142. Joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes; to the Committee on Foreign Relations.

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

RESOLUTIONS

The following resolutions were reported by Mr. GREEN, from the Committee on Rules and Administration, and placed on the calendar:

S. Res. 207. Resolution to pay a gratuity to Margaret K. Hammond; and

S. Res. 208. Resolution authorizing the printing as a Senate document of a revised edition of Senate Document No. 233 of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities."

Mr. CLEMENTS (for himself and Mr. KNOWLAND) submitted an original resolution (S. Res. 209) authorizing certain committees to make additional expenditures from the contingent fund of the Senate, which was considered and agreed to.

(See the remarks of Mr. CLEMENTS when he submitted the above resolution, which appear under a separate heading.)

PROPOSED HOUSING ACT OF 1956—DEPARTMENT OF HOUSING AND URBAN AFFAIRS

Mr. LEHMAN. Mr. President, in association with a number of Senators, I am introducing, for appropriate reference, two housing bills, one an omnibus program measure, and one a reorganization proposal to establish a Department of Housing, of Cabinet level, in the Federal Government.

The cosponsors on the housing program bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, KEFAUVER, MCNAMARA, and DOUGLAS. The cosponsors on the housing reorganization bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, MCNAMARA, and DOUGLAS.

There is an urgent need to raise our sights on housing, and immediately to take the necessary steps leading to a well-rounded housing program to meet the needs of all sectors of our population.

Within the next 10 years we are going to confront a real housing crisis, much more acute than anything we have ever known, unless we begin to plan, act, and build now.

The increases in our population, and the increases in the size of families, which began with the outbreak of World War II, will reflect themselves in a vastly increased demand for housing in a short period of time, which will make the present demand seem puny indeed.

We badly need, right now, more housing for low-income families, more housing for middle-income families, and more specialized housing for elderly people. In the last two categories we are inexcusably deficient, in terms of housing proportionate to the people's ability to pay.

Today, even at the relatively high rate of current construction, we are building only half the new homes this Nation needs, and most of those are being built for higher-income families.

Almost all the present housing programs of the Federal Government expire at the end of the current year, since the first session of the Congress enacted only a 1-year extension.

This is the time to take a new look and make a fresh start. This is the time to raise our sights and take in the whole picture, before the picture, which will become a critical one, moves in on us.

We are doing nothing effective about middle-income housing, a crying need today. We are doing nothing at all about specialized housing for the elderly and the aged. We are engaged in a mere pittance of a program of public housing for persons of low income.

We are eliminating a few slums, while making new ones at a much more rapid rate. Housing is deteriorating throughout the Nation.

This administration has failed to develop or propose a program to meet the Nation's need. Indeed, this administration seems to be looking the other way, while the housing crisis is moving in upon us.

There are today 15 million substandard dwellings in the country. Additional houses are sinking into the substandard class at a much faster rate than the rate of new construction.

The omnibus housing bill we are introducing today may not be a perfect bill, but it is at least a bill of a magnitude adjusted to the magnitude of the problem.

We hope the Housing Subcommittee of the Banking and Currency Committee will give this proposal the study it deserves and come out with a comprehensive program, instead of being content to limp along on a mere extension of an old, outmoded and watered-down program consisting of unrelated, uncoordinated, and frequently conflicting parts.

We also propose the establishment of a Department of Housing to cope with this problem, to coordinate the work of the many agencies now involved in this field, to give policy and planning direction, to conduct intensive and practical research in the problem, and to meet the crisis on the level it deserves. This problem should have Cabinet consideration and Cabinet attention.

We hope the Committee on Government Operations will give this latter proposal prompt and sympathetic consideration.

I ask unanimous consent that a press release I have prepared, together with summaries of the two bills be printed at this point in my remarks.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the press release and summaries will be printed in the RECORD.

The bills, introduced by Mr. LEHMAN, for himself and other Senators, were received, read twice by their titles, and referred, as follows:

S. 3158. A bill to amend certain laws relating to the provision of housing and the elimination of slums, to establish a National Mortgage Corporation to assist in the provision of housing for families of moderate income, and for other purposes, introduced by Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. KEFAUVER, Mr. MURRAY, and Mr. MCNAMARA); to the Committee on Banking and Currency.

S. 3159. A bill to provide for the establishment in the executive branch of the Government of a Department of Housing and Urban Affairs, introduced by Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. MURRAY, and Mr. MCNAMARA); to the Committee on Government Operations.

The press release and summaries presented by Mr. LEHMAN are as follows:

TWO NEW HOUSING BILLS PROPOSED BY SENATOR LEHMAN AND COSPONSORS; OMNIBUS HOUSING PROGRAMS FOR LOW- AND MIDDLE-INCOME HOUSING AND REORGANIZATION OF HOUSING ADMINISTRATION PROPOSED IN NEW MEASURES INTRODUCED TODAY

Senator HERBERT H. LEHMAN, in association with a number of other Senators, today introduced two housing bills, one an omnibus housing measure to authorize a greatly expanded program of public housing (200,000 units annually), including housing for elderly persons, and to stimulate middle-income housing; and another to reorganize the Government agencies concerned with housing into a Cabinet-level department.

His cosponsors on the housing program bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, KEFAUVER, MCNAMARA, and DOUGLAS. His cosponsors on the housing reorganization bill are Senators HUMPHREY, MORSE, MAGNUSON, MURRAY, HENNINGS, MCNAMARA, and DOUGLAS.

Senator LEHMAN, in introducing his bill, said that even at the relatively high rate of current housing construction, "we are still building only about half the new homes this Nation needs, and most of those being built are for higher income families."

Senator LEHMAN said the Eisenhower administration has failed to develop or propose a program to meet the Nation's housing needs, and that existing programs were being managed in such a way as to discourage the construction of the kinds of housing most urgently needed.

Senator LEHMAN predicted that unless a vastly expanded building program was instituted immediately, an acute housing crisis would overtake the Nation within 10 years as a result of the population increase and the increase in the size of families which began with the outbreak of World War II.

Some highlights of the omnibus housing bill are as follows:

1. Authorization of 200,000 public-housing units for low-income families annually, for a 3-year period.

2. Ten percent of the authorized public-housing units would be designed, constructed, and set aside for elderly couples and elderly single persons. Special units for the elderly would be included in every public-housing project.

3. A National Mortgage Corporation would be established, with a lending authority of $1 billion, to stimulate the construction of middle-income housing.

4. Offices of coordination would be established in each of the metropolitan districts of the Nation to assist in coordination, planning, and research for the housing needs of that particular district, thus adapting plans and program to the particular needs of the particular district. Grants would be made available to assist local agencies to carry on planning and research in this field.

5. The HHFA would be authorized to guarantee local bond issues up to $1 billion for local public works and improvement programs in connection with housing (sewers, water, community facilities, etc.).

6. A $20 million program is provided to stimulate advance planning of local public works and community facilities.

The second bill would establish a Department of Housing and Urban Affairs, headed by a Secretary, who would become a member of the President's Cabinet.

A detailed summary of the two bills and a copy of Senator LEHMAN'S introductory statements are attached.

SUMMARY OF OMNIBUS HOUSING BILL PROPOSING BROAD NEW ATTACK ON HOUSING FRONT

TITLE I. PUBLIC HOUSING

This title amends the United States Housing Act of 1937. It changes the definition of "families" to include families consisting of a single elderly person. It expands the public housing program by authorizing 200,000 additional units during each of the fiscal years 1957, 1958, and 1959, providing that balances not utilized in any such year shall be available until June 30, 1960. The title authorizes the Housing and Home Finance Agency to establish general physical standards with respect to low-rent housing projects and contains other technical perfecting amendments. It authorizes the Administrator to make loans and contributions to any public housing agency to assist in the acquisition of existing housing privately constructed for use as low rent housing, under certain circumstances. The title also repeals restrictions which have been imposed on the public housing program at the local level by national legislation adopted since the Housing Act of 1949 passed.

TITLE II. MIDDLE INCOME HOUSING

The National Mortgage Corporation is created with authority to make and service loans and issue obligations in aid of a program of housing for families of moderate income. Eligible borrowers under this program include (i) families of moderate income as defined in the bill, or (ii) certain private nonprofit cooperative ownership housing corporations, and (iii) private corporations authorized to provide dwellings for which charges are agreed upon or for sale to private nonprofit cooperative ownership housing corporations. The National Mortgage Corporation is authorized to issue capital stock to be subscribed for by the Secretary of the Treasury up to an amount not to exceed $100 million at any time. The Corporation may issue capital stock for subscriptions by corporate eligible borrowers and each such borrower must subscribe for capital stock in an amount equal to 5 percent of the mortgage loan which it seeks from the Corporation. The title prescribes the methods of payment, the terms and conditions of payment for the stock and for mortgage loans. The method of retirement of the capital stock held by the Secretary of the Treasury is described as well as the distribution of the assets upon liquidation of the Corporation. The title authorizes the Corporation to make mortgage loans to eligible borrowers or commitments to purchase or participate in loans made by any FHA approved mortgagee or to finance the development of a housing project upon certain certifications by the Administrator. Borrowers agree, among other things, to establish a schedule of rents or charges which will permit dwellings constructed to be made available to families of moderate income. The Corporation is authorized to issue notes or other obligations in an aggregate annual amount not to exceed $1 billion except that with the approval of the President this amount may be increased after July 1, 1957, by additional amounts aggregating annually not more than $2 billion. The aggregate amount outstanding at any one time however is limited. Terms and conditions and procedure upon default of these obligations are prescribed. The Corporation is required to carry a reserve account for losses equal to one-fourth of 1 percent of the outstanding balance of mortgage loans. Not more than 10 percent of the funds shall be expended in any one State. Veterans preferences are provided for within other classes of preferences. Provision is made for taxes, protection of labor standards, and penalties. The title in general is based on title III of S. 2246 introduced in 1950.

TITLE III. HOUSING COORDINATION IN METROPOLITAN DISTRICTS

The Administrator is directed to establish an Office of Coordination in each metropolitan district, to be headed by a director. Each director shall analyze housing and mortgage markets and housing needs, make reports and recommendations to the Administrator, and appoint a representative advisory committee. The director shall encourage the establishment of State or municipal agencies for metropolitan planning in connection with housing and public-works needs. Matching grants may be made by the Administrator to assist local agencies to carry out the planning functions, and to reduce maximum mortgage ratios or maximum grants or loans otherwise available for such district upon recommendation of the directors. Such sums as may be necessary to carry out for the purposes of the title are authorized.

TITLE IV. AIDS TO LOCAL PUBLIC WORKS

The Housing Act of 1954, is amended, (i) by authorizing to be appropriated for the revolving fund the further amount of $20 million, which may be available to the revolving fund after July 1, 1956, and additional sums from year to year estimated to be necessary for the planning of a $20 billion local public works program at the end of the 5-year period; (ii) by authorizing the Administrator to guarantee, up to a face amount of $1 billion, the obligations of local public agencies issued for the purpose of acquiring sites for local community facilities in advance of actual need; (iii) authorizing to be appropriated $1 million annually for a 10-year period to be used by the National Science Foundation for scholarships for the graduate training of professional city planning and housing technicians. The Housing Amendments of 1955 is amended by authorizing $1 billion to be appropriated for the purpose of section 203 of that act.

TITLE V. SLUM CLEARANCE AND URBAN RENEWAL

This title amends the Housing Act of 1949. It authorizes the Administrator to make advances of funds on an annual basis up to 90 percent of local expenditures for rehabilitation and conservation activities and for redevelopment planning. The financial formula for urban redevelopment projects, under title I of the 1949 act, is modified to require that local expenditures authorized as a part of the project plan shall not be required

to exceed one-third of the aggregate net costs involved. Acquisition of areas to be cleared is permitted over a period of years. The capital grant authorization under title I of the 1949 act is increased to a total of $1 billion. The redevelopment plan required to be prepared by the local agency is made more comprehensive with additional emphasis on a program for relocating families displaced from renewal areas and for controlling population density in the locality. Vacant land assembly projects are encouraged. The title provides that local contributions in form of tax exemption, cash, or tax remission shall be accepted in lieu of local grants-in-aid required by this title.

TITLE VI. CONVENTIONAL MORTGAGE CREDIT AIDS

A 40-year amortization of FHA-insured mortgages is provided instead of the existing 30-year. The Federal Home Loan Bank Act is amended as follows: by authorizing the Board to charter new Federal savings and loan associations and authorizing the Board to purchase stock issued by them, and for this purpose there is authorized to be appropriated $200 million; the Board is required to survey the mortgage-lending resources of each State, including nonfarm areas, and to report periodically to Congress on its program for providing additional needed institutions; Federal home loan banks are authorized to discount mortgage loans made by banks in rural areas, such loans may be rediscounted by other banks in the general geographic area of the originating institution, and for this purpose there is authorized to be appropriated $200 million as a revolving fund.

The Federal National Mortgage Association is reestablished as a wholly Government-owned corporation. It is authorized, in addition to its present authority, to make mortgage loans over 40-year periods or to purchase such loans, and to contract with private lenders to initiate and service loans. All rights, powers, obligations, and commitments of the FNMA are preserved.

TITLE VII. FARM HOUSING, HOUSING FOR THE AGING, HOUSING RESEARCH AND TECHNICAL INNOVATIONS

This title amends title V of the Housing Act of 1949 by authorizing an additional appropriation of $200 million for each ensuing fiscal year for farm housing. It broadens the term "elderly families," with respect to all housing covered by the act, to mean families consisting of a single elderly person, or families, the head of which or his spouse, is of advanced age. Ten percent of all housing units built pursuant to this act are to be suitable to meet the needs of elderly families.

The Administrator is directed to conduct a program of housing research in accordance with title III of the Housing Act of 1949, and there is authorized to be appropriated $2 million in new funds for this purpose for each fiscal year, together with up to $2 million of funds otherwise available to the Department. A representative advisory committee on housing research is established to guide the expanded program, and the focus of the research program is sharpened to direct the research inquiries to critical problems in housing construction, design, etc.

SUMMARY OF REORGANIZATION BILL PROPOSING CREATION DEPARTMENT OF HOUSING AND URBAN AFFAIRS

This bill establishes a new executive department to be known as the Department of Housing and Urban Affairs, headed by a Secretary who is to be appointed by the President with the advice and consent of the Senate. It is the function of the Department to foster and facilitate the execution of national housing and urban affairs policies. For this purpose there are transferred to the Secretary all functions, personnel, records, assets, and obligations of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration, the Federal Home Loan Bank Board, the Community Facilities Administration, the Urban Renewal Administration, and the National Mortgage Corporation created by this act. The Federal National Mortgage Association is to be hereafter administered in the Department. The bill prescribes the organization of the new department and its method of functioning and creates the positions of an Under Secretary, four Assistant Secretaries, General Counsel, an Administrative Assistant Secretary, and a Director of the Office of Budget and Management.

PROPOSED IMMIGRATION AND NATURALIZATION LEGISLATION

Mr. WATKINS. Mr. President, a special message has been received from the President of the United States on the subject of immigration and naturalization legislation. That is a field of law which is of overwhelming importance to the United States, not only because of its effect upon our citizenry and the aliens resident among us, but also because of general world conditions causing thousands of persons abroad to clamor for admission to this country. Our position as a leader in world affairs demands that we make it known to all, here and abroad, that the United States still stands as a shining example of freedom, equality, and justice—those things that are unknown to, and not even hinted at by, the terror-stricken inhabitants of the countries now in the semidarkness caused by the Iron Curtain which enshrouds so much of the world.

We all have heard charges, Mr. President, that our immigration laws are unfair, discriminatory, and biased. Some of these claims are obviously overstated and exaggerated out of all proportion to reality. I do not believe that any Member of this body would wish to open wide our doors to accommodate the countless numbers of Asians and Europeans who would come to our shores. There is no principle of law or equity that says we must; nor is there any sound basis for the view that an alien who has once gained admission to our shores must be allowed to remain here regardless of conduct that calls for his expulsion.

Nevertheless, I believe that sincere and fair consideration should be given to the President's suggestions contained in his message. Only such changes as will be consistent with our national interests should be made; that being our paramount consideration. We should give serious attention to charges that have been made of unfairness to aliens. In doing this, we can consider such changes in the law which may be made in order to further the proper administration of the law.

I now introduce four bills which have been prepared to carry out the President's recommendations, and ask that they be referred to the appropriate committee.

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

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

S. 3167. A bill to authorize the admission to the United States of certain aliens, and for other purposes;

S. 3168. A bill to amend the Immigration and Nationality Act, and for other purposes;

S. 3169. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; and

S. 3170. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes.

Mr. WATKINS. Mr. President, I ask that the remainder of my statement in explanation of the four bills be printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR WATKINS

The first bill would revise the basic quota system. At the present time the annual quota is computed in accordance with a formula that was devised under the Immigration Act of 1924. At that time, the Census Bureau, pursuant to the mandate of Congress, made an analysis of the United States population, and proceeding upon the basis of certain assumptions, determined a method of allocation of quota numbers in accordance with the so-called national origin of the population. Now that the Immigration Act of 1956 has been in effect 3 years, I believe that with extended investigation and study the Congress of the United States can arrive at an immigration system which, in the light of recent events and the present international situation, is best for the United States. That long-range overall policy will take a much longer time to determine than the Congress will have at its disposal in the present session. In the meantime the administration's so-called interim bill would establish a partial deviation from the national origin system to meet in some measure present conditions.

The present total annual quota is 154,657. Under this bill, the annual quota will be 219,461, or an increase of 64,804. This is arrived at by taking one-seventh of 1 percent of the total United States population based upon the 1950 Federal census. The established existing quotas will be distributed as under the present law, except that the maximum allocation of subquotas for colonies would be increased from 100 to 200.

This bill would increase the quota of the minimum quota areas from the present 100 to 200. The increase in the annual quota less the amounts needed for the minimum quota area increment, and less 5,000 numbers, would be distributed among the several quota areas in proportions which would reflect the ratio of immigration between July 1, 1924, and July 1, 1955, into the United States from such areas to the total immigration from all countries in the world. I would have you observe that this system recognizes and gives weight to the deviations from the national origins system over the past 30 years resulting from immigration of nonquota immigrants, and the immigration permitted under the Displaced Persons Act and Refugee Relief Act outside the original quota system. It also adjusts some of the differences in the quota caused by the fact that some countries never exhaust their quotas—indeed fall far short—and others are greatly oversubscribed.

The 5,000 remaining numbers would be available for assignment, without regard to nationality or national origin, to aliens anywhere in the world if they are of the type whose services and skills are needed in the

United States. This is completely new in our law.

The administration's bill would also permit the use of unused quota numbers which are now lost. The time has come to recognize that some countries never exhaust their quotas while others have a constant demand. It is now proposed to assign unused quota numbers annually to four regions: Europe, Asia, Africa, and Oceania. This pool of quota numbers would be available only in the ensuing year. They can be distributed to aliens within those regions regardless of the particular country in the respective regions in which they were born. To serve the best interests of the United States, it is proposed that the only persons eligible to share in this pool will be the classes of aliens who are entitled to a preference status in the quota under the existing law by reason of their special skills, or because of their relationship to citizens or resident aliens.

It will be observed that, as a general proposition, computation and distribution of quotas would be made in the bill itself. I believe that is a legislative function to be performed by the Congress, and not to be delegated to some administrative officer or commission. The possibilities of pressures would be obvious.

The proposed legislation would eliminate the "mortgage" upon the quotas resulting from the Displaced Persons Act of 1948 and certain so-called sheepherder laws. Some countries in the world have their quotas mortgaged as much as 300 years in the future. When the Congress enacted the Refugee Relief Act in 1953 it did not require any such "mortgage." Consistent with that, this bill would eliminate the charge now existing upon the quotas resulting from the laws I have mentioned, making additional quota numbers available now and in the future.

The second bill I am introducing is one which both the legislative and executive branches of the Government I believe would want to see enacted. I refer to the overwhelming burden placed upon us by the private relief immigration bills. I will not bore you with statistics, but I know that my colleagues are well aware of the time-consuming operations required of the committees and this body as a whole to give consideration to such private bills. Most important, however, Mr. President, is the fact that press of other duties makes it impossible for this body to give the necessary consideration to every such bill which has been introduced. And what shall we say of the alien for whom a harried legislator has lacked the time to obtain the information that will justify him in his own mind of the necessity for introducing a bill of this nature

We must do away with this archaic, inefficient, and unfair system of adjusting the immigration status of aliens. I believe that is a matter which should be performed by a responsible officer in the executive branch of the Government, equipped with the necessary organization to give all such matters the necessary attention, thus granting to the Congress and the President additional time for the performance of their constitutional functions on a broad national scope. This bill would vest in the Attorney General discretionary power to admit to the United States, regardless of statutory grounds of excludability, a limited number of aliens who are United States soldiers or war veterans, close relatives of citizens, or religious functionaries. A recommendation from the State Department would guide the Attorney General, but under no circumstances could he grant admission to aliens whose presence here would be a danger to our national security or safety. Similarly, this bill would give the Attorney General discretionary power to withhold deportation proceedings against aliens in this country, and create the status of lawful admission for permanent residence, if they are in the same categories. An overall ceiling of 5,000 per annum is specified.

Such a system I regard as highly necessary if we are to avoid falling into the ever-widening morass of private immigration relief measures. Of course, this bill would not cut off the right of any Member of Congress to introduce such a bill. It would merely place us on notice, if a private bill is introduced, that no other real administrative relief is available or appropriate. Then, shall we be in a position to learn why, and to take such action as the circumstances require in the limited number of cases which may in the future arise.

The third bill I offer makes a number of changes in the existing Immigration and Nationality Act which are regarded as necessary for a proper administration of the law, to eliminate injustices, and to remedy unfortunate situations which have resulted from the application of the law in its present form. I shall not expound on these at length. The following is a brief summary:

Two technical and unnecessary grounds of exclusion of aliens would be eliminated. The Secretary of State and the Attorney General would be given discretionary power to waive fingerprinting of aliens seeking temporary admission to the United States, and the power to waive nonimmigrant visas in emergency cases would be enlarged. Inspection of aliens coming to the continental United States from Alaska and Hawaii would be eliminated. The Attorney General would be given clear and statutory authority to provide for an examining officer at exclusion hearings, and the authority to initiate deportation proceedings other than by a physical arrest of the alien in every case would be made clear. Passage of aliens would be permitted through the United States, from one foreign country to another, in the discretion of the Attorney General, without application to them of all the provisions of the immigration law, upon proper safeguards making certain of the departure of the alien. The Attorney General would be authorized to refrain from deporting certain displaced persons who, when they came to this country, made misstatements as to their identity and nationality in their visa applications to avoid forcible repatriation behind the Iron Curtain. An undue restriction on the adjustment of the immigration status of aliens in this country married to citizens would be eliminated.

All the law respecting naturalization of soldiers and veterans would be codified and revised by eliminating, among other things, the necessity for a lawful admission for permanent residence. Eligibility for naturalization as a veteran would be on a uniform basis regardless of the particular conflict in which the soldier served. Proper safeguards are retained against the naturalization of those who did not serve honorably, or who did not perform military duty in active service.

In respect to the deportation of narcotic-law violators, the law would be strengthened and clarified so that violators of law relating to illegal possession of drugs, and conspiracy to violate drug laws would be deportable beyond any question. Existing law would be revised by giving a status under the immigration laws to certain illegitimate and adopted children. A discriminatory provision affecting Asian spouses who seek to come to the United States under the quota of a non-Asian spouse would be eliminated.

The distribution of the quota would be revised by giving the fourth preference category a known percentage, 10 percent, of the total, in lieu of the unknown number of quotas permitted for this category under existing law. Spouses and children of skilled specialists would be admissible in the first preference group if following to join the specialist; spouses and children of the brothers and sisters, etc., named in the fourth preference category would be eligible for the same fourth preference. The Secretary of State would be given broader latitude in waiving nonimmigrant visa fees, and the language relating thereto would be clarified. The exclusion provisions relating to aliens convicted of petty offenses would be clarified.

Certain technical requirements as to crewmen would be eliminated, and visa applications generally would no longer require an alien to specify his race and ethnic classification. The expatriating provisions of the law respecting certain veterans and their close relatives would be greatly modified. The Attorney General would be authorized to extend the period of validity of reentry permits of close relatives of our soldiers stationed abroad, and an expeditious form of naturalization would be provided for adopted children of soldiers or other persons stationed abroad in their employ, all for the purpose of keeping families together.

These proposals, and others more fully set forth in this bill, I regard as worthy additions to our laws, since they would serve the interest, not only of aliens and their families, but of paramount importance, would benefit the United States because of their effect.

The fourth bill relates to the subject of judicial review of cases arising under the immigration laws. I have no doubt that my colleagues in this body are aware that the situation in this respect, on a national basis, gives all the appearances of a fantastic comedy. For many years it was the established rule that an alien could have review of a deportation order solely by the use of a writ of habeas corpus, which was available, of course, only when he had been taken into physical custody. Recent court decisions have made it possible for aliens to seek judicial review by additional court proceedings, such as declaratory judgment actions, applications for injunctive relief, and the like. And none of these, we have all noted, are exclusive, nor do they withdraw from the alien the previous existing avenue of judicial review under habeas corpus proceedings. The result has followed, unfortunately, in the cases of certain aliens deportable for the most heinous offenses, such as drug-law violations, racketeers and the like, that actual deportation can be delayed and prevented for years by repetitive court actions.

This, without in any way disparaging the judicial process, is an affront to our national sovereignty. Furthermore, the present procedures are time-consuming for the alien, technically difficult to pursue, and wholly unsatisfactory. A single form of judicial review should be provided in such cases which would make certain that aliens shall have a right to judicial review in a locality convenient to them, and this would be provided by this bill. It would also eliminate, to the greatest possible extent, frivolous applications to courts, without detriment to the alien's rights. The form of review provided by this bill would be speedy and effectual. Aliens seeking admission to the United States would be restricted to the use of habeas corpus proceedings in accordance with the traditionally expeditious method of adjudicating their claims of admissibility to the United States. Enactment of this measure would render the atmosphere more wholesome in this country by making certain that the judicial process shall not be available for use by unworthy aliens to defeat the proper application to them of the immigration laws.

I earnestly hope that these bills will receive prompt consideration by this body. The President of the United States has on several occasions indicated the need for revision of the immigration laws. The time has now come for action and I ask that we take this action at once. The gentlemen on the other side of the aisle have been in control of this Congress since it first met in January 1954. Nevertheless they have as yet not come forth with specific recommendations, by commit-

tee action, for definite changes in the law. I, for one, am of the view that this subject is so enmeshed in the heart and lifeblood of this country as to call for a setting aside of party politics and petty bickerings: Let us now all proceed in unison to seriously consider the matters so earnestly called for by our great President. Let us show the world that we are just and fair in our efforts to solve this difficult and perplexing problem of immigration. We stand ready now and always to extend a warm greeting to as many worthy aliens, who seek and deserve the precious boon of entering our country, residing in our midst, and joining our national community as may be consistent with our best interests as a nation.

PROPOSED INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT

Mr. WILEY. Mr. President, by request, it is my pleasure to introduce today, on behalf of the executive branch, a bill to known as the International Cultural Exchange and Trade Fair Participation Act.

Basically, its purpose is to make permanent what has heretofore been merely temporary and emergency authorizations to the President to help defray the expenses of American activities in sending cultural troupes, and in participating in sports festivals and competitions, as well as to participate in trade fairs throughout the world.

I believe our experience since President Eisenhower initiated this program in 1954, points indisputably to the tremendous value of the program in helping to cement understanding and friendship between our own people and peoples throughout the world.

I introduce, for appropriate reference, the text of the administration bill. I ask unanimous consent that there be printed at this point in the RECORD the letter sent by the distinguished Director of the United States Information Agency, Theodore Streibert, to the Vice President, forwarding this proposed legislation for action.

I know the Senate Foreign Relations Committee, under the able chairmanship of the senior Senator from Georgia [Mr. GEORGE], will give its early attention to this proposed legislation, and to a related proposal now pending before it.

I may say that right now, the 1957 fiscal year appropriations of USIA are under review by the House Appropriations Subcommittee. I earnestly hope that committee will take favorable action on the President's request for enlarged funds for this vital agency.

Passage of the bill which I am introducing will likewise be a great asset to us in the competitive coexistence struggle throughout the world. We must not provide "too lttle, too late," in this struggle.

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

The bill (S. 3172) to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals, introduced by Mr. WILEY (by request), was received, read twice by its title, and referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "International Cultural Exchange and Trade Fair Participation Act of 1956."

SEC. 2. The purpose of this act is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments and achievements of the people of the United States, and the contributions being made by the United States economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world; thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and other countries of the world.

SEC. 3. The President is authorized to provide for:

(a) Tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, representing any field of the arts, sports or any other form of cultural attainment.

(b) United States representation in artistic, dramatic, musical, sports and other cultural festivals, competitions, and like exhibitions abroad.

(c) United States participation in international trade and industrial fairs and other like public or private expositions and demonstrations in other countries.

(d) Publicity and promotion, including representation, abroad of activities of the type provided for herein.

SEC. 4. To the maximum extent feasible (1) private individuals, firms, associations, agencies, and other groups shall be encouraged to make contributions of funds, property or services (which shall be available to carry out this act) and otherwise to participate in carrying out this act and (2) funds appropriated hereunder shall be used to contribute toward meeting the expenses of activities carried out through normal private channels and by private means.

SEC. 5. There are hereby authorized to be appropriated, to be available until expended, such sums as may be necessary to carry out this act.

SEC. 6. In carrying out this act, the provisions of title VIII of the United States Information and Educational Exchange Act of 1948 may be utilized to the extent the President deems necessary.

SEC. 7. The President is authorized to provide for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and materials and equipment therefor, and the actual display thereof, including but not limited to costs of transportation, insurance, installation, safekeeping and storage, maintenance and operation, rental of space, and dismantling.

SEC. 8. Whenever the President determines it to be in furtherance of this act, the functions authorized hereunder may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds as he may specify.

SEC. 9. The President shall transmit to the Congress reports covering each 6 months of operations under this act.

JANUARY 23, 1956.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: At the request of the President, I have the honor to transmit to the Congress for its consideration a bill to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals. A copy of the bill, with sectional analysis, is enclosed.

This bill would be known as the International Cultural Exchange and Trade Fair Participation Act of 1956. Its basic purpose is the promotion of various types of projects overseas that will demonstrate in a dramatic and effective manner the excellence of our free institutions as reflected in our cultural achievements and products. A principal method of attaining this objective is to stimulate and encourage presentation abroad by private individuals, firms, and groups of the best the United States has to offer in cultural and industrial achievements. Such presentations are designed to refute Communist propaganda by demonstrating clearly the United States dedication to peace, human well-being, and cultural values.

This program was conceived by the President in 1954. Its inauguration was undertaken in the face of the urgent necessity of combating the growing Communist cultural offensive which has posed a great threat to our position throughout the world. The program has been carried out for the past 2 years under the authority of the President's "Emergency Fund for International Affairs" (Supplemental Appropriation Acts, 1955 and 1956), by the Departments of State and Commerce and the United States Information Agency. The President has designated me Coordinator of the program.

The program has facilitated presentations throughout the world by outstanding United States performing artists and athletes who have been enthusiastically received. It also has supported United States exhibits at important trade fairs and exhibitions in every geographic region, which, likewise, have attracted great interest. Because the program has proved successful and because of increasing Communist activity in similar programs, it has been decided to request the Congress to place the program on a permanent basis.

The program so authorized will continue to be the President's program, one to which he gives his interest and support. All authorities in the bill run to the President and it will be his decision as to the duties and responsibilities of the departments and agencies which will carry it out. In this way continued flexibility will be insured.

Funds available to this program will continue to be used in part to underwrite performing artists and athletes in their tours abroad to the extent that admission receipts are insufficient to cover the total costs involved. Such funds will also support United States participation in international cultural and sports festivals and competition. The funds will also help finance United States exhibits of varying types at international trade and industrial fairs abroad.

Because of the frequent necessity to split nonrecurring project costs between fiscal years, the likelihood that unforeseeable changes in program plans will necessarily result in project changes, and the necessity of long-lead time to arrange such projects, appropriations are requested to be available until expended to meet the needs of the program. In addition, the bill provides the President with necessary power to waive restrictive statutory provisions, similar to that available to him under the Mutual Security Act of 1954. In order that the Congress may be kept fully aware of the use of these powers and of the activities carried out, the bill provides for semiannual reports to the Congress.

The Bureau of the Budget advises that there is no objection to the presentation of this draft legislation to the Congress for its consideration and that its enactment would be in accord with the program of the President.

Sincerely yours,

THEODORE C. STREIBERT,
Director.

SECTIONAL ANALYSIS

Section 1: This section sets forth the title of the act, to be known as the International Cultural Exchange and Trade Fair Participation Act of 1956.

Section 2: This section sets forth the purpose of the act in appropriate language.

Section 3: This section authorizes the type of activities presently carried out through Presidential delegation by the Departments of State and Commerce and the United States Information Agency, under the President's Emergency Fund for International Affairs (Supplemental Appropriation Acts, 1955 and 1956, P. L. 663, 83d Cong. and P. L. 219, 84th Cong.) These activities include: (a) individual and group tours abroad by representatives of every field of cultural attainment; (b) participation in all types of artistic, dramatic, musical, and sports fairs, festivals, and competitions and the like abroad; (c) participation in international trade and industrial fairs and other like public and private expositions and demonstrations in other countries, by way of joint governmental-industry exhibits, international pavilions, and trade information centers; and (d) publicity and promotion, including representation, of activities of the type authorized by this section in order to achieve full, effective, and dramatic exploitation of the program.

Section 4: This section provides, as the principal means of carrying out the purpose of this act, the stimulation and encouragement of private participation abroad in these activities. Presidential funds appropriated under this act are looked upon as seed money to encourage United States exportation of its cultural and industrial attainments, and ordinarily will be used to pay only part of the expenses of privately sponsored activities. Contribution of funds, property, and services from private sources for the purposes of the act is to be encouraged to the largest possible extent. This section authorizes the receipt of such contributions and the expenditure thereof to carry out the act. Funds received may be merged with appropriations and expended in the usual manner.

Section 5: This section authorizes appropriations, to be available until expended.

Section 6: This section makes available to the President the administrative provisions of the United States Information and Educational Exchange Act of 1948, which include the making of contracts and grants, payment of travel expenses, etc. This is done in the interest of concise legislation.

Section 7: This section provides necessary additional expenditure authorities for carrying out this act. This language is necessary because certain rulings of the Comptroller General indicate that many of those types of expenses are only allowable where statutory authority exists.

Section 8: This section provides for Presidential waiver of restrictive statutory or regulatory provisions which might otherwise prevent the maximum utilization of these funds to achieve the desired effect. The great flexibility required of this program in order to meet rapid changes on the international scene necessitates that it be freed of many of the normal restrictions on Governmental contracting and expenditure. It is necessary that the President retain this waiver authority given him by the legislation authorizing the "President's Emergency Fund." This section is practically identical to that contained in section 533 of the Mutual Security Act of 1954.

Section 9: This section provides for semiannual reports to the Congress on all operations under this act.

INCORPORATION OF VETERANS OF WORLD WAR I

Mr. NEUBERGER. Mr. President, on behalf of my distinguished colleague the senior Senator from Oregon [Mr. MORSE] and myself, I introduce a bill to grant a Federal charter of incorporation to the Veterans of World War I of the United States of America. A companion bill, H. R. 4733, is already pending before the Judiciary Committee of the House of Representatives.

Mr. President, of the brave Americans who served our Nation in the First World War 38 years ago, 3,120,000 were living on October 31, 1955. Their average age was 61½ years. Since the years of their service, nearly 4 decades ago, much history has been made and other great wars have been fought. In the memory of many Americans alive today, the great World War means that which we fought between 1941 and 1945, and another generation is growing up whose veteran husbands and brothers are those who fought for freedom and security in Korea.

Twenty-three years separate the service of the veterans of World War I from the beginning of the Second World War. Yet, many Members of the Senate, who themselves served in this first great war of our century, will understand that, to the veterans of that war, it is a memory to be held and shared in common with their contemporaries. For that purpose, many of them have decided to form among themselves the special organization known as the Veterans of World War I of the United States of America. This organization now seeks a Federal charter of incorporation to help it to bring the memory and the interests of this generation of American veterans to the attention of the American people. Federal charters have in the past been granted to such other veterans' organizations as the Veterans of Foreign Wars, the Disabled American Veterans, the AMVets, the American Legion, and the Marine Corps League. No reason is apparent to me why an organization of the Veterans of World War I should not be entitled to equal rights and recognition from the Congress. Accordingly, Mr. President, I ask that this bill be referred to the appropriate committee for early consideration, and that the bill itself appear in the RECORD with my remarks.

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

The bill (S. 3174) to incorporate the Veterans of World War I of the United States of America, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the following persons: Emanuel Levy, Fort Wayne, Ind.; Harry J. Millen, Watertown, N. Y.; Reginald H. Murphy, Jr., Baltimore, Md.; Harry M. Rodman, Baltimore, Md.; Stillman G. Davis, Nashua, N. H.; Rev. George G. Shurtz, Newcomerstown, Ohio; Frank J. Weipert, Baltimore, Md.; Ancil Morton, Indianapolis, Ind.; Charles Thomas, Newark, N. J.; George J. Young, Buffalo, N. Y.; Fred Hollenbeck, Kent, N. Y.; Godfrey Weiss, Hamburg, N. Y.; LeRoy M. Bowers, Reading, Pa.; Emerson R. J. Follet, Dover, N. H.; Ray Countryman, Auburn, N. Y.; John A. Roche, Reading, Pa.; Martin F. Iverson, Washington, D. C.; Arch MacIntyre, Tampa, Fla.; Stanton L. Smiley, Gary, Ind.; Harry E. Johnson, St. Louis, Mo.; Al Novak, Seattle, Wash.; John C. Barker, Piggott, Ark.

R. F. Nichols, Metropolitan Station, Los Angeles, Calif.; Lewis Brake, Mount Vernon, Ill.; Earl Williams, Nashua, N. H.; Stuart W. Woodward, Auburn, N. Y.; Charles S. Pemburn, High Bridge, N. J.; A. W. Rauch, Cleveland, Ohio; Martin C. Day, Portland, Oreg.; Frank Taroney, Reading, Pa.; John F. Thompson, Dallas, Tex.; Bertron G. Stiltner, Kelso, Wash.; Dr. Harry E. Mort, St. Louis, Mo.; Albert L. Weber, Maple Heights, Ohio; Earl Bennett, Sr., Q. M., Kerrville, Tex.; Edward J. Hewitt, LaFayette, Ind.; William V. McCafferty, Los Angeles 23, Calif.; Charles W. Barish, New Albany, Ind.; Earlem R. Van Atta, Columbus, Ohio; Earl Soliday, Sandusky, Ohio; Samuel F. Brown, Dayton, Ohio; Victor Page, East St. Louis, Ill.; Bernard Stein, New York 19, N. Y.; William M. Lauton, Miami, Fla.; Robert Miller, Shreveport, La.; George S. Vander Poel, Camp White, Oreg.; A. E. Demerst, Wood, Wis.; Dwight Reidt, Igloo, S. Dak.; Leland Berger, Monterey Park, Calif.; Edward Disney, La Follette, Tenn.; J. E. Watson, Winslow, Ariz.; E. R. Bruce, Amarillo, Tex.; John V. Jeffryes, Hot Springs, S. Dak.; James Joyce, Chicago 19, Ill.; Phillip Oropallo, Auburn, N. Y.

William F. Schwab, Eggertsville, N. Y.; Dudley J. Bell, Duncan, Okla.; Charles A. Kretschmer, Grants Pass, Oreg.; Earl Beavin, Cloverport, Ky.; Gurney Gray, New Castle, Ind.; James R. Travers, Fort Wayne, Ind.; Richard Timke, Washington, N. J.; John K. Ellwood, New Philadelphia, Ohio; James Waldt, Eugene, Oreg.; Leo W. Hendricks, Granite City, Ill.; Walter L. Emmett, East Ann Arbor, Mich.; Lew Evans, La Grande, Oreg.; John Barker, Rector, Ark.; Emile Carrier, Nashua, N. H.; E. J. Kenney, Borger, Tex.; Adolph Schlender, Indianapolis, Ind.; Alfred Parker, Canastota, N. Y.; Robert D. Mills, St. Augustine, Fla.; Everett R. Bell, Quincy, Ill.; Christopher Carroll, Geneva, N. Y.; H. W. Craine, Plains, Mont.; Clyde C. Cruze, Louisville, Ky.; Bernard H. Kisting, Rockford, Ill.; Dart T. Lang, Mason, Mich.; Everett E. Larie, Springfield, Ohio; Thomas A. Wilkins, Piggott, Ark.;

C. E. Headley, Corning, Ark.; A. C. (Bert) Newgard, Portland, Oreg.; Walter E. Few, Doniphan, Mo.; Walter E. Green, Hacketts-town, N. J.; Albert Phillips, Evanston, Ind.; Arthur C. Young, Huntington, Ind.; Walter C. Siorszulski, Buffalo, N. Y.; F. Alfred Patton, Paoli, Pa.; Durwood S. Colclough, Kenwood Heights, N. Y.; George A. Cenna, Braddock, Pa.; Walter M. Wintin, Shelbyville, Ind.; Joseph S. Paulin, Cannelton, Ind.; Peter M. Lutz, Jersey City, N. J.; Frank Nelligan, Bath, N. Y.; Jesse C. Yoakum, Pendleton, Oreg.; Alfred H. Ohlsen, San Francisco, Calif.; Bruce Hinds, Davis, Ill.; William H. Kelly, Massillon, Ohio; Albert H. Early, Reading, Pa.; Robert J. Boyd, Oxford, N. Y.; Earl R. Ipson, Rolla, Kans.; John R. Gholson, McLeansboro, Ill.; C. O. Williams, Memphis, Tenn.; Herman Richtera, St. Louis, Mo.; Ray Miller, Baker, Oreg.; R. E. Evans, Smyrna Beach, Fla.; Fred H. Waite, Hutchinson, Kans.; J. W. Hinkle, Sherman, Tex.; Anacleto Cabading, Zamboanga City, P. I.; C. O. Wainwright, Burkett, Ind.; Roy O. Gamber, Westminister, Md.; Carl D. Hogue, Canton, Ohio; Stephen Kendall, Orting, Wash.;

Charles O. Hagseth, Spokane, Wash.; Ernest Geller, Paterson, N. J.; Fred W. Ring, Keene, N. H.; Gustave G. W. Laegeler, Newark, N. J.; Samuel J. Karsevar, Philadelphia, Pa.; Carmie L. Innes, North Bay, N. Y.; Armand P. Lanoix, Somersworth, N. H.; James Morley, Brooklyn, N. Y.; Robert E. Lee Murphy, Lexington, Ky.; John B. Smith, Bayonne, N. J.; Bruce W. Edwards, Dallas, Tex.; Charles Wells, Norco, Calif.; John W. Dunlap, Manchester, N. H.; Michael J. Oppelt, Jamaica, Long Island, N. Y.; Leonard Van Schaik, Preston, Md.; G. C. Purcell, Mount Vernon,

Ill.; Thomas E. Howe, Manchester, N. H.; Harold Coon, Fulton, N. Y.; James H. Cullen, Sr., Portmouth, N. H.; R. F. Nichols, Los Angeles, Calif; Leonard E. Jackson, Louisville, Ky.; Louis H. Fleischmann, Centralia, Ill.; Lee Henry Hass, Marmaduke, Ark.; Raymond S. McGuire, Houston, Tex.; Fred Mancrum, Caraway, Ark.; Charles Bunting, Munhall, Pa.; Frank W. Young, Salem, Oreg.; Robert A. Hoffman, Greencastle, Ind.; Albert Hoehn, Rome, N. Y.; Laurance I. Morelli, Albuquerque, N. Mex.; Ralph L. Becktel, Gary, Ind.;

Frank W. Schwartz, Oak Park, Ill.; Francis P. Hayes, Derry, N. H.; Matthew W. Diehl, Erie, Pa.; Julien L. Jenkins, Mountain Home, Tenn.; Arlie G. Skelton, Boonville, Ind.; C. W. Thomas, Tyler, Tex.; John Twardue, Stratham, N. H.; William J. Hayes, Lawrence, Mass.; William R. McGuin, Ligonier, Ind.; Julius Tubman, Cambridge, Md.; Howard F. Metcalfe, Seattle, Wash.; Harvey B. Stout, Noblesville, Ind.; William D. Chandler, Everett, Wash.; Robert J. Kidd, Mexico, N. Y.; Herbert Willis, Mountain View, Ark.; Joseph M. Gale, Walla Walla, Wash.; Clarence I. Webb, Key West, Fla.; Merton C. Preston, Napa County, Calif.; Jesse W. Wooley, Coos Bay, Oreg.; William O. Jones, Muncie, Ind.; Maurice A. Jones, Utica, N. Y.; Harry E. Griffith, Stamford, Conn.; Samuel Mulholland, Marysville, Wash.; Henry Shute, Syracuse, N. Y.; Robert R. Renner, Taft, Oreg; Marion J. Borigo, The Dalles, Oreg.; Blake L. Miller, Cave Junction, Oreg.; Frank X. Zielinski, Oregon City, Oreg.; Rile Eldridge, Santa Ana, Calif.; Raymond J. Murray, Pulaski, N. Y.; Raymond E. Morris, Connersville, Ind.; John P. Langley, Bloomington, Ind.; Robert C. Reno, Hagerstown, Md.

William J. Baer, Bend, Oreg.; Harry R. Buckles, Long Beach 7, Calif.; Frank H. Smith, Petersburg, Fla.; William A. Sullivan, Riverside, Calif.; Sylvester M. Miller, Yakima, Wash.; Archie Swan, Tacoma, Wash.; C. L. Dickinson, Vancouver, Wash.; Edward Krewson, St. James, Mo.; Frank R. Heise, Washington, D. C.; John J. Yates, Kenneth, Mo.; James A. Braunbeck, Williamsport, Pa.; Louis F. Heckman, House Springs, Mo.; George F. Smith, Lincoln, Nebr.; Sam H. Mauk, Los Angeles, Calif.; Harry Anderson, Nashville, Tenn.; Lloyd L. Coffelt, Wellington, Kans.; James S. Ross, Mena, Ark.; Herbert E. Pendleton, Deadwood, Oreg.; Boyd Rust, Apple Valley Calif.; William Edgar Hocken, Newport, Oreg.; Frederick Brakebush, Tualatin, Oreg.; O. K. Mitchell Santa Cruz Calif.; Ora Overholser, Bowie, Md.; Herbert Mosher, Springville, N. Y.; Cloye Williams, Alhambra, Calif.; William MacDowell, Norwich, N. Y.; U. V. Robinson, Onalaska, Wash.; Denton V. Opp, Aurora, Ind.; Noah A. Battles, Cabot, Ark.; and R. R. Hall, Oakville, Wash., and their associates and successors, are hereby created a body corporate to be known as the "Veterans of World War I of the United States of America."

SEC. 2. The persons named in the first section of this act are authorized, a majority concurring, to complete the organization of the corporation by the selection of officers and emloyees, the adoption of regulations and bylaws and the doing of such other acts as may be necessary for such purpose.

SEC. 3. Eligibility for full membership in the corporation, and the rights and privileges of members, shall be determined according to the constitution and bylaws, but shall be limited to persons who served honorably in the Armed Forces of the United States during the period beginning April 5, 1917, and ending July 2, 1921.

SEC. 4. The purposes of the corporation shall be patriotic, fraternal, historical, and educational, in the service and for the benefit of veterans of World War I; (a) to unite them with their comrades; (b) to provide assistance when needed and to protect their interests and the interests of their widows and dependents; (c) to venerate the memory of their honored dead; (d) to collect, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to World War I; (e) to support law and order and foster the spirit and practice of true Americanism; and (f) generally to do any and all lawful acts which may be necessary, useful, suitable, desirable, and proper for the furtherance, accomplishment, and attainment of any or all of the foregoing purposes.

SEC. 5. The corporation (a) shall have perpetual succession; (b) may charge and collect membership dues and receive contributions of money or property to be devoted to carrying out the purposes of the organization; (c) may sue or be sued; (d) may adopt a corporate seal and alter it at pleasure; (e) may adopt and alter a constitution and bylaws not inconsistent with the Constitution and laws of the United States or of any State; (f) may establish and maintain offices for the conduct of its business; (g) may appoint or elect officers and agents; (h) may choose a governing board to conduct the business and exercise the powers of the corporation; (i) may acquire, by purchase, devise, bequest, gift, or otherwise, and hold, encumber, convey, or otherwise dispose of such real and personal property as may be necessary or appropriate for its corporate purposes; and (j) generally may do any and all lawful acts necessary or appropriate to carry out the purposes for which the corporation is created.

SEC. 6. The corporation shall have the exclusive right to use the name "Veterans of World War I of the United States of America," and such emblems, badges, seals, and devices as the corporation may lawfully adopt and employ.

SEC. 7. The corporation shall, on or before the 1st day of December in each year, transmit to Congress a report of its proceedings and activities for the preceding calendar year, including the full and complete statement of its receipts and expenditures. Such reports shall not be printed as public documents.

SEC. 8. The right to alter, amend, or repeal this act at any time is hereby expressly reserved.

STUDY OF USE OF SEA WATER FOR IRRIGATION PURPOSES IN ARIZONA

Mr. GOLDWATER. Mr. President, the soil of the valleys of Arizona is among the richest in the world. All that is needed to turn this vast area of undeveloped land into productive acres is water. Arizona's farm history is wrapped up in the Reclamation Act, which enabled the rivers of central Arizona to be dammed, allowing the controlled water to flow out on to the soil and create an economy of the vast nature that agriculture has achieved in my State.

The rivers of central Arizona have been completely utilized. The waters of the Colorado, which is our only remaining surface source, are now the subject of a suit in the Supreme Court to determine whether California is right in her claims to that water or whether Arizona is. Assuming that Arizona wins this suit and that our rightful share of this great river eventually is used to irrigate some of the lands of our State, there will still be need for other sources.

It has long been the feeling of the junior Senator from Arizona that the day of potable and usable ocean water is close at hand, and that possibly before the distribution of the waters of the Colorado is realized, ocean water may be available for the irrigation purposes.

With this thought in mind, my colleague in the other House, the Representative from Arizona's first district, Mr. JOHN RHODES, has introduced a joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes.

It is my wish to introduce at this time an identical joint resolution and ask that it be properly referred. I ask unanimous consent that the joint resolution be printed at this point in my remarks.

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

The joint resolution (S. J. Res. 142) directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of State, with the cooperation and participation of the Secretary of the Interior, acting through the Bureau of Reclamation, is authorized and directed to conduct a study and investigation into the possibility of acquiring riparian rights or license from the Republic of Mexico for the purpose of permitting the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes, and to acquire a permit to locate the desalinization plant within the territorial limits of the Republic of Mexico.

SEC. 2. The Secretary of State and the Secretary of the Interior in carrying out the provisions of this joint resolution are authorized to procure the temporary or intermittent services of experts, consultants, or organizations thereof in accordance with the provisions of section 15 of the act of August 2, 1946 (60 Stat. 810). Such experts or consultants shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them while performing such services.

SEC. 3. Not later than 3 years after the effective date of this joint resolution, the Secretary of State and the Secretary of the Interior shall submit to Congress a complete report of the results of such study and investigation, together with such recommendations as they deem desirable.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the purposes of this joint resolution.

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

Mr. MAGNUSON submitted amendments, 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 were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO URGENT DEFICIENCY APPROPRIATION BILL, 1956

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely:

At the proper place in the bill, to insert the following:

"CHAPTER VI

"ARCHITECT OF THE CAPITOL

"Acquisition of site, construction and equipment, additional Senate Office Building

"Acquisition of site: In addition to the real property contained in square 725 in the District of Columbia heretofore acquired as a site for an additional office building for the United States Senate under the provisions of the Second Deficiency Appropriation Act, 1948, approved June 25, 1948 (62 Stat. 1028), the Architect of the Capitol, under the direction of the Senate Office Building Commission, is hereby authorized to acquire, on behalf of the United States, by purchase, condemnation, transfer, or otherwise, for purposes of extension of such site or for additions to the United States Capitol Grounds, all other publicly or privately owned real property (including alleys or parts of alleys and streets) contained in said square 725 and all publicly or privately owned real property (including alleys or parts of alleys and streets) contained in square 724 in the District of Columbia, and there is hereby appropriated for such purposes $4,500,000, which, together with the unexpended balance of the appropriation for Acquisition of Site contained in the Second Deficiency Appropriation Act, 1948, shall be available for such purposes until expended, and there are hereby authorized to be appropriated such additional sums as may be required for such purposes: *Provided*, That for the purposes of this chapter and of the aforesaid act of June 25, 1948, squares 725 and 724 shall be construed to extend to the outer face of the curbs of sidewalks surrounding such squares: *Provided further*, That any proceeding for condemnation brought under this chapter shall be conducted in accordance with the act entitled 'An act to provide for the acquisition of land in the District of Columbia for the use of the United States,' approved March 1, 1929 (16 D. C. Codes, secs. 619–644): *Provided further*, That notwithstanding any other provision of law, any real property owned by the United States and contained in squares 725 and 724 shall upon request of the Architect of the Capitol, made with the approval of the Senate Office Building Commission, be transferred to the jurisdiction and control of the Architect of the Capitol, and any alley, or part thereof, contained in such squares, shall be closed and vacated by the Commissioners of the District of Columbia in accordance with any request therefor made by the Architect of the Capitol with the approval of such Commission: *Provided further*, That upon acquisition of any real property pursuant to this chapter, the Architect of the Capitol, when directed by the Senate Office Building Commission to so act, is authorized, under the funds appropriated hereunder, to provide for the demolition and removal of any buildings or other structures on, or constituting a part of, such property and, pending demolition, to lease any or all of such property for such periods and under such terms and conditions as he may deem most advantageous to the United States and to provide for the maintenance and protection of such property: *Provided further*, That the jurisdiction of the Capitol Police shall extend over any real property acquired under this chapter: *Provided further*, That the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this chapter and to obligate the additional sums herein authorized prior to the actual appropriation thereof."

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 9063, making appropriations for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

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. MURRAY:

Address on issues facing the Nation, delivered by Senator MAGNUSON to legislative delegates of the CIO steelworkers, at Washington, D. C., on January 18, 1956.

NOTICE OF HEARING ON CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. DANIEL. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 15, 1956, at 10 a. m., in room 424, Senate Office Building, on the following nominations:

R. Dorsey Watkins, of Maryland, to be United States district judge for the district of Maryland.

Joseph P. Lieb, of Florida, to be United States district judge for the southern district of Florida.

And at 10:30 a. m., on the following nominations:

Ewing T. Kerr, of Wyoming, to be United States district judge for the district of Wyoming.

John M. Cashin, of New York, to be United States district judge for the southern district of New York.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from Indiana [Mr. JENNER] and myself, chairman.

JANE EDITH THOMAS

Mr. KILGORE. Mr. President, on January 17, 1956, the House sent to the Senate a message on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7588) for the relief of Jane Edith Thomas, and requesting a conference thereon. I ask that the Chair now lay that message before the Senate.

Mr. KNOWLAND. What is the bill to which the message relates?

Mr. KILGORE. It is a private immigration bill to which the Senate added certain amendments. The House has disagreed to the amendments, and has requested a conference. I wish to have conferees on the part of the Senate appointed.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7588) for the relief of Jane Edith Thomas, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KILGORE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. KILGORE, Mr. EASTLAND, and Mr. WATKINS conferees on the part of the Senate.

FORTY-SIXTH ANNIVERSARY OF THE BOY SCOUTS OF AMERICA

Mr. MARTIN of Pennsylvania. Mr. President, today is the 46th anniversary of the founding of the Boy Scouts of America.

There is no Member of this body, I am sure, who is not altogether familiar with the noble aims, great objectives, and enormous good work done by the Boy Scouts.

Special recognition is annually given to this grand boys' organization by the designation of Boy Scout Week, from February 6 to 12.

All of us have been personally active in the Boy Scouts, and have not only made an individual contribution to their record of success, but have gotten much personal benefit by being participants.

Today, therefore, is a most appropriate occasion to review briefly the growth of this movement, and to pay deserved tribute to its accomplishments.

It is especially significant to note that the Boy Scouts of America have launched a new 4-year program under a very appropriate title: "Onward for God and My Country." It is a program to strengthen the knowledge of our heritage and increase capacity to contribute to the welfare of our fellow men and our Republic.

Today, in 1956, the Boy Scouts of America number more than 4.1 million cubs, boy scouts, explorers, and adult leaders. This is the all-time highest membership peak ever reached.

During 1955, the organization recorded a gain of 401,119 members, an increase of more than 10 percent, the largest yearly gain in members since the beginning of Boy Scouts of America.

I should also like to call the attention of my colleagues to the fact that February 12 is Boy Scout Sunday, and to sug-

gest an active participation in the solemn services on that day. Boy Scout Sunday will be observed in churches of all faiths, with Jewish observance on Friday evening, February 10, and Saturday, February 11.

I know that I speak for all of my colleagues when I congratulate, today, the Boy Scouts of America on their inspiring record, their wonderful growth, and their inestimable contribution to our country.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, an editorial entitled "Happy Birthday, Boy Scouts" published in the Oil City Derrick of Monday, February 6, 1956, and an editorial from the Washington (Pa.) Observer entitled "God Is Important in New Scout Program."

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

[From the Oil City Derrick of February 6, 1956]

HAPPY BIRTHDAY, BOY SCOUTS

We salute the Boy Scouts of America on its 46th birthday, now being observed during Boy Scout Week, February 6 to 12.

Scouting is a program for all boys everywhere. It is successful in the widest rural areas and in the most congested cities. It possesses an inherent appeal for the healthy, vigorous, normal American youth and also offers fields of achievement for the handicapped.

It has often been said that a boy can always find something to do. However, it is when he finds something to do that does not measure up to reasonable standards that he may get into trouble. Scouting offers a steadying hand that often tips the scales away from delinquency.

Scouting now influences the lives of more than 3 million boys through its 3 program parts designed to meet the needs of different age levels. There are 1,430,000 Cub Scouts in 36,000 Cub packs; 1,160,000 Boy Scouts in 54,000 troops; and 440,000 Explorers in 14,000 Explorer units.

Many hands join in bringing Scouting to these 3,030,000 boys and young men. In addition to the 1,070,000 adult volunteers who provide the leadership for them, there are 68,000 sponsoring institutions that actually operate the 104,000 Scouting units. This roll of institutions sponsoring Scout units really represents democracy in action. They represent the religious, civic, educational and veterans organizations of the Nation.

Scouting gives youth opportunities to develop physical fitness, self-reliance, a sense of personal responsibility, a spirit of helping people, a willingness to share, an understanding of Government's democratic processes, and above all, it helps them to the realization and acceptance of God as the guiding power of the universe.

Truly, Scouting is a program worthy of the support of all Americans interested in youth.

[From the Washington (Pa.) Observer]

GOD IS IMPORTANT IN NEW SCOUT PROGRAM

Over 4 million Boy Scouts this week are observing the 46th anniversary of the beginning of their organization in America.

During the week the scout organization will launch a new 4-year program, "Onward for God and My Country." This program is designed to help prepare America's boys to live in today's world and to prepare them to carry their full share in the years ahead.

It is highly significant that such a program is to be built on a religious theme. It is important that the Scout movement has recognized the fact that a program designed to build the youth of America must include the recognition of God and the training of Boy Scouts in religion and the knowledge of God. For America's future, and the future of its citizens are inseparably bound up with their fidelity to or unfaithfulness to God. If they are faithful to God, most of us believe, the future of the Nation is secure. Infidelity, we fear, may destroy the freedoms we possess. Certainly no program which leaves out God will raise the moral tone of young manhood or create a spirit of citizenry which will make a better Nation.

Dr. Arthur A. Schuck, chief scout executive, feels that this program is launched at a time when it is evident that increased emphasis on our free way of life is important. For the safety and welfare of the United States, he holds, a patriotism of the highest type is essential, a patriotism built on a firm spiritual foundation.

"As Scouting now influences the lives of 3 million boys," he says, "we must help them to the realization and acceptance of God as the guiding power of the universe. We must interpret and find additional methods to help a Scout in his own religious life to fulfill his obligation to God as stated in the Scout Oath and Law."

The "Onward for God and My Country" program also seeks to give youth opportunities to develop physical fitness, self-reliance, a sense of personal responsibility, a spirit of helping people, a willingness to share, and an understanding of government democratic processes.

It is a program worthy of the support of all Americans interested in youth.

THE AL SARENA CASE

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, the national forests are the most valuable real estate belonging to the American people. They comprise vast areas, particularly in the Western States, of forested uplands, scenic meadows, watersheds where great rivers rise, and immense mountain ranges. Yet some of the essential and majestic portions of our national forests will be in danger if the procedure followed in the Al Sarena mining case becomes a precedent.

This is one of the most shocking cases to occur on our public domain in recent years. It amounts to a complete and reckless giveaway of valuable timberlands under the guise of so-called mining claims, in the Rogue River National Forest in the State of Oregon. In 1953, in the areas where the Al Sarena mining claims are located, there were over 300 sets of mining claims covering 50,000 acres and supporting a stand of mature and high-quality timber totaling 1,800,000,000 board-feet. What will be the result to the Pacific Northwest and to our country if the Interior Department follows the Al Sarena procedure on these 300 other claims? It could mean the disposal, virtually as a gift, of public timber valued at perhaps $20 million.

If the Al Sarena procedure is not followed, it will mean that this one Mobile, Ala., mining corporation has received favored treatment denied to all other mining claimants in the forests of Oregon and the rest of the Western States.

Three very significant facts stand out incontrovertibly in the Al Sarena case. They are these:

First. The Interior Department accepted as final a Mobile, Ala., assay and allowed that assay to overrule assays taken by its own Bureau of Land Management and by the United States Forest Service.

Second. Dr. Richard E. McArdle, Chief of the United States Forest Service, and an official of 32 years' experience in that agency, testified under oath that, in his entire career, the procedure in the Al Sarena case had never before been followed with either a large or small mining claim or operation on the National Forests.

Third. Since patent was granted to these so-called mining claims in January 1954, by the Interior Department, not one ounce of ore has been mined on the Al Sarena claims, but over 2 million board feet of valuable fir and pine timber have been cut commercially.

I am a conservationist. I became a candidate for the United States Senate because I thought that our vast heritage of valuable resources was in danger under this administration. The Al Sarena case symbolizes that danger. It symbolizes the imposition of a purely political judgment against the judgment of career officials in our great conservation agencies, such as the Forest Service and the Bureau of Land Management.

Secretary of the Interior McKay and Under Secretary Clarence A. Davis must accept responsibility for this case. Mr. Davis testified that he alone was responsible for Al Sarena, but the Secretary of the Interior cannot avoid being implicated in what occurred in the Secretary's office of his Department.

I have just learned from the acting chairman of the subcommittee, the distinguished junior Senator from North Carolina [Mr. SCOTT], that he has received a letter in which Secretary McKay accepts responsibility for the Al Sarena decision. Mr. McKay has done the manly thing; I commend him for it. I am glad he has not shirked his part. But, Mr. President, accepting responsibility for a deed does not in any way lessen the aspects of that deed. The act remains. And the deed in the Al Sarena case is contrary to the welfare and protection of the natural resources of the United States. Out of the Al Sarena case, only one of two conclusions can be drawn. Either the Al Sarena case establishes a precedent which could lead to the indiscriminate disposal of great and valuable tracts of timber in our national forests; or, if it is not to be a precedent, then the Al Sarena Co., of Mobile, has been the beneficiary of special and preferential treatment never accorded any other mining corporation or individual prospector.

Neither of these conclusions, Mr. President, does credit to the Interior Department's top-level officials who rendered the Al Sarena verdict.

FOREST SERVICE HAS DEFENDED OUR TIMBER RESOURCES

Let me repeat at this point what I said on the Senate floor on February 6, 1956. The Interior Department, and only

the Interior Department, among Government agencies is culpable in this case. The Department of Agriculture, in which is located the United States Forest Service, acted courageously and vigilantly in protesting the decision on these 15 Al Sarena mining claims; and for that protest both Secretary of Agriculture Ezra Taft Benson and Chief Forester McArdle deserve full credit and praise.

Minority members of the subcommittee investigating the Al Sarena case constantly tried to bring in the name of ex-Secretary of the Interior Oscar L. Chapman. What happened in this case is a credit to Mr. Chapman. During his tenure as Secretary, political pressure was applied to bring about granting of the Al Sarena patents, despite the fact that the Forest Service and the Bureau of Land Management claimed there was not sufficient mineralization to warrant granting the patent. Oscar Chapman resisted this pressure. He did not grant the patents. The pressure continued when Mr. McKay succeeded Oscar Chapman as Secretary of the Interior in January 1953. Less than 1 year after Mr. McKay's installation in office, the Al Sarena patents had been granted. The political pressure had succeeded. It succeeded with McKay, where it failed with Chapman.

The assays taken by the Forest Service and the Bureau of Land Management were tested at three different laboratories—at the Annes Engineering Laboratory, in Grants Pass; at the Abbott A. Hanks Laboratory, in San Francisco, Calif.; and at the United States Bureau of Mines Laboratory, in Albany, Oreg. All of these assays showed insufficient mineralization. Then the Interior Department arranged for a private assay in which the Al Sarena Co. would have a voice in determining the assaying agency. Al Sarena selected the Williams Inspection Co., in Mobile, Ala., with which Al Sarena had a longstanding relationship. This assay, Mr. President, was allowed to cancel the results shown at Grants Pass, at San Francisco, and at Albany.

ONE RULE FOR AL SARENA, ANOTHER FOR LITTLE PROSPECTORS

Mr. President, there are thousands of little prospectors scattered all over the national forests of Oregon and the rest of the West. Why, then, should they not be allowed to bring in private assays from their own personal assaying house, and let these overrule those of the Forest Service and the Bureau of Land Management? If this should be done, what will happen to our national forests? If this is not done, what will Mr. McKay and Mr. Davis say to prospectors who have been denied the special favors and preferred treatment which went to Al Sarena?

In his testimony before the subcommittee, Under Secretary Davis felt it necessary to indict the fairness and impartiality of a veteran mineral examiner with the Bureau of Land Management. This, of course, was after Mr. Davis had been pressured politically and had heard adverse comments against this mineral examiner from the owners of the Al Sarena Co. Mr. Davis testified that he never gave the examiner a hearing or an opportunity to present his side of the situation. Mr. President, what kind of governmental procedure is this? That mineral examiner is a respected career employee of Mr. Davis' own department. So far as I can determine, the general public and the mining industry in Oregon have complete confidence in him. His record is unblemished, to my knowledge.

Yet the second ranking official of the Interior Department told our committee of this examiner's obvious hostility when he had given that examiner no hearing. Is it not curious that the Under Secretary of the Interior deems it important to hear complaints against a trusted career official, but not to hear that official's defense of his integrity and his capacity for public service?

Or was Mr. Davis so anxious to part with these so-called mining claims that he did not desire to hear the mineral examiner's side. It is significant that, before he ever made a final determination in this case, Under Secretary Davis wrote a letter stating:

> I am aware of the peculiar nature of the area that they say is mineralized and I want to approve patent for them if the assays afford us the well-established legal basis therefor.

In other words, Mr. President, Mr. Davis did not want to judge the case on its merits. He wanted to grant a patent. In his testimony, Mr. Davis compared himself with a judge in an appellate court. He used this comparison frequently. What would the Senate Judiciary Committee think of an appellate judge who, prior to hearing a case, wrote a letter saying he wanted to reach a verdict on one particular side of the litigation before him? Would that appellate judge still be qualified to sit on the bench in that case?

The Portland Oregonian, a newspaper friendly to Secretary McKay, suggested editorially a few weeks ago:

> If there is still controversy, it can only be ended by taking new samples and getting new assays.

Alas, if only the conclusion of the Oregonian could be pursued to its logical goal. When the Interior Department granted the patent to the claims, that was final. Forest Rangers at Union Creek, in the Rogue River National Forest, testified before the subcommittee that they consider these 15 claims private land, even though they lie within the borders of the National Forest. And so, of course, they are. They are the lands of the Al Sarena Co., no longer of the United States Government. That is what the Interior Department decision means.

A new assay would not revoke the patents. On these lands, the Al Sarena Co. can do anything it wants. It does not even need to follow the sustained-yield cutting practices adhered to by the Forest Service. It can cut timber as it sees fit, and as it is doing. And, obviously, it is not operating a mine on these so-called mining claims.

Mr. President, I am concerned about the fair administration of natural resources. The chief of the United States Forest Service told the subcommittee that the value of the timber on the Al Sarena mining claims, as of 1954, was approximately $231,000. The company cut a substantial portion of that timber in 1954. This timber, growing on land which once belonged to the United States Government, was virtually a gift to the company. Is this even fair to legitimate operators of saw mills and logging camps and other phases of the lumber industry in Oregon, which is the Nation's leading lumber producing State? They have to pay for their timber. They engage in spirited competitive bidding for sustained-yield timber on Government land. Should they have to compete with a corporation which receives its timber for nothing, under the guise of so-called mining claims?

NO ONE MINING BUT PLENTY OF TREE MINING

Mr. President, the defenders of the Al Sarena deal cite constantly that the timber was of very little value back in 1935 when the Al Sarena Co. acquired some of these claims. That is true, Mr. President. But here, again, the defenders of the deal bring up information adverse to their cause. Without a patent, the company could operate a mine. But without a patent it could not harvest and sell the timber. The company did not apply for a patent until 1948, when the timber had a substantial value of at least $77,000. Unless it was to harvest timber, why did the company delay so long in seeking a patent? It is important to note that the company was evidently not interested in a patent to these claims until the timber growing on the claims had increased greatly in value.

Mr. President, I shall not discuss any further today this shameful episode in the history of our public domain. For the record, I want to restate once more three incontrovertible facts which cry out for a new administration in our Interior Department. These facts are:

First. A private assay in Mobile, Ala., was given credence over the assays conducted by the United States Forest Service and the Interior Department's own Bureau of Land Management, to say nothing of a Bureau of Mines laboratory test at Albany, Oreg.

Second. The Chief of the Forest Service and his subordinates testified that never, in their long experience, had they encountered such a procedure as that in the Al Sarena case.

Third. Since the patents were granted, there has been no mining of minerals, but there has been a commercial cut of over 2 million board-feet of timber in the Rogue River National Forest. That timber was virtually a gift to the company.

Mr. President, I ask unanimous consent to include with my remarks an article on the Al Sarena case, by Clark Mollenhoff, published in the Des Moines Register of January 22, 1956; a column from the Denver Post, by Roscoe Fleming, published in that newspaper on February 2, 1956; an editorial published in the Denver Post of January 31, 1956, and an analysis of the Al Sarena case, by Mr. John B. Oakes, conservation editor of the New York Times. These noted writers and editors indicate some of the same outrage and indignation which I have

tried to express here today over the shameful lack of scruples and lack of care shown by the Interior Department in its custody of valuable timberland belonging to the American public.

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

[From the Des Moines Register of January 22, 1956]

UNITED STATES TRANSFER OF 454 ACRES OF FOREST LAND TO SARENA NOW CENTER OF GIANT POLITICAL BATTLE

(By Clark Mollenhoff)

WASHINGTON, D. C.—The transfer of 454 acres of national forest land in Oregon to the Al Sarena Mining Co. has become the center of a giant political battle.

The case has resulted in a major effort by congressional Democrats to hand a "giveaway" tag on Interior Secretary Douglas McKay.

Republicans call it an attempt "to smear" the Eisenhower administration and McKay. They are trying hard to halt this investigation and to limit funds for others.

A dozen Republican Senators and Representatives have taken part in the hearings and have engaged in verbal assaults on the motives of Chairman W. KERR SCOTT, sphinx-faced Democratic Senator from North Carolina.

A joint subcommittee of the House Government Operations Subcommittee and the Senate Interior Committee is holding the hearing.

THE CASE

The Democrats contend the Interior Department sold Al Sarena 454 acres of timber land for $5 an acre. They said the natural timber is worth $231,000.

The patents for the land were approved by Under Secretary of Interior Clarence A. Davis, then Solicitor under McKay.

The owners of the Al Sarena Mining Co. are the McDonald family—Democrats from Mobile, Ala., Charles R. McDonald is president and Herbert P. McDonald, Jr., is secretary-treasurer.

The name Al Sarena is derived from parts of the names of three McDonald women—Alice, Sarah, and Rena.

STARTED IN 1948

In 1948 Al Sarena applied for 23 land patents in the Rogue River National Forest in southern Oregon. The Bureau of Land Management in the Interior Department notified the United States Forest Service in the Department of Agriculture of the claims.

Tests were conducted by the Bureau of Land Management and the Forest Service on ore samples from the 23 tracts.

When three assays had been run, the Forest Service recommended that the claims be not granted. It said the mineral content did not justify transferring this forest land to Al Sarena at $5 an acre, the statutory fee for transfers on mineral claims.

The Assistant Director of the Bureau of Land Management on April 27, 1951, affirmed the field decision to refuse the land patents.

TO CHAPMAN

On May 21, 1951, Al Sarena appealed to Secretary of Interior Oscar Chapman, a Democrat.

Chapman took no action. The McDonalds asked Representative FRANK BOYKIN, an Alabama Democrat, to urge the Department to give consideration to the claims.

At the same time, a prominent Democratic attorney in Denver, Colo., wrote the McDonalds and proposed that for a $2,000 fee he would try to get favorable action. If the claims were approved, he wanted $8,000 more.

The fact that Chapman did not act was lauded by Senator RICHARD NEUBERGER, Democrat, of Oregon, as showing that the Democratic administration had not been influenced by pressure to give away the Nation's timber.

Representative CLARE HOFFMAN, Republican, of Michigan, declared the Democratic administration apparently hadn't acted because Al Sarena had not produced the legal fee.

CHARGE INJUSTICE

HOFFMAN, Senator BARRY GOLDWATER, Republican, of Arizona, and Representative CHARLES R. JONAS, Republican, of North Carolina, charged Chapman was guilty of an injustice to Al Sarena in "sitting on" the appeal for 18 months without action.

When the Eisenhower administration took over in 1953, the Al Sarena group shifted their contact from Representative BOYKIN to a Republican from Oregon—Representative HARRIS ELLSWORTH.

The Department of Interior has a large file of letters that ELLSWORTH and his secretary, Hayden S. Garber, wrote to Clarence Davis, then Solicitor for the Department.

REOPENS CASE

On September 3, 1953, Davis ordered the Director of the Bureau of Mines to take new ore samples on the lands Al Sarena sought.

Davis said the samples must be sent to an assayer who was acceptable to Al Sarena, and asked that the reports on the assays be "sent to me promptly."

M. E. Volin, Spokane, Wash., Chief of the Mining Division of the Bureau of Mines, assigned the assaying job to R. N. Appling, Jr., a field man at Grants Pass, Oreg.

Appling was instructed to work with D. Ford McCormick, an engineer for Al Sarena.

Appling testified that he suggested three assaying firms in the West. However, Al Sarena chose the A. W. Williams firm of Mobile, Ala., with which the McDonalds had had many business dealings.

Chairman SCOTT introduced a letter from the General Services Administration saying that on three Government contracts there had been unsatisfactory performance by the Williams firm on tests for bauxite and chrome ore.

GOLDWATER and HOFFMAN produced a memorandum written by a Bureau of Mines Regional Director to Volin, saying the Williams firm "was okay."

The Williams assays indicated it might be possible to extract about $2 worth of gold from every ton of ore handled.

Democrats produced a mining engineer, George N. Holderer, who said union wages for handling the ore would be about $9 a ton, and that it could not be profitably operated unless the minerals were worth at least $20 a ton.

PHONES FOR REPORT

Davis phoned Appling on December 29, 1953, before Appling had written his report on the assays. Appling said he told Davis he thought the reports indicated exploration for minerals would be justified.

According to Appling, Davis told him to complete his report and to hurry it to Washington. He mailed it January 5, 1954, and it arrived in Washington January 8.

On January 6, 1954, Davis approved the 23 patents.

Richard W. McArdle, Chief of the United States Forest Service testified that it wasn't until after this date that his agency knew new samples of ore were being taken. Since the Forest Service is a party in these disputes, he said, it is normal procedure to allow that agency to interpose any objection.

CUTS TIMBER

In the 2 years since Al Sarena got the patents, it was estimated by a forest ranger that more than 2,220,000 board-feet of lumber has been cut. No mining has been done.

Democrats contend the mining claims were a subterfuge for getting Government timber at a low price, and that the Republican administration made undue efforts to help Al Sarena instead of protecting the Government's interests.

[From the Denver Post of February 2, 1956]

MINING-CLAIM CASE: AL'S NOT SARENA IN OREGON

(By Roscoe Fleming)

The betraying fact about the Dixon-Yates transaction in Tennessee, of which the administration is now trying to shake itself clear, was the stealthy, roundabout way in which everyone went about it. People do not hide behind Robin Hood's barn, to complete a straightforward business transaction.

The betraying fact about the so-called Al Sarena case in Oregon, aside from the nervous haste of everyone concerned, is that a patent was issued to a group of mining claims on an alleged showing of $2.06 value per ton, for gold and silver ore.

Try raising money along Seventeenth Street to dig an underground mine and put up a mill, on assays showing you've got $2.06 ore. You'd be laughed out of town; there's better ore than that, on some old mine-dumps, or some Colorado roads.

Yet, upon this basis the Interior Department permitted private exploitation of 300 acres of magnificent primal timber worth nearly $250,000, of which much has since been cut.

In 1948 the Al Sarena Mining Co., of Mobile, Ala., had asked patents under the mining law of 1872, now amended. This law requires proof that profitable mining may be conducted, before the land may be taken over into private ownership.

Tests showed values of only 87 cents a ton so the patent was not allowed. But when the present administration came in, the patent was hastily granted. Since then the company has "mined off" from $77,000 to $110,000 worth of timber, but allegedly has done little toward underground mining.

An assayer coming from the company's home town of Mobile, Ala., said the new tests showed values of $2.06 per ton. Clarence A. Davis, then Department solicitor, now an Assistant Secretary of Interior, issued the patent at once upon hearing of these results by telephone from Oregon. Mr. Davis has assumed "full responsibility" for the decision.

Democrats on the investigating committee claim this test was just monkey business to make a giveaway look good. Republicans, led by Representative HOFFMAN of Michigan, claim the whole hearing is nothing but an attempt to smear the administration.

The Chief of the Forest Service, Richard E. McCardle, testified that in 30 years of Government service, he never saw a case handled like this one.

But the crux goes back to those mineral samples. The then regional Chief of the Bureau of Mines in Spokane testified that Dr. Davis instructed him to take a set of samples and have them assayed by a company mutually satisfactory to himself and the Al Sarena Co. Hauling the Bureau into such a case is itself virtually without precedent.

He suggested two west-coast firms, but nobody would do Al Sarena save its Mobile assayer. The Bureau official checked on the Mobile firm, and agreed.

But General Services Administration has since told the committee that work done for it by the Mobile assayer had proven incorrect and inadequate. Check samples of Al Sarena ore, though taken by the Bureau, were later thrown into the Rogue River without test.

The committee's own mining expert, George E. Holderer, testified that the Al Sarena samples were some of the poorest he had ever seen, and that ore 10 times as rich

is needed to make a successful mining venture at this site, or $20 a ton.

Promptly Representative HOFFMAN claimed that Mr. Holderer is nothing but a Democrat, whereupon it was shown that Mr. Holderer is a holdover from Republican control of the committee, and was named to his job by Senator GEORGE W. MALONE, of Nevada.

This is a sad case, and a mysterious one, unless the Interior Department sought thereby to set a precedent to throw open the national forests to exploitation by anyone who could make a showing of $2 ore. In that event, millions of acres of the public domain are in danger, even under the amended law. "Who will watch the watchers?"

[From the Denver Post of January 31, 1956]

THE OREGON MINE CASE AND POLITICS

The Al Sarena mine case in the Rogue River National Forest of Oregon is being ballooned into cause célèbre by those who believe it illustrates the giveaway proclivities of the Eisenhower administration's Department of Interior.

We know something about that case, having studied it closely in connection with the campaign the Denver Post conducted to amend the obsolete mining laws under which the Rogue River incident unfolded. Whether the Department erred in permitting the claimant company to take patent on mining claims that held timber of some value is largely a matter of evidence. The law on the subject was as clear as it was defective in protecting the public interest.

The evidence involved only one consideration: Was there enough mineralization within the company's claims to justify the efforts of a prudent man in exploiting it? Normally that question is answered by inspections and assays undertaken by examiners of the United States Forest Service or the Bureau of Land Management. The decisions had not been easy ones to make under the mining laws then in effect. And the minerals examiners freely admitted it.

In the Al Sarena case the Department's Solicitor, Mr. Clarence Davis, set aside the findings of Forest Service and BLM examiners and enlisted the Bureau of Mines and others in a double check of previous assays. Mr. Davis said he asked for completely new samples as a double precaution against the wrongful conversion of public timber to private ownership. And he found that the second assays showed there was present a mineral deposit which might be profitably worked—leaving him no alternative but to grant the claimant a patent on the land.

Now it appears to us that an extraordinary effort was made by Mr. Davis, with the vigorous encouragement of a surprising number of the mining company's friends in and out of Congress, to grant the company patent to that land and ownership of that timber. Mr. Davis himself was obviously impressed by the fact that the company, which had filed its first claims in 1897 and its latest in 1936, had expended at least $150,000 in trying to extract minerals during that time.

The fact that the mining company had embarked upon the construction of 9 mining tunnels, the erection of a 100-ton-a-day mill and housing, and had done other work long before the timber on the claims had appreciated to its present values was emphasized by Mr. Davis.

The Forest Service estimated the value of timber on the claims at $77,000 (with a growing stock still standing). "It is hard to believe," Mr. Davis commented, "that people who filed mining claims in 1897 and who have spent, as they claim, $250,000, and as everyone concedes, at least $150,000 are mere 'timber grabbers' in the bad sense of that word."

So it seems obvious that the double precaution Mr. Davis referred to was not that of guarding against the conversion of public timber, but was taken as a means of permitting the Al Sarena Mine Co. to salvage something of value from an unprofitable enterprise. We doubt very much that under the mining laws then in effect, such action was the first of its kind—although there have been apparently few examples of such extensive mining investment upon such questionable quality and quantity of mineralization to justify it.

Whether Mr. Davis was a conscious party to a giveaway can hardly be proved. The terms and conditions applying to the granting of patents were so vague as to be endlessly debatable. But Mr. Davis' predecessors had supported the findings of fact and the evaluation of evidence by the Department's men in the field. And the reversal of that record, by such unusual if not questionable precaution, in context with the pressures which the Department felt after the Republicans assumed power, exposes them to the charge of giveaway whether it can be proved or not.

[From the New York Times]

CONSERVATION: AL SARENA

An alleged give-away of over $200,000 worth of timber on national forest land under cover of a mining operation has been the subject of a protracted congressional investigation in Washington. A most unusual and hasty—if entirely legal—procedure was apparently followed by officials of the Interior Department in granting patent of Oregon timberland to a mining company that enabled it to mine the land of timber instead of minerals.

The Al Sarena Co., with head offices in Mobile, Ala., had filed a mining claim in 1948 on lands in the Rogue River National Forest in Oregon. Under the law, mining operations must be adjudged commercially feasible for a patent to be granted on national forest land; but once a patent is granted—and not until then—the company has the legal right to remove and sell timber that happens to be growing on the claim. Tests in 1949 indicated that mineral content of the claims was virtually negligible; but in 1953 Al Sarena made the claim again. This time the test—which Al Sarena insisted be made by a Mobile, Ala., testing company—showed a higher probable rate of return, but still so low that one expert witness said of it at the hearings that "the economics are zero." Yet the patent was immediately granted. Since then (early 1954), the Al Sarena Co. has taken out some 2,600,000 board feet of valuable timber that in the absence of a patent would have belonged to the Federal Government; but it has done no mining on the disputed claims whatsoever. The procedure under which the patents had been granted was said, in testimony by the Chief of the Forest Service and at least one other official, to be unique in their experience.

TIMBER RIGHTS

Regardless of the politics involved in this investigation, the testimony appears to show that valuable timber rights on national forest land were granted under a law supposedly applicable only to mining operations.

What worries conservationists in this case is that sufficient care apparently was not taken at high levels in the Interior Department to guard against misuse of the law. A legislative reform in the mining laws was made last year; but it applied only to claims on mining lands, not to actual patents. It therefore would not have affected the Al Sarena case even if the latter had occurred subsequent to passage of the new law.

SCHOOL MILK PROGRAM AND BRUCELLOSIS ERADICATION PROGRAM

Mr. CLEMENTS. Mr. President, previously the majority leader has announced that a number of measures on the calendar would be scheduled for early consideration by the Senate. Without enumerating the half-dozen or more bills which it was suggested should be taken up at the earliest possible moment, I should like to invite attention to another which should be added to the list. I refer to Calendar No. 1488, House bill 8320, a bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis program for the fiscal year ending June 30, 1956. There is an urgency about the passage of this proposed legislation which prompts me to make this statement to the Senate.

This bill, with the committee amendments, would—

First. Extend the special school milk program 2 years to June 30, 1958, increase the amount authorized for it from $50 million annually to $60 million for the current fiscal year and $75 million for each of the next 2 fiscal years, and make certain nonprofit institutions devoted to the care of underprivileged children eligible for the benefits of the program;

Second. Extend the accelerated brucellosis program 2 years to June 30, 1958, and increase the amount authorized for it from $15 million annually to $17 million for the current fiscal year and $20 million for each of the next 2 fiscal years; and

Third. Extend the veterans and Armed Forces milk program 2 years to December 31, 1958.

Some of the areas are entirely out of funds, and there is real urgency for the passage of the bill at the earliest possible moment. If it should be possible to bring it up later in the day, I cannot conceive that any Member of this body who understood the circumstances would interpose any objection.

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

Mr. CLEMENTS. I yield.

Mr. KNOWLAND. I am glad that the acting majority leader has brought this subject to the attention of the Senate. I hope that, as soon as the unfinished business is disposed of, this important measure can be brought up for consideration. I understand that the bill was reported unanimously favorably from the Committee on Agriculture and Forestry.

Mr. CLEMENTS. That is correct.

Mr. KNOWLAND. I am sure it is a bill which all Members of the Senate will wish to expedite.

Mr. CLEMENTS. I may say to the distinguished minority leader that not only was the bill reported unanimously from the Committee on Agriculture and Forestry, but it was brought out at a time when the Committee on Agriculture and Forestry was considering the overall general farm bill.

NEED FOR HIGHWAY CONSTRUCTION TO REDUCE TRAFFIC DEATHS

Mr. KUCHEL. Mr. President, I took occasion on the floor of the Senate a number of days ago to point to the increasing urgency for Congress to come to grips with the problem of Federal highway legislation, and to consider the speedy enactment of legislation which fairly and practically would establish Federal responsibility for construction in the United States an interstate system of 40,000 miles of efficient and modern highways.

On that occasion I told the Senate that during the 12 months of 1955 there were more deaths resulting from highway accidents in America than resulted from the entire Korean war.

I have before me an Associated Press article which appeared in the Washington Star several days ago, which indicates that 1955 traffic deaths were placed at 38,300, which constitutes almost a record.

Today the automobile has become a veritable weapon of destruction, particularly when it is driven on poor highways and broken down roads.

Because I think this article bears on the necessity for the Congress and the Federal Government to assume responsibility for constructing highways which would tend to reduce, if not to eliminate, such accidents as are described in the article, I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

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

1955 TRAFFIC DEATHS PLACED AT 38,300—NEARLY A RECORD

CHICAGO, February 2.—Traffic accidents killed 38,300 Americans in 1955—one of the heaviest tolls in history.

The motor vehicle held its perilous place as the No. 1 killer in accidents.

The National Safety Council today reported that last year:

Accidents of all types brought death to 92,000 persons, injured 9.2 million, and resulted in $10.3 billion in financial setbacks—such as equipment and property damage, lost wages, and medical expenses.

Traffic accidents alone cost 38,300 lives, approximately 1,350,000 nonfatal injuries, and $4.7 billion in terms of cash.

Last year's motor vehicle death total tied with the 1953 toll for the third highest on record. It was 1,669 under the all-time high of 39,969, reached in 1941, and approached closer to the 39,643 registered in 1937, the runner-up year.

The safety council said 35 States had higher traffic death tolls, and the total was lower in 13 others.

States showing reductions included Maryland, with a decline of 1 percent.

Cities reporting a decline included Alexandria, Va., with a drop of 0.3 deaths per 10,000 registered vehicles.

CODE OF FAIR PROCEDURE NECESSARY FOR SENATE COMMITTEES

Mr. KUCHEL. Mr. President, while I am thoroughly aware that one Congress cannot bind another, I wish to call to the attention of the Senate a solemn promise made the American people and to attempt to inspire action to carry out that promise.

On various occasions during the 83d Congress, discussion occurred on this floor and elsewhere with respect to the crying need for revision of the rules under which the committees of this body operate. There was a demand for so-called reform of our procedures. A variety of proposals was put forward for adoption of a code of ethics and some congressional equivalent of the Marquis of Queensbury rules.

To my great distress, the responsibility for remedying deplorable and intolerable conditions has been ducked on a number of occasions during the more than 3 years I have had the honor of sitting in this body. I recall with regret that time after time in 1954 on calls of the calendar mild proposals to improve the standing rules governing our committees were passed over without a word of discussion. I also recall, Mr. President, that definite and apparently earnest pledges were made that at some future date we would come to grips with this problem.

As my service here has lengthened, I have become steadily more convinced of the need for revising our rules—for reforming, if you will, our procedures. I feel even more strongly on this subject than I did on one occasion nearly 2 years ago when I used the word "shocking" in describing the proceedings of a Senate committee which listened to accusations which I termed "unsubstantiated," "unverified," and "damaging." My conviction has grown that we need even more desperately the "abundance of changes" to which I referred on this floor on another occasion late in 1954.

There have been incidents and instances in the current session of the 84th Congress, Mr. President, when the degrading laxness of Senate rules has caused me to recoil at the manner in which we sometimes trample on individuals unable to defend themselves, acquiesce in smears and character assassination, receive the most indefensible type of hearsay testimony, or autocratically disregard all recognized standards of ethics and decent conduct.

In the hope that attention would be paid this problem of committee procedure, I was happy at the opening of the 84th Congress to join with my colleague from Connecticut [Mr. BUSH] in presenting a resolution which we felt would be at least a step in the right direction, a positive move toward reform, a productive effort to uphold the cherished reputation of the United States Senate. That proposal, Senate Resolution 22, has not, so far as I can ascertain, received the slightest attention from the committee to which it was referred. Nor, I fear, have similar resolutions aimed at achieving a similar objective.

Consequently, Mr. President, I now am trying to focus attention once again on this problem and make earnest efforts which will enable the Senate to look forward to eventual adjournment with a feeling that it has lived up to its commitments. We do not want to conclude this session as welshers and faithbreakers.

In the hope that my colleagues will concern themselves with this pressing matter, I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of the letter which I recently sent the chairman of the Committee on Rules and Administration.

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

Hon. THEODORE F. GREEN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GREEN: I write to you because of a deepening conviction that the Senate cannot justify its failure to correct conditions which result in disregard for the rights of, and injury to, American citizens, jeopardize the dignity and prestige of the United States Senate, and do serious violence to traditional constitutional and democratic principles.

Since I became a Member of the Senate, I have felt there is imperative need for the establishment of rules of procedure governing Senate committees. From time to time I have expressed myself publicly on this point, as, indeed, have many of our colleagues. Virtually each week that passes gives me new cause to deplore the absence of appropriate regulations for committee procedure and to deplore, also, the abuses which inevitably result.

At the opening of the 84th Congress, I joined with our colleague from Connecticut, Senator BUSH, in Senate Resolution 22, which would amend the Standing Rules of the Senate by prescribing procedure for standing, select, and special committees in the conduct of their business. Various similar resolutions for the same purpose were introduced in both the 83d and 84th Congresses by different Members.

Regrettably, all of these proposals to remedy an intolerable and undemocratic situation appear to have languished in the archives of the Senate Committee on Rules and Administration.

This is very disturbing, especially since on various occasions in the 83d Congress, apparently positive assurance was given by Senators in positions of responsibility that serious attention would be paid in the future to writing and adopting rules which would be at least a step in the direction of desperately needed reform. I am sure you will recall several instances when statements were made on the Senate floor about the very real need for adopting rules insuring fair treatment of witnesses and providing orderly functioning of committees.

The resolution which Senator BUSH and I introduced would not, by any means, answer all of the complaints and criticisms heard in the past—and still being uttered—about incidents of abuse of authority, unwarranted attacks upon individuals, disregard of generally recognized rights, and undemocratic procedure. Adoption of Senate Resolution 22 would be a constructive move that could not help but safeguard the reputation of the United States Senate and strengthen respect for the legislative process.

I am aware there are wide differences of opinion about the scope and nature of revised rules of procedure. At the same time, I cannot agree that because the subject of Senate reforms is controversial we should delay further facing up squarely to the responsibility of action.

The present session of the 84th Congress already is well advanced. In a short time, there will be a considerable volume of measures sent to the floor for debate and disposition. Presumably, a substantial amount of

time will be needed to agree on revision of the Senate rules. As time runs along, prospects for taking up such an important matter are bound to become poorer.

Inasmuch as I feel it will be a cause for shame for the 84th Congress to end without attempting to improve this situation, I sincerely request you as chairman of the Committee on Rules and Administration to schedule Senate Resolution 22 for early consideration in the hope that action at this session may be possible.

With best wishes, I am

Sincerely,

THOMAS H. KUCHEL,
United States Senator.

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

Mr. KUCHEL. I yield.

Mr. CAPEHART. When I was chairman of the Senate Committee on Banking and Currency the committee adopted, almost verbatim, the rules of which the Senator from California speaks; and they were used 100 percent during the hearing and inquiry relating to the Federal Housing Administration.

Furthermore, as chairman of the committee, I made the statement at every hearing the committee held that any person whose name was brought in directly or indirectly, inadvertently or purposely, and who felt that he had been harmed or injured in any way, would be immediately given an opportunity to be heard.

The committee adopted almost verbatim the resolution about which the Senator from California was speaking. It worked very satisfactorily during our FHA investigations. We had no trouble whatever with it. Witnesses and everyone else seemed to like the procedure. We gave everyone an equal opportunity to be heard and to answer anything derogatory to himself.

Mr. KUCHEL. Mr. President, I think the congratulations are in order for our able colleague from Indiana. Once again we are reminded that what, apparently, has been done with respect to his committee ought to be the general rule in the Senate for all of our committees.

On numerous occasions during several committee hearings this year and in prior years I have noted the tragic lack of any kind of rules of fair procedure with respect to the examination of witnesses. I congratulate the Senator from Indiana, and I know he will join with some of us in urging prompt consideration of the resolution by the Committee on Rules and Administration.

Mr. CAPEHART. The coauthor of the resolution is the able Senator from Connecticut [Mr. BUSH]. He is a member of the Committee on Banking and Currency and participated in the hearings to which I have referred.

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

Mr. CAPEHART. I yield.

Mr. BUSH. I should like to observe that I endorse everything the Senator from Indiana has said about the way the hearings were conducted when the Committee on Banking and Currency was looking into the housing scandals in 1954. It was an exemplary operation from start to finish. Although there arose a great many difficult situations, when many witnesses were in very tight spots, at all times the chairman showed the utmost consideration of witnesses and adhered strictly to the rules which were, as he said, adopted from the resolution to which the Senator from California has referred.

If the Senator from California will permit me to do so, I should like also to commend him for reviving the matter and reminding the Senate of its continuing responsibility in connection with its rules, particularly as they apply to investigations.

As the Senator has said, some committees adopt such rules for their own operations, and some committees do not. What the Senator has in mind, and what we had in mind when we prepared the resolution 2 years ago, was that it would be an obligation which should be undertaken by the Senate to revise its rules, so that all committees would be governed by them.

Again I say the Senate should be grateful to the Senator from California for reviving the matter.

Mr. CAPEHART. I wish also to say that the Committee on Banking and Currency at the present time is operating under the rules which were adopted last year and that all hearings before the Committee on Banking and Currency are conducted on the basis and within the framework of the resolution to which the able Senator from California has referred.

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

Mr. CAPEHART. I yield.

Mr. LANGER. For my own information, could the distinguished Senator from Indiana tell us how many persons went to jail as a result of the investigation into the housing scandal?

Mr. CAPEHART. Quite a number went to jail, but I do not know the exact number. Within the past 6 weeks a man in Evansville, Ind., went to jail. I cannot tell the exact number.

Mr. LANGER. Did the Government recover any money as a result of the investigation?

Mr. CAPEHART. Yes, it did; but I cannot give the Senator the exact amount of money which was recovered.

SALE OF GOVERNMENT-OWNED SYNTHETIC RUBBER PLANT AT INSTITUTE, W. VA.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1486, Senate Resolution 197.

The ACTING PRESIDENT pro tempore. The Secretary will state the resolution for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 197) as follows:

Resolved, That the Senate does not favor sale of the Government-owned synthetic rubber plant at Institute, W. Va., known as Plancor No. 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

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

Mr. CLEMENTS. Is this a privileged matter?

Mr. FULBRIGHT. It is a privileged matter.

The ACTING PRESIDENT pro tempore. It is a privileged matter. Is there objection?

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

Mr. FULBRIGHT. Mr. President, the Senate Banking and Currency Committee voted 9 to 6 to report adversely Senate resolution 197, which I introduced. This resolution provided for disapproval of the sale of the Institute, W. Va., synthetic rubber plant to the Goodrich-Gulf Corp. I should like to point out, however, that six members of the committee, including myself, voted in favor of the resolution and against the sale.

I want to make it clear at the outset that those of us opposing the sale of the Institute plant to Goodrich-Gulf, nevertheless favor private ownership and operation of all synthetic rubber facilities. We especially want this for the Institute plant because it is located in an area of heavy unemployment, and operation of the plant would provide jobs as well as additional synthetic rubber for the consuming public. If this resolution is approved I shall introduce a bill to permit the Rubber Producing Facilities Disposal Commission to receive new bids on this plant and we are confident that new bids will again be forthcoming.

DISPOSAL COMMISSION SALES PERMIT FOUR BIG COMPANIES TO ATTAIN CONTROL OF TWO-THIRDS OF ENTIRE SYNTHETIC RUBBER INDUSTRY AT BARGAIN PRICES

While we want the operation of the Institute facility, we do not believe that it is necessary to stifle competition any further in the synthetic rubber industry. If we permit the sale of that plant to Goodrich-Gulf, the four largest rubber companies will control two-thirds of the entire synthetic rubber industry. Such concentration, in itself, is not in the best interests of our competitive system, and certainly the Government should not foster it. All our antitrust laws are designed to prevent this type of situation, and it would be a grave mistake for us to pursue a policy contrary to the intent of these antitrust laws.

Bad though such concentration is, it is even worse when we consider the ridiculously low prices which the synthetic rubber companies paid to achieve it. The synthetic rubber plants which were sold last year returned an average of $66 million a year for the 5 years before their sale. The receipts from these operations alone would exceed the total sales price of $275 million in 4 or 5 years. I can see no excuse for such bargains to the big rubber and oil companies.

I admit that we cannot turn back the clock and correct the mistakes which were made last year, when several of us opposed those sales when they were before the Senate for consideration. But we certainly do intend to object to continuing along the same policy lines promoting a further concentration of control over the synthetic rubber industry by four rubber companies.

PROPOSED SALE OF INSTITUTE PLANT WOULD TIGHTEN BIG-COMPANY CONTROL OF SYNTHETIC RUBBER INDUSTRY

We have studied the proposed sale of the Institute plant very carefully, and

last Wednesday and Thursday, the committee held extensive hearings. We heard the West Virginia Senators, Representatives, Governor, and received the testimony of many organizations from that State. We heard also from the Disposal Commission, the Department of Justice, the Federal Trade Commission, and Goodrich-Gulf Chemicals, Inc.

After reviewing the extensive testimony, 6 members came to the conclusion that the sale of the Institute plant to Goodrich-Gulf would not best serve the public interest, that it would not, in the words of the 1953 Disposal Act, "best foster the development of a free competitive synthetic rubber industry."

Under a new offer of sale, as would be provided for in the bill I am prepared to introduce, the plant could be disposed of in a way which would increase competition in the industry, instead of further enhancing the already substantial position of Goodrich-Gulf.

Our bill would be similar to Public Law 336, under which the Institute plant was offered for sale last summer, except that the periods for submitting bids and negotiations would be reduced to 30 and 45 days, so that the sale could be considered by Congress and become effective this summer. If enacted by February 15, the period for congressional review would expire June 9, or earlier.

We agree with the Attorney General that sale of the Institute plant to Goodrich-Gulf "would not best foster the development of a free competitive synthetic rubber industry, since such disposal would add significantly to the substantial position presently held by these companies."

He was also speaking of Goodyear Synthetic Rubber Corp., "In the field of synthetic rubber."

The Attorney General pointed out that there were other bidders who were in this position and said that sale of the plant "to firms not presently engaged in synthetic rubber production would not only broaden the base of competition but also afford greater assurance to small business."

The Chairman of the Federal Trade Commission, Judge Gwynne, a former member of the House Judiciary Committee, agreed with this position. He went on to say:

> I think competition would be better served in the long run if a sale—assuming now that the fair value is not a troublesome matter—if a sale would be made to some independent group who are not already competitors. You would in effect add another competitor. It is always good for competition.
>
> And in addition, Senator, if I might add, you prevent increasing the power of a company which is already a substantial company in the business.

I think the Commission should have accepted the Attorney General's advice in this sale, and should have told Goodrich-Gulf, as Goodyear was told in the Baytown sale, that sale to one of the bidders not already in the industry would have best assured competition. Unfortunately, the Commission decided not to follow the Attorney General's advice. Instead, they announced to the bidders that they would not sell for less than Goodrich-Gulf's bid of $9,500,000, at that time the high bid, and then awarded the contract to Goodrich-Gulf at its final bid of $11 million.

DISPOSAL COMMISSION OVERLOOKS LAW REQUIRING COMPETITION

In taking this course, the Commission relied on the statutory test of "full fair value," apparently overlooking the text of the statute, which says that "full fair value will be received taking into consideration the policy set forth in section 2 of this act." Section 2 calls for the development of a free competitive synthetic rubber industry.

The Commission was very reluctant to talk about what they thought was the full fair value of the plant. The Commission did not say, either in the report or in the hearing, what they thought the plant's value was, though they discussed at length the extensive engineering reports and other information they developed on the subject. The most the Commission would say was that $11 million represents full fair value, and that the next highest bid of $5,800,000 was not full fair value. But the only reason why $5,800,000 was not full fair value, apparently, was because there was a higher bid. Certainly, the conclusion that $5,800,000 was not full fair value was not based on the remarks made by the Commission about the plant on page 21 of its 1955 report on the general disposal program:

> The Commission did not receive a bid for the plant at Institute, W. Va., nor was it able to interest any bidder in this facility during negotiations, despite continuous efforts to do so. The principal drawbacks * * * are that it has no equipment to make cold rubber, and it has no adjoining facilities for the manufacture of butadiene. Industry engineers have also cited its crowded compactness on relatively small areas as an explosion hazard.
>
> Industry also regards the plant as a high-cost producer and unable to compete with other plants more favorably located. The Government has been aware of these facts, as evidenced by the fact that the plant has been in standby since September 16, 1953.

In addition, the Commission stated in the same report that "it cannot foresee any time or circumstance in the future when the plants will be worth more." Many of us at that time thought the Commission was wrong. We thought that better prices would be received if the original disposal program should be rejected and new bids requested. We recognized an improvement in business conditions over the 1954 recession, and we also thought that more competition in the bidding would improve the prices.

We were delighted to be proved correct when the Baytown plant was sold later in 1955. Even after Goodyear was invited to leave the bidding on that plant, spirited competition between the eight remaining bidders resulted in selling the plant at the highest per-ton price to a new competitor in the industry.

The Commission, finding it had been wrong when it had said that it could not foresee any time or circumstance when the plants would be worth more than the prices negotiated in the 1954 recession, now, in the case of the Institute installation, rushed to the other extreme. Price became all-important. Goodrich-Gulf and Goodyear must not be ruled out, even though the Attorney General recommended it. Instead, any bid below $9,500,000 must be ruled out regardless of the new competition which might be provided, and this for a plant which could not be given away a year before.

SALE OF PLANT TO GOODRICH-GULF STIFLES COMPETITION

In view of the lack of bids for the Institute plant under the original program, it is interesting that Goodrich-Gulf should suddenly bid $11 million, nearly twice as much as the next highest bid of $5,800,000. Some feel that we are indeed fortunate to get such a generous bid. But this is one gift horse we ought to look in the mouth. Why this eagerness to have a plant it would not touch a year before?

The President of Goodrich-Gulf explained that they wanted to expand production, which they were planning to do at their plant at Port Neches, Tex. They found, for roughly the same price, they could take over the Institute plant, instead. This course has other advantages for Goodrich-Gulf, however. They can kill three birds with one stone. By taking over Institute they first, keep out a new competitor; second, keep out competing production of synthetic rubber; and, third, take care of their desire to expand.

This all seems very plausible to Goodrich-Gulf, but restricting competition and production in this manner is downright harmful to competition.

I think that the Attorney General's original advice should have been followed. Perhaps a smaller price would have been realized, though I think it is arguable that, if the giants in the industry had been promptly ruled out as they were in the Baytown case, the other bidders might have done as well as they did in that case.

But even if a lower figure had been realized, I think the benefits to free competition are more important. The requirement that full fair value must be obtained, taking into consideration the policy to establish a free competitive industry, does not mean that no bid lower than the highest can be taken. It simply means that the plants must not be given away.

And remember, the gains on the sales do not end the matter. The concentration of power created by the first sales has created such a dangerous situation that the Antitrust Division has had to ask for more appropriations to supervise the Frankenstein we have created. These extra appropriations, some $963,000 a year, must be weighed against the proceeds of the sale.

ATTORNEY GENERAL EVADES RESPONSIBILITY

Once the Commission had ruled out all the bids but the one from Goodrich-Gulf, the Attorney General was placed on the spot. He said the sale creates problems of economic concentration; he said that if this were a private transaction he would go to court under section 7 of the Clayton Act; he pointed out that he had advised the Commission that

Goodrich-Gulf and Goodyear should be ruled out and the sale should be made to a newcomer in order to broaden the base of competition and provide greater assurance to small business. But the Attorney General, even after his advice had been rejected by the Commission, would not take the responsibility of saying no. Instead, in a masterful exhibition of tergiversation, he reached the following conclusion:

> In order, however, to permit the Congress to have the final determination, as the law anticipates, I set forth the considerations hereinabove mentioned, and am willing to, and do, express the opinion that the proposed disposal of the institute plant to Goodrich-Gulf would not violate section 7 of the Clayton Act.

Let us examine this paragraph for a moment. The Attorney General is glad to point out that the law anticipates that Congress will have the final determination. Nothing is said about the fact that the law anticipates that Congress will have the benefit of clearcut advice from the Attorney General. Instead of clearcut advice, Congress gets lengthy arguments against the sale. Finally, assuming that the Attorney General is skilled in the law and chooses his words carefully when writing a formal opinion required by statute, I must take exception to the words—I "am willing to, and do, express the opinion." Even with all the preliminary hedging, the Attorney General will only express an opinion; he will not state that this is his opinion.

The Attorney General is clearly unwilling to assume any responsibility in this matter. Whatever happens, whether for good or for ill, he can say, "I told you so."

Together the Attorney General and the Disposal Commission have put the Congress on the spot.

CONGRESS SHOULD NOT HELP TO INCREASE CONCENTRATION OF CONTROL IN SYNTHETIC RUBBER INDUSTRY

If we approve the sale, we approve a transaction which the Attorney General and the Chairman of the Federal Trade Commission say will not best foster the development of a free competitive synthetic-rubber industry and will create problems of economic concentration. I am sure none of us is enthusiastic about this.

If we reject the sale, we delay by several months the date when the plant can be put into operation, producing needed synthetic rubber and providing needed jobs. I recognize that there are disadvantages to this also.

I think we should look at this matter in perspective. Our competitive free enterprise system is a fundamental part of our national life. Approval of this sale would make worse a lasting threat to this system. Disapproval of this sale, and sale to a new competitor in the industry, would strengthen and increase competition in the industry over the coming years and decades. These lasting effects of the action we take today, in my judgment far outweigh the delay of perhaps 3 or 4 months which would result from the course of action I propose.

On mature reflection, I think we must come to the conclusion that the best interests of the Government would, in the long run be better served by a brief delay in the sale of this plant; that the benefits to the competitive free enterprise system, the development of a free competitive synthetic-rubber industry, are the most important factors in this matter.

HOW THE BIG FOUR RUBBER COMPANIES ACHIEVED CONTROL OF THE VAST BULK OF THE SYNTHETIC RUBBER INDUSTRY

I submitted the resolution of disapproval and I voted for it in committee. I wish the RECORD to be clear that six members of the committee voted for the resolution of disapproval. We oppose the sale of the Institute, W. Va., synthetic rubber plant to Goodrich-Gulf because as the Attorney General himself has said, it will "not best foster the development of a free competitive synthetic rubber industry."

If this sale is permitted, the four largest rubber companies will control two-thirds of the entire productive capacity of the synthetic rubber industry. These four companies are: (first) B. F. Goodrich Corp., through its 50-percent ownership of Goodrich-Gulf; (second), Firestone Tire & Rubber Co.; (third) Goodyear Rubber Co., through its subsidiary, Goodyear Synthetic Rubber Co.; and (fourth) United States Rubber Co. which owns half of Texas-United States Chemical Corp.

The control of these four companies over the vast bulk of the synthetic rubber industry will have been achieved by payment of ridiculously low prices to the Government which built them. The impact of this upon the citizens of this Nation is twofold. As taxpayers they suffer from the low prices paid to the Government, and, as consumers, they will ultimately suffer from a concentration of power among the big rubber-producing companies.

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

Mr. FULBRIGHT. I yield.

Mr. KILGORE. Is it not a fact that the price offered was a fair price?

Mr. FULBRIGHT. The Senator is quite correct. The Commission held that the price for this particular plant was a full, fair price for the plant itself. I may say that is not the point to which I and five other members of the committee take exception. We do not question that the price itself was a fair, full price. We do question—and the Attorney General questioned—that the sale "fosters" competition. We do not believe it complies with the requirement of Congress with respect to fostering free competition in the synthetic rubber industry.

I might remind the Senator that last year, I along with other committee members—I am not sure whether they were the same members as now—objected to the sale on that ground and also on other grounds. The price per ton of capacity is a little higher than on some sales last year. The Attorney General, while taking the position that the sale would not foster competition, evaded the question, in a way, by saying he questioned whether section 7 of the Clayton Act applies to a sale by the Government, as distinct from transactions between private enterprises.

It should be made clear that we want the Institute plant in operation by a private concern. As was the case with our opposition to the general program, we favor private ownership and operation of all synthetic rubber plants. Production at the Institute facility would be especially advantageous since it would not only add to the supply of synthetic rubber for the consuming public but also provide employment in an area desperately in need of it.

Our purpose in opposing the sale is to permit new bids very quickly so that the Institute plant can be operated without cutting down further on competition in the industry.

The Disposal Commission argued that only Goodrich-Gulf bid as much as the "full fair market value" of the plant, and thus no older bidders could be considered. Actually, however, the Commission never made a finding of what constituted "full fair value" in its report. After the first bids were received, it took the highest bid, that of Goodrich-Gulf for $9,500,000, and told all bidders that it would not recommend any sale at less than this figure. It seems highly questionable for the Commission to adopt the bid of such a dominant industry leader as Goodrich-Gulf and declare that to be the minimum price it would consider.

While obtaining "full fair value" is one of the criteria in the law authorizing the sale, it is not the only one. Others are that the sale should "foster a free competitive synthetic rubber industry," and the Attorney General was to make a finding as to whether a sale "will violate the antitrust laws."

Apparently proceeding on the basis that section 7 of the Clayton—Antitrust—Act applies only to transactions between two corporations and not to acquisitions from the Government, the Attorney General stated:

> In order, however, to permit the Congress to have the final determination, as the law anticipates, I set forth the considerations hereinabove mentioned, and am willing to, and do, express the opinion that the proposed disposal of the Institute plant to Goodrich-Gulf would not violate section 7 of the Clayton Act.

We strongly disagree with this extremely narrow interpretation. The only possible purpose to be served by the inclusion of this requirement in the Synthetic Rubber Disposal Act was to apply it to sales by the Government under the act.

These criteria were of equal importance. The Commission sacrificed the standard of "fostering competition," thereby permitting one company, Goodrich-Gulf, to control over one-fourth of the present capacity of the industry. Even after planned expansion in the industry, Goodrich-Gulf would still control one-fifth of the total. It was mainly for this reason that the Attorney General stated in his letter to the Commission "that a sale of that plant to Goodrich-Gulf would not best foster the development of a free competitive synthetic rubber industry."

As a matter of fact, the Attorney General went even further and stated that "were this a private transaction rather than a sale by the Government subject to the 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."

Both the Department of Justice and the Chairman of the Federal Trade Commission stated that the sale would make a significant increase in the economic power of Goodrich-Gulf and that sale to a new firm would be preferable from the point of view of free competition. Their reason was that a new producer would (a) provide a new competition and (b) not increase the power of Goodrich-Gulf.

They raised the point that the new production brought about by its operation of the Institute plant would help competition by providing more synthetic rubber. Actually, however, the reverse is true. The president of Goodrich-Gulf testified that that company would expand its capacity at its plant at Port Neches, Tex., if it did not get the Institute plant. Thus, had Institute been sold to a different bidder, the result would have been a net of more production than will be the case with Goodrich-Gulf operating the Institute facility.

While we level no charges at Goodrich-Gulf, it is nevertheless advantageous for them to buy the Institute plant since it will enable them to expand and, at the same time prevent an additional competitor and additional competing production of synthetic rubber.

Thus not only does the sale of Institute to Goodrich-Gulf not "foster" competition—it will be downright harmful to competition.

Let it be crystal clear that neither the Attorney General nor the Disposal Commission has made a determination that the five to seven million dollar additional price received by the sale outweighs the harmful effects on competition of the sale of the Institute plant to Goodrich-Gulf. The Commission carefully confined its efforts to deciding that only Goodrich-Gulf had submitted a bid of full fair value, and left the competitive problems to the Department of Justice. In his formal opinion the Attorney General only considered the proposed sale to Goodrich-Gulf—and even at that, his conclusion amounted in substance to passing the responsibility to Congress; he did not weigh the disadvantages of this sale against the added price received by taking Goodrich-Gulf's offer instead of the second highest.

We hope that the Senate will pass Senate Resolution 197 in order to permit new bids to be made. We regret the necessity for enacting legislation permitting new bids, since this will cause a few months' delay in getting the Institute plant into operation. But the refusal of the Department of Justice to take a position on the Goodrich-Gulf bid as compared with other bids, and the arbitrary adoption by the Disposal Commission of the Goodrich-Gulf bid of $9,500,000 as the minimum amount at which they would recommend sale, makes this necessary.

Congress has enacted the antitrust laws and is firmly committed to the principle of competition as rules for private enterprise. We believe we should apply the same standards to Government sales to private business. In fact, Government sales should be in furtherance of these policies rather than in opposition to them.

Joining with me in the approval of the resolution are the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], and the Senator from Oklahoma [Mr. MONRONEY].

I may say, Mr. President, that if this resolution is agreed to I have a bill prepared and ready for introduction, providing for the immediate taking of new bids.

FOREIGN PETROLEUM SUPPLY AGREEMENT ANOTHER INSTANCE OF ATTORNEY GENERAL'S EVADING RESPONSIBILITY

Mr. President, in closing I should like to say a few words about the expression, by the Attorney General, of an opinion, rather than his opinion, that the sale of the Institute plant to the Goodrich-Gulf would not violate the antitrust laws.

This is not the only occasion when the Banking and Currency Committee has found the Attorney General reluctant to accept responsibilities under the antitrust laws. The committee has had to work hard to force the Attorney General to take a stand on the foreign petroleum supply agreement.

This agreement was approved under the Defense Production Act by Attorney General Brownell on June 1, 1953; it gave antitrust exemptions for an arrangement under which a number of international oil companies met and discussed production estimates. Many of these companies were defendants in the oil cartel case.

In June of 1955 the committee was asked to extend the law for 2 years. We were told that the Justice Department found nothing wrong with this agreement, although when the committee pointed out that the Interior Department official in charge of the agreement was a WOC from one of the companies involved, it was conceded that this was improper and he was removed—6 weeks later. The Attorney General was required by the 1955 Defense Production Act amendments to review these voluntary agreements, and to cancel them if he found the adverse effects on the competitive free-enterprise system outweighed the benefits to national defense. He was given 90 days to do this.

On November 9, the Attorney General duly reported, but he had not made his mind up on the foreign oil supply agreement. Apparently, the decision was too difficult to make in 3 months. By December Judge Barnes had learned that the agreement involved a real possibility of abuse. And on February 5, the newspapers reported that substantial changes have been made in the agreement, over the objections of Secretary of the Interior McKay.

How much harm has been done since this agreement was approved by Mr. Brownell in 1953 we shall probably never know. The committee will review the new arrangements carefully when the Attorney General reports to us, to see whether they provide reasonable protection to competition.

For the record, I request unanimous consent that a statement I made on January 14, 1956, and my correspondence with the Justice Department on the subject be printed in the RECORD following my remarks.

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

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
November 22, 1955.

HON. HERBERT BROWNELL, Jr.,
Attorney General, Department of Justice, Washington, D. C.

DEAR MR. ATTORNEY GENERAL: I appreciate your consideration and that of Judge Barnes in sending me a copy of your report of November 9, 1955, prepared pursuant to section 708 (e) of the Defense Production Act of 1950, as amended. The committee will review this Report carefully when the Congress convenes, particularly in connection with any proposals made for extension of the Defense Production Act.

I am glad to see that as a result of the amendments to section 708 made by Public Law 295, 84th Congress, your Department is making a thorough study of the operations under the various voluntary agreements and programs approved and being carried out under that section, in order to make the determination required by the amendments whether the adverse effects of the various agreements on the competitive free-enterprise system outweigh the benefits to the national defense. The antitrust problems involved in these agreements, particularly in the two agreements on which you have not been able to make up your mind, demonstrate clearly to me that this review was necessary.

I note the statement made in your report, consistent with Judge Barnes' testimony before the committee, that the Attorney General was not previously expected to exercise his authority to approve a proposed voluntary agreement or program, on the basis of a comparative evaluation by him of the benefits of the agreement to the national defense and its adverse effects on the competitive free-enterprise system (report, pp. 3–4, 12–13). I note further that you are not planning to make such evaluations and determinations in connection with future operations or under agreements continued after the present review (report, pp. 12, 27). Instead, you suggest that, if continuing surveys of this sort are to be made, they should be made by an "impartial agency charged with primary responsibility for national security."

Previous Attorneys General have acted on the basis of such an evaluation and determination. Attorney General McGranery certainly was acting on the basis of such an evaluation when he withdrew approval of the Voluntary Agreement Relating to Foreign Supply of Petroleum to Friendly Foreign Nations "over the objection of the Petroleum Administrator for Defense and other Government agencies, as he felt its continued operation to accomplish the normal objectives of PAD was no longer justified with the passing of the Iranian crises (report, appendix B, p. 11)." Attorney General McGrath in the first report under section 708 (e), submitted December 7, 1950, made it clear that he expected to consider the balance between the national defense and the competitive system, on the basis of information supplied by the agency sponsoring the agreement.

The Senate report and the statements on the floor concerning this provision (Senate

Rept. No. 696, 84th Cong., pp. 6–7; CONGRESSIONAL RECORD, vol. 101, pt. 8, pp. 10890–10892) and the amendments themselves, show clearly that it was the intention that your authority to approve new agreements, and the authority expressly conferred on you to withdraw approvals of agreements, should be exercised on the basis of the standards explicitly set forth for the review required under the 1955 amendments. Indeed, I find it difficult to read into section 708 any other standard for your approval.

This authority is lodged in you, as the official charged with the enforcement of the antitrust laws, subject, of course, to final determination by the President in case of a difference of opinion between you and the official acting under delegation from the President. The reason for this, as has been stated repeatedly, is that the authority to grant exemptions from the antitrust laws is considered so exceptional as to call for the exercise of every precaution to prevent abuse and lasting damage to the competitive free enterprise system.

Your evident reluctance to undertake the functions imposed on you by section 708 contrasts sharply with the fact that you have gone beyond the express requirements of the section, in reviewing under the standards of the section small business pools formed under the Small Business Act. The requirement of section 708 for this review applies specifically only in the case of agreement covered by that section.

In conclusion I should like to express my hope that you will soon be able to make up your mind about the two agreements as to which you suspended judgment in your report. The delay in the case of the foreign oil supply agreement is particularly surprising, in the light of the review of that agreement made by your Department after this committee on June 20 called to Judge Barnes' attention the fact that the Government official in charge of the program was a WOC on leave from one of the oil companies involved. In other words, this program has been under intensive review by your Department for more than 4 months.

Your failure to carry out the required review of and determination of these agreements within the 90-day period prescribed by Public Law 295 leaves them in a state of uncertainty, which seems highly unsatisfactory both to the defense agencies which urge the necessity of the agreements and to the participants who should have a clear status under the antitrust laws.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

DECEMBER 15, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR SENATOR FULBRIGHT: I have your recent letter to the Attorney General. There you acknowledge receipt of the Attorney General's November 9, 1955, report under section 708 (e) of the Defense Production Act of 1950, as amended. Further, you raise several questions about this Department's responsibilities under the Defense Production Act, which the Attorney General has asked me to answer.

At the outset, you comment that this Department has "gone beyond the express requirements of [sec. 708], in reviewing under the standards of the section small business pools formed under the Small Business Act." At the time this Department's report was prepared, some 29 small-business pools were outstanding with antitrust immunity. Of these, 26 initially were formed under the Defense Production Act, and 3 under section 714 of the Small Business Act. Since DPA section 708 (b) specifically directed survey of the 26 DPA small business pools, for the sake of completeness we thought the other 3 should be added. Of these 3 Small Business Act pools, 2 were continued and 1 disapproved, all with the concurrence of the Small Business Administration. Against this background, it seems clear that inclusion of the 3 Small Business Act pools was required to make this report a useful and coherent whole.

Next, you offer your view of this Department's future responsibilities regarding voluntary agreements or programs exempt from antitrust under section 708. You suggest that "[t]he Senate report and the statements on the floor concerning this provision * * * and the amendments themselves, show clearly that it was the intention that [our] authority to approve new agreements, and the authority expressly conferred on [us] to withdraw approvals of agreements, should be exercised on the basis of the standards explicitly set forth for the review under the 1955 amendments." Further, you conclude that this Department is "not planning to make such evaluations and determinations in connection with future operations or under agreements continued after the present review." Finally, you emphasize the importance of this Department's making up its "mind about the two agreements as to which [it] suspended judgment in [its] report." To each of these comments I turn.

First, about the standards this Department should apply in approving future agreements under DPA sections 708 (b) and (c). For the scope of this obligation, it seems clear, we must rely on the legislative history of the 1955 DPA amendments. And, since the Department has no representative present during the executive sessions of either the House or the Senate Banking and Currency Committees considering these amendments, we must rely on the statutory language, the committee reports, and floor debates.

This task is ofttimes difficult. (See e. g., comments of the court in *Addison* v. *Holly Hill Fruit Products* (332 U. S. 607, 615–617).) Especially so when, like DPA sections 708 (b) (c), and (e), construction is complicated by an ambiguous statute and legislative history.

On the one hand, we are of course aware of the statements in the Senate committee report and floor debate to which you refer. Thus, the Senate report, at page 6, states:

"This means that the Attorney General, as well as the official conducting the mobilization program, must be satisfied that the defense benefits outweigh the adverse effects on the competitive economy, with the President in a position to resolve a disagreement."

And, the report continues, the Attorney General is "expected to exercise this authority whenever in his judgment the adverse effects of the agreement on the competitive economy outweigh the benefits to the national defense." Further, Senator FREAR stated during floor debate (CONGRESSIONAL RECORD, vol. 101, pt. 8, p. 10888):

"The committee looks to the Attorney General to protect the competitive economy of the country, and expects that he will not aprove any new military agreements, and that he will withdraw his approval of outstanding agreements, unless he is satisfied that the defense benefits outweigh the adverse effects to the competitive economy."

On the other hand, the 1955 amendments to section 708 (b) might reasonably be construed as requiring no change in the Attorney General's established procedures for approval of exempt agreements or programs under section 708 (c). As I explained before your committee on June 20, 1955, Department policy is to accept the President's delegate's finding of the defense need for any particular program. Our task, then, is to insure that this defense goal is accomplished with a minimum of anticompetitive consequences.

This view of the Department's responsibilities, contrary to your apparent understanding, has been accepted by all Attorneys General charged with Defense Production Act responsibilities. You refer specifically to Attorney General McGrath's withdrawal of approval for the Voluntary Agreement for Foreign Petroleum Supply to Friendly Foreign Nations, as well as to Attorney General McGrath's December 7, 1950, Defense Production Act Report to Congress. Attorney General McGranery withdrew his approval of this agreement because that Iranian crisis which gave it rise had terminated. Accordingly, any necessity for the Agreement vanished. No weighing of defense needs appears. Indeed, the Department files indicate that Attorney General McGranery considering termination of the agreement, informed the Defense Production Administration that this Department would cooperate with the Petroleum Administration for Defense to formulate any new agreement which the changed situation might require. And it was from those conferences, I point out, that the present Voluntary Agreement for Foreign Petroleum Supply emerged. In like fashion, Attorney General McGrath's December 7, 1950, DPA Report to Congress expressly stated (p. 29) that it was the "delegate agency [that] should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort."

Against this background of comparatively uniform practice, Congress by its 1955 amendments in no way altered the statutory language controlling the Attorney General's obligations under section 708 (c)'s approval process. Accordingly, it might be persuasively argued that, while 708 (b) makes a more limited class of agreements eligible for approval, Congress intended no change in our procedures for approval under section 708 (c). (See comment by Justice Frankfurter on oral argument of *Ullman* v. *United States*, reported at 24 Law Week, 3161.) Further emphasizing the wisdom of such a conclusion is the Senate report's statement (p. 6):

"The determination to grant exemptions under section 708 involves the weighing of two factors: The benefits to the national defense, concerning which the officials carrying out the mobilization program should have special competence; and the possibility of adverse effects on our competitive free enterprise system, concerning which the Attorney General should have special competence. * * * This means that the Attorney General, as well as the official conducting the mobilization program, must be satisfied that the defense benefits outweigh the adverse effects on the competitive economy, with the President in a position to resolve a disagreement."

The language suggests continuation of established procedures, based on bifurcated responsibility, for section 708 (c) approval.

It was with this history uppermost that the Attorney General suggested in his November 9, 1955, DPA Report to Congress that our procedures for approval under section 708 (c) would stand essentially unchanged. Especially so since any comprehensive weighing of defense versus antitrust considerations would project this Department beyond its traditional antitrust responsibilities. This might well require transfer of antitrust personnel from active litigation of pending cases. We were most hesitant to reach such a result without specific statutory direction.

Your letter, however, adds a new factor to be weighed in determining congressional design of the newly amended DPA sections 708 (c) and (e). As chairman of the Senate Committee on Banking and Currency, you, of course, have unique insight into what Congress sought. Accordingly, the following procedure seems a way for this Department to fully and fairly effectuate the responsibility intended under section 708 (c).

Relevant, at the outset, is that all new agreements or programs under section 708 (c) now must relate "to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment." Thus, the only two agreements submitted to us since the 1955 amendments have involved J-57 jet aircraft engines and tools and maintenance equipment for Army aircraft. In such instances, defense need is usually presently clear and readily predictable. Similarly, anticompetitive consequences may be in some instances more readily measurable. If this, as is likely, continues to be the sort of agreements submitted to us, we could more readily take the responsibility of weighing defense versus antitrust considerations.

Second, the responsibilities of this Department for surveys under DPA section 708 (e). As you correctly note, the Attorney General in his November 9, 1955, DPA Report (p. 21) did suggest Congress "might well consider placing responsibility for such surveys on some impartial agency charged with primary responsibility for national security." Contrary to your apparent understanding, however, the Attorney General did not specify this Department's plans for future surveys under DPA section 708 (e).

My own view is that it is by no means clear that Congress intended each of the quarterly reports required by section 708 (e) to include a complete reevaluation of the need for and anticompetitive consequences of each outstanding program. True, section 708 (b) directs that, within 90 days, "[t]he Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation * * * that the adverse effects of any such agreement or program on the competitive free-enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval * * *." Equally true, however, section 708 (e) states that beyond this first report, subsequent reports shall merely include "studies of the voluntary agreements and programs authorized by this section."

With this in mind, to meet fully our survey responsibilities under section 708 (e), we might include in each of our quarterly reports some summary of the status of outstanding exempt agreements and programs under section 708 (c). This status report might include checking, first, each quarter with the interested defense agencies to insure that the defense need for any agreement or program still exists. Further, it might encompass some investigation of any changed circumstances which might suggest alteration of those antitrust safeguards included in any exempt agreement or program. To my view, this seems a reasonable way to take care of the obligations section 708 (e), as amended, places on this Department.

Finally, you comment on the necessity for rapid determination of our review of the exemption accorded the agreement for foreign petroleum supply as well as the agreement relating to contribution of tanker capacity. Regarding both, I can assure you I am fully aware of the need for prompt action. However, the defense implications of each may be substantial. My staff has been in constant contact with the interested agencies to determine if the same defense goals could be accomplished by alternative means. The Attorney General's aim is to report on both plans in the near future.

Sincerely,

STANLEY N. BARNES,
Assistant Attorney General.

JANUARY 5, 1956.

HON. STANLEY N. BARNES,
Assistant Attorney General, Department of Justice, Washington, D. C.

DEAR JUDGE BARNES: I am glad to see from your letter of December 15, in reply to my letter of November 30 to the Attorney General, that consideration is being given to carrying out the responsibilities which this committee and the Congress intended the Attorney General to undertake in his future surveys and reports to the Congress on the effect of the mobilization program, particularly the voluntary agreements under section 708 of the Defense Production Act, on the competitive free economy. However, your letter contains a number of statements which I cannot accept without comment.

The Attorney General's report of November 9 and your letter of December 15 take a position different from that of the committee. The Attorney General prefers to accept the finding of the President's delegate of the defense need for a voluntary agreement, apparently including the delegate's finding that the defense need outweighs the adverse effects on the competitive free economy, and he wishes to confine his responsibility in approving and withdrawing a previous approval of a voluntary agreement to accomplishing this defense goal with a minimum of anticompetitive consequences. The committee's position, as stated by Senator FREAR in reporting the bill, is that "* * * the committee looks to the Attorney General to protect the competitive economy of the country, and expects that he will not approve any new military agreements, and that he will withdraw his approval of outstanding agreements, unless he is satisfied that the defense benefits outweigh the adverse effects to the competitive economy."

In discussing in your letter the question whether the Attorney General should weigh the needs of national defense against the effects on the competitive economy, except in connection with the review of agreements outstanding on August 9, you refer to my "unique insight into what Congress thought" and the fact that the Department of Justice was not present at the Banking and Currency Committee's executive sessions. My position that the Attorney General should weigh these factors was not based on any unique insight or private information, but rather on the clear and unequivocal statements in the committee report and Senator FREAR's remarks in reporting the bill.

I recognize that, as you point out, a technical legalistic argument can be made for the narrow interpretation of the scope of the Attorney General's responsibilities set forth in the report of November 9. However, I do not view this narrow interpretation as either necessary or desirable.

I also cannot agree with your statement that the withdrawal of approval by Attorney General McGranery of the foreign oil supply agreement and Attorney General McGrath's report of December 7, 1950, are a "background of comparatively uniform practice" under which the Attorney General accepts the finding of the President's delegate of the defense need for any particular program, and that the Attorney General's task is only to insure that this defense goal is accomplished with a minimum of anticompetitive consequences.

In your letter you state:

"Attorney General McGranery withdrew his approval of this agreement because that Iranian crisis which gave it rise had terminated. Accordingly, any necessity for the agreement vanished. No weighing of defense needs appears."

In the report of November 9 the following statement is made:

"On January 16, 1953, the then Attorney General withdrew his approval of the basic voluntary agreement, over the objection of the Petroleum Administrator for Defense and other Government agencies, as he felt its continued operation to accomplish the normal objectives of PAD was no longer justified with the passing of the Iranian crisis."

What the objection of PAD and other Government agencies could have been based on, other than a belief that the necessity for the agreement had not vanished, as they weighed defense needs, it is difficult to imagine.

Your quotation from Attorney General McGrath's report of December 7, 1950, is, in my judgment, taken out of context and its meaning reversed.

Your letter states as follows:

"In like fashion, Attorney General McGrath's December 7, 1950, DPA Report to Congress expressly stated (p. 29) that it was the 'delegate agency [that] should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort'."

The implication of your quotation that this "weighing" was solely the responsibility of the delegate agency and not of the Attorney General is shown to be misleading when the full quotation from Attorney General McGrath's December 7, 1950, report is read:

"Second, in a determination of its finding that a request for the voluntary agreement or program is in the public interest as contributing to the national defense, the delegate agency should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort. In transmitting the request for voluntary action, the delegate agency should make known to the Attorney General and the Chairman of the Federal Trade Commission the considerations underlying its finding that the program is in the public interest as contributing to the national defense in order to assist them in determining the effects of such program on the competitive economy."

The desirability of a continuing thorough review by the Attorney General of activities under these voluntary agreements and programs, in contrast to the previous practice by the present Attorney General, is demonstrated clearly by the results of your survey of the voluntary agreement relating to foreign petroleum supply, which was approved June 1, 1953, after the previous agreement had been terminated by Attorney General McGranery.

On June 20 you testified before this committee that you had received copies of the minutes of meetings under the agreement, and that:

"So far as our examination would disclose, there was nothing in the minutes which would be justification for any action on the part of the Attorney General to rescind the approval theretofore given" (hearings on S. 2163 and S. 2165, June 20, 1955, p. 93).

Then, apparently as the result of the committee's calling to your attention on June 20, 1955, the fact that the Interior Department representative in charge of this program was a WOC on loan from one of the participants in the agreement (hearings on S. 2163 and S. 2165, p. 95), you instituted an investigation into the activities under the agreement (incidentally insisting that the representatve be replaced at once, i. e., on August 1, 1955). (Hearings before the Antitrust Subcommittee of the House Judiciary Committee, Part 1, Serial No. 12, August 4, 1955, pp. 545, 546.) Even at that time you appear to have found no serious problems in connection with this agreement, and your principal concern seems to have been the status of the WOC director.

But when you were required under the Defense Production Act amendments of 1955 to make a more thorough survey of what was in fact being done under the agreement, the real problems arising under this agreement were brought to your attention. You

described these as follows in your testimony before the Antimonopoly Subcommittee of the House Judiciary Committee on December 9:

"The second activity consists of gathering and evaluating information and statistics. These presently relate to petroleum forecasts, storage facilities, and consumption. From this second activity antitrust questions arise.

"The problem here stems from the possibility of tacit agreement or overt pressure by agreement participants, which include 14 of the principal oil producers, to abide by their production estimates. The effort would then be to make production estimates, in effect, production quota agreements.

"This possibility for abuse may be real. For agreement participants include 5 of the principal defendants and 6 more of the alleged coconspirators in our oil cartel suit. And, contrary to our suggested standards, the agreement does not provide for a Government chairman."

These serious antitrust problems appear to have made it impossible for the Attorney General, even after 4 months of careful study, to determine whether the adverse effects of the agreement on the competitive free-enterprise system outweigh the benefits of the agreement to the national defense. Instead, the participants apparently are permitted to continue under the agreement though it is not clear what protection they receive.

It is, in my judgment, a serious reflection on the supervision over these voluntary agreements formerly exercised by the Attorney General and on the diligence with which he carried out his statutory duty under section 708 (e) to "make * * * surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power," that these antitrust problems apparently had not come to your attention before the review required by the 1955 act. It would seem appropriate to refer again to the committee's report:

"The Attorney General must be alert to his responsibility under this section; otherwise Congress should discontinue the program."

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

STATEMENT BY SENATOR FULBRIGHT

When a congressional committee is considering a legislative proposal, it has a right to expect complete and correct information from the executive branch. When legislation is enacted, calling for certain action to be taken, it has a right to expect that the executive branch will carry out the statutory provisions promptly and fully.

And when information supplied to a committee by the administration is incomplete or inaccurate, or when the administration does not carry out statutory requirements promptly and fully, this should be pointed out.

The administration has failed to comply promptly and fully with two important provisions of the Defense Production Act, which Congress wrote into the law as it was amended on August 9, 1955. These provisions were designed to protect against abuses in the WOC program and the voluntary agreement program, and to keep Congress and the public informed about what was going on under those programs.

I

The 1955 amendments to the Defense Production Act required the head of an agency appointing a WOC (an industry-paid Government employee exempted from many of the criminal laws prohibiting conflicts of interest) to publish a notice of the appointment in the Federal Register, and required the WOC himself to publish a statement of his financial interests. It also required the Chairman of the Civil Service Commission to survey the appointments made under the provision and to report to the President and the Joint Committe on Defense Production at least once every 3 months.

The administration continued to appoint WOC's under the section, including 10 division directors in the Commerce Department, without publishing notices or statements of financial interests in the Federal Register, up to November 28, 1955, 3½ months after the act was approved.

On November 28, an Executive order was issued, for the most part merely repeating the statutory provisions, and giving an additional 30 days for the required filing with the Federal Register. This order was accompanied by a White House press release which, as Senator MORSE has pointed out, was misleading both in what it said and what it did not say. Those who remember that the administration proposed no changes in this provision, and opposed several of the changes that were made by Congress, were surprised to read in the press release that "today's order culminates a 9-month, governmentwide, intensive study, conducted under the direction of the Attorney General, of the numerous problems involved in Government employment of WOC's and experts and consultants."

Since November 28, the notices and statements of financial interest have been trickling in to the Federal Register, and by January 11, some 126 such notices had been published. There is some question whether the filings are complete. Judge Barnes testified on December 9 that the order covers about 390 WOC's. What has happened to the 260 other WOC's Judge Barnes thought were covered by the order, but for whom no notices have been filed, is not clear.

But even if it can be assumed that the filings are now up to date, 5 months after the enactment of the provision, Chairman of the Civil Service Commission has not yet made the report which he is required by law to make at least once every 3 months. Mr. Young tells me that he did not do it within the time required by the law because the Executive order had not been issued and because the agencies were not complying with the law.

These seem to me to be entirely inadequate excuses for failure to carry out a duty imposed on him by law.

II

The 1955 amendments to the Defense Production Act required the Attorney General to review all outstanding voluntary agreements approved under the act. (These provided exemption from the antitrust laws for action taken by industry at the request of a mobilization agency under agreements approved by the Attorney General.) The amendment required the Attorney General to withdraw his approval and thereby terminate the agreement, if he should determine that the adverse effects of an agreement on the competitive free enterprise system outweighed the benefits to the national defense. The law required that this should be done within 90 days after enactment, in other words by November 9.

The Attorney General acted promptly on the bulk of the outstanding voluntary agreements, terminating most of the agreements under which small business pools were formed, and continuing most of the agreements between producers of strictly military items.

But the Attorney General was not able, within this 90-day period, to decide whether two agreements were more beneficial to the national defense or more harmful to the competitive free enterprise system; he postponed making any decision on them in his report of November 9, and he still has not reported making any decision.

One of these agreements was discussed at the hearing of the Senate Banking and Currency Committee on June 20, 1955, when it was called to Judge Barnes' attention that the Government official in charge of the agreement for the Interior Department was a WOC on leave from one of the oil companies which was a party to the agreement.

At that hearing, on June 20, Judge Barnes said:

"So far as our examination would disclose, there was nothing in the minutes which would be justification for any action on the part of the Attorney General to rescind the approval theretofore given."

In his report of November 9, Judge Barnes had made sufficient further study of the activities under the agreement to say that the agreement raised serious problems that could not be resolved within 90 days.

And on December 9, Judge Barnes made the following statement about the activities under this agreement, in explanation of why the Attorney General had not been able to reach any decision on this agreement, by that time 4 months after passage of the law:

"The second activity consists of gathering and evaluating information and statistics. These presently relate to petroleum forecasts, storage facilities, and consumption. From this second activity antitrust questions arise.

"The problem here stems from the possibility of tacit agreement or overt pressure by agreement participants, which include 14 of the principal oil producers, to abide by their production estimates. The effect would then be to make production estimates, in effect, production quota agreements.

"This possibility for abuse may be real. For agreement participants include 5 of the principal defendants and 6 more of the alleged coconspirators in our oil cartel suit. And, contrary to our suggested standards, the agreement does not provide for a Government chairman."

Another month has gone by since that statement, but the question remains unresolved.

The Attorney General's failure to carry out his statutory duty to reach a decision on this agreement within the 90-day period prescribed by law leaves the companies participating in the agreement in an ambiguous and undesirable position. It also raises the question of how much harm to the competitive free enterprise system is resulting from the continuance of the agreement.

In addition, the serious antitrust problems, and the real possibility for abuse, which the Attorney General and Judge Barnes now find, as the result of the study which the law required the Attorney General to make, have shown that the statement made to the committee on June 20 was completely incorrect. If the committee had relied on that statement, and had not required the Attorney General to make this study, these serious antitrust problems, this real possibility for abuse, these adverse effects on the competitive free enterprise system, might have continued indefinitely.

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

The PRESIDING OFFICER (Mr. POTTER in the chair). With regard to the limitation of time——

Mr. FULBRIGHT. Mr. President, this proceeding is taking place under a unanimous-consent request to consider a privileged matter.

The PRESIDING OFFICER. The procedure is fixed by law, according to the understanding of the Chair.

The Chair recognizes the Senator from Indiana.

Mr. CAPEHART. Mr. President, first, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. What is the time limit?

The PRESIDING OFFICER. The Chair will have the clerk read the procedure on a resolution of this character.

The legislative clerk read as follows:

1. A motion to take up the resolution is in order at any time.
2. Such a motion is highly privileged and not debatable.
3. No amendment to such motion is in order.
4. The vote on such a motion is not subject to reconsideration.
5. Debate on the resolution is limited to 10 hours, and equally divided between those favoring and those opposing it.
6. A motion to further limit debate is not debatable.
7. No amendment or motion to recommit the resolution is in order.
8. The vote on the resolution is not subject to reconsideration.
9. A motion to postpone the consideration of the resolution shall be decided without debate.
10. A motion to proceed to consideration of other business is not debatable.
11. All appeals from the decision of the Chair relating to the application of the rules to procedure shall be decided without debate.

Mr. CAPEHART. Mr. President, I do not wish to prolong the debate on this question, because we had an agreement with the leadership that we would dispose of it rather quickly. I wish to say, however, that regarding sales of synthetic rubber plants, including the one at Institute, this is the first time in many, many years that the Government has received, in my opinion, fair value for surplus property. To me it is a very interesting thing that those who complain of the low prices received for synthetic rubber plants evidently have not taken a good look at the prices received for other plants which were sold at the end of World War II.

I shall place in the RECORD within a few days a statement showing exactly how much larger percentage the Synthetic Rubber Disposal Commission received for this plant as compared with the sales in 1947, 1948, 1949, and 1950 of aluminum plants, steel plants, chemical plants, and other plants. There is no comparison, Mr. President. In this case the Synthetic Rubber Commission received more than the depreciated value of the property, which means more than the Government had invested, after taking into account depreciation. But we are told the plants were sold too cheaply. I shall place in the RECORD a statement showing that we received very little for aluminum plants and steel plants and how much we received, in comparison, for synthetic rubber plants.

Those who lost out in the bidding for the Institute plant and who now complain as those who lost out in bidding for a plant in California, were those whose original bids were so low as to be ridiculous. They evidently thought they were still operating in the days of 1946, 1947, 1948, and 1949.

The first bid of one of the men who now complains that the sale should be reopened was only $1,500,000 or $2,500,000 for a property which later sold for $11,500,000. I suppose that if the synthetic rubber plants had been sold for as low a figure as were the aluminum plants, steel plants, and other plants, such bids might have been considered. There were 13 synthetic rubber plants sold. They were sold to 11 different persons. Had 2 other persons bought them, it would have amounted to 1 plant to each concern. It would be difficult to get a better division that that.

I think the Disposal Commission received a fair price, a much greater price than ever before received in the history of any sales which the Federal Government has made of so-called surplus property. I do not think criticism is justified.

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

Mr. CAPEHART. I yield.

Mr. DIRKSEN. Mr. President, it occurs to me, having gone into this question myself, that the work of the Disposal Commission under the chairmanship of Mr. Pettibone, of Chicago, is one of the real achievements of our time. The members of the Commission have addressed themselves with vigor to their job and have recovered for the taxpayers of the country every possible dollar that could be recovered. Obviously, over a period of time there were shifting economic values. We started the work of disposal some time ago, when conditions may not have been very good, but as conditions improved more and more money was received for plants which were disposed of. I think the Commission deserves the accolade of Congress for a job well done.

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

Mr. CAPEHART. I yield.

Mr. KNOWLAND. The Senator may already have done so, but, in view of the fact that the chairman of the committee has placed in the RECORD the minority views, I believe it would be well for the Senator from Indiana to include in the body of the RECORD, prior to the vote on the measure, the report of the majority of the committee, which was adverse to the resolution.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the majority report be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report (No. 1469) was ordered to be printed in the RECORD, as follows:

ADVERSE REPORT

(To accompany S. Res. 197)

The Committee on Banking and Currency, to whom was referred the resolution (S. Res. 197) to disapprove the recommendation of the Rubber Producing Facilities Disposal Commission for the sale of the synthetic-rubber plant at Institute, W. Va. (Plancor No. 980), having considered the same, report unfavorably thereon and recommend that the resolution do not pass.

PURPOSE OF RESOLUTION

Public Law 336, 84th Congress, authorized the sale of the synthetic-rubber plant at Institute, W. Va., by the Rubber Producing Facilities Disposal Commission (called the Commission in this report) created under Public Law 205, 83d Congress. The procedures and policies established by Public Law 336 were generally the same as those established by Public Law 205. Under Public Law 336, the Commission was required to report any recommended sale of the plant to the Congress, and the sale becomes final unless within 30 days from the filing of the report either House should disapprove the sale by resolution. On January 12, 1956, the Commission filed its report, recommending sale of the plant to Goodrich-Gulf Chemicals, Inc., for $11 million, plus an estimated $333,000 for spare parts and equipment on hand in the plant. Senate Resolution 197 was introduced on January 26, 1956, and referred to this committee.

If Senate Resolution 197 is adopted by the Senate, the proposed sale would be disapproved and the Institute plant would remain idle in the hands of the Government. Your committee believes it is in the public interest to sell this plant to Goodrich-Gulf, and therefore urges that Senate Resolution 197 be defeated.

THE INSTITUTE PLANT

The Institute plant was built in 1942 to make GR-S (general-purpose synthetic rubber) at a cost of approximately $18,400,000. It was built as part of an overall facility, which included butadiene (the principal ingredient of GR-S) and styrene (an ingredient of GR-S) plants and a powerplant, all of which but the GR-S plant were sold to Union Carbide & Carbon Corp. in 1947. The plant itself has a rated capacity of 122,000 long tons of GR-S a year, the largest of all the GR-S plants. By reason of its location, the plant has, when operated in the past, used butadiene made from alcohol, produced either at Institute or more recently at Louisville, Ky., instead of the cheaper petroleum butadiene used by the GR-S plants on the gulf and the Pacific coast. Alcohol butadiene has been more expensive than petroleum butadiene, and for this reason the Institute plant has been considered a high-cost plant, though it has the advantage of being situated near the principal rubber fabricating area of the country, in Ohio and the Northeast.

The plant is in good condition, but it is dependent for its power on the neighboring Union Carbide & Carbon plant, and it is not equipped to produce cold rubber, or to operate on the more efficient continuous process used in other GR-S plants. The cost of the alterations to bring the plant up to fully competitive status would be about $6 million. The plant last operated in 1953.

No bids were received for the Institute plant during the disposal program under Public Law 205, and in accordance with that law the plant has been kept in standby, at a cost to the taxpayers of about $230,000 a year.

SALE OF THE PLANT IS DESIRABLE

If this sale is approved, the purchaser will promptly place it in operation. The additional capacity is needed by the rubber-consuming industries.

World production of natural rubber, during the years 1950-54 has ranged from a high of 1,885,000 long tons to a low of 1,725,000 long tons, and about the same level of production has continued in 1955. The Commerce Department reports that the outlook for the next few years is a gradually lessening world production of natural rubber. The price of natural rubber has reflected this situation, in the face of rapidly rising demand for rubber. From prices of 20 cents a pound in February 1954, and 31 cents a pound in March 1955 (average New York spot price, No. 1 Ribbed Smoked Sheet, by months) natural rubber has risen to around 50 cents in December 1955, and is now at or slightly below that price.

The production of synthetic rubber has been pushed to capacity, to fill the gap created by rapidly increasing demands, which natural rubber was failing to fill. United

States production of S-type rubber has increased as follows:

1952	637,225
1953	669,210
1954	474,219
1955 (11 months)	716,756

These varying production trends, together with the fact that the price of synthetic rubber has remained substantially constant at a basic price of 23 cents a pound, while the price of natural rubber has risen sharply, have resulted in a substantial increase in the proportion of synthetic rubber used in industry.

It may be noted that an increase in the supply of synthetic rubber, at 23 cents a pound, instead of natural rubber at a price of 40 to 50 cents a pound, should result in substantial savings to the public.

A second factor which makes the sale of the Institute plant desirable is that it would provide substantial employment in an area which has for long been suffering from chronic unemployment. Charleston (about 10 miles from Institute) has been classed by the Department of Labor for many years as a class IV–B area, meaning the highest level of unemployment. When the plant last operated, it employed about 670 persons, many in skilled positions, with a payroll of over $850,000. While the future operations may not call for precisely the same staff, these figures suggest that the sale should have very substantial benefits to the area.

We have an excellent opportunity to make a real contribution to a distressed area.

All these benefits can be obtained, at no cost to the taxpayer. Instead, the taxpayer will benefit:

1. By eliminating the maintenance charges of $230,000 a year;

2. By providing additional employment and reducing unemployment benefits;

3. By the receipt of the sales price of $11 million plus some $333,000 for supplies and equipment at the plant; and

4. By the collection of income taxes, both corporate and individual, on the profits of the plant and the salaries and wages of the employees.

COMMITTEE VIEWS

Public Law 336, and Public Law 205 which it amended, contained four major criteria for the sale:

1. That the disposal plan will be consistent with the national security;

2. That the disposal program will be designed best to afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices;

3. That full fair value for the facility or facilities will be received by the Government, taking into consideration the policy set forth in section 2 of the Disposal Act; and

4. That the recommended sales will provide for the development of a free, competitive, synthetic rubber industry, and will not permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

National security

The sale contract contains the same national security clause which was included in all the sales under Public Law 205 and the Baytown sale. The present demand for synthetic rubber, and the current plans which other concerns in the industry are making to increase their production, leave your committee with no question that the proposed sale will enhance the national security.

A plant in operation is a better assurance to the national security than a plant in standby.

Fair share to small business at fair prices

The appendix to the contract of sale contains the following stipulation:

"2. The purchaser will make available for sale at fair market prices to small-business enterprises (as defined in sec. 21 (h) of the act) in reasonably equal monthly quantities, the following tonnages per year:

"(a) 21,000 long tons, when only 1 line is in operation;

"(b) 51,000 long tons, when 2 lines are in operation;

"(c) 81,000 long tons, when all 3 lines are in operation."

This is a definite commitment, incorporated into the contract by section 17 of the contract. The amounts are clearly specified and will be made available to small businesses only. The amounts are substantial, half the first line and almost three-fourths of the second and third lines. It is the judgment of your committee that this commitment is the most favorable of all those made under the disposal program, considering both the quantities involved and the definiteness of the commitment.

Your committee is convinced that this contractual commitment will insure that small business will receive its specified share of production. This is demonstrated by the fact that the producers have more than met their commitments of 106,739 tons under the 1955 disposal program. In fact they have supplied 144,731 tons to small business during the period they have been operating the plants.

Full fair value

The sale price of $11 million clearly represents no less than full fair value for the plant and more than twice the present book value of $4,968,000. The price is more than half of the cost of $18,398,000. The plant is almost 14 years old; it is dependent on Union Carbide & Carbon Corp. for its steam and water; it is not equipped to use the up to date continuous production process or to make cold rubber; and it is located far from the sources of cheap petroleum butadiene and nearby sources of alcohol butadiene are expected to be more expensive.

Specific evidence that the sale price is not below full fair value is to be found in the fact that no bids whatever were received for the plant during the disposal program under Public Law 205, and in the fact that $11 million is substantially more than any other price offered during free competitive bidding by 6 responsible and capable bidders. The highest bids submitted by the other firms were: $5,800,000; $4 million; $2,700,000; $2 million; and $750,000.

A free competitive synthetic rubber industry

Your committee carefully considered whether the sale would contribute to the development of a free competitive synthetic rubber industry and concluded that it would.

The Disposal Commission recommended sale to Goodrich-Gulf, having decided that theirs was the only bid which satisfied the full fair value requirement of the statute, and requested the Attorney General to review it and to give the statutory opinion and findings. The Attorney General took into consideration the obvious benefits to the rubber-consuming industry of the supply of rubber from this plant, a supply which would be of great benefit to small business, to competition, and to the public. He also took into consideration the fact that other producers were expanding their capacity, and the fact that the purchase did not mean that other competition was decreased.

Accordingly the Attorney General concluded that, under all the circumstances, the sale would best foster the development of a free competitive synthetic rubber industry, and did not violate the antitrust laws.

The Commission's report contained a table showing the effect of the sale on the relative positions of firms in the industry:

Plant	Original plant capacity (long tons)	Percent 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	
				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 } 129,600	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 } 114,800	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.

The table shows that by the time all three lines are operating at Institute, Goodrich-Gulf will have 19.9 percent of the industry's capacity. This is not substantially greater than the 18.8 percent share of Firestone in the original disposal. Judge Barnes made it clear to the committee that tendencies to monopoly, and undue or unreasonable concentrations of economic power, cannot be judged by mathematical formulas. The simple statement that 25.2 percent or 19.9 percent is greater than 18.8 percent is not conclusive, or even substantial, evidence that this sale will result in greater harm, or even as much harm, to competition in the synthetic rubber industry as the original 18.8 percent Firestone share.

The entrance of United Rubber & Chemical Co. into the industry at the Baytown plant changes the situation substantially from the situation when the disposal under Public Law 205 was being considered. This firm is producing a large volume of rubber, all available for the open market because it consumes no rubber.

Still further broadening of the base of competition may be expected from the new fully integrated synthetic rubber plant which the General Tire & Rubber Co. and the El Paso Natural Gas Co. have decided to build. This will provide an additional 40,000 tons of rubber a year.

It must also be recognized that disapproval of this sale will not necessarily keep Good-

rich-Gulf from expanding its capacity to 20 percent, or even 30 percent, of the industry. Goodrich-Gulf is free under the Clayton Act to build a new plant or to expand its Port Neches plant, at least so long as its capacity does not rise to a position of monopoly under the Sherman Act. Accordingly, at best, disapproval of this sale would be little or no protection against an increase in capacity by Goodrich-Gulf.

After careful consideration of these factors, and the arguments urged in favor of the resolution, your committee reached the conclusion that the public interest would best be served by approval of the proposed sale.

CONCLUSION AND RECOMMENDATIONS

Your committee wishes to commend the Disposal Commission. The Commission and its staff have performed an outstanding public service. The task has not been an easy one. A complex industry, built and run by the Government for more than 10 years, has been transferred to private hands, and is now contributing greatly to the national economy. The financial returns to the taxpayer far exceed virtually all other disposal programs. The task has been carried out in the highest spirit of fairness, honesty, and devotion to Government. Careful attention has been paid to the needs of small business and to the competitive situation.

Your committee wishes to commend the Attorney General and his staff for keeping the committee fully informed about all aspects of competition, or lack of competition, in the synthetic rubber industry, including particularly the extent to which small businesses are receiving a fair share of the end products at fair prices. The annual reports of the Attorney General should inform the Congress fully of all developments in this field. These reports should make all recommendations for legislative changes which the Attorney General finds necessary or desirable to accomplish the purposes of the Disposal Act.

The committee also wishes to commend the new synthetic rubber industry for the way in which it has taken on the task of providing the vast quantities of rubber which American industry and the public have required. The success with which these companies have carried out their commitments to small business, and their policy of refraining from increasing prices, in a time of shortages, are also to be commended.

These actions on the part of the concerns now carrying the burden of supplying rubber to the country have justified the decision to put the synthetic rubber industry into private hands. Your committee looks with confidence for continuance of the present free competitive situation.

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

Mr. CAPEHART. I yield.

Mr. BUSH. I should like to support strongly the views of the Senator from Indiana respecting the Commission and its work in the disposal of the rubber plants. I ask the Senator if it is not true that when this kind of highly specialized plant is being sold, it does not have the broadest market in the world. There are not so many persons who would care to buy an artificial-rubber plant. It is not like the sale of fruits and vegetables. It is very highly technical. Does the Senator from Indiana not agree with me that there are relatively few persons who are competent even to be interested in buying this kind of operation?

Mr. CAPEHART. The Senator from Connecticut is 100 percent correct. I certainly would have been very happy, as I know everyone else would have been, if the gentleman who had made the original bid of $1 million or $2 million, on a property which sold later for $11,500,000, had originally bid $9,500,000 or $10 million. Had he done so, the Commission might have sold the property to him.

This appears to me to have been a case in which someone thought he was going to get something for 10, 15, or 20 cents on the dollar, as had been the custom in years past. But when he could not buy it in the same way the aluminum and steel plants previously had been bought, then, of course, he came forward and said that the bids ought to be reopened and that he ought to be given an opportunity to do that which he should have done in the first place. Had he wanted to buy the plant, he had an opportunity to bid $9,500,000 or $10 million, or $11,500,000. He could have bid $12 million or $15 million, if the plants were so profitable; and they are profitable. There is no question about that. Then, no matter what concern the bidder might have had, he could have entered a higher bid.

Had the Disposal Commission sold the plant for half the amount for which they sold it, they would have been criticized for getting too little for it when they were offered more.

I think it is necessary to take all these things into consideration, and I believe the Commission did take them into consideration. I do not believe the Commission should be criticized.

As a matter of competition, it is a fact that the plant at Institute is being bought by Goodrich-Gulf. They did not need to buy that plant in order to increase their capacity. This plant has a capacity of 122,000 tons. They could have increased their capacity in Texas by 122,000 tons. They could have built a new plant. The testimony was that a new plant would have cost them very little more than the amount they paid for the existing plant.

Under the law, any of the companies which are now in the synthetic rubber business—which is what the able Senator from Arkansas calls a monopoly—has a perfect right to increase its production or has a right to build new plants or additions to old plants.

It was brought out that Goodrich-Gulf had been engaging, not in a monopoly, but in some unfair trade practices. But one can engage in unfair trade practices if he owns only one-tenth of 1 percent of something.

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

Mr. CAPEHART. I yield.

Mr. BUSH. Does the Senator not agree with me that if there was any monopolistic tendency in this case, or the approval of any monopolistic practice, it is very strange, indeed, that the distinguished Senators from West Virginia were among the proponents of the sale? I think particularly of the distinguished chairman of the Committee on the Judiciary [Mr. KILGORE], and of his able colleague, the junior Senator from West Virginia [Mr. NEELY], both of whom appeared before the Committee on Banking and Currency. I feel certain that if there had been any danger of a monopolistic charge being sustained, neither of the West Virginia Senators would have had anything to do with the sale.

Mr. CAPEHART. Let me call attention to another feature of the sale of all the synthetic rubber plants, especially the one at Institute, W. Va., which we are discussing now. The agreement with the Goodrich-Gulf Co. was that that company would sell 67 percent of its output to small business, under the law passed by Congress. In every sale, they agreed to sell X amount of their production to small business. In this particular case, the amount was 67 percent.

I call attention to another factor. I was the author of the bill, and was the chairman of the committee which reported the bill. The bill provided that for the next 10 years the Attorney General must submit to Congress a report upon the operations, including whether there had been any tendency to discriminate against small business and whether there had been any tendency toward monopoly. We wrote that provision into the bill, and it was to continue for 10 long years. I do not think we could have done anything better than to write into the bill a provision that the purchaser must sell X amount of its production to small business. As I have said, in the case of the plant at Institute, the amount is 67 percent. The law provides that once a year, over a period of 10 years, the Attorney General must investigate the operations from every conceivable angle and then file a report with Congress.

If Congress finds that the purchaser has been violating any of the rules or laws, if it has not been selling 67 percent of its production to small business, or if there is a tendency toward monopoly, Congress has the right to enact new legislation and to provide whatever is thought best under the circumstances.

I think this is another instance of Senators taking a negative position merely because they feel it is the popular one to take, or they feel that it is a position which would be in line with the general practice today of calling many things giveaways, when there is no giveaway at all.

For example, while it is not particularly material to the case, I call the Senate's attention to the fact that the Government sold the plant for $11,500,000. The plant is valued on the Government's books at $4,500,000. The Government is getting 52 percent of the profits from the corporation, in addition to the $11,500,000. As a businessman, I should say that is a very good deal. If the Government can get $11,500,000 for a plant which is valued on the Government's books at $4,500,000, and in addition will receive 52 percent of all the profits the company will make for years to come, I think the Government has concluded a sound transaction.

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

Mr. CAPEHART. I yield.

Mr. NEELY. The able Senator from Indiana, of course, knows that the Goodrich-Gulf Co. will, after the acquisition

of the West Virginia plant, have less than 20 percent of the rubber-manufacturing capacity of the country.

Mr. CAPEHART. They will have about 18 percent. Gulf is not in the business at all. The Goodrich Rubber Co. in reality will have only half of it. They will have less than 18 percent.

Mr. KILGORE. Mr. President, I shall not speak at length. I have prepared a statement which I shall ask unanimous consent to have printed in the RECORD. But before I do so, I should like to comment on 3 or 4 points.

First, the plant at Institute, W. Va., originally was designed as a green alcohol plant for the manufacture of butadiene. There are surplus grains which can be used for the production of alcohol. Goodrich contemplated bringing butadiene from their alcohol butadiene plant in Kentucky. This is the only plant in the group which is not drawing purely upon petroleum.

The second highest bidder, of all the bidders, bid only a little more than $5 million, while Goodrich-Gulf bid more than $11 million.

My third point is that this plant is in the center of a distressed employment area. Every day while the plant remains closed, the employees are on the relief rolls. If the plant were operating, they could be working in the plant.

Fourth, the plant is one which is not completely modernized, so Goodrich-Gulf will have to do some modernization work on it. They contemplate starting operations at one-third capacity while they install some additional facilities for bringing into the plant the cold process which is now being used in other plants.

I have stated the highlights of the situation. For the reasons stated, I think the resolution should be defeated.

Furthermore, Judge Barnes, the head of the Antitrust Division of the Department of Justice, unquestionably recommended that Congress should be the sole judge.

I ask unanimous consent that the statement I have prepared may be printed at this point in my remarks.

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

STATEMENT BY SENATOR KILGORE

I wish to express opposition to Senate Resolution 197, disapproving sale by the Government of the synthetic rubber plant at Institute, W. Va., to Goodrich-Gulf Chemicals, Inc., one of the leading companies in the industry.

This proposal has been investigated at great length by every group concerned; there has been no disapproval of agreement on the consummation of the sale, and I am firmly convinced that the consummation of this sale is in the best interests of the Nation. It should go forward immediately.

Every hour of delay impedes the progress of the synthetic rubber industry, so essential both to our national defense and our peacetime economy, and at the same time perpetuates the unemployment of hundreds of workers in the area who are impatiently waiting to go back to work.

The Rubber Producing Facilities Disposal Commission has recommended the sale as proposed. The Department of Justice is of the opinion that Congress has the responsibility for making the decision. The Senate Banking and Currency Committee has disapproved Senate Resolution 197, which resolution would have disapproved the sale. The House Armed Services Committee, which considered a similar resolution, voted 22 to 0 Tuesday to report it.

It may be instructive to review the background of the case. Under an amendment I had the privilege of introducing last year, the Commission was ordered to keep certain criteria in mind in ruling on the sale of the plant.

Most critical was the protection of national security. It is clearly in the national interest for this plant to be operated by a major company like Goodrich-Gulf, with a clause requiring its maintenance for 10 years.

Another criterion was the rightful protection of small business. The company has made a commitment to set aside for small-business use some 81,000 out of 122,000 long tons, the largest commitment made by any of the bidders.

In addition, the Commission decided that the $11 million bid constituted full fair value for the plant. The second highest bid was $5,800,000, which the Commission denied was fair value.

Finally, there was the effect of the sale on a free competitive synthetic rubber industry. Under the law, the Attorney General was required to rule on this aspect of the proposal. Although the Attorney General questioned whether it would have an anti-competitive effect, his position is clearly that it is in the purview of Congress to make the final decision.

The head of the Antitrust Division, Assistant Attorney General Stanley N. Barnes, went even further when he testified on February 1 before the Banking and Currency Committee.

When asked by the Chairman, the Senator from Arkansas—and I quote—"You do recommend that the Congress approve the sale?" Mr. Barnes replied—again I quote—"That is correct."

In view of the unanimity of opinion on the desirability and legality of the proposal, I again call the attention of the Senate to the necessity for approval by this body.

I am convinced this sale will not foster monopoly. I have fought monopoly all my life, and I will continue to do so. Sale of this plant to Goodrich-Gulf will mean no increase in monopoly. The Institute plant will give the company 19.9 percent of production in the industry. Other plants were approved with 18.8 percent of production. The difference is negligible.

The need is urgent. Every day that the plant is idle deprives skilled and unskilled workers in my State of the chance to go back to work and support themselves. They do not want relief. They want work.

At present, I am sorry to say, West Virginia has one of the most critical unemployment problems in the Nation. There are still more than 100,000 persons in my State living on food given them by the Government.

Some of these people can be put back on their feet if jobs are provided by the opening of the plant. This is not a partisan matter. There has rarely been such unanimity. All of West Virginia favors this proposal, regardless of party or organization, from the State legislature, the chamber of commerce, organized labor, on down.

With all the force at my command, I strongly urge the Senate to take favorable action on this proposal immediately.

Mr. FULBRIGHT. Mr. President, the remarks of the distinguished Senator from Indiana call for some comments by me, just for the sake of the record. He has mentioned aluminum companies. I know a little about those, since some of them were established in my State. I would very readily admit that it is likely that the Government could have obtained a few more dollars by selling those plants to the Aluminum Co. of America, which at that time had a complete monopoly on the production of the virgin metal. But in order to assure competition in the industry, sales were negotiated and the Government succeeded in bringing in the Reynolds Metal Co., and later the Kaiser Co., and now 2 or 3 other companies have gone into that industry.

It is now a highly competitive industry, and that condition operates to the benefit of all the people of the country. The salesmen certainly acted in the public interest, if one balances the few dollars which might have been obtained from a higher price against the benefits of competition in the industry. That is the point I wish to make.

The Senator from Indiana has made a comparison with book value, and has stated that the price to be received is higher than the book value—that is, the value after heavy depreciation. The Senator must no doubt be disturbed by what has happened in the sale, because—and I refer him to the CONGRESSIONAL RECORD, volume 99, part 7, pages 9358 and 9359—when the Senator from Indiana was chairman of the Banking and Currency Committee, and was in charge of the legislation concerning the sale, he said:

So far as I am personally concerned, a fair price, unless there are some factors about which I do not know at the moment, is certainly going to be pretty close to, if not above, what the plants costs the Government originally. That is what I am thinking about. I say, in all fairness, that there may be some factors involved which might change my mind, but as I see it at the moment, I am thinking in terms of what the plants cost the Government or possibly more. But I am certainly not thinking in terms of their book value.

Later in the debate, the Senator from Indiana said, as appears on page 9359:

Unless someone can give me some facts I do not have before me at the moment, I am certainly not going to stand for selling these 28 plants for 35 cents on the dollar.

What happened under the sale? The chart on pages 35 and 36 of the hearings shows that plants and equipment costing $476,997,045 were sold by the Commission for $273,848,202. That is about 57 cents on the dollar. It is a little better than the Senator's 35 cents, but by no means, in his words, "pretty close to, if not above" the cost of the plant.

Mr. CAPEHART. If the Senator will yield, I call his attention to the fact that the sale price was $410 million.

Mr. FULBRIGHT. That was not the sale price according to the hearings. I refer the Senator to page 36 of the hearings.

Mr. CAPEHART. The sale price was $410 million.

Mr. FULBRIGHT. According to the hearings, the sale price was $273,848,-202.05.

Mr. CAPEHART. We must add the inventory and other things, and, adding them, the Senator will find that the recovery was $410 million.

Mr. FULBRIGHT. I refer to the plants. If the Senator adds the inventory, he will have to subtract the inven-

tory cost; but the facilities themselves are listed on pages 35 and 36 of the hearings. I do not think there can be any doubt about the amount.

The figures given do not include the Institute plant. If the Institute plant were included, we would have to consider the amounts of $18 million in the cost and $11 million in the recovery, so there would be only another $7 million added.

The Senator recognized that there might be facts about which he was not aware which might prevent his expectations from being realized. Perhaps the Senator was not counting on the 1954 recession, which seems to have affected the prices bid. And perhaps the Senator was counting on real competition for the plants, not on a single bid for each plant, in most cases.

If the Commission had realized $450 million or $475 million or $500 million for the plants, I would not be objecting to the prices obtained in 1955. But I do object to a price of $200 million below the Senator's expectation.

It seems strange to me that if big business happens to get a bargain, it is referred to as a great sale and a wonderful thing; but if a small business is affected, it is not said to be of particular significance.

I objected last year because the plants were sold too cheaply, and because, in many cases, I thought consideration could have been given to bringing new plants into the industry. I still think the plants were sold too cheaply when it appears, from the best estimates I have been able to obtain, that as a result of the earnings the plants will be paid for in 4 or 5 years, if they maintain the same earnings which were derived when the Government was operating the plants. The Government could have kept the plants 4 or 5 years and have obtained more money from them than it received from the sale.

So I think the sales were improvident from the point of view of the taxpayer, especially since competition was not provided for. There is some excuse for taking a low price if the sale results in bringing in or promoting competition, so that the public will benefit in that way. So on both grounds I think the sale last year was an improvident one, that the price which the Government should have obtained was not received, and that the sale did not contribute to competition in this instance, as it should have. So I do not think the sales were good sales.

The Senator from Indiana has said he has never known of any comparable sale. As I recall, the sale of the Big Inch brought closer to the cost than did the sale under consideration.

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

Mr. FULBRIGHT. I shall yield to the Senator if he desires, but I submit again that the sales were not in the public interest.

Mr. ROBERTSON. Mr. President, the pending resolution was one I knew nothing about until I attended the committee hearings. No one had ever written me a letter regarding the matter. No one had ever come to see me about it. I knew nothing about it at all.

At the hearings I was greatly impressed by the testimony given by the Chairman of the Disposal Commission. He proved, by the figures he gave, that this would be a better sale of a rubber plant than any similar sale the Government had ever made. He proved the price would be nearly twice as much as the next highest bid. He said it was the positive conviction of the Commission, a Commission made up of very fine, able, public-spirited men, that the sale would not disturb the competitive situation.

The Attorney General's office did not make any specific recommendation against the sale from the standpoint of the anti-trust laws. The testimony was that the offer constituted a fair price. The testimony was that the Government might not get as good a price elsewhere. The testimony was that if Goodrich did not get the plant, it intended to expand and add equal capacity in the South to the plant it already had. The testimony was that we faced the alternative of getting what the Commission said was a fair, reasonable price for the plant, or retaining it as a standby plant, which would deteriorate each year and keeping out of production a very efficient plant, because it was in an area where raw materials could be economically furnished.

I reached the conclusion that the operation of the plant would be so efficient that, instead of hurting competition and resulting in higher costs to consumers, it would actually contribute to a possibly lower price for synthetic rubber.

Then, Mr. President, I could not be unmindful of the unemployment which for the past 5 years have existed in our neighboring State of West Virginia. Everyone knows the depressed condition of the coal mines of that State, which is one of the really great coal-producing States of the Nation. Everyone knows that a great many workers will be employed in this plant if the plant is sold and put into operation.

So I was glad to join with the other nine Members who heard the testimony. I approached the matter ab initio, without any prejudice one way or the other. I was convinced by the testimony that the sale was a fair one. I was also convinced that the operation of the plant in West Virginia—and it cannot be operated unless we approve this sale—will be a great help to that immediate area of West Virginia.

Mr. President, I make this brief statement to show that I think the resolution should be rejected and the sale should be approved by the Senate.

Mr. LANGER. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. ROBERTSON. I yield.

Mr. LANGER. Why cannot the plant be operated unless it is sold?

Mr. ROBERTSON. Because the Government is not operating any more of these plants. Unless the plant is sold to private industry, it cannot be operated, for the Government has gotten out of the business of producing synthetic rubber; and I think the Government should not be in any private competitive business which can be efficiently and properly operated by private capital.

I have been voting right along for the sale of the Government-owned rubber plants, and have done so because of my conviction that, although there was a time when it was necessary for the Government to operate them, in connection with the defense effort, that time now has passed. Private industry now can operate the plants, and there can be competition at a fair price.

Therefore I favor the sale of this plant. If the plant is not sold, it will not be operated.

Mr. BRICKER. Mr. President, in order that the RECORD may show the position I take on this matter, I wish to state that from the very beginning I have been interested in the sale of the synthetic rubber plants. In one way or another, this matter has been before this body during the past 6 or 8 years. Very early, we got rid of the patent pooling arrangements relating to this field. Then, a few years ago, the Government finally decided on the sale of the rubber plants, which during the war had done a remarkably fine job in supplying America with synthetic rubber, or whatever it may be called, and in providing for the needs of the country in this field.

The Government operated these plants, and did so efficiently. Some improvements in the processing of rubber, particularly the cold process, now have come into active use in connection with such operations.

Having decided upon the sale, the Commission was organized to take competitive bids and, further, to negotiate for the sale of the plants, if the bids received were not satisfactory.

The sale of the plants came originally before the Congress, and was sustained under the peculiar provision of law requiring that the sales go into effect unless either House of Congress adopts a resolution negating the action of the Commission in the case of a particular sale.

We did approve the sale of all the other plants. The particular plant now in question was not sold at that time because there were no bids on it. It was not the most efficient plant, and it is not yet. A great deal of work will have to be done on this plant. Two of the lines will be put into the production of what is known as the cold-rubber process. The other will be continued as it was originally built, for the processing of hot rubber.

This particular sale was subsequently authorized by an act of Congress, after the sale of the great majority of the plants had been consummated. Bids were taken. The bid in this case is by far the highest bid; as the distinguished Senator from Virginia said, it is almost twice the amount of the next highest bid.

There is great need, from the local point of view, for placing this plant in private industry. I think the distinguished Senator from West Virginia has already presented the figures regarding unemployment in this area. Adequate

manpower to conduct the operation, as the Goodrich-Gulf Co. will conduct it, is available in the area. Operation of the plant will be a great boon to that particular locality, and there is need for the rubber the plant will produce.

In connection with the sale, it was provided that 67 percent of the rubber produced in the plant would have to be made available to small business. Commitments of the same character were required in connection with the sale of the other plants, although of not so high an amount as in this case. So there is adequate protection for small business.

I think no one will contend that there is a monopoly in the rubber business. Anyone who knows anything about the business will not so contend. I know of the active competition between the rubber companies, most of which are located in my own State. There is very active and aggressive competition in the field, not only as regards sales, but also as regards improvement of the products themselves.

In this case the bid was determined by the Commission to be the full and fair value for the plant, and much higher than the depreciated value at the present time.

The Government is getting out of the rubber business; in fact, the Government has gotten out of it. As the Senator from Virginia said a moment ago, the Government no longer is producing artificial rubber or synthetic rubber. This sale will bring the production of the company which is purchasing this particular plant up to approximately 19.9 percent of the full amount of production of synthetic rubber made by the disposed of plants operated by all companies.

The Attorney General filed no objection to this sale; but intimated that, if there were a private sale, there might be some objection on his part. However, an entirely different situation is to be considered here, as compared with a consolidation of two companies. Under the antitrust laws or antimonopoly statutes of the country, the Goodrich-Gulf Co. could expand its plant at Port Neches; it could build another plant, and no one could object to that. This company could enlarge its present plant, so that its production would amount to a much higher percentage of the total production than the percentage it would have as a result of acquiring this particular plant. Any of the other companies operating in this field could do likewise.

Mr. President, in my judgment, there is no question that this sale is in full compliance with the antitrust laws, the Clayton Act, and the Sherman antitrust law, and that the company will not be put in an unfair competitive position as regards the other companies, which likewise could increase their production so as to make it equal to the amount which, within a period of 3 years, will be possible from the combined plants owned by the Goodrich-Gulf Co.

So, Mr. President, in the interest of the economy of the country and the good of the country and in the interests of the industry generally, I believe this sale should be consummated; and I believe that the resolution of the Senator from Arkansas should be rejected. Not only will the Government have the benefit of increased production and better research and greater progress in the industry, but likewise the Government will receive large amounts in taxes from the operation of this plant by private industry.

Therefore, Mr. President, I think the resolution of the Senator from Arkansas should be rejected; and I believe that the program, as laid down by the Commission, should be consummated.

Mr. GOLDWATER. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. GOLDWATER. I should like to ask the Senator from Ohio whether he sat through the gas bill debates during the past 3 weeks and a part of this week?

Mr. BRICKER. I did.

Mr. GOLDWATER. Did the Senator from Ohio hear much argument raised about getting the Government out of business?

Mr. BRICKER. Not a great deal from the forces of the opposition in this case.

Mr. GOLDWATER. On numerous occasions I heard the Senator from Arkansas speak about the inadvisability of having the Government in control of private business—I believe I am correct in my recollection on this point; and he advocated that the Government get out of private business. So I was very, very heartened to realize that we had gained a convert to the cause of free enterprise.

I am a little surprised to hear, just 2 days after the great debate ended, that we might possibly have lost a valued member of that team.

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

Mr. BRICKER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator from Arizona misunderstood. The minority—speaking for myself—is strongly in favor of selling these plants, as we were last year, but not selling them at such cheap prices. They sold last year for about $200 million less than they should have been sold for on the estimate of the distinguished Senator from Indiana [Mr. CAPEHART], who said in 1953, in the discussion of the bill which became the Disposal Act, that he was thinking of recovering the cost to the Government, and not the book value. I am thinking of the cost. If they had been sold at cost, which is about $200 million more than the Government received, I would not object to the price at all. But it is our duty, I think, to get the full value for the taxpayer. I object to giving away to big business these plants at far below cost—far below their present value, I may say.

Mr. NEELY. Mr. President——

Mr. BRICKER. Let me briefly answer the suggestion made by the distinguished Senator from Arkansas.

Mr. NEELY. That is what I wished to do.

Mr. BRICKER. I think the best authority on this question is the Disposal Commission which the Congress authorized to proceed to sell the plants. It has found that this figure is above the full, fair value. Certainly the competitive bids show what the value of the plant is. The accepted bid is almost twice as much as the next highest bid, and the negotiated price is about $3 million higher than the original sealed bid, which shows that a fair price was obtained.

The Chairman of the Commission, in introducing one of his colleagues to the committee at the time, stated that that man proved to be a very good horse trader. I think there has been some very fine salesmanship on the part of the Government commission. In particular, the price for this plant is on the basis of a higher value than with respect to the other plants.

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

Mr. BRICKER. I yield.

Mr. NEELY. In the circumstances of this case, if approval of this sale should be withheld until someone offers within $2 million of the $18 million which the plant cost, does the distinguished Senator from Ohio believe that it would ever be sold?

Mr. BRICKER. In my judgment, it would not be sold; the community would never get the employment it needs, and the plant would rust out, at great cost to the Government to maintain it in a rusting condition.

Mr. MORSE and Mr. CASE of South Dakota addressed the Chair.

The PRESIDING OFFICER. The Chair reminds Senators that the Senate is now operating under controlled time, and that Senators wishing to make comments on subjects other than the pending resolution must obtain unanimous consent for that purpose.

Mr. MORSE. Mr. President, I wish to discuss very briefly the pending resolution.

The PRESIDING OFFICER. Is the Senator for or against the resolution?

Mr. MORSE. I am for the resolution, being 1 of the 6 members of the committee who voted for the resolution.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I wish to say at the outset that no Member of the Senate, including the Senators from West Virginia, is more sympathetic than the Senator from Oregon regarding the plight of fellow Americans in depressed areas. I think it is very important that we do everything we can to make available means of employment of people in depressed areas.

I believe the record which our Government has made in respect to bringing employment relief to people in depressed areas is a sorry one. I believe that job opportunities should have been provided long before this.

However, I point out that it is not proposed to move this plant out of this area. It is not proposed to dismantle the plant. If the plant is to be operated, it will be operated in this area. It is true that a time factor is involved, to the extent of the slight delay which will take place in calling for new bids if the resolution should be adopted. That would involve only a matter of a few weeks. I am satisfied that new bids could be called for

and the final decision reached within a maximum period of 6 weeks.

I certainly believe that in the meantime our Government should go to the assistance of the people in this depressed area, without using this proposed sale as an excuse for not doing anything to find jobs for these people. In my judgment this proposed sale will saddle upon the American people a greater entrenchment of monopoly in the rubber industry. The rubber industry is already throttled by monopoly. I think the figures show that about 4 rubber companies and 3 oil companies control approximately 88 percent of the synthetic rubber production of the country at the present time.

Now I wish to come to the discussion of what I think is the basic issue involved in the sale of this plant, namely, the issue as to whether or not it would stregthen vertical monopolies in the oil and rubber industries. On the basis of the hearings, I do not think there is any question that it would. It would increase the control of this particular company over a large segment of the production of rubber. The figure of 18 percent has been used as the figure representing the segment of the industry which would be controlled by this company. The record shows that it would be 25.2 percent of present capacity, if the sale to the Goodrich-Gulf Co. should go through.

So we have before us a question of great public policy. Shall we follow a course of action which would bring a newcomer into the industry, or are we to follow a course of action which would prevent a newcomer from engaging in the industry, and thereby further entrench the existing vertical monopoly in the rubber and oil industries?

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

Mr. MORSE. I yield.

Mr. PASTORE. Is the Senator of the impression that if the sale is blocked the prospects for selling the plant to a newcomer are good, with a better price obtainable?

Mr. MORSE. I think they are very good. I think the result of adopting the resolution would be a sale to a newcomer. I will say something about the offers made by the various companies in a moment.

I should like to dwell for a few moments on the fact that we have a chance of bringing a newcomer into the industry. The argument has been made on the floor of the Senate that, of course, the Goodyear-Gulf Co. may go ahead and build another plant in Texas. In fact, one of the most recent speakers on the subject said if the company did not get this plant, it would proceed with increasing its production elsewhere.

My answer is that is fine. But it is all the more reason for not selling the plant to this particular company. If they are ready and willing to increase production elsewhere, that is fine. Let them go ahead. That will help broaden the base of competition in the industry, if we can get a newcomer to operate the plant at Institute, W. Va.

I am not at all moved now, any more than I was in committee, by the argument that if we do not sell the plant to the Goodrich-Gulf Co. they will go ahead and produce more rubber elsewhere. I am all for that, just as I am in favor of doing everything we can to have this plant sold to a newcomer in the industry. If we really mean it when we say that we wish to broaden the base of competition in the rubber industry, it is imperative that the plant involved in this resolution be sold to a new manufacturer. We need a new face, so to speak, in this industry, if we are to check monopoly.

I wish to make clear—because it is so easy to be misunderstood on a subject such as this—that I have always been in favor of selling the rubber plants. I have always been opposed to the Federal Government operating the rubber plants in peacetime. I do not believe in nationalizing our rubber industry. I do not believe in nationalizing any private enterprise. However, I have been insistant that in selling Government-owned plants we follow a course of action that will broaden the base of competition and narrow the limits of monopoly.

I am greatly concerned about the trends of monopoly in America today. I point out that small-business men across the country also are greatly concerned about it because they are beginning to feel the pinch of monopolistic control.

When heretofore the sale of other rubber plants was urged, I suggested that the sales be made with certain guaranties to the American people which would protect their interests. We lost in connection with the other sales, as I suspect we will lose again today. However, the same need for protection of the public interest exists in connection with this sale.

For example, let us consider a recapture clause. There is no recapture clause in the sale contract before us, any more than there was in the other sales of rubber plants. I well remember the Senator from Georgia [Mr. GEORGE], when the last proposal was before the Senate, rising on the floor and asking if he understood us correctly when we pointed out that there was no recapture clause in the contracts then being considered. When he discovered that no recapture clause was in the contracts he opposed the sale of the plants. In my judgment the American people, who paid 100 percent of the cost of the development of the synthetic rubber industry in this country, are entitled to protection of that investment, at least by way of a recapture clause, so that if a great national emergency arises they will not have to pay bonanza prices to the rubber industry to get back these plants. It may be that in time of war we shall want to recapture these plants.

Therefore, I say that our objection of a year ago is clearly applicable to this particular sale. I shall not accept the argument that a mistake made in the past justifies a repetition of the mistake at the present time. If it was wrong then, it is wrong now.

Now I wish to discuss another objection we had a year ago, which is applicable to this sale. It was our objection that there really was no protection to small business in those sales. In my judgment, there is no protection to small business in this sale.

Oh yes, it will be pointed out, in this sale there is a section written into the contract which provides that 67 percent of the rubber is to be made available to small business. I say most respectfully that that provision is not enforceable. When Judge Barnes testified before our committee, we could not get him to give us any assurance that it would be enforced. He said they would try to enforce it, but he could not cite any legal doctrine under which the Department of Justice could enforce it.

No small-business man could enforce it, because he would not have any legal standing in court. In fact, he would be out of court before he even started, if he tried to enforce that provision of the contract. It is nothing more than window dressing, Mr. President. At best, it creates a moral obligation, but not a legal obligation.

After public concern about the danger of monopoly in this sale dies down, in 2 or 3 or more years, I forewarn that small business will find itself up against a vertical monopoly in the rubber industry, which will determine at its own whim or discretion whether it will sell any rubber to small business. If it is in the economic interest of the big rubber companies not to do it, we can be sure they will not do it.

That leads me to the next point I wish to stress in my brief remarks. We are dealing with the problem of vertical monopoly, which we see all through the oil and rubber industry. It is taking form in fabrication operations and in retail operations. What we see is a chain without one broken link from the point of production right down to the retail counter. That is what concerns small-business men. That is what concerns gas station operators, as they testified before both the Select Committee on Small Business and before the Small Business Subcommittee of the Committee on Banking and Currency, of which I am chairman. The testimony is very clear that the small-business men are finding themselves being squeezed in the jaws of the vice of vertical monopoly, the oil industry being one jaw of the vice and the rubber industry being the other jaw.

The result is that the gas station operators must sell such products as they are told to sell and at such prices as they are told to sell them. Of course those demands are not placed in writing because of the antitrust laws.

What I wish to say on this point is that it is very important that we get a newcomer into the synthetic rubber industry. Only by so doing, can we assure competition and place some check upon vertical monopoly which has come to dominate the oil and rubber industries.

Let us consider the question of the price offered for the plant. The price offered is $11,500,000. That should not surprise anyone. I am satisfied that if a monopoly thought it had to bid $15 million or $18 million or $20 million, it would not hesitate to bid that amount, because in no time at all—in fact, in the space of a short period of years—with monopolistic practices it could pay for

the plant with a slight increase in the price of rubber.

It is very interesting, I might say, to note the timing of the Disposal Commission's finding of the $9,500,000 price as a fair market price. As I understand the RECORD, the Commission did not reach that decision until the first bids were in. The first bid of the Goodrich-Gulf Co. on this particular plant was a bid of $9 million. The second bid was $9,500,000. The third bid was $11,500,000. It is rather interesting to note the timing of the Commission's finding that the $9,500,000 price was a fair market price.

Be that as it may, let us look at that price as against the prices offered by some newcomers in the industry. Let us take, for instance, the Pauley offer. With respect to that offer, when we take into account the fact that the Pauley proposal contemplated a new rubber operation, the cold-rubber process, as I understand, instead of the old hot-rubber process, the conversion cost to Pauley would have brought the bid up. It would have been somewhat more than $8 million, which is not so far below $9,500,000. Moreover, when we take into account, also, that the very thing which the Rubber Disposal Commission has to consider, namely, the antimonopoly objective, or the objective to sell the plant in a manner which will decrease the danger of monopoly, I am not sure but that the Pauley bid should have been considered a fair bid.

In any event, Mr. President, I think it is well to have these plants producing the various types of rubber. I am not an expert in this matter; I know only what I have heard in the hearings. But I understand that the so-called cold-rubber process is a very important need within the industry so far as the productive needs of the American people are concerned.

I also understand from the record that 1 or possibly 2 of the other potential newcomers would have used this plant for producing rubber other than hot rubber. But, be that as it may, I wish the record to show that, in my judgment, when we consider the conversion cost to which the other bidder would have been put in order to use the plant for the production of another type of rubber the Pauley bid was not so low.

Now, Mr. President, a word in regard to the price the Government is receiving for the plant. I still think it too low, in view of the control which the companies will have over prices. I think they can pay for this plant very quickly by adding a very slight increase to the price of rubber. The important consideration in respect to our duty as Senators, so far as public policy is concerned, is to ask ourselves whether we are doing everything we can in connection with the sale to protect the American people from a deeper entrenchment by the vertical monopoly in the field of rubber production. One reason why I am supporting the resolution is that, in my judgment, we are not doing everything we should to protect the people against the danger of monopoly.

The last point I wish to make is in regard to Judge Barnes' testimony, because, Mr. President, Judge Barnes does not give his unqualified endorsement to the sale proposed. What he said to us in his testimony, in essence—and I cross-examined him at some length, as the record will show—was that the Department of Justice had decided to recommend the sale; but not unqualifiedly.

Let me show some of the qualifications indicated by Judge Barnes in his testimony. First, he pointed out quite clearly that if this sale were between two private companies, the Department of Justice would object. If it were a sale between two private parties, the Department of Justice would intervene and proceed with action under the antitrust laws, because, in his judgment, it would constitute an impairment of free competition; it would be an inducement to monopoly, which would, in his judgment, demand action by the Department of Justice to protect the American people against unfair competitive practices on the part of industry. But, he said, "We are in doubt as to whether section 7 of the Clayton Act applies to a sale between the Government and a private company." I thought that was a very interesting position for the Assistant Attorney General to take, because I do not see how we can read the Clayton Act, or any other of the antitrust acts, without recognizing that what the Congress was seeking to do was to protect the American people from monopolistic abuses. If the danger of monopolistic abuse is present, it does not make one whit of difference whether the sale is between the Government and a private company or between two private companies.

So far as I was concerned, when Judge Barnes admitted that if the sale were between two private companies, the Department of Justice would intervene and do what it could to prevent the sale; it settled the case for me. I say that because, no matter what he said thereafter by way of rationalization to support the opinion which the Attorney General had filed with the Rubber Disposal Commission, he could not escape the fact that he had admitted in his testimony that if this had been a sale between two private companies, the interest of the American people would have been involved. If the officials of the Department of Justice desire to torture section 7 of the Clayton Act, they are welcome to do it, but not with my blessing. My study of the Clayton Act convinces me that it was the intent of Congress to prevent a sale between the Government and a private company or between two private companies, when in either case the result of the sale would endanger the economic welfare of the American people by imposing upon them monopolistic abuses and practices.

Judge Barnes also in his testimony made it very clear that he was not certain whether the section of the contract supposedly included to protect small business would protect small business, in that he would not say for a certainty that it would be enforceable. I cross-examined him at some length on the enforceability of this provision of the contract. The record is before the Senate. When we get through with all his comments, they add up to the conclusion that he does not know whether that provision of the contract is enforceable, but that those in the Department of Justice will do what they can to try to enforce it.

I happen to believe that the Congress has the duty before it of preventing the sale by insisting that a section be written into the contract which will be enforcible. That is why I took the position in the committee that we should insist that instead of writing into the contract what is only a gesture, a little bit of window dressing, we ought to require the Commission to write a warranty clause which would be enforceable. But the parties did not want to do that. Why? We can judge for ourselves why. But I think there is no real intent to put into the contract a legally binding provision which will make the promise to small business an enforceable promise.

So, Mr. President, I shall vote against this sale as I voted against the other sales of the rubber plants. I summarize by saying I want the plant sold; I want it sold within the next few weeks. I think it can be sold within the next few weeks, because the Rubber Plant Disposal Commission can proceed immediately to call for new bids. There is no reason why the sale cannot be expedited, and I think we can get the plant operating to the benefit of the people in that distressed area in the very near future. However, I believe that at this time we should see to it that we have done everything that can be done to protect the American people from a further entrenching of a vertical monopoly in the oil-rubber industry of this country.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I understand the resolution pending before the Senate is a negative resolution, and that a negative vote on the resolution will approve the sale recommended by the Commission.

The PRESIDING OFFICER. The Senator from California is correct. A negative vote is a vote in favor of the sale.

Mr. KNOWLAND. And a negative vote is in support of the position recommended by a majority of the Banking and Currency Committee.

The PRESIDING OFFICER. The Senator is correct.

Mr. NEELY. Mr. President, as usual, I have listened with great interest to the remarks of the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the eminent Senator from Oregon [Mr. MORSE]. The latter's reference to the Clayton Act has carried me back to that distant day when, as a Member of the House of Representatives, I cast my vote for that beneficent measure. From then until now every opportunity that has ever become available to me to vote for an antimonopolistic bill or provision has been improved to the limit of my capacity. But notwithstanding my sincere desire for the complete protection of the Nation against monopoly, it is nevertheless impossible for me to be more deeply concerned about metaphysical argumentation relative to statutory regulations or constitutional limitations than I am

about hungry men, women and children. There are today more than 200,000 of these in my State as a result of long-continued, widespread unemployment. If the Fulbright resolution is defeated, one of the consequences will be employment, at lucrative wages, for several hundred of the idle men and women in the southern part of West Virginia.

On the first day of this month, before the Senate Committee on Banking and Currency, over which the distinguished author of the pending measure presided, it was my privilege to make an argument in opposition to the resolution of disapproval before you. In the course of my remarks it was pointed out that the Commission, in making the sale of the plant to the Goodrich-Gulf Co., had meticulously complied with every requirement of the law. In my opinion, my previous argument refutes everything that has been said in opposition to the sale on the floor of the Senate today, not even excepting the vigorous address made by the illustrious statesman from Oregon [Mr. MORSE].

Mr. President, it is my confident belief that the resolution will be overwhelmingly defeated. Consequently, I am unwilling to delay the decision of this matter by answering in detail the many objections the eminent Senator from Oregon has made, for experience admonishes me that regardless of any refuting response that might be offered, he would follow with a rejoinder, since he was undoubtedly the inspiration of Timon's notable couplet:

The two-edged tongue of mighty Zeno, who
Say what one would, could argue it untrue.

[Laughter.]

In the circumstances, I now ask unanimous consent to have printed in the RECORD at this point the complete statement made by me before the committee last Wednesday relative to this important matter.

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

Senator NEELY's statement was as follows:

Mr. Chairman, Dr. Oliver Wendell Holmes in the Autocrat of the Breakfast Table, says:

"All economical and practical wisdom is an extension or variation of the arithmetical formula: 2 plus 2 equals 4."

Equally simple and logical are the facts which impel West Virginia to oppose the pending resolution of disapproval of the sale of the Government's idle, deteriorating and tax-burdening rubber plant which is situated at Institute, a few miles from the capital of the State. These facts are briefly as follows:

The Disposal Commission has recommended the sale of this plant to the Goodrich-Gulf Co. for $11 million—a sum more than twice as great as the present book value of the plant and almost twice as great as any other bid received for the property. To maintain this factory, which has long been idle, in standby condition for the 10-year period required by our national security, would cost the Government $2,400,000. For this expenditure of the taxpayers' money they would receive absolutely nothing in return.

Goodrich-Gulf has bound itself in its contract of sale to make available to small business 81,000 tons of the plant's 122,000-ton capacity. After acquisition, the company will have only approximately 19.9 percent of the Nation's total capacity for the manufacture of Government rubber-styrene.

The Disposal Commission acted in this matter in pursuance of the statute which contains various criteria. One of these is the protection of our national security. The sale of this idle plant to the highly responsible and thoroughly capable Goodrich-Gulf Co. under a contract requiring the plant's maintenance for 10 years is, beyond the shadow of a doubt, in the interest of such security.

There are three other mandatory major criteria with which the Commission has fully complied. The first of these requires that small-business enterprises and users of rubber have an opportunity to obtain a fair share of the output of the facilities sold and to obtain such products at fair prices. In satisfaction of this requirement, the company has, as previously indicated, agreed to allocate approximately two-thirds of its output to small-business enterprises.

The second criterion is the requirement that if the plant is sold, it must be for its full and fair value. If anyone has even ventured to suggest that $11 million is not full and fair value for this plant, that fact has entirely escaped my notice.

The highest bid received, except the one for $11 million, for which the sale was made, was for $5.8 million dollars. The Commission unequivocally stated in its report that the latter sum would not be the full, fair value of the plant. In this decision informed opinion and commonsense would fully concur. Furthermore, the Commission points out that the sale of the plant for the lower bid would give the purchaser an unfair competitive advantage over those who paid full, fair value for the other governmental synthetic rubber plants sold under the first disposal program. In the circumstances, under the statute, the Commission must sell the Institute plant to Goodrich-Gulf for $11 million, or not sell it at all. To continue the maintenance of the idle plant is to burden the taxpayers with the useless upkeep cost of a quarter of a million dollars a year.

The third criterion with which the Disposal Commission must comply is the requirement that the sale provide for the development of a free competitive synthetic rubber industry, and that such sale shall not permit the purchaser to possess unreasonable control over the manufacture of synthetic rubber.

If it were permissible for me to hazard a guess as to what was the principal motive that impelled the distinguished able chairman of the committee to introduce the resolution under consideration, that guess would be to the effect that he fears the possibility that competition would suffer from the sale of the plant to the Goodrich-Gulf Co.

The CHAIRMAN. That is the principal issue. And, as I pointed out, it is raised by the Attorney General's opinion on both——

Senator NEELY. Of course, the Attorney General changed his mind. But let it be remembered that the eminent Mr. Emerson declared:

"A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines."

In this case, General Brownell, by changing his opinion so as to approve the sale of the Institute plant, escaped the Emersonian condemnation and, in my judgment, also rendered a distinct service to the Government.

The synthetic rubber industry, as envisioned by the Commission in its disposal program of a year ago and augmented by the sale of the Baytown, Tex., plant last summer, includes the elements necessary to vigorous competition, not only among the rubber fabricators who purchased the Government's plants, but also among the oil and chemical companies which bought plants although they were not at that time fabricators of rubber. These companies have no captive demand. They must competitively sell their products in the market place. The sale of the Institute plant to Goodrich-Gulf will not reduce competition. It is more than likely to increase it.

This criterion contains the restriction that the purchaser shall not have unreasonable control over the manufacture of synthetic rubber. The Commission's report clearly shows that this industry is rapidly expanding, and that additional expansion is confidently expected. On the basis of these expansions, Goodrich-Gulf, after the acquisition of the Institute plant, will have only 19.9 percent of the Government rubber-styrene capacity of the country. Certainly this could not be considered unreasonable control, since there are a number of other strong competitors, each of which will have 10 percent or more of capacity. Among these are the nonrubber fabricators—Shell Chemical Co. and Phillips Chemical Co.

Attention is invited to the following discrepancies in the Attorney General's opinion, which is reprinted in the Disposal Commission's report. He says that Goodrich-Gulf after acquiring the Institute plant will have 25.2 percent of capacity. This conclusion or estimate is based on the originally assigned capacities of the various plants, and it is now unrealistic. Former capacities have been substantially increased and other increases are underway. The proper figures in this case are those used by the Commission which are based on existing instead of original capacities.

Mr. Chairman, to the best of my knowledge and belief, the foregoing is a factual statement of the merits of this case. Let me add a brief, sincere entreaty to the committee in behalf of the distressed unemployed of West Virginia, to several hundred of whom the operation of the Institute plant would afford immediate relief. During the month of January just past, out of a total population of less than 2 million, 208,660 West Virginians kept their souls and bodies together by food furnished them by the Federal Government. The destitution of these unhappy ones is largely attributable to the unemployment with which West Virginia has been more greatly scourged than any other State in the Union, except Pennsylvania and Kentucky.

A little more than a year ago the widely circulated U. S. News & World Report carried an illustrated article entitled "Where Jobs Are Hardest To Get," in which West Virginia was listed as having 13 distressed unemployment areas, although at that time the national average was a fraction more than one jobless area for each of the other States.

I am authoritatively informed that the estimate of those requiring Government food in my State for the present month of February is 210,000, or an increase of 1,340 over last month.

In view of all which, we entreat the committee, in addition to doing justice in this case, as it undoubtedly will, to extend its consideration to include a reasonable degree of sympathy for the suffering people of West Virginia, and to translate that sympathy into action, encouraged and comforted by the Pilgrim's Progress assurance:

"He who bestows his goods upon the poor,
Shall have as much again, and ten times more."

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

Mr. CURTIS. Mr. President, I notice——

The PRESIDING OFFICER. Is the Senator for or against the resolution?

Mr. CURTIS. I am for it.

I notice that the resolution pertains to the sale of a synthetic rubber plant

which was created to produce rubber from butadiene made from alcohol. It appears that the sale is to an oil company. I find this sentence in the report:

The cost of the alterations to bring the plant up to fully competitive status would be about $6 million.

I should like to inquire of Senators in charge of the measure if it is their understanding that the plant will be converted into one which will produce rubber from butadiene made from petroleum.

Mr. KILGORE. What is sought to be done is to modernize the plant and to produce rubber by the cold process, using only one line at a time, but still to use butadiene made from alcohol which is now being processed at Louisville, Ky., on the Ohio River, thus enabling the butadiene to be carried by barge up the river to the plant.

Mr. CURTIS. Do I understand correctly that the plan is to continue using alcohol, rather than petroleum, as the basic product?

Mr. KILGORE. Yes; that is what I have been told by officials of the company.

Mr. CURTIS. If that is the situation, I withdraw my objection, and yield back the remainder of my time.

Mr. BRICKER. As I understand, the plan is to make rubber from butadiene made from alcohol.

Mr. FULBRIGHT. Mr. President, there is no commitment to use only butadiene made from alcohol; but the butadiene presently most available is manufactured at Louisville. It is my understanding, from hearing the evidence, that in time, as the other segments of the plant are brought into operation, the company will certainly be at liberty to use butadiene manufactured at its Port Neches plant in Texas.

I do not wish any misunderstanding to arise, but I do not believe the Senator is justified in relying on the information that the plant will use only alcohol butadiene. I think Goodrich is perfectly at liberty to use petroleum butadiene whenever it wishes to do so. It has merely been stated that in the initial stages the expectation is to use butadiene made at the Louisville plant.

Mr. CURTIS. As I understand, there is nothing in the contract which binds the company to continue using butadiene made from alcohol. But my inquiry was, Is it planned, in the operation which it is proposed to begin, to use butadiene made from alcohol?

Mr. FULBRIGHT. I refer the Senator to page 144 of the hearings. Mr. Burt, president of the Goodrich-Gulf Co., was testifying. He said:

The fact of the matter is there is no butadiene available for the Institute operation except that butadiene that is manufactured from alcohol, and that alcohol is costing us 17½ cents a pound as against 14 cents. Therefore, of that difference of 3½ cents, 80 percent of that, or about 2½ cents, is added directly to our cost of that rubber. So that just the butadiene cost will add 2½ cents to the cost of the rubber produced at Institute over that at Port Neches. That will only be true until new production can be brought in at Port Neches, which we are planning to do. That is a 2-year program.

If I understand that statement correctly, it is planned to use alcohol butadiene at the beginning, but, as soon as enough additional production of petroleum butadiene can be started at the Port Neches plant, that will be used.

Mr. LEHMAN subsequently said: Mr. President, when Senate Resolution 197, concerning the synthetic-rubber plant at Institute, W. Va., was being considered by the Senate earlier in the day, I was unable, because of absence from the Chamber during a part of the time, to participate in the debate. However, I did sign the minority views, which is a matter of record.

I wish to place my views before the Senate at greater length and in more detail. I therefore ask unanimous consent that a statement which I have prepared be printed in the body of the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR LEHMAN

I wish to support my colleague, Senator FULBRIGHT, and urge that this body vote in favor of Senate Resolution 197 and thereby disapprove the proposed sale of this plant to Goodrich-Gulf Chemicals, Inc. I urge this for two reasons.

The first is that, in my opinion, to allow Goodrich-Gulf to have this plant would greatly and dangerously increase concentration of economic power in an already highly concentrated industry. That is my belief and opinion. I stress the fact that it is my opinion by way of preface to my second reason for opposing this sale.

My second reason is that, if the Senate should vote against this resolution and allow this disposal to Goodrich-Gulf, we will have done so completely in the dark. We will not have had the benefit of a considered judgment on the economic consequences of this sale from either of the two bodies charged by law with advising Congress thereon in the Natural Rubber Act.

I am sure the Senate will see the relationship of these two reasons.

If I were sure in my own mind that allowing Goodrich-Gulf to purchase this plant would not increase concentration of economic power in this industry, I would be less troubled by the fact that I was acting without benefit of an opinion on this question from the Attorney General or the Synthetic Rubber Disposal Commission. But I am not sure. And I have not had their advice.

I am not a lawyer. I am told that the only real question that arises as to the legality of this sale would be under the "tendency to monopoly" language of the Clayton Act. I do not know whether an acquisition, which gives a company that had 11 percent of the productive capacity in an industry enough to bring it up to about 20 percent of that capacity, constitutes a tendency toward monopoly. Lawyers tell me that sometimes a smaller percentage may be monopolistic and sometimes a larger percentage may be unobjectionable, depending upon the facts and circumstances of each case.

What I do know is that the Attorney General of the United States, who was charged with a duty to advise the Senate upon exactly this question, informed the Senate Banking and Currency Committee only that it was for the Senate to decide. He was unwilling to say that the sale was not unlawful. He was unwilling to say—in view of the fact that he had been presented only with a single take-it-or-leave-it proposal—what disposition would best foster the development of a free, competitive, synthetic rubber industry.

The highest bidder was Goodrich-Gulf, offered $11 million. But awarding this bid to Goodrich-Gulf would move them from 3d to 1st place in the industry, with one-fifth of total productive capacity and a high degree of vertical integration. The next highest bidder was Edwin W. Pauley, offering $5.8 million.

It is true therefore that he offered substantially less money. At the same time, he was a newcomer to the field. Goodrich-Gulf has already purchased Government surplus synthetic rubber plants under this program—and at bargain rates. There are now 12 independent companies in this field. If we disapprove the Goodrich-Gulf bid, I think it highly probable that we can have 13 competing firms in the field. I am sure no one will doubt that this would be more desirable. It will cost us something. We do not know exactly how much. In my opinion, it will be worth the cost, but that is only a guess. What I really want is to have the expert opinion and assistance of the Commission and the Attorney General on whether this would be worth the cost. And without that, I refuse, Mr. President, to approve the disposition.

I am not insensitive to the need to get this plant into operation. I realize it would do much to relieve the economic distress existing in West Virginia, and I am as eager as my colleagues from that State to see it become productive again.

If I thought that no other sale could be obtained for this plant, I would hesitate long before recommending that my colleagues join me in disapproving the sale. But I see no reason to suppose that if bids are reopened, the plant cannot be put into operation with but moderate delay. And although I regret even that moderate delay, I do not think the Senate can in fairness be charged with responsibility for it. The responsibility lies rather with the administrative agencies, specifically with the Commission and with the Attorney General, for having sent to the Senate a proposed disposition whose competitive consequences had nowhere been evaluated. The blame for that is, I believe, properly assignable, and I trust that my colleagues from West Virginia will assign it where it belongs. For us, I see no alternative but to disapprove this sale under those circumstances, on this record.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The Chair will state that a yea vote is in effect a vote against the sale of the plant, and a nay vote is in effect a vote in favor of the sale of the plant. Senators who are in favor of the resolution will vote "yea."

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Bible	Case, N. J.
Allott	Bricker	Case, S. Dak.
Anderson	Bridges	Chavez
Barkley	Bush	Clements
Barrett	Butler	Cotton
Beall	Byrd	Curtis
Bender	Capehart	Daniel
Bennett	Carlson	Dirksen

Douglas	Johnston, S. C.	O'Mahoney
Duff	Kennedy	Pastore
Dworshak	Kerr	Payne
Eastland	Kilgore	Potter
Ellender	Knowland	Robertson
Ervin	Kuchel	Russell
Flanders	Langer	Saltonstall
Frear	Lehman	Schoeppel
Fulbright	Long	Scott
George	Magnuson	Smathers
Goldwater	Malone	Smith, Maine
Gore	Mansfield	Sparkman
Green	Martin, Iowa	Stennis
Hayden	Martin, Pa.	Symington
Hennings	McCarthy	Thurmond
Hickenlooper	McClellan	Thye
Hill	McNamara	Watkins
Holland	Monroney	Welker
Hruska	Morse	Wiley
Humphrey	Mundt	Williams
Ives	Murray	Young
Jackson	Neely	
Jenner	Neuberger	

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to Senate Resolution 197.

The Chair would remind the Senate that on this vote, a vote "aye" will be a vote against the sale of the plant, and a vote "no" will, in effect, be a vote in favor of the sale of the plant.

The question now is on agreeing to the resolution. (Putting the question.)

Mr. FULBRIGHT. Mr. President, I call for a division.

On a division, the resolution was rejected.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1471. An act for the relief of William J. Robertson;

H. R. 1876. An act for the relief of Martin M. Sorensen;

H. R. 1892. An act for the relief of Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung;

H. R. 2472. An act for the relief of the estate of Grady Ward;

H. R. 3343. An act for the relief of Mrs. Blanche Houser;

H. R. 3725. An act for the relief of Herman F. Gierke, Jr.;

H. R. 3733. An act for the relief of Charles A. Barron;

H. R. 3980. An act for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft;

H. R. 4633. An act for the relief of Crosse and Blackwell Co.;

H. R. 4759. An act for the relief of Clarence Maxwell;

H. R. 4773. An act for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman;

H. R. 5237. An act for the relief of Mrs. Ella Madden and Clarence E. Madden;

H. R. 5284. An act for the relief of Keith A. Botterud;

H. R. 5495. An act for the relief of Arthur H. Homeyer;

H. R. 5526. An act for the relief of Mrs. Kathryn M. Baker;

H. R. 5590. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert;

H. R. 5778. An act for the relief of June Smith;

H. R. 6137. An act for the relief of Mr. and Mrs. Herman Floyd Williams and Mr. and Mrs. W. C. Segers;

H. R. 6421. An act for the relief of Roy Cowan and others;

H. R. 6618. An act for the relief of Etha Dora Johnson;

H. R. 6673. An act for the relief of Manuel Mello;

H. R. 6703. An act to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska;

H. R. 7373. An act for the relief of Eugene G. Aretz;

H. R. 7513. An act to direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska;

H. R. 7583. An act for the relief of Mary Viola Jones;

H. R. 8187. An act for the relief of Wright H. Huntley;

H. R. 8298. An act for the relief of Westfeldt Bros.;

H. R. 8306. An act for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy;

H. R. 8307. An act for the relief of Nathan A. Kahn;

H. R. 8308. An act for the relief of Arthur E. Weeden, Jr.;

H. R. 8309. An act for the relief of Colonel Henry M. Zeller;

H. R. 8310. An act for the relief of Chief Warrant Officer George C. Carter;

H. R. 8311. An act for the relief of Daniel O. Hulse, Jr.;

H. J. Res. 457. Joint resolution for the relief of certain relatives of United States citizens;

H. J. Res. 472. Joint resolution for the relief of certain aliens; and

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 201. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 202. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

ENROLLED BILLS SIGNED

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

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

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

H. R. 1471. An act for the relief of William J. Robertson;

H. R. 1876. An act for the relief of Martin M. Sorensen;

H. R. 1892. An act for the relief of Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung;

H. R. 2472. An act for the relief of the estate of Grady Ward;

H. R. 3725. An act for the relief of Herman F. Gierke, Jr.;

H. R. 3733. An act for the relief of Charles A. Barron;

H. R. 3980. An act for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft;

H. R. 4633. An act for the relief of Crosse and Blackwell Co.;

H. R. 4759. An act for the relief of Clarence Maxwell;

H. R. 5237. An act for the relief of Mrs. Ella Madden and Clarence E. Madden;

H. R. 5284. An act for the relief of Keith A. Botterud;

H. R. 5495. An act for the relief of Arthur H. Homeyer;

H. R. 5526. An act for the relief of Mrs. Kathryn M. Baker;

H. R. 5778. An act for the relief of June Smith;

H. R. 6137. An act for the relief of Mr. and Mrs. Herman Floyd Williams and Mr. and Mrs. W. C. Segers;

H. R. 6421. An act for the relief of Roy Cowan and others;

H. R. 6673. An act for the relief of Manuel Mello;

H. R. 7373. An act for the relief of Eugene G. Aretz;

H. R. 7583. An act for the relief of Mary Viola Jones;

H.R. 8187. An act for the relief of Wright H. Huntley;

H. R. 8298. An act for the relief of Westfeldt Bros.;

H. R. 8306. An act for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy;

H. R. 8307. An act for the relief of Nathan A. Kahn;

H. R. 8308. An act for the relief of Arthur E. Weeden, Jr.;

H. R. 8309. An act for the relief of Col. Henry M. Zeller;

H. R. 8310. An act for the relief of Chief Warrant Officer George C. Carter;

H. R. 8311. An act for the relief of Daniel O. Hulse, Jr.;

H. J. Res. 457. Joint resolution for the relief of certain relatives of United States citizens; and

H. J. Res. 472. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. R. 3343. An act for the relief of Mrs. Blanche Houser; to the Committee on Labor and Public Welfare.

H. R. 4773. An act for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman; to the Committee on Finance.

H. R. 5590. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery

of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Armed Services.

H. R. 6618. An act for the relief of Etha Dora Johnson;

H. R. 6703. An act to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska; and

H. R. 7513. An act to direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska; to the Committee on Interior and Insular Affairs.

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on the Judiciary:

H. Con. Res. 201. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 202. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 8, 1956, he presented to the President of the United States the following enrolled bills:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

EXPENDITURE OF FUNDS BY SPECIAL INTEREST GROUPS IN CONNECTION WITH A FEDERAL ELECTION

Mr. GOLDWATER. Mr. President, last Friday in Detroit a decision which had little attention in the national press was handed down on the matter of the expenditure of funds by special interest groups in connection with a Federal election. This decision will be of great importance to the citizens of the United States, and, I venture to say, will also be a matter of important concern to the Congress.

This decision was handed down in connection with a Federal grand jury indictment of a labor union for spending general union funds on television programs broadcast to the general public in support of certain candidates for Federal office. The union, in its brief, did not deny such funds had been spent as specified in the indictment. The court, nevertheless, held that existing law did not prohibit such activity on the part of this special interest group.

What does this decision mean to the average voting citizen in the United States, and especially what does it mean to labor union members? If it means that unions may now consider it legal to spend union dues money on radio and television programs, as well as other campaign expenses without limit, we may well ask ourselves what chance the rest of the citizens—or for that matter, any other special interest group in this country—will have when faced by such a group as we find in the new union merger which controls the dues money of more than 15 million members in this country.

Recent substantial studies indicate that the annual dues collected in this country run about $500 million. If only 10 percent of this money were allocated to political purposes, it would mean a slush fund amounting to $50 million annually. Does anyone suppose that the citizens of this country would be able to resist the political force which can be generated with such an overwhelming fund? Or does anyone suppose that certain union leaders who have already shown a strong desire to use their muscles on the American political scene can now be expected to show any reasonable restraint in the use of such funds? This decision in Detroit last Friday opens the door for the influencing of Federal elections by special interest groups which can make the wide-open corruption developed 50 years ago by the use of corporate funds seem trifling by comparison.

This situation, I submit, calls for an immediate review of the law pertaining to Federal elections in order to protect the individual rights and freedoms of citizens of the country, as well as to insure that members of labor unions will not be compelled, as the price of holding a job, to support, through their union dues, candidates or parties which they personally would oppose.

In this connection, I would like to insert into the RECORD at this point an article from the Washington Star of February 4, 1956. This Associated Press dispatch says, briefly, that the senior Senator from the State of Michigan [Mr. POTTER], who represents the State most concerned at present with the result of this decision, believes that Congress will have to rewrite the Federal Corrupt Practices Act as a result of this ruling.

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

[From the Washington Evening Star of February 4, 1956]

POTTER SAYS RULING VOIDS CORRUPT PRACTICES ACT

Senator POTTER, Republican, of Michigan, said today that Congress "will have to rewrite the Corrupt Practices Act" if a Federal judge's ruling dismissing a charge against the United Auto Workers union is upheld.

Federal Judge Frank A. Picard threw out of court in Detroit yesterday a charge that the UAW had used members' dues illegally to finance television and radio programs of political candidates.

"The expenditures charged in this indictment are not prohibited by the act," the judge ruled. He said the union was "exercising the right of free speech." There was no immediate decision on an appeal.

The case was the keystone of a drive by Chairman GOLDWATER of the Republican Senatorial Campaign Committee and others against what Senator GOLDWATER called the "massive use of political slush funds" by unions in election campaigns.

Union leaders have scoffed at Senator GOLDWATER's charges, which have been echoed by Senator KNOWLAND, of California, the Senate minority leader.

The UAW admitted spending money for political purposes, but questioned the law's constitutionality.

Without ruling on that contention, Judge Picard said the law does not prohibit the action charged against the union. He said the Supreme Court, on appeal, "may determine otherwise, and may at that time decide upon the law's constitutionality."

Emil Mazey, secretary-treasurer of the UAW, commented "We are glad to see that Judge Picard has upheld the Bill of Rights."

The Detroit case grew out of charges by Michigan Republican leaders that the union had used funds for support of Democratic candidates in 1954 when Senator FERGUSON, Republican of Michigan, was defeated for reelection by Senator MCNAMARA, Democrat.

Senator POTTER said in an interview that if Picard's ruling is upheld by the Supreme Court "that means the end of the Corrupt Practices Act."

"If unions can use their dues to make political contributions, there is no reason why corporations can't use their stockholders' money for the same purpose," he said. "In my judgment, neither should be permitted to use money collected from members or stockholders against the will of some of the people from which the money came."

Mr. GOLDWATER. Objective university studies have shown that more than 40 percent of the union members in this country in 1952 voted for a Republican President. Yet the union dues of most of this 40 percent were being appropriated by certain union leaders to finance the campaigns of candidates which these same union members, as individuals, were opposing at the polls.

I want to emphasize, however, that this is not a partisan issue. The question of whether a union member is a Republican or a Democrat is not the first consideration. We know that in important regions of this country the Republican Party rarely, if ever, elects a candidate. In these regions there is a situation equally dangerous to political freedom. Yes, in these areas, dues money collected from union members is being used to support certain candidates in the Democrat primaries, in spite of the fact that union members, as individuals, may be opposing these candidates at the polls. What can be more degrading to a free citizen than to be compelled, in order to earn a livelihood, to pay the campaign expenses of political candidates whom he, as a citizen, opposes at the polls?

This, I repeat, is not a partisan issue. Union members who are of Democrat conviction, as well as those who are of Republican conviction, are being abused equally by this situation where union dues are being used to support candidates which the individual union member personally would oppose.

Going beyond the matter of parties entirely, there is the still further question of the appropriateness of an economic organization, like a union, being engaged in politics at all. Other large economic organizations, such as corporations, have been prevented—and I think rightly so—from engaging in such political practices. Substantial studies of undisputed integrity have shown that a very high proportion of union members do not believe that the union ought to engage in politics at all. Study after study has shown that this attitude is widespread throughout the country. I

do not intend today to detail these studies and what they show, but I shall do so at a later time. Suffice it to say that many millions of Republican union members are being abused and their political rights made a mockery by this practice. Equally so, many millions of Democrat union members are being compelled to support, through their dues money, candidates in Democrat primaries whom they as individual voters oppose at the polls. Beyond this partisan matter, I repeat, stands the question of the principle involved in permitting enormous economic aggregates to transform their economic power into political power in the face of the fact that a great many union members do not believe that influencing elections is an appropriate activity for labor union officials. Yes, many union members of years of faithful union activity—men who believe completely in the legitimate economic aims of unions—are, at the same time, profoundly convinced that their organization should not be transformed into a political instrument. Several weeks ago 3 Michigan men—2 of them members in good standing of the same union which has just been given a green light in Detroit—came all the way to Washington at their own expense to appeal for help against this political abuse.

All this would be dangerous enough if we did not have the added factor of compulsory membership in unions. But what can we say of a situation in a State like Michigan, for example, where the overwhelming majority of wage earners are compelled to belong to unions in order to hold a job, yet, where the general union dues, at the same time, are being used to support candidates for Federal office both in Federal elections and in Federal primaries. What can we say of a situation where a man must, in order to hold his job, pay, through his union dues, for the campaign expenses of candidates in either party whom he, as an individual, would oppose at the polls.

In the case under recent consideration in Michigan, the brief presented by the politically ambitious union officials agrees that the present law does not protect minorities within the union. I submit, if such is the case, the law ought to be changed.

President Eisenhower has said only recently that "the rights of minorities holding differing social, economic, and political views, must be scrupulously protected and their views accurately reflected."

The junior Senator from Nebraska [Mr. CURTIS] has introduced a bill, S. 3074, in which I was happy to join him, the purpose of which is to protect the wage earner in his political rights. The recent judicial decision in Detroit shows how great is the need for such legislation.

THE PRESIDENT'S MESSAGE ON THE IMMIGRATION AND NATURALIZATION ACT

Mr. LEHMAN. Mr. President, I should like to inquire whether the President's message on immigration has been read to the Senate.

The PRESIDING OFFICER. The President's message has not been read.

Mr. LEHMAN. Mr. President, I have read the message, which has been distributed to all the Members of the Senate. There are many important suggestions and some good recommendations in it.

I am very happy that the President in his message has recognized the validity and necessity of the battle which I have been carrying on for so many years against the unfair national origins quota system. In his message the President said:

> Experience in the postwar world demonstrates that the present national-origins method of admitting aliens needs to be reexamined, and a new system adopted which will admit aliens within allowable numbers according to new guidelines and standards.

That statement recognizes the fact that the national originis quota system must be discarded and a new system set up. In legislation now before the Congress, I have proposed such a system which I believe is practicable, humane, and in accord with the democratic traditions of America.

I ask unanimous consent to have a statement which I have prepared, commenting on the President's message, made a part of my remarks at this point.

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

STATEMENT BY SENATOR LEHMAN

I am glad to welcome President Eisenhower into the ranks of those seeking a really substantial revision of the McCarran-Walter Act. His recommendations are better and more comprehensive than I had expected. He has come a considerable way down the road I and others have been pointing out for the last 4 years.

I regret, however, that he has taken no cognizance whatever of the discriminatory features of the McCarran-Walter Act dealing with citizenship and the invidious distinctions made in the law between native-born and naturalized citizens.

I urge and invite the President, since he has come this far in recognizing the faults in the McCarran-Walter Act, to come the rest of the way with those of us who have been urging a complete overhaul of the act.

While the President agrees that the national origins quota system needs to be superseded—which is progress in itself—he recommends only that the matter be studied. It has been studied enough. I have a proposal to replace it which is perfectly consistent with the guide marks which President Eisenhower has set forth in his message. I think the pooling of unused quotas is a palliative which, while it would represent progress, is certainly not the final answer.

I am not opposed to any one of the President's recommendations. I just think there should be more of them. I look forward to seeing the bill which I assume will be submitted to carry out the President's recommendations. I commend to the President the bill which I and 15 others have introduced in the Senate, which is thoroughly consistent with the spirit of the recommendations and observations made by him in his message today.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Are we still in the morning hour?

The PRESIDING OFFICER. The morning hour has ended.

The unanimous-consent agreement which is applicable at this time will be read.

The agreement was read, as follows:

> *Ordered*, That, effective on Wednesday, February 8, 1956, at the conclusion of routine morning business, during the further consideration of the act, H. R. 7030, to amend and extend the Sugar Act of 1948, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.
>
> *Ordered further*, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. CAPEHART. Mr. President, on behalf of myself and the Senator from Rhode Island [Mr. GREEN], I modify my amendment, and I send the modification to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 17, beginning with line 8, it is proposed to strike out all of section 7 and insert in lieu thereof the following:

> SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:
>
> "(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.
>
> "For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value,

and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

Mr. CAPEHART. Mr. President, I assign myself 3 minutes.

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

Mr. CAPEHART. I yield.

Mr. SMATHERS. I should like to ask the Senator from Indiana whether he does not believe we should have a quorum call before he proceeds, in view of the importance of his amendment.

Mr. CAPEHART. I have no objection, provided the time for the quorum call is not taken out of my time.

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time consumed in calling the quorum be not charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Suppose it takes 30 minutes to develop a quorum?

Mr. SMATHERS. The time would not come out of the time allotted to either side on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. I wish to have it clear in my mind. As I understand, the request is that the time taken in calling the roll is not to be charged to either side. Is that correct?

Mr. SMATHERS. The time would be charged to neither side.

Mr. CAPEHART. Suppose it takes an hour to develop a quorum. What will the situation then be?

Mr. SMATHERS. The Senator would have just as much time to speak then as he would have had without a quorum call.

The PRESIDING OFFICER. The Senator would still have 30 minutes on his side.

Mr. CAPEHART. Even though it might take 2 hours to develop a quorum, would each side still have 30 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. CAPEHART. With that understanding, I have no objection to a quorum call.

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

The PRESIDING OFFICER. The secretary will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present. The Senator from Indiana has the floor.

Mr. CAPEHART. Mr. President, I yield myself 2 minutes on the amendment.

The amendment is recommended by the administration as being a fair and equitable way of handling the situation. The amendment differs from the so-called Smathers bill or the bill reported by the committee only in respect to provisions of the bill whereby Cuba is given a quota of 33.8 percent of the increased usage of sugar in the future. None of the proposals changes the amount of sugar which Cuba will export to the United States, according to the basic conception which has existed for many years. They have to do only with the increased sugar usage in the future.

The bill we are amending calls for a quota of 33.8 percent to Cuba. The bill which was passed by the House gives Cuba 25 percent. The amendment offered by the Senator from Rhode Island [Mr. GREEN] and me would give Cuba 27 percent, or 2 percent more than the House gave.

We would take 6.8 percent, which is the difference between 27 percent and 33.8 percent, and allocate it among all the other nations. Under the amendment the small nations—the 4 or 5 nations which have been selling only 1,000 or 2,000 tons a year—would automatically be allotted 3,000 tons. All the other nations would then be given a quota based upon their historical quotas or shipments in the years 1951, 1952, 1953, and 1954.

In the opinion of the Department of State and of the administration itself, this is a fair and equitable way to proceed, because it will treat every nation on an equal basis. The nations which have had an allotment of about 1,000 tons will each be allotted 3,000 tons. That would be fair and equitable, according to those who are in a better position to understand the workings of the situation than we in the Senate are. They are dealing with the problem every day, and they are negotiating with the exporting countries not only with respect to sugar but with respect to many other commodities. In their opinion, this is the best and most equitable way in which to proceed.

I stress the point that we are taking away from Cuba nothing that Cuba had in the past. Cuba will still continue to receive an allotment of approximately 96 percent of all our sugar imports.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

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

Mr. CAPEHART. I yield.

Mr. BENNETT. Cuba has today 96 percent of the tonnage necessary to meet the increased consumption caused by the growth in population, but not 96 percent of the total imports. Cuba's percentage of the total imports is about 33 percent, including the 96 percent of the growth she has had since 1948.

Mr. CAPEHART. That is correct.

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

Mr. CAPEHART. I yield.

Mr. CHAVEZ. Under the formula contained in the amendment, what will be the reduction for Mexico?

Mr. CAPEHART. The reduction for Mexico will be to approximately 1.9 percent.

Mr. CHAVEZ. What would that amount to in tons?

Mr. ELLENDER. Mr. President, will the Senator from Indiana yield, so that I may answer the question?

Mr. CHAVEZ. No; I want the Senator from Indiana to answer.

Mr. CAPEHART. I do not think I have that information at hand.

Mr. CHAVEZ. Does not the bill itself, as reported by the Committee on Finance, provide for 4 percent; and under the Senator's formula, would it not be reduced to 1.9 percent?

Mr. CAPEHART. The bill I am trying to amend gave Mexico 4 percent.

Mr. CHAVEZ. That is correct.

Mr. CAPEHART. Under my proposal, Mexico would be given 1.9 percent. But it must be kept in mind that the 1.9 percent is more than Mexico received in the past. It is more than they have been exporting to the United States. But even that amount would be according to the historical shipments during the past years. In other words, we would be treating Mexico exactly the same as we would treat Peru.

Mr. CHAVEZ. If, as the State Department representatives say, the allotments have been inequitable, why should they have been inequitable?

Mr. CAPEHART. Under my amendment, we shall be treating Mexico exactly the same as we would treat Peru.

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

Mr. CAPEHART. Mr. President, I yield myself 2 additional minutes.

Peru and the other countries are being treated on the same basis as Mexico is treated. They are being treated the same, percentagewise, using the same historic formula.

Mr. CHAVEZ. I am complaining about the historic formula. The officials of the State Department would

like to have that formula forgetting all the so-called good will and the sermonizing about how much we love Latin America.

Mr. CAPEHART. Why does the Senator from New Mexico want to increase Mexico's quota and decrease Peru's quota?

Mr. CHAVEZ. I do not want to decrease Peru's quota.

Mr. CAPEHART. That is what the bill from the Finance Committee does.

Mr. CHAVEZ. I do not think it does.

Mr. CAPEHART. It certainly does.

Mr. CHAVEZ. The bill from the committee gives Peru a pretty good part of what is contained in the bill. From 1.4 percent for Peru, it was raised to 4 percent. The Dominican Republic had an increase from 1 to 2 percent.

Mr. CAPEHART. According to the State Department and the administration, my amendment represents the historic and fair and practical way to do it. The Senator understands that there are only so many tons allowed in the quotas. If the quotas of some countries are raised more than those of others, then some tonnage is going to be taken away from those whose quotas are not raised.

Mr. CHAVEZ. I disagree with the Senator from Indiana that the administration knows what the State Department officials are trying to do to the administration by this amendment.

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

Mr. CAPEHART. I yield.

Mr. KERR. I wish to ask a question, because either I misunderstood the Senator, or he is wrong, or I am wrong about what is in the bill. I understood the Senator to say that under his amendment Cuba would continue to get what she has been getting, 96 percent of the increase. Is that correct?

Mr. CAPEHART. We do not change the past historic arrangement.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

We are talking about only increased usage of sugar in the United States in years to come. The House gave Cuba 25 percent. My amendment would give Cuba 27 percent. The bill which we are attempting to amend would give Cuba 33.8 percent.

Mr. KERR. Cuba has had 96 percent, and the Finance Committee bill would reduce it to a little more than 33 percent.

I also understood the Senator from Indiana to say that under his amendment Mexico would continue to get what she has been getting, and Peru would continue to get what she has been getting. Is that correct?

Mr. CAPEHART. Percentagewise, I think that is correct.

Mr. KERR. Peru would get 8.9 percent under the Senator's amendment; would she not?

Mr. CAPEHART. Peru would get how much?

Mr. SMATHERS. Eight and three-tenths percent.

Mr. KERR. Is that correct; I ask the Senator from Indiana?

Mr. CAPEHART. My amendment would give Cuba 27 percent. Foreign nations are to get 45 percent. My amendment would grant Cuba 27 percent and all the other nations 18 percent, and that 18 percent, according to the State Department, except as regards small nations which will automatically get 3,000 tons, will be divided up in proportion to the percentage of sugar which they have been shipping into this country over the period 1951 to 1954.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. I do not wish to get into an argument with the Senator; I was merely trying to get the record clear. I helped write the bill in committee. Either I do not know what is in it, or the Senator from Indiana is mistaken as to what is in it. I know he does not want to leave the discussion on that basis.

Mr. CAPEHART. I want to be perfectly fair. If I am in error, I hope someone will correct me.

Mr. KERR. Under the present law, Peru and other nations in a similar position receive 4 percent of the increase, because Cuba is getting 96 percent of the increase and the rest of the nations 4 percent.

Mr. CAPEHART. In the first place, the foreign nations receive 45 percent. We are dividing up only the 45 percent.

Mr. KERR. The Senator from Indiana is talking about the bill before the Senate, and I am talking about the existing law.

Mr. CAPEHART. Cuba receives 96 percent of the increase since 1948.

Mr. KERR. That is the existing law.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. Under the committee version, Mexico's quota was raised from 1.9 to 4 percent. What was Peru given under the bill?

Mr. SMATHERS. The committee moved Peru's quota from 1.9 percent up to 4 percent.

Mr. KERR. It was raised to 4 percent. How much of an increase did Mexico receive?

Mr. SMATHERS. Mexico's quota was raised from 1.9 to 4 percent. Peru and Mexico would now receive the same.

Mr. KERR. The bill would give Peru and Mexico not only the same amount each has been receiving, but each of them would get an equal amount of the increase.

Mr. CAPEHART. The amendment I have just offered would give the domestic growers 55 percent, and would give Cuba 27 percent, the Dominican Republic 4.9 percent, Mexico 1.9 percent, Peru 8.4 percent, and all others 2.8 percent. The bill we are seeking to amend gives domestic growers 55 percent, Cuba 33.8 percent, the Dominican Republic 2 percent, Mexico 4 percent, Peru 4 percent, and all others 1.2 percent.

Mr. KERR. That is the point the Senator from Oklahoma was trying to make clear. The Finance Committee, in writing the bill, gave Peru and Mexico the same amount. Under the amendment offered by the Senator from Indiana, we would give Peru four times as much as we would give Mexico.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

In answer to the Senator from Oklahoma, I say the reason for that is that Peru has been shipping that much more sugar to the United States.

Mr. KERR. Regardless of the reason, that is a fact.

Mr. CAPEHART. We are trying to be fair and to treat all nations alike by permitting them to ship sugar to the United States in the same percentage they had enjoyed historically in the past. Why anyone should object to that policy, I cannot imagine.

Mr. KERR. Cuba has been getting 96 percent, and the Senator is proposing to give her 27 percent, so how could it be said that she is being treated the same as before?

Mr. CAPEHART. Perhaps I should have said that all countries except Cuba were being treated the same. Much as I admire and like Cuba, I do not think we should legislate for only one nation's sake, because a number of Latin American nations are involved, and one is as important as the other.

Mr. KERR. I agree with the Senator from Indiana in his latter statement, but I do not think the first part of his statement is correct when Peru is being given better treatment than Mexico.

Mr. CAPEHART. They are being treated exactly alike, percentagewise.

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

Mr. CAPEHART. I yield.

Mr. LONG. I believe I can help the Senator clear up the confusion over the figures to which he has referred. Starting back in 1948, just after the war, Cuba at that time had been receiving 27 percent of the sugar market of the United States. That is what she was getting in 1948. But there were deficits as of that time. We had certain obligations with regard to Cuba left over from the war, so we agreed that for the next 8 years Cuba would get 96 percent of all the increases there would be in the quota for all foreign nations, arising from increased consumption in the United States.

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

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. LONG. Cuba got a quota of 96 percent of all the increases in imports due to increases in domestic consumption for 8 years. At the end of 8 years, her quota of 27 percent of our market had increased to 33 percent. The State Department now says we have met our obligation to Cuba in that regard, and now desires to return to the historic formula we followed in 1948, under which Cuba had been receiving 27 percent.

Mr. CAPEHART. Which the Senator from Louisiana favors.

Mr. LONG. That is what the Senator is recommending. I shall vote for it. The State Department has said that if we start horse trading and playing one country against the other, we will have all enemies and no friends, that the best course is to take a formula which it can be agreed is fair and in accordance with our historic usage of sugar.

Mr. CAPEHART. The able Senator from Louisiana is correct. I believe he is a member of the Finance Committee.

Mr. LONG. Yes.

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

Mr. CAPEHART. I yield.

Mr. CHAVEZ. In answer to the Senator from Louisiana, I wish to say that we are making an enemy of our closest neighbor. The activities of the International House in New Orleans will be futile if the proposal now made shall be adopted.

Mr. SMATHERS. Mr. President, how much time remains to each side?

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes remaining. The opposition has the full 30 minutes remaining.

Mr. SMATHERS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. BARKLEY. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. BARKLEY. Before the debate on this amendment is over, I should like to have at least 5 minutes.

Mr. SMATHERS. I shall be happy to see that the Senator from Kentucky does.

Mr. BARKLEY. In fact, I might want 1 or 2 minutes more, if available.

Mr. SMATHERS. Yes.

Mr. President, as has been evidenced already this afternoon, there is some confusion in respect to the bill and particularly to the 45 percent of the increased consumption of sugar which goes to the so-called offshore countries.

For the benefit of the Senate, I may say that the Finance Committee wrestled with this particular problem, just as the Senate has done today. However, the Finance Committee wrestled with it for several days. The committee heard all the testimony given by the various representatives of the various countries. After hearing all the testimony and listening to all the arguments, and after having had the matter explained by the representatives of the various countries, who pointed out what the proposal would do to the respective economies of their countries if their quotas were shifted either up or down, the committee finally voted for what we now call the committee bill. The Senator from Indiana is now trying to change the bill by means of his amendment, as modified.

What the committee bill did was to give every full-duty country an increase in its quota of sugar shipped into the United States.

Mr. BENNETT. Mr. President, will the Senator from Florida yield for a correction?

Mr. SMATHERS. I yield.

Mr. BENNETT. The committee voted for the bill which was reported, and the committee voted against what we call the committee print. That is the action which was taken by the committee. However, the Senator from Florida just said that the committee finally voted for the committee print. He meant to say, I am sure, that the committee rejected the committee print, and voted to report a different bill.

Mr. SMATHERS. I accept that correction; the Senator from Utah is correct.

Mr. President, the measure before the Senate today, providing for the distribution of 45 percent to offshore countries is the one which we would like to have passed, because it is the bill for which the committee voted after much deliberation of the many problems involved.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield for a moment to me?

Mr. SMATHERS. Mr. President, first I should like to finish my preliminary statement, and then I shall be glad to yield.

We attempted to give to every one of these countries an increase in its quota; and that is what we have done.

Under the present law, Cuba was receiving 96 percent of the increased consumption. Under the bill before us we reduced her quota all the way down to 33.8 percent. This is certainly a sizable reduction. Six years from today the change will cost Cuba approximately 618,000 tons. But that is done in order to be fair. So, Mr. President, instead of leaving Cuba's quota at 27 percent, as had originally been recommended in what we call the Bennett committee print, we increased Cuba's quota to 33.8 percent. However, let it be remembered that Cuba's quota of the increased consumption still is being cut from 96 percent to 33 percent.

Under the present act, Peru is receiving a quota of 1.9 percent of our increased consumption. In the bill, that quota is increased to 4 percent. In other words, we have increased Peru's quota a little more than two times; but we must remember that Peru had her quota tripled as recently as 1953.

We are asked, "Why should we do any more for Peru?" Very frankly, Mr. President, Peru is a fine country, as I think all of us recognize. Peru has a diversified economy. Her economy is not a one-crop economy, as in the case of Cuba; but, on the contrary, Peru has petroleum and other agricultural products besides the production of sugar. Let us also remember, as we act to increase Peru's quota for the shipment of sugar into the United States, that today Peru does not have a surplus, and does not have lying fallow ground which previously was used for the production of sugar. Inasmuch as the Peruvian share was tripled as recently as 1953, the proposed allocation to Peru under the bill before us will be 6 times larger in 1957 than it was in 1952. Unlike Cuba, which is today carrying a tremendous sugar surplus of 1,400,000 tons, Peru's exports of sugar have been the greatest on record in volume and value, according to an official report of the United States Department of Commerce. In fact Peru is at the present time enjoying a period of record prosperity. Under the bill Peru is treated justly and fairly. It is impracticable to justify an even bigger share as proposed in the Capehart amendment.

Let us also remember that Peru is approximately 4,000 nautical miles from the United States. So if we ever become involved in a conflict, we cannot say—as we can say as regards Mexico and Cuba—that Peru is close enough to our shores so as really to do us some good in an emergency.

Any further increase in the Peruvian share of the annually growing American market would only serve to stimulate construction of new or expanded sugar producing facilities in Peru, which has no sugar surplus, at the very time when there is a large world surplus. This unquestionably would be especially harmful to Cuba, which is presently suffering from a severe cut in sugar production and widespread unemployment.

Mr. ANDERSON. Mr. President, at this point will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. Is it not true that during the last war we did not have to worry about the submarine menace, insofar as obtaining supplies of sugar was concerned, because we could bring sugar from Cuba to the United States?

Mr. SMATHERS. That is correct. I hope that during the debate the Senator from New Mexico will tell us about his experiences as Secretary of Agriculture, when he had to ask Cuba to increase her sugar production in order that American housewives would have sufficient sugar for the canning of peaches and other fruits and commodities.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CAPEHART. Is it not a fact that the House committee and the House as a whole had before them exactly the facts the Senator from Florida has stated, but their conclusion was that the quota for Cuba should be 25 percent—not the 27 percent called for by my amendment, and not 33.8 percent, but 25 percent—and is it not a further fact that the House committee heard from the same witnesses and had before it the same facts and the same figures that our Finance Committee has had before it?

Mr. SMATHERS. Mr. President, two wrongs obviously do not make a right. But the Finance Committee heard all the testimony and, after due deliberation, finally reported a bill which provides for what I regard as a very fair proportion of distribution for all these countries.

Mr. KERR. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. KERR. The Finance Committee even had before it the action of the

House Ways and Means Committee, did it not?

Mr. SMATHERS. It certainly did, and it decided that it should be amended.

With respect to the Dominican Republic, the present act gives her a quota of 1 percent. In the Finance Committee's bill, that quota is increased to 2 percent—in other words, an increase of 100 percent.

In the case of Mexico, which under the present act has a quota of only 0.4 percent, the committee voted to increase her quota to 4 percent. The committee did so because today Mexico, among all the Latin American countries, is the second largest sugar producer at the moment. Moreover, Mexico is the third best customer of the United States. In 1954 Mexico's unfavorable balance of trade with the United States amounted to approximately $300 million. The Senator from Utah does not like to agree with me as to that; but I checked it this morning with the Department of Commerce, and again they say that is the fact.

In any event, Mexico is our third best customer, and is the nearest sugar-produring country to the United States. So we believe that Mexico has some basis for requesting a quota of somewhat more than 0.4 percent, and for requesting a quota at least as large as that of Peru. Mexico is the second largest sugar producer of all of the Latin American countries. Her production among them is exceeded only by that of Cuba. In the event of a catastrophe or war—which we hope we shall not experience—the United States will have close to her sugar producing countries on which she can rely. The committee considered all of these factors and in setting Mexico's share at 4 percent of the increased consumption has in my opinion dealt fairly with the situation.

Mr. CHAVEZ. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield.

Mr. CHAVEZ. Is it not correct to say that Mexico is the only one of the sugar producing countries that is contiguous to us and does not have to depend upon shipments by water? For instance, in the case of Peru, water shipments of more than 4,000 miles are required.

Mr. SMATHERS. Of course, the Senator from New Mexico is correct.

In regard to Cuba, let me say that I think the junior Senator from New Mexico [Mr. ANDERSON] will in a moment be able to tell the Senate more than I can tell it about our obligation to Cuba. I can merely say that Cuba was receiving 96 percent of our increased consumption. She is the only country whose quota will be reduced at all by the bill. Every other country will receive a sizable increase in quota; Cuba is the only one whose quota is being reduced.

As I pointed out yesterday, the Sugar Act is a complicated piece of legislation. The committee's bill for amending and extending the act is necessarily also complicated. It, after careful consideration, reported out a bill, which is fair and equitable to all areas supplying the United States with sugar as anything which could be devised, which would be consistent with the sugar policy of the United States, established and maintained for over 20 years, and our overall national interest. It provides for a very substantial participation by our own domestic industry in the increases in consumption in the United States, which will result from the continuing growth of our population. The fairness and wisdom of the approach to a very difficult problem, I submit, is amply demonstrated by the unqualified endorsement which has been given the bill by distinguished Senators on both sides of the aisle. I urge the Senate to defeat the Capehart amendment and sustain the considered action of the Senate Finance Committee by supporting the bill as report to the Senate.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CAPEHART. Until 1948, Cuba had a quota of only 27 percent; but now the committee proposes that Cuba's quota be restored to what it was before she got the subsequent increase in her sugar quota.

Mr. SMATHERS. I would appreciate it if the Senator would check with the Department experts who are seated in the Chamber, in order that they may give him the facts and figures accurately.

Today Cuba has a surplus of about 1,400,000 tons of sugar. She is the only country in the Western Hemisphere, except the United States, which has a surplus. At the present time she has 500,000 people unemployed. At the present time she has a deficit of some $676 million. Ninety percent of the money which we pay to her for sugar comes back to the United States to be spent here. Cuba is our fifth best customer.

Cuba is also one of the countries which have joined in the international sugar agreement. All those countries work together to reduce the surplus. Peru has not seen fit to do so. So it seems to me that the recommendation of the committee is the fairest compromise which could be made. The committee deliberated over this particular problem for a long time. It considered what was the fair thing to do. I can assure Senators that the bill in its present form is the result of very careful consideration of the testimony which was given by representatives of all the interests involved. We believe that it is the fairest compromise which could be made in a very delicate situation in which we hope not to offend the heads of any of our good neighbors in Latin America.

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

Does the Senator from Indiana wish to yield back his time?

Mr. CAPEHART. I shall be very happy to yield back all my remaining time if the other side will yield back its time.

Mr. SMATHERS. Mr. President, I yield 6 minutes to the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, a day or two ago I tried to say that I am very much interested in trying to do simple justice to a people who did a very fine job for us. I have been greatly interested in the fact that again we are here fighting the battle for Cuba.

Everyone learned, during World War II, that because of the geographical location of Cuba we could quickly call upon her to expand her sugar production, and allow certain areas in the United States to produce other types of food needed by the Armed Forces. There can be no argument on that score. The records of the Department of Agriculture are full and complete. I hope the Senate will not adopt the Capehart amendment and strike again at the people to whom we had to turn.

The other day I presented to the Senate the chart which I constructed at the time I was dealing with the Cubans and trying to buy their sugar. I was trying to find out what they had done during the period of the war. The record is clear. The black segment at the top represents the production which came from the Philippines. When, because of the attack on the Philippines, they were entirely cut off from supplying sugar to the United States, the supply came from Cuba.

Someone may ask why sugar production could not have been expanded in certain areas in the United States. We were calling upon the American farmer for an increased supply of food and fiber. We were not going to ask him to produce something which could be advantageously produced in a neighboring friendly country.

Because of the short distance between Cuba and the United States, there was no danger. There were submarines on the eastern shore, but so far as I know, we did not lose a single cargo of sugar. We might have lost a small shipment or two, but the submarine menace did not succeed in stopping the flow of sugar to the United States.

When the Military Establishment and the Office of Production Management had not been able to obtain the blackstrap molasses and the alcohol they needed, and when representatives of the Department of Agriculture had been negotiating with Cuba for more than 12 months in an effort to obtain two crops of Cuban sugar, and those negotiations had failed, it was my privilege to go to Cuba and meet with the President of Cuba and with representatives of the Cuban producers, and to plead with them to stand by their friend. At the suggestion of the President of the United States, his Cabinet, and representatives of large industries in the United States, I said to them that if Cuba would stay with us during the period of the war, we would never forget it. That is, we would never forget it until we got ready to pass another bill and give the business to Peru. I am not ready to do that.

The Cuban Government turned over to the United States two entire crops of sugar. I had not intended to refer to this fact, but the Cubans turned over the sugar at a price of slightly more than 4 cents. At that time there was Peruvian sugar floating in what might be called the black market. I was Chairman of the Food Board at that time. We could not get our hands on

Peruvian sugar, because the world market price was sufficiently high so that it flowed out at higher prices.

Mr. President, I think we have an obligation to stand by a country which stood by us and furnished sugar for American housewives in a time of emergency. We should not turn away from that country and say, "We do not remember you any more." I do not think it is right. I would be disappointed if the Congress were to take the position of saying to Cuba, which once made her production freely available to us, which expanded its plant, and which now is forced to realize that it has a surplus in excess of requirements, "We are going to cut your allotment further. We remembered you for a few years. If we ever need you again, we will make a new set of promises to you, but those promises will also be forgotten."

Mr. President, I do not believe any representative of the Cuban sugar industry has come to call upon me. I regard that as a compliment, because it is an indication that they feel that they do not need to remind me of what took place.

At the time the effort was made to buy Cuban sugar, all kinds of influences were trying to make Cuba hold it away from the United States. Cuba did not yield to such influences. We called upon Cuba, and Cuba said, "We will give it to you. You have been our good friend."

Let us remember that every dollar we turn over to Cuba for sugar comes back to the United States for agricultural products. They buy wheat, rice, and other products. If we are not ready to deal with them, I think we are very shortsighted, at a time when we have a surplus of agricultural commodities.

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

Mr. ANDERSON. Mr. President, may I have 1 minute more?

Mr. SMATHERS. Mr. President, I yield 1 additional minute to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I think of our sister Republic to the south, which has developed a great many agricultural products. Not only is Mexico contiguous, but it has been, and remains, our very stanch friend. I would be disappointed, indeed, if the Senate were to forget that fact when we are dealing with sugar quotas.

I am not trying to cut down the market of a single American producer. I do not intend that the market of a farmer in a single State shall be cut down. But there is such a thing as living up to our commitments. When we brought those millions of tons of sugar into the United States from Cuba there was not a single Senator who did not believe that we should remember our obligation to Cuba. I hope we will remember it now.

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

Does the Senator from Indiana yield back the remainder of his time?

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

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes.

Mr. CAPEHART. How much has the Senator from Florida?

The PRESIDING OFFICER. The Senator from Florida has 13 minutes remaining.

Mr. SMATHERS. Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, the entire question of sugar is so complicated that no one who is not an expert on sugar can speak about it with any degree of authority.

I am confronted with 2 or 3 alternatives, as I suppose most other Senators are. The House passed a bill which reduced the quota of Cuba with respect to increased importations in the future. It has no effect on the present law, but with respect to the increase in the consumption of sugar in the United States, Cuba is reduced from 96 to 25 percent in the House bill.

The so-called committee print, which was largely prepared by the Senator from Utah [Mr. BENNETT] after consultation with representatives of the various departments, provided for a reduction from 96 to 27 percent.

The amendment which was adopted by the committee, and which had been offered by the Senator from Florida [Mr. SMATHERS], provided for a reduction of Cuban quotas from 96 to 33 percent, and also redistributed the quotas for other importers of sugar into the United States.

When that amendment was offered in committee, I listened to the arguments for and against it. I had to leave the committee before a vote was taken. I left my vote with the Senator from Virginia, the chairman of the committee, to vote for the Smathers amendment. In doing so my main object was to help Cuba. I thought it was a rather drastic reduction from 96 percent, although temporary, from 1948 on. I felt it was a rather drastic reduction, and I voted for the amendment, or left my vote for the amendment, largely because it increased the Cuban quota from 27 percent in the so-called committee print, or 25 percent in the House bill, to 33 percent. I did not realize fully what it did in regard to the other countries. Whether I would have voted for it anyway, I am not certain, and I do not say.

I should like to vote for an amendment which would still give Cuba 33 percent and redistribute the balance among the other countries. However, there is no such amendment pending in the Senate, and, frankly, I am not sufficiently acquainted with the economic situation in each country to offer an amendment myself which would make a proper distribution among the other countries.

If we pass the bill as reported, it will give the conferees a broader field in which to adjust the differences. If we adopt the amendment offered by the Senator from Indiana [Mr. CAPEHART], the conferees will be limited to a decision between 25 percent, as provided in the House bill, and 27 percent, as provided in the committee print. Therefore, the conferees would have a wider field of compromise or settlement if the committee bill as now reported should be passed.

I believe also it would give the conferees a wider field in regard to the other countries, and—if I am mistaken about this I should like to have the chairman of the committee or the Senator from Florida or the Senator from New Mexico correct me—the committee bill as reported would not only give the conferees wider jurisdiction with regard to Cuba, but would also give them a more flexible field with regard to the other countries and, therefore, the conferees could work out a fair and just arrangement among them. Is that correct?

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

Mr. KERR. Mr. President, I may say to the Senator from Kentucky that his statement is not correct?

Mr. BARKLEY. It is not correct?

Mr. KERR. It is not correct.

Mr. BENNETT. The effect of the passage of the Senate committee bill would practically eliminate any conference on the status of Mexico, because the House would give Mexico 5 percent. The bill as reported gives Mexico 4 percent. That would be the limit of adjustment for Mexico, between 4 and 5 percent. Practically, that would be the result.

Mr. BARKLEY. In that regard, Mr. President, I should like to say that I am a great friend of Mexico, and always have been, and I hope our friendly relations with that country will continue.

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

Mr. SMATHERS. Mr. President, I yield an additional 2 minutes to the Senator from Kentucky.

Mr. BARKLEY. I am happy over our relationship with Mexico, and I want that relationship not only to continue, but to continue to improve. However, I cannot overlook the fact that, insofar as Cuba is concerned, sugar is the one great product upon which her economy is based, whereas sugar is only a small proportion of the economy of Mexico.

I do not believe our relationship with Mexico would be strained or very much affected by a difference between 4 percent and 5 percent. I realize the delicate problem which confronts the Department of State in trying to keep an even keel in this regard in our diplomatic relations. However, as between the provisions of the bill as reported by the Committee on Finance, and the amendment offered by the Senator from Indiana [Mr. CAPEHART], I feel it my duty to vote for the bill as reported, and therefore against his amendment, because I believe the amendment would involve the conferees in the entire field of sugar importations, whereas the bill as reported would enable them to deal with the problem in a way which would preserve our feeling of obligation toward a nation which in every crisis in the last half century has been on our side, and permit all the other countries to share in a new way with the American farmer and the American customer.

Therefore, for those reasons, Mr. President, I shall feel compelled to vote against the amendment of the Senator from Indiana, although I should like to

vote for an amendment which would leave Cuba in the same position she is now, and leave the other nations to further negotiation. However, we do not have such an amendment before us.

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

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. CAPEHART. How much time does the opposition have remaining?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mr. CAPEHART. Mr. President, I hold in my hand a chart which shows the number of tons——

The PRESIDING OFFICER. Would the Senator from Indiana advise the Chair how much time he is yielding to himself?

Mr. CAPEHART. I yield myself 3 minutes. I hold in my hand a chart which shows the number of tons which each country will have in the year 1962, the year in which the law will expire. Cuba will have 3,077,610 tons. All other countries will have 296,140 tons.

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

Mr. CAPEHART. First, I wish to read into the RECORD the countries involved. They are the Dominican Republic, Mexico, Nicaragua, Peru, Haiti, Costa Rica, Formosa, the Netherlands, Panama, Belgium, British Guiana, Canada, Hong Kong, the United Kingdom, and El Salvador. Those are 15 or 20 countries which will have less than 10 percent.

No one has a finer regard and respect for Cuba than I have. In fact, I have great respect and admiration for all Latin-American countries. Therefore, I cannot quite understand the argument of some Senators, inasmuch as Cuba will get 3,077,610 tons, and all the other countries will get only 296,000 tons.

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

Mr. CAPEHART. What is the argument about? Why do we not give the other countries a little more?

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

The PRESIDING OFFICER. Does the Senator from Indiana yield; and, if so, to whom?

Mr. CAPEHART. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, my question is, What percentage increase is given to Cuba over and above its previous allowance?

Mr. CAPEHART. Cuba gets exactly the same percentage she had up until 1948, at which time she was getting a 96-percent increase.

Mr. THYE. I should like to ask one further question. As I understand, then, Cuba is not in any different situation now than she was in previous years. Is that correct?

Mr. CAPEHART. Cuba, in 1956, will get 2,886,000 tons, and in 1962 she will get 3,077,610 tons. She will have a 27-percent increase in the usage of sugar in the United States under my amendment, and under the House bill she will get a 25-percent increase.

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

Mr. CAPEHART. I yield.

Mr. SMATHERS. I am sure the Senator from Minnesota will be interested to know what would happen is that Cuba, which since 1948 has been getting 96 percent, would now be reduced to 33 percent.

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

Mr. CAPEHART. I yield myself such time as I may require. Cuba had 27 percent in 1948. Is that correct?

Mr. SMATHERS. The Senator is correct.

Mr. CAPEHART. In 1948 Cuba was increased to 96 percent, for good reasons, I am certain. What we are doing now——

Mr. SMATHERS. That is not correct, if I may interrupt the Senator.

Mr. BENNETT. She was increased to 96 percent of the increase.

Mr. SMATHERS. She got 33 percent of the total.

Mr. CAPEHART. Yes; that is correct. It was not 96 percent of the total, but 96 percent of the increased consumption.

Mr. SMATHERS. Of the increased consumption; that is correct.

Mr. CAPEHART. That is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. SMATHERS. Mr. President, I shall be happy to yield to the Senator from Oklahoma 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. Mr. President, I think the following facts should be borne in mind by the Senate:

First, the committee bill which is before the Senate gives the domestic producers everything they asked.

Second, the committee bill would reduce what Cuba has been getting from 96 percent of the increase to 33.8 percent, and the domestic producers would receive 55 percent.

Third, under the committee bill, Peru would get 4 percent of the increase, which is twice as much as she has been getting, or a little more than that. Mexico would get 4 percent of the increase, the same as Peru. The Dominican Republic would go from 1 percent of the increase to 2 percent; the other countries from 0.7 to 1.2 percent.

Those figures were arrived at because, first, we wanted to give the producers what they desired; second, we felt that Cuba was entitled to more than she would be given under the bill as it passed the House; third, we did not think we should permit Peru to go from a small amount up to 8 percent of the increase, when our neighbor to the south, Mexico, was held to less than half that amount.

So, Mr. President, we equalized Mexico and Peru insofar as their percentage of the increase was concerned. We lifted Cuba's percentage. We did so because of all these countries, Cuba had the greatest call on us and the greatest need. All the other nations have a better trade-balance position than has Cuba. They all have a more greatly diversified economy.

So, with those considerations before the committee, we wound up by giving Peru and Mexico all they had been receiving in the past, and identically the same percentage of the increase. We increased the percentage of Cuba; we increased that of the Dominican Republic; we increased the others, and also gave the domestic producers that which they asked. It seemed to us that we were not only giving the domestic producers everything they asked, but, as nearly as possible, doing justice as between our neighbors on the south.

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

Mr. KERR. I yield.

Mr. CAPEHART. We gave Mexico five times what she is receiving now, did we not?

Mr. KERR. We did not feel that Peru was entitled to get any more of the increase than was Mexico, and basically, we let each one continue to have the relative part of the market it had.

Mr. CAPEHART. Mr. President, I am delighted to see all of them get as much as they can, but the position of the administration and that of the State Department is that they should be treated on an equal basis.

Mr. KERR. No; the position of the State Department is that Cuba should be ravaged for the benefit of Peru; and we were not going to give it all to Peru.

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

Mr. CAPEHART. Mr. President, I yield myself 1 minute to say that we do not do much ravaging when one country receives 3 million tons a year and the other receives 137,000 tons. I would not call that ravaging.

The PRESIDING OFFICER. Does the Senator from Indiana wish to yield back his time at this point?

Mr. CAPEHART. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida has 3 minutes remaining.

Mr. CAPEHART. I should be very happy to yield back my time if the able Senator from Florida will yield his time. Thereafter, we can immediately have a quorum call, and then, after that, vote without further debate.

The PRESIDING OFFICER. The Senator from Indiana yields back the remainder of his time——

Mr. CAPEHART. I said, provided——

The PRESIDING OFFICER. On condition that the Senator from Florida yields back the remainder of his time.

Mr. SMATHERS. Mr. President, if we are to have a quorum call I think it would be better to reserve our time so that we may be able to explain the situation to Senators who were not present during the discussion.

Mr. CAPEHART. I cannot agree to that, Mr. President.

The PRESIDING OFFICER. The Senator from Indiana declines to yield back the remainder of his time?

Mr. CAPEHART. I decline to yield back the remainder of my time except on the basis that at the conclusion of the quorum call we may immediately vote. I understand the Senator from Florida does not agree to that.

Mr. SMATHERS. I will agree if the Senator from Indiana yields back the remainder of his time.

Mr. CAPEHART. First, I yield myself 1 minute. I hold in my hand a statement showing that 14 countries will receive only 296,000 tons. That is the increase which will be effective in the year 1962. At that time Cuba's tonnage will be 3,077,610 tons.

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

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana on behalf of himself and the Senator from Rhode Island.

Mr. CAPEHART. Mr. President, it seems to me that there is a failure to have a little cooperation here, which is very interesting. What is the idea? Is it the intention to have a quorum call? How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida now has 3 minutes.

SEVERAL SENATORS. Vote! Vote!

Mr. CAPEHART. Is it in order to have a unanimous-consent agreement to have a quorum call and vote immediately after the quorum call?

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Is it not a fact that any Senator at any time can make the point of order that there is not a quorum present?

The PRESIDING OFFICER. The Chair is advised that a Senator can make such a request if all the time has been used and he can receive unanimous consent.

Mr. BARKLEY. Where there is an agreement entered into for the limitation of debate, no Senator can exercise his right to make a point of no quorum unless all the time has expired?

The PRESIDING OFFICER. He can do so by unanimous consent.

Mr. BARKLEY. Mr. President, I ask unanimous consent that I may make the point of order that a quorum is not present.

Mr. LONG. Mr. President, I object.

Mr. KNOWLAND. Mr. President, out of the time on the bill, I suggest the absence of a quorum.

Mr. CAPEHART. Reserving the right to object, what is the Senator's request.

Mr. BARKLEY. The Senator from California controls the time on the bill; does he not?

Mr. CAPEHART. No, he does not.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present.

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

The yeas and nays were not ordered.

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

Mr. SMATHERS. Mr. President, does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I merely want to say that the administration is in favor of the amendment on which we are about to vote, and which I was asked to offer. I cannot quite understand why it is desired to give a couple of countries a greater allotment and to reduce the allotment of others. I do not know why it is not desired to treat all countries alike. However, that is a question for the Senate to determine; it is not a peculiar concern of mine. Nevertheless, I cannot quite understand that viewpoint.

Mr. LONG. Mr. President, will the Senator yield 1 minute to me?

Mr. CAPEHART. I yield 1 minute to the Senator from Louisiana.

Mr. LONG. The amendment offered by the Senator from Indiana represents the foreign policy of the administration. I do not always support the administration, as many Senators know. However, the amendment is important. It has been strenuously advocated by the State Department, and I understand it to be in accordance with the policy of the President of the United States.

It seems to me that an amendment of this consequence, especially one which undertakes to assert the position of all except a minority of 7 of the 15 members of the committee, is at least entitled to the significance of a yea-and-nay vote in the Senate. Therefore, I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

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

Mr. CAPEHART. I will yield back the remainder of my time on the condition that immediately there will be a yea-and-nay vote.

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

Mr. SMATHERS. Mr. President, I should like to yield 2 minutes to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, I do not wish to go over the story I have already told, except to say that the Senate, regardless of any statements of foreign policy, ought to stay with our friends.

Cuba did a job for this country when almost every business requiring sugar was about to close down. Those persons who had soft drink establishments sent telegram after telegram saying, "Get some sugar. Get some sugar." We got the sugar from Cuba; we did not get it from the other countries. We should not forget our friends.

I say to Senators who represent the farm States where sugar beets are grown that if it is sought to jeopardize the bill by adopting this amendment, the next amendment might be one to reduce the time to 1 year. Give the bill a chance to operate.

I do not agree with everything in the bill as it came from the committee. But certainly I will not agree with it if we are to cut off the country which stood with us and shipped us millions of tons of sugar at a control price of only 4 cents, when they could have got 10 or 15 cents in the free markets of the world. I say it is not fair to go back on that kind of a friend, and Congress must not permit it. We must not allow that to happen. We must stand by Cuba. The Committee on Finance was entrusted with the responsibility of reporting a good bill, and has done so. I shall stand with the committee.

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

The PRESIDING OFFICER. The Senator from Indiana has 2 minutes remaining.

Mr. CAPEHART. My opinion is that all Latin American countries stood by us. Mexico stood by us; Peru stood by us. I, for one, do not particularly appreciate the statement that other countries in the Western Hemisphere did not stand by us.

I hold in my hand the hearings, in which a statement was made, as appears on page 382, that the reason why we did not get sugar from Peru during the war was that there were no ships to carry the sugar; it was not because Peru did not have sugar.

I am fighting for what I think is right. I think we ought to treat our friends to

the south equally. I agree Cuba should have the lion's share, and she does have the lion's share.

The able Senator from New Mexico has been threatening that if the amendment is agreed to, States which produce sugar will suffer, and that there will be a filibuster against the amendment. I dislike that kind of tactics. I think they are unnecessary, and I think it is uncalled for in the United States Senate to threaten a filibuster or say that something may happen to the so-called sugar States in the United States. I, for one, do not like it.

Mr. ANDERSON. I think the Senator ought to be a little careful with his language.

Mr. CAPEHART. The Senator said a while ago something might happen and that the time in the bill might be cut down to a year.

Mr. ANDERSON. I think the amendment, if adopted, would be a bad law, and I would have a right to propose amendments to a bad bill.

Mr. CAPEHART. The Senator does not have any right to threaten a filibuster when he knows we have an agreement not to transact business after tonight for a week. I want the RECORD to be clear that we wish to decide the bill on its merits, and not by threats and counterthreats that we are going to have a filibuster and that certain States in the United States will suffer as a result of the enactment of the bill, because I, for one, have a great respect for all Latin-American countries, and I do not put one above the other. We need them, and they need us.

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

The Chair recognizes the Senator from Florida.

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

The PRESIDING OFFICER. The Senator from Florida has 1 minute remaining.

Mr. SMATHERS. I shall be happy to yield 1 minute to the chairman of the Finance Committee.

Mr. BYRD. Mr. President, on behalf of the Senate Committee on Finance, I merely wish to state that the question of sugar allotments was a most difficult one to determine. After the most careful consideration the committee decided upon the allotments provided in the pending bill. Every South American country received an increase in allotment, but Cuba will not get as large an increase as she has had in the past.

The Finance Committee believes the distribution provided in the pending bill is equitable, in view of all the conditions existing.

Mr. President, I hope the amendment offered by the Senator from Indiana [Mr. CAPEHART] will be rejected.

The PRESIDING OFFICER. All time for debate on the amendment has expired.

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. The vote will be on the so-called Capehart amendment, will it not?

The PRESIDING OFFICER. The vote will be on the Capehart amendment, as modified.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment, as modified, offered by the senior Senator from Indiana [Mr. CAPEHART], on behalf of himself and the senior Senator from Rhode Island [Mr. GREEN], which will be stated.

The amendment was, on page 17, beginning with line 8, to strike out all of section 7 and to insert in lieu thereof the following:

SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.

"For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value, and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

The PRESIDING OFFICER. All time for debate on the amendment has expired, the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KILGORE (when Mr. NEELY's name was called). My colleague [Mr. NEELY] is unavoidably absent on official business, holding hearings in Pennsylvania, before the Senate Committee on Labor and Public Welfare. He has asked me to announce that if he were present, he would vote "nay."

Mr. PASTORE (when his name was called). On this vote I have a pair with the distinguished senior Senator from Texas [Mr. JOHNSON]. If the Senator from Texas were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

I further announce that if present and voting the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BENDER] and the Senator from New Jersey [Mr. SMITH] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

If present and voting, the Senator from Illinois [Mr. DIRKSEN], and the Senator from Connecticut [Mr. PURTELL] would each vote "yea."

On this vote the Senator from Ohio [Mr. BENDER] is paired with the Senator from Colorado [Mr. MILLIKIN]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

YEAS—30

Aiken	Duff	Malone
Beall	Ellender	McCarthy
Bennett	Fulbright	Payne
Bricker	Green	Saltonstall
Bridges	Holland	Schoeppel
Butler	Ives	Smith, Maine
Capehart	Jenner	Thye
Carlson	Knowland	Watkins
Case, N. J.	Langer	Wiley
Cotton	Long	Williams

NAYS—56

Allott	Case, S. Dak.	Eastland
Anderson	Chavez	Ervin
Barkley	Clements	Flanders
Barrett	Curtis	Frear
Bible	Daniel	George
Bush	Douglas	Goldwater
Byrd	Dworshak	Gore

Hayden	Lehman	Potter
Hennings	Magnuson	Robertson
Hickenlooper	Mansfield	Russell
Hill	Martin, Iowa	Scott
Hruska	Martin, Pa.	Smathers
Humphrey	McClellan	Sparkman
Jackson	McNamara	Stennis
Johnston, S. C.	Morse	Symington
Kennedy	Mundt	Thurmond
Kerr	Murray	Welker
Kilgore	Neuberger	Young
Kuchel	O'Mahoney	

NOT VOTING—10

Bender	Millikin	Purtell
Dirksen	Monroney	Smith, N. J.
Johnson, Tex.	Neely	
Kefauver	Pastore	

So the amendment, as modified, was rejected.

Mr. SMATHERS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEHMAN. Mr. President, I call up my amendment which is identified as "1-31-56—A," and request its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 15, it is proposed to strike out all after the colon through line 7 on page 17 and insert in lieu thereof the following:

(A) The first 188,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands; and (B) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by clause (A) of this paragraph (2).

Mr. LEHMAN. Mr. President, the proposed amendment is a very simple one. It proposes only that in allocating any increase in the sugar quota which might come about as a result of an increase in domestic consumption above 8,350,000 short tons per year, Puerto Rico be given the minimal share agreed on in the House of whatever amount is allocated to the domestic areas.

It was the purpose in both Houses to relieve the surplus stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domestic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

I propose that we adopt the House allotment, so that the first 188,000 tons of any increase in domestic consumption will be allocated as follows: 42.6 percent to the mainland cane areas, 45.2 percent to the domestic beet areas, 10.6 percent to Puerto Rico, and 1.6 percent to the Virgin Islands.

Under the bill reported by the Senate Finance Committee, neither Puerto Rico nor the Virgin Islands would share in the first increment of increase for domestic areas if there is an increase in domestic consumption. All of the first 165,000 tons allocated to domestic producers would be divided between the mainland cane area and domestic beet sugar area on a basis of 48.5 percent and 51.5 percent, respectively.

Puerto Rico and the Virgin Islands would not get any quota increase unless and until the quota increase for the domestic areas exceeded 165,000 tons.

I believe this formula is unjustifiably discriminatory against Puerto Rico. There is considerable doubt as to whether the domestic areas will, in fact, get more than 165,000 additional tons for a considerable number of years to come. Puerto Rico is thus left out in the cold.

Mr. President, I have been interested in the question of sugar legislation for a number of years. My concern with this legislation goes to many facets, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and the refining industries in the United States, and the interest of the consumers. But I have been particularly concerned with the especially discriminatory treatment accorded Puerto Rico.

Last year when the sugar bill was debated on the closing day of the session, I stated in the RECORD that I had serious reservations concerning the treatment accorded Puerto Rico under the terms of the bill as it stood at the time. I have many more misgivings concerning the bill which is pending in the Senate today.

Puerto Rico is a part of the United States. Its residents are citizens, although they have no voting representation in Congress. It is therefore a special obligation on each of us to pay particular attention to any legislation which may directly affect the American citizens of Puerto Rico.

Sugar is a very important part of the economy of this island. The discriminations in the amount of raw sugar which can be shipped to the mainland result in severe economic hardships on these people. The Bell committee report recognized this discrimination in its report in 1953. And I include an excerpt on this point as exhibit I at the conclusion of my remarks.

Representatives of the Department of the Interior testified before the House Committee on Agriculture in favor of an increase both in the raw sugar quota for Puerto Rico and in the refined or direct-consumption quota last year when this bill was before the House. I will include excerpts from this testimony as exhibit II at the end of my remarks.

Looking back into history, we find that President Roosevelt, in signing the sugar bill in 1937, recognized the discriminatory nature of the terms of that bill in dealing with Puerto Rico, and noted that he had been given assurances by Members of the Congress—some of whom are still serving in the Senate—that these unfortunate discriminations would be removed in future legislation.

To this day—almost 20 years later—this situation remains relatively unchanged. Exhibit III contains the statement of President Roosevelt made in signing the 1937 Sugar Act.

Mr. President, I wrote to the Senator from Virginia [Mr. BYRD], chairman of the Senate Finance Committee, requesting that his committee give consideration to the two amendments I am proposing today. Unfortunately, my letter to him arrived after the committee had completed action on the bill. Therefore, my amendments did not receive specific consideration by the committee. I include as exhibit IV the exchange of letters with the chairman of the Senate Finance Committee.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter from the Governor of Puerto Rico supporting these amendments, and outlining the background of inequitable treatment accorded Puerto Rico over the years.

I also request unanimous consent to include at this point in my remarks a sample selection of the telegrams and letters I have received from many varied groups and individuals in Puerto Rico. I hope the United States Senate will heed the pleas of these people.

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

COMMONWEALTH OF PUERTO RICO,
OFFICE OF THE GOVERNOR,
La Fortaleza, San Juan, January 31, 1956.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: Thank you for sending me a copy of your letter to Senator BYRD.

In regard to the refined sugar issue, I made my position clear in a TV broadcast from New York on October 2, 1955. I said that it was an error to prohibit any community by law from converting its home produced raw materials into a final industrial product. Such prohibitions, I pointed out, are vestiges of 18th century colonial policy and should be abolished. However, I also pointed out that we did not wish to injure the long established sugar refining communities on the east coast, and, therefore, only ask for a share of the increased annual consumption. It is gratifying to see from your letter that you support our position, by pointing out that Puerto Rico should be permitted to ship as refined sugar any increase specified by the law in its basic raw sugar quota. I note that the Department of Interior also supported our position in public hearings on the sugar bill last year. I hope the Senate will adopt your amendment.

I am completely at a loss to understand the denial by the Senate Finance Committee of the small participation granted Puerto Rico by the House bill (10.6 percent) in the first increase of 188,000 tons of sugar above the base figure of 8,350,000 tons. From the hearing record, I understand that this decision rested on the fact that we received a quota adjustment—very much belated—in the 1951 legislation. It seems to have been overlooked that the increase in our quota of 170,000 tons, though enacted in 1951, did not become effective until 2 years later, so that we bore the burden of severe crop restriction several years before mainland sugar was subject to restrictions. Furthermore, our continental friends have consistently ignored the prior "take-out" by them during the 1934–48 period of 700,000 tons over and above parity of treatment with Puerto Rico. The original quota for Puerto Rico was based on marketings of 3 years prior to the quota system. The same standard applied to the mainland would have given it a 1,600,000 tons quota. Actually the total fixed was 1,817,000 tons at the level of consumption at that time of 6,476,000 tons. In the 1937 act, this total

was increased by 159,000 tons to take care of the mainland, bringing it up to 1,976,000 tons. In the 1948 act, the figure was again increased for the mainland to 2,300,000 tons. Puerto Rico's quota was then increased for the first time since 1934 from around 800,000 tons to 910,000 tons. We do not believe it is fair to begin with the 1953 increase in our quota.

I hope that the House provision will be restored, as you have urged in your letter.

Please be assured of our deep appreciation of your efforts to obtain fair treatment for the Commonwealth.

With best personal regards,

Cordially yours,

LUIS MUÑOZ-MARÍN,
Governor.

SAN JUAN, P. R.

In the name of 20,000 sugarcane growers of Puerto Rico, we congratulate and thank you for your invaluable defense of our rights. We are proud of you and know that our case will undoubtedly receive now favorable action with your cooperation. We shall not forget what you have done for us.

ORESTE RAMOS,
President, Puerto Rico Farm Bureau.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Feel grateful for your cooperation to give Puerto Rico fair deal in sugar legislation now pending. Appreciate heartily your interest since we have no Senators, Congressmen to represent us.

BULL INSULAR LINE, INC.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Puerto Rico Manufacturers Association extends to you their sincere congratulations and fully endorse your timely and vigorous stand before Senate Finance Committee on our legitimate rights as domestic sugar producers. We sincerely hope that your views may prevail to remedy distinct and unmistakable injustice of our position under present sugar legislation.

ENRIQUE A. CASTILLO,
President.

PONCE, P. R., *January 26, 1956.*

Senator HERBERT LEHMAN,
Senate Office Building, Washington:

Please accept our congratulations and gratefulness for your fair and just position requesting equal treatment for Puerto Rico as that for other domestic areas under new Sugar Act. Your continued support in Puerto Rico's behalf will be greatly appreciated.

A. F. ARMSTRONG,
President, Banco de Ponce.

SAN JUAN, P. R., *January 26, 1956.*

Hon. HERBERT LEHMAN,
Washington, D. C.:

I feel that I convey the appreciation of the people of Puerto Rico for your generous gesture in supporting the demands of Puerto Rico for an equal treatment under the new sugar bill. It is men of your caliber who maintain the faith of the people of the world in the sound principles of democracy.

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION,
By ENRIQUE CAMPOS DEL TORO, *President.*

SAN JUAN, P. R., *January 26, 1956.*

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to loyal American citizens.

JOSE RAMON QUIÑONES,
Honorary President, Puerto Rico Farm Bureau.

VIRGILIO RAMOS,
Executive Vice President.

[From proceedings, 13th constitutional convention, Congress of Industrial Organizations, November 5–9, 1951]

RESOLUTION NO. 49

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of the island.

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island. The restrictive limitations contained in the Sugar Act of 1948 severely hampers the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports.

The limitations on the right of Puerto Rico to produce and to process its own sugar is a vestige of colonialism which should be eliminated: Now, therefore, be it

Resolved, There must be a realistic adjustment of the existing situation. This convention approves of the action already taken by the CIO through its organization department in attempting to secure amendments to the Sugar Act. The CIO through its organization department will continue its efforts to secure a review of the Sugar Act of 1948 in order to advance the Puerto Rican economy by increasing its overall sugar production to the fullest possible extent.

[From proceedings, 12th constitutional convention, Congress of Industrial Organizations, November 20–24, 1950]

RESOLUTION NO. 60

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of their island, and

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island.

By the Sugar Act of 1948, sugar is to continue to be a controlled industry for at least 5 years and Puerto Rico's major industry must continue to function within restricted limits. Whereas in other years the island produced, for example, 992,000 tons of sugar and shipped 919,000 tons to the mainland under the basic quota established by the Sugar Act of 1948, the island's basic quota is set at 910,000 tons, only 126,033 tons of which can enter as refined sugar.

This, obviously, severely restricts the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports: Now, therefore, be it

Resolved, There must be realistic adjustments of the existing situation. Through its organization department the CIO recommends that immediate steps be taken to review the Sugar Act of 1948 in order to propose certain necessary amendments to the act to protect the Puerto Rican economy and lead it toward the goal of the fullest possible production and processing of sugar.

Mr. LEHMAN. Returning to the substance of my amendment, I submit for the RECORD at this point in my remarks a table showing the maximum increases in raw sugar quota which would be given Puerto Rico under the bill, first, as it passed the House, second, under the present Senate amendments, and third, under my proposed amendment to the Senate bill.

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

Effect on Puerto Rican quota of Senator Lehman's proposed amendment

[In short tons, raw value]

Year	Assumed estimate of consumption	Puerto Rican quota		
		Under H. R. 7030 per p. 19 Senate Finance Committee report	Under Senate Finance Committee revisions per p. 3 committee report	Under Senator Lehman's proposed amendment
1956	8,535,000	1,089,805	1,080,000	1,090,786
1957	8,670,000	1,106,020	1,091,000	1,099,442
1958	8,805,000	1,122,236	1,114,783	1,114,868
1959	8,940,000	1,138,452	1,132,416	1,132,688
1960	9,075,000	1,154,667	1,150,049	1,150,508
1961	9,210,000	(1)	1,167,681	1,168,328
1962	9,345,000	(1)	1,185,314	1,186,148

[1] House bill terminates Dec. 31, 1960.

Mr. LEHMAN. Under my amendment—and granted that the consumption increase assumed for the current year, in the committee report, of 185,000 tons above the 8,350,000-ton base figure actually takes place—45 percent would be allotted to foreign countries, leaving 101,750 tons for the domestic areas, of which amount only 10.6 percent, or 11,000 tons, would accrue to Puerto Rico. Although the amount is small, the principle of participation by Puerto Rico is maintained. This is my main concern.

Finally, Mr. President, I wish to include, as exhibit V at the close of my remarks, a memorandum which I have prepared, giving the background of my interest in this problem, and a fuller justification for my belief that my amendments are necessary.

I hope it will be possible for the chairman of the committee to agree to accept this amendment.

The PRESIDING OFFICER. Without objection, the various exhibits submitted by the Senator from New York may be printed in the RECORD.

The exhibits submitted by Mr. LEHMAN are as follows:

[From the Bell committee report]

EXHIBIT I

A REPORT TO PRESIDENT TRUMAN BY THE PUBLIC ADVISORY BOARD FOR MUTUAL SECURITY, FEBRUARY 1953, ON A TRADE AND TARIFF POLICY IN THE NATIONAL INTEREST

The entire increase in sugar supplied by foreign and insular producers should be permitted to be imported in the form of either refined or raw sugar. It is unjust to limit severely the proportion of their quotas which these producers can ship as refined sugar. If some expansion of the refining industry were to take place in Cuba or other offshore areas as a consequence of a more liberal policy on refined sugar, this would represent a logical industrial development for those areas. It would be consistent with United States policy of encouraging economic de-

velopment and stimulating private investment in underdeveloped countries.

* * * * *

In the staff report to the Randall Committee Report of January 1954 to President Eisenhower (Report of the Commission on Foreign Economic Policy), the following criticism is given of the sugar program.

(2) Through special quotas limiting shipments of refined or "direct-consumption sugar" to the continental United States, mainland sugar refiners are given absolute protection at the expense of those in Puerto Rico, Cuba, and the Philippines—representing a denial to these supplying areas of a kind of industrial processing that is highly appropriate to their resources.

[From hearings on amendments to Sugar Act of 1948 (Committee on Agriculture of House of Representatives) on H. R. 5406, June 22, 1955]

EXHIBIT II

STATEMENT OF WILLIAM A. ARNOLD, ASSISTANT DIRECTOR FOR INSULAR AFFAIRS, OFFICE OF TERRITORIES, INTERIOR DEPARTMENT

Mr. ARNOLD. Mr. Chairman and members of the committee, my statement on the pending bill, H. R. 5406——

The CHAIRMAN. We have 30 bills pending before the committee; you are perfectly free to talk about any of these 30.

Mr. ARNOLD. Thank you. [Continuing.] Represents the views of the Office of Territories in behalf of the Commonwealth of Puerto Rico and the Virgin Islands of the United States, for whose economic welfare and development we have a direct responsibility.

Under existing law the fixed quotas established for Puerto Rico and the Virgin Islands are 1,080,000 and 12,000 short tons, raw value, respectively. These areas, like the other domestic areas, do not share in the expansion of the domestic market resulting from population growth and increased sugar usage. Of the quota established for Puerto Rico, 126,033 short tons, raw value, may be filled by direct-consumption sugar. We are of the opinion that, if the Sugar Act of 1948, as amended, is extended, favorable consideration should be given to an immediate share by these two territories in the annual increases in sugar consumption and for an increase in the amount of direct-consumption sugar which may be supplied by Puerto Rico.

With respect, first to the Virgin Islands, we should like to point out that the growing of sugarcane constitutes the major economic activity, and the manufacture of raw sugar from this cane is the principal activity of the Virgin Islands Corporation, a corporation wholly owned by the Federal Government and operated under the supervision of the Secretary of the Interior. Sugar accounts for almost 80 percent of the Corporation's gross income and for nearly 90 percent of its total employment, but it is also responsible for almost all of the Corporation's losses.

While sugar production has quite consistently been unprofitable for the Corporation, it cannot be abandoned at this time because of its importance to the economy of the islands. We believe that even a small increase in the amount of sugar which the Virgin Islands could market in the United States would substantially benefit both the Corporation and the economy of the islands and that any proposal for the extension of the Sugar Act of 1948, as amended, should make provision for such increase.

We are of the opinion, secondly, that there should be an increase in the amount of sugar which the Commonwealth of Puerto Rico should be permitted to market in the United States, if the Sugar Act is to be extended. Even though Puerto Rico has complied with all determinations of the Secretary of Agriculture under title III of the act with respect to the quantity of sugar to be produced, substantial carryover stocks have, nevertheless, developed. For example, carryovers amounted to about 250,000 tons for the year 1952, 148,000 tons for the year 1953, and 162,000 tons for the year 1954. In addition, a portion of the cane crops has been left uncut in the fields. A substantial carryover is anticipated for 1955.

An increase in the amount of sugar which could be marketed in the United States by Puerto Rico would result in significant economic benefits to the hundreds of thousands of Puerto Ricans in the sugar-producing area who now have the lowest income and the most difficult social problems of any group in Puerto Rico. The Commonwealth is doing much through its own efforts to attract and develop industrial and manufacturing enterprises to improve its economy, but the growing of sugarcane still constitutes a very significant portion of that economy.

As is pointed out above, the domestic areas, including Puerto Rico and the Virgin Islands, are now permitted to market only the amounts of sugar allowed by the fixed quotas and they do not share in the growth of the sugar industry. We recommend that consideration should be given to an adjustment in the present quota system which would permit these domestic areas immediately to participate in the expansion of the industry resulting from increased consumption and population growth.

It should be noted, in addition, that the present marketing quota for direct-consumption sugar from Puerto Rico was first established in 1934 and has remained unchanged since that time at 126,033 short tons, raw value. The direct-consumption quota not only limits the amount of refined sugar that may be sent to the mainland from Puerto Rico but it also limits the shipments of sugar in other forms to the mainland for direct consumption.

During this same period of time, the mainland seaboard refiners increased their processing operations by an amount in excess of 1½ millions tons. Puerto Rico has not been permitted, by reason of this 21-year long restriction, to share in this growth of industrial activity even though the refining of sugar fits naturally into its economy.

I am sure that all the members of this committee are familiar with the great and rapid strides which have been made in recent years in the industrial development of Puerto Rico. But virtually all of that activity has involved the utilization of raw materials brought to Puerto Rico for fabrication from United States mainland and elsewhere. It seems to us to be most inconsistent with such a program of industrial development that the one raw material available in abundance for fabrication or processing in Puerto Rico must be shipped in its raw form to the mainland.

Accordingly, it is recommended that any increase in the amount of sugar that Puerto Rico may be permitted to market by reason of its sharing in the expansion of consumption in the United States should not be subject to the existing limitation on the shipment of direct-consumption sugar. This would not modify the protection which has for so many years been accorded the capital investments of the mainland seaboard refiners. They would continue to receive the same quantity of raw sugar from Puerto Rico for refining as they do at present. But Puerto Rico would be given what we believe to be a deserved share in the future growth of the sugar refining industry.

This concludes my prepared statement, but I shall be happy to answer to the best of my ability any questions the members of the committee may have.

[From President Roosevelt's statement of September 1, 1937, upon his signing of the sugar bill]

EXHIBIT III

Since the passage of the bill I have been given the following assurances by Senators representing the great majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugarcane in all domestic sugar producing areas of the United States, and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.

2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.

3. That when the refined sugar quotas for Hawaii, Puerto Rico, and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these offshore areas shall not be lower than the minimum standards in refineries on the mainland.

4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the bill with what amounts to a gentleman's agreement that the unholy alliance between the cane and beet growers, on the one hand, and the seaboard refining monopoly on the other, has been terminated by the growers.

NOTE.—With respect to No. 3 above, the Federal minimum wage of 75 cents per hour has been applied to the Puerto Rican refined sugar industry, since the above statement.

EXHIBIT IV

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
January 24, 1956.

The Honorable HERBERT H. LEHMAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I have today received your letter of January 23, expressing your views on the Sugar Act extension bill, H. R. 7030, and suggesting the adoption of two amendments in behalf of the Puerto Rico sugar producers.

I regret that your letter and suggestions were received too late for consideration by the Committee on Finance. We completed the committee action on the bill yesterday.

With kindest regards, I am

Faithfully yours,

HARRY F. BYRD,
Chairman.

JANUARY 23, 1956.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee, Washington, D. C.

DEAR SENATOR BYRD: I have followed with great interest the progress of your committee's consideration of H. R. 7030, Committee Print of January 13, 1956, containing certain amendments to the Sugar Act of 1948 and providing for its extension through 1962. My concern with this legislation goes to many facets of the problem, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and refining industries of the United States, and the interests of our consumers. I must say that the proposed Senate amendments, like the provisions of H. R. 7030, as passed by the House, show a marked improvement as I see it, over the original bills introduced in both Houses last year, in several important respects.

I am informed that the spokesmen for the various sectors of our domestic sugar producing industry continue to support the quota provisions despite the difficulties associated with crop restrictions. Their attitude, in this regard, recognizes the difficulties inherent in any other kind of solution to the problem. I am in accord with this position.

I regret, however, that in at least some other important aspect of this legislation, insufficient attention seems to have been given to the equities involved.

I refer to our treatment of Puerto Rico. Puerto Rico is a domestic area. I see no reason nor justification for making a categorical distinction between Puerto Rico and other domestic producing areas. Yet in this legislation Puerto Rico is discriminated against in two respects: (a) in respect to the production quota and (b) in respect to refined sugar.

Surely with regard to an area over which the Congress has such supreme authority, we should feel a special responsibility to treat this area and its people with the most scrupulous fairness. Since Puerto Rico has no voting representation in the Congress, each of us must consider himself a representative of the interests of that commonwealth. Our policy toward Puerto Rico is carefully watched throughout Latin America. Each manifestation of alleged injustice toward Puerto Rico is noted. I consider the treatment accorded to Puerto Rico in this legislation to be a real injustice.

I refer, first of all, to the allocation to Puerto Rico of a share in the domestic quota increases resulting from an increased consumption of sugar. The language of H. R. 7030, as it passed the House, gives Puerto Rico a percentage share of the amount to be allocated to the domestic areas as a result of any overall increase in the United States consumption. The Senate committee amendments place Puerto Rico in a separate and second category, which is to share in increased consumption only if and after increased consumption is in excess of 165,000 tons.

I hope this discrimination will be eliminated in the bill reported out. I believe it to be quite unjustifiable both in principle and in actual operation. I would urge the committee to return to the language of the House-approved version of this section.

In regard to refined sugar, let me recall that when the first sugar program was enacted in 1934, in light of the fact that the refined-sugar industry was in a depressed condition, Puerto Rico was limited in the total amount of refined sugar it could ship to the mainland to 15.5 percent of its total production quota. In the years following, this percentage has been gradually reduced until today Puerto Rico is limited in its refined shipments to 11.7 percent of its quota. This has been a result of congressional failure to increase the Puerto Rican refined quota along with its total quota. Under the pending measure, it is proposed to make this small percentage permanent. There can be no justification, in my opinion, for his persistent discrimination.

A small increase in both the basic quota and the refined quota for Puerto Rico would have far-reaching benefits for its economy. Puerto Rico needs such an economic stimulus.

I do not undertake to urge that all the past injustices in this regard be righted, as desirable as that might be in a moral sense. I know how much opposition there would be to any proposal to increase Puerto Rico's refined quota at the expense of the amount of sugar now being milled by our mainland refineries. I, therefore, urge only that Puerto Rico be permitted to ship as refined sugar any increases in her basic production as might be allowed under the terms of the bill now under consideration.

I am attaching to this letter suggested amendments to translate into legislative language the proposals I have made in this letter. I hope the committee will give them careful consideration and will see fit to adopt them.

If this is done, it will go far toward rectifying an historical pattern of discriminatory treatment meted out to Puerto Rico in this and other respects.

With kind personal regards, I am,

Very sincerely yours,

HERBERT H. LEHMAN,
United States Senate.

EXHIBIT V

STATEMENT IN JUSTIFICATION OF PROPOSED AMENDMENTS

My attention was first directed to the importance of the sugar legislation and its administration in relation to the Puerto Rican development program, when it became known that sugarcane crop restriction would be required under the law in 1952.

Puerto Rico had been permitted under regulations of the United States Department of Agriculture (the controlling authority) to produce close to the 1,300,000-ton level in the 1949 and 1950 crops and in the 1951–52 crop up to 1,372,000 tons.

The hardships attendant upon crop restriction, in a community so heavily dependent for its income and man-hours of labor on the production of sugar, were called to my attention by representatives of Puerto Rican farmers and laborers. With the aid of my staff, I tried to interest the Department of Agriculture in finding ways of mitigating these hardships.

At the time, Puerto Rico was the only area in the world which was expected to curtail its sugar crop. Elsewhere in the Caribbean, record expansion of sugar production was going on, especially in Cuba, which expansion regrettably had to be eliminated by Government restrictions a few years later.

I was then advised that officials of the Department of Interior, deeply concerned about the economic and social welfare of Puerto Rico—one of the areas then under its jurisdiction—were of the opinion, after careful study, that by the exercise of certain discretionary powers of the Secretary of Agriculture (relating to reallocation of deficiencies of production in certain domestic areas) a considerable dent might be made in the carryover of sugar in Puerto Rico, thus enabling the Secretary of Agriculture to alleviate the rigors of crop restriction otherwise required under the law. However, officials of the Department of Agriculture did not agree that such alleviating action could be taken under the act. The difference in legal interpretation between the two departments was not referred to the Department of Justice but the Secretary of Agriculture, Mr. Brannan, sought to be helpful by exploring other measures of relief and did succeed finally in alleviating somewhat the burden of crop restriction for the 1952–53 crop.

I should point out in this connection that crop restriction in Puerto Rico has always been on a more exact and rigorous pattern than in the other domestic areas, whenever such restrictions were applied at all in those areas. Every grower has an allotment in terms of tons of sugar, not in terms of acreage, as in the mainland. Acreage allotments permit a certain flexibility, as the facts developed in the recent sugar hearings clearly demonstrate. It has been brought out that even with a declining acreage the mainland has been able to increase its sugar production through higher yields per acre. This would not be possible under the Puerto Rican crop-restriction program. No criticism of the Department of Agriculture is intended in this observation for the act clearly gives discretion to the Secretary to establish allotments to growers in either form. However, the fact remains that Puerto Rico cannot help but observe the contrast in administration between the mainland and Puerto Rico in this matter.

Puerto Rico, I am sure, was grateful for whatever action the departments were able to work out in alleviation of the drastic crop-curtailment programs of the years since 1952. For the workers in the fields, it meant desperately needed man-hours of work with which to buy essentials of life—food and clothing and shoes. But again, Puerto Rican sugar producers cannot help but note that in a similar situation for the mainland recently developed, Commodity Credit Corporation has purchased 100,000 tons of surplus sugar from mainland producers at the domestic price or very near that price. In the similar purchase for the use of the Economic Cooperation Administration of about 50,000 tons of refined sugar made from excess quota raw sugars in 1953, a reduction from the domestic price of about a full cent a pound was made (4.55 cents per pound and 4.70 cents per pound respectively f. o. b. San Juan). The official announcement of the United States Department of Agriculture has recently been made on the current sale and is as follows (p. 4, Sugar Rpts., No. 45):

"The contracts covering the purchase of raw sugar in Louisiana and Florida provide that the price per pound of raw-sugar basis, 96° polarization, f. o. b. rail cars, New Orleans, La., or Savannah, Ga., as the case may be, shall be the season's average price determined pursuant to paragraph (b) (ii) of the fair price determination (874.8) applicable to Louisiana sugar of the 1955 crop."

I should point out that the more conservative price policy of 1953 followed the denial to Puerto Rico of sales of its surplus sugar in the world market during one of those rare periods when world prices were above the United States price. Again, no criticism is intended of the Federal administrator for they no doubt wish to protect the American consumer during the active Korean war period when it seemed possible that the inflated world market price would draw surplus and reserve supplies away from us in our usual foreign sources of supply. In fact, Puerto Rico is proud of the fact that its reserve stocks were available in 1950–52 to the Federal administration as insurance reserves against depleted stocks. But it is hard to understand why they should have been prevented from selling abroad so long after the emergency was over and thereafter required to sell these insurance reserves at a price so much below what is now deemed fair for the mainland areas in a similar situation.

Puerto Rico is not envious of its sister producers in the mainland because of their good fortune in this respect. In fact, it takes satisfaction in that the exploratory efforts of the Department of Agriculture with Puerto Rican producers made at the beginning of the postwar renewal of crop restriction, has served to provide a means of more effective relief to mainland producers at a later period, when the troubles of crop restriction were faced by them in turn. For the exploratory efforts of 1952–53 were fraught with many obstacles to be overcome, both for administrators and producers.

However, in view of the foregoing, Puerto Rican producers find it all the more difficult to understand why the much belated action taken by the Congress in 1951 to increase their quota—not to become effective until 1953—should be used as an excuse to deprive the Commonwealth of equal treatment with the other domestic areas, in the small participation granted it in the House bill for the first 165,000 tons of possible increase in consumption.

I need not comment on the proposed amendment relating to the restriction on refined sugar, as I have covered the subject in previous statements. Let me illustrate, however, the inequity of the existing provision by an example.

Recently the USDA announced the conclusion of successful experiments in preparing sugar for use by various industries—confectionery especially—by a new process eliminating some of the present cost of refining. Should this experiment work out successfully, in a practical way, as the result of further effort on the part of the technicians of the Department, there would be rejoicing in the mainland cane areas for they would be permitted to transfer from the old operation to the new one. There is no limit on the amount of sugar that may be produced in refined form, or in any other form of direct-consumption sugar, in Louisiana or Florida.

In contrast, under the pending bill, such technical advance would be almost meaningless for Puerto Rico, limited as it is by the restriction on the quantity of sugar which it may market in finished form.

This is also true, of course, of Hawaii and the Virgin Islands. However, Hawaii has its cooperatively owned refinery at Crockett, Calif., which refines most of the Hawaiian crop, and the Virgin Islands has only one mill in a special situation. For Puerto Rico, this limitation is a real problem.

The first amendment merely seeks to restore to Puerto Rico the share granted to it by the House bill in the first 188,000 tons of increase in consumption above 8,350,000 tons. It was the purpose in both Houses to relieve the surplus-stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domestic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

Not only is the principle of participation involved here but it is also necessary to protect Puerto Rico against a most undesirable contingency.

One of the primary objectives of the act is to stabilize the price of sugar. The Secretary of Agriculture may not be able to increase his present consumption estimate of 8,350,000 tons by more than 100,000 tons, if he is to comply with the price objectives of the act. The following year, as in 1953, a reduction in consumption may take place or only a small increase. Under such conditions under the bill as reported by the committee, and without my amendment, Puerto Rico would receive no relief whatsoever for a number of years while the mainland areas could dispose of considerable quantities of surplus stocks in addition to the disposal of 100,000 tons of mainland surplus purchased by the Commodity Credit Corporation. The Senate should remember that not a pound has been purchased from Puerto Rico in this transaction.

Because I do not wish to delay Senate action on this bill, I do not propose in this amendment to deal with another difficulty for Puerto Rico, embodied in the pending bill, which does not apply to the House bill. In allotting increases in consumption above the first 188,000 tons, the mainland areas have a built-up base as a result of their having received the lion's share of the first increment of 188,000 tons of increased consumption.

Puerto Rico's base, on the other hand, is thereby reduced somewhat for sharing in future increases of consumption (beyond the first increase of 188,000 tons). I have been advised that the House bill sought to meet this difficulty by freezing the allotment system for 1957 and thereafter, to the 1956 base. This matter should certainly be adjusted in conference.

Mr. LONG. Mr. President, I have been designated by the acting majority leader to control the time in opposition to the amendment.

Mr. BENNETT. Mr. President——

Mr. LONG. How much time does the Senator from Utah desire?

Mr. BENNETT. I should like to have 10 minutes. I am sure I will not use it all.

Mr. LONG. I yield 10 minutes to the Senator from Utah.

Mr. BENNETT. First, let me inquire which of the Senator's two amendments is the pending question?

The PRESIDING OFFICER. It is the amendment designated "A."

Mr. BENNETT. Mr. President, I can understand the feeling of the distinguished Senator from New York with regard to this subject. I assure the Senator that this particular question was given full consideration by the Senate Committee on Finance. The decision as to the manner of allocation provided in the bill was made on the basis of what seemed to the committee to be the most equitable allocation for all concerned.

Moreover, the allocation provided in the bill as reported by the committee—and I emphasize this, Mr. President—is endorsed by the Association of Sugar Producers of Puerto Rico. The official representative of Puerto Rico before the committee endorsed the committee's program.

The amendment offered by the Senator from New York was supported before the committee by a gentleman who introduced himself as the honorary president and a member of the board of directors of the Puerto Rico Farm Bureau.

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

Mr. BENNETT. I yield.

Mr. LEHMAN. I should like to invite the Senator's attention to the fact that the Governor of Puerto Rico, an elected official, is strongly in favor of the amendment which I have offered.

Mr. BENNETT. The fact remains that the men who produce sugar in Puerto Rico support the committee's amendment. Let us make a comparison.

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

Mr. BENNETT. I yield.

Mr. CHAVEZ. Will the Senator tell me the name of the gentleman to whom he has referred?

Mr. BENNETT. His name is José Ramon Quinones.

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

Mr. BENNETT. I am speaking on my own time now.

Mr. LEHMAN. I shall be glad to yield 3 minutes to the Senator for this purpose. I should like to ask him whether he is quoting the name of a man who sent a telegram to him.

Mr. BENNETT. No; I am not. The man appeared before the committee.

Mr. LEHMAN. What was his name?

Mr. BENNETT. José Ramon Quinones.

Mr. LEHMAN. It may interest the distinguished Senator to know that I have in my hand a radiogram reading as follows:

> Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to all American citizens.
>
> JOSÉ RAMON QUINONES,
> *Honorary President, Puerto Rico Farm Bureau.*

Mr. LONG. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENNETT. The bill provides that the first 165,000 tons of the domestic industries' share of increases in the American sugar market above 8,350,000 tons shall be divided on the basis of 51.5 percent to the domestic sugar-beet area, and 48.5 percent to the mainland cane area. The next 20,000 tons shall be allotted 100 percent to Puerto Rico, and the following 3,000 tons shall be allotted 100 percent to the Virgin Islands.

The amendment proposed by the distinguished Senator from New York [Mr. LEHMAN] would result in approximately the same tonnage as in the bill reported by the committee. The difference is that under the proposed amendment all four of the domestic areas named would share in the increase on a percentage basis from the first ton of increase, on up through the last of the 188,000 tons.

The committee had definite reasons for reserving the first 165,000 tons for the domestic beet and mainland cane areas. In the first place, this would partly offset the 170,000-ton increase made by Congress in 1951 in the fixed quota of Puerto Rico. The 1951 amendments to the act raised Puerto Rico's fixed quota from 910,000 to 1,080,000 tons, an increase of 170,000 tons; and it raised the fixed quota of the Virgin Islands from 6,000 to 12,000 tons, doubling it, or increasing it by 6,000 tons.

The other domestic areas, however, have had no increase at all in their fixed quotas since the 1948 act became effective. The 1951 amendments became effective in 1953. Therefore, Puerto Rico and the Virgin Islands are now in their fourth year of enjoying the benefits of those increases.

Puerto Rico has had 3 years to date at 170,000 tons a year, or the benefit of more than a half million tons, while the domestic areas have not been able to get a single pound.

Instead of being shunted into a secondary position, as the distinguished Senator from New York suggests, Puerto Rico in reality has had for 4 years a preferred position among the domestic areas. The alleged preference now proposed for the domestic beet and mainland cane areas really is not a preference at all, but merely permits these 2 areas partly to catch up with what Puerto Rico already has, and has had for 4 years.

It seems to me that the situation is very simple. I could continue the debate, and shall do so if the Senator from New York wishes to continue it. However, it seems to me that it is a very

simple proposition. Having given Puerto Rico 170,000 tons a year by way of a head start over any other domestic area back in 1951, effective January 1, 1953, it is only fair that the mainland domestic areas be given a chance to catch up to an amount approximately one-third as large as the amount Puerto Rico had before it begins to share again in our relative positions.

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

The PRESIDING OFFICER. The Senator from New York has 22 minutes remaining.

Mr. LEHMAN. I should like to say in reply to the distinguished Senator from Utah that a part of section 6 of the bill reads as follows:

(a) (1) For domestic sugar-producing areas by apportioning among such areas 4,444,000 short tons, raw value, as follows:

Area	*Short tons, raw value*
Domestic beet sugar	1,800,000
Mainland cane sugar	500,000
Hawaii	1,052,000
Puerto Rico	1,080,000
Virgin Islands	12,000

(2) To the above total of 4,444,000 short tons, raw value, there shall be added an amount equal to 55 percent of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds 8,350,000 short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first 165,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 percent to the domestic beet-sugar area and 48.5 percent to the mainland cane-sugar area; (B) the next 20,000 short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico.

In the first place, Puerto Rico is a part of the United States. The residents of Puerto Rico are definitely citizens of the United States in the same manner that we are citizens of the United States.

All my amendment does is to provide that at least a part of the first 188,000-ton increase in domestic sugar consumption shall go to Puerto Rico in exactly the same manner as a part of it is allocated to the sugar industry in this country, whether raw or refined. That is all I am asking. It seems logical to make such a request. I am asking only that Puerto Rico get at least a part of the first additional amount which is made available by an increase in domestic consumption.

Mr. BENNETT. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I am glad to yield.

Mr. BENNETT. Would the Senator be willing to change his amendment to put Puerto Rico's base back to where it was when the bases of the other domestic areas were established, and add 20,000 to the 910,000 tons? Puerto Rico already has had 170,000 tons added to her base. I think the other domestic areas would be willing to leave her with that higher base.

Mr. LEHMAN. I ask the Senator, When did that happen?

Mr. BENNETT. In 1953.

Mr. LEHMAN. Since then, of course, provisions have been made for the cane sugar industry on the mainland, and for the beet sugar industry, but Puerto Rico has simply been shunted aside. It has no chance of getting any more. As I said before, it is left out in the cold. It has not a chance.

Mr. BENNETT. Was there anything added to the domestic cane and beet sugar base in 1951?

Mr. LEHMAN. I do not know.

Mr. BENNETT. There was not. The domestic cane and beet people had nothing added to their base since 1948.

Mr. LEHMAN. I am not asking for anything to be added to the base. I am asking only that from the first increase in sugar consumption in this country Puerto Rico receive some share. I am asking only that Puerto Rico receive some share of the increased consumption which will come about in the United States.

Mr. BENNETT. By 1962 Puerto Rico's increase will be more than 100,000 tons. So she is not being deprived of anything. Puerto Rico is simply being asked to step aside for a year until the domestic producers get about half of what Puerto Rico received in 1953.

Mr. President, I am ready to yield back my time if the Senator from New York has finished.

Mr. CHAVEZ. Mr. President, will the Senator from New York yield about 3 minutes to me?

Mr. LEHMAN. I shall be glad to do so.

Mr. CHAVEZ. Mr. President, I believe the Senator from New York is contributing something to the way of life in this country when he tries to be fair and just to our fellow citizens on the island of Puerto Rico.

As it is, notwithstanding the fact that the Senator from Utah is correct in his statement of the allotments, Puerto Rico is still handicapped. Congress has prevented Puerto Rico from refining more than a certain amount of sugar. The sugar which is grown in Puerto Rico is sent in a raw state to the North Atlantic States for refining, and there is where the profit is. Puerto Rico would not ask for any increase whatsoever if this country were only fair with that island. The citizens of Puerto Rico have been true blue. They have answered the call. They have over a hundred thousand veterans of the last two wars. The Senate knows how we treat those veterans. There is one hospital in Puerto Rico, with 200 beds, to take care of that great number of veterans. I feel that we should be fair. The greatest characteristic of Americans is to be fair.

I hope the Senate will agree to the amendment offered by the Senator from New York.

Mr. LONG. Mr. President, I yield myself 1 minute.

As the Senator from Utah has pointed out, in 1948 quotas were set up for all sugar-producing areas within the United States. Since that time there has been no part of the United States which has had any increase in its quota, except in the case of Puerto Rico and the Virgin Islands. Puerto Rico was permitted to have an increase of 170,000 tons in 1951. The Virgin Islands were permitted an increase of 6,000 tons in 1951.

All the bill provides is that the domestic producers shall have some relief from the huge surplus they have borne before Puerto Rico shall begin to share.

The PRESIDING OFFICER. The Senator from Utah has yielded back his time.

Mr. LEHMAN. Mr. President, I should like to make one statement.

The Senator from Louisiana [Mr. LONG] referred to the surplus in Puerto Rico. It existed long before any surpluses existed in this country. The people of Puerto Rico have been very hard pressed and their economy has very greatly suffered because they were prevented from shipping any more sugar than the amount allotted to them.

I am very glad indeed that my distinguished friend from New Mexico [Mr. CHAVEZ] mentioned the question of refined sugar. I think the following observations may be of some interest in that regard, and they show the sorry plight in which Puerto Rico now finds herself:

When the Sugar Act of 1934 was enacted, Puerto Rico was permitted to ship to the mainland, in the form of refined sugar, approximately 15 percent of its total quota. Today, and under the terms of the pending bill, Puerto Rico is permitted to ship only approximately 11 percent of its quota in the form of refined sugar. This has resulted from the failure to increase the refined quota for Puerto Rico as the total raw sugar quota has been increased. This is an injustice and it has prevented any expansion in the refining industry of Puerto Rico and an equitable share in the expanding economy of the Nation as a whole.

The people of Puerto Rico are fellow citizens. They deserve to be treated on an equitable basis.

I hope the Senate will agree to my amendment.

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

Mr. LEHMAN. I yield.

Mr. CHAVEZ. Is it not a fact that the economy of Puerto Rico is based almost altogether on sugar?

Mr. LEHMAN. That is correct.

Mr. CHAVEZ. Is it not a fact that with the dollars they receive for their sugar they buy 90 percent of all their food within the United States?

Mr. LEHMAN. So far as I know, that is correct.

Mr. CHAVEZ. They buy rice and all other foodstuffs, with very few exceptions—possibly a few pineapples and wild potatoes—from the United States. The only thing they produce is sugar. They buy everything else from New York, Miami, Charleston, Atlanta, and New Orleans.

Mr. LEHMAN. I am sure the Senator from New Mexico is correct.

I wish to point out, also, Mr. President, that poverty is so great in Puerto

Rico that it is necessary for a large number of Puerto Rico-Americans to emigrate to this country and, to some extent, to other countries. Of course, the larger number of them come to this country. Sugar is their main product, as has been pointed out. Even if we give them an opportunity to sell at reasonable prices an increased share of their sugar production, Puerto Rico would still have a large surplus. I believe that my amendment would help unemployment and help the economic situation in Puerto Rico to the point where fewer persons would feel impelled to emigrate from Puerto Rico to the mainland of this country.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield to me 1 more minute?

Mr. LONG. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. I should like to place this additional fact in the RECORD, that the 170,000 tons added to the base of Puerto Rico in 1953 was an increase of 18.6 percent. The 165,000 tons which we are asking to be added to the beet and cane sugar producing areas on the mainland before Puerto Rico begins to share is 7.2 percent. So that the increase for Puerto Rico is already more than two and a half times the increase for the domestic area.

Mr. LEHMAN. Am I to understand that the percentages which the Senator gave were percentages only on the increase in consumption?

Mr. BENNETT. That is correct.

Mr. LEHMAN. Of course, an increase in consumption would also be reflected in the amount which was allocated to the cane sugar and beet sugar industry. Now, they are getting the whole 55 percent.

Mr. BENNETT. They have had no increase.

Mr. LEHMAN. They are getting the whole 55 percent of the increase in consumption, while poor little Puerto Rico is not getting anything.

Mr. BENNETT. Poor little Puerto Rico has had a half a million tons, while the American industry has not had a pound. I think Puerto Rico could wait a year and give us a chance to catch up one-third of the distance we have gone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT. I am willing to vote.

Mr. LEHMAN. Unless some other Senator wishes to question me, I am willing to surrender the remainder of my time.

Mr. LONG. The opposition yields back the remainder of its time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN.]

The amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment "2-7-56-A."

The PRESIDING OFFICER. Does the Senator wish to have his amendment read?

Mr. FULBRIGHT. No. I referred to it yesterday in my remarks.

The PRESIDING OFFICER. The amendment will be printed at this point in the RECORD.

The amendment offered by Mr. FULBRIGHT is as follows:

On page 15, strike out lines 21 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 5. Section 201 of such act is amended to read as follows:

" 'SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States: Such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first 10 days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration a return to domestic cane and beet sugar producers (including payments under title III of this act) reflecting 90 percent of the parity price therefor, as determined under section 301 (a) of the Agricultural Adjustment Act of 1938, as amended'."

On page 23, after line 21, insert the following new section:

"SEC. —. Section 304 of such act is amended by adding at the end thereof the following new subsection:

" '(e) In no event shall payments be made to any producer which will provide a total return to the producer in excess of the amount of return considered by the Secretary of Agriculture in making his determination under section 201 (a)'."

Mr. FULBRIGHT. Senators will recognize very easily that the amendment merely provides that the support price for sugar shall be the same as the support price on the basic commodities, namely, 90 percent of parity.

It struck me, in view of the attitude of many of the Members of the Senate who are not even for the 90 percent support program, but who are for flexible supports, that a guarantee of a 90 percent support for sugar would be sufficient. To me it is unusual, at least, that sugar and wool, the only two commodities which are very important in the State of Utah, and in a few other States in the West, should have a support of more than 90 percent, or that they should even expect more than 90 percent.

The amendment merely provides that sugar shall be supported at 90 percent of parity, instead of approximately 113 percent, as I think is provided in the bill. At least in 1947 sugar was supported at 113 percent of parity. The bill undertakes to tie the prices which the Secretary is requested to achieve in the operation of the bill to the 1947 level. So, while 113 percent is not a precise amount established in the bill, it would be the objective whenever the Secretary contemplates setting a quota for the importation of sugar. That is, he must take the 1947 price level into consideration.

I submit that, in all fairness, the growers of sugar should be content with 90 percent of parity, as are the producers of cotton, wheat, rice, and peanuts. I can see no reason why the sugar growers should receive any more than the producers of our basic commodities. I urge the Senate to adopt the amendment.

Mr. LONG. Mr. President, the Sugar Act is not operative and never has been on the same basis applied in the case of the ordinary support program. In the first place, there is no price support provided by the Sugar Act. The Secretary of Agriculture does not have the responsibility of buying any sugar at 90 percent of parity or at any other relationship to parity.

The formula developed by the Sugar Act some years ago was the basis of allotment to the domestic market. If the sugar producers produce more than their domestic allotment, they are simply forbidden by law to market the excess, and it is their responsibility to finance the carryover of their surpluses. If they cannot find a market for them, that is their problem; it is not the responsibility of the Secretary of Agriculture.

Mr. FULBRIGHT. Is it not true that when a surplus accumulated last year, the sugar growers came in and had special action taken by the Secretary of Agriculture to take 100,000 tons of the surplus off their hands?

Mr. LONG. My latest information is that as of today there are stocks of more than 300,000 tons of cane sugar. On January 1 stocks were 379,000 tons. The annual quota of cane sugar is 500,000 tons. It will take several years to work off this surplus.

Sometimes they have received much less than parity, when other producers were receiving much more than parity. It happens that at the moment they are receiving something in excess of 90 percent of parity, which has not always been the case.

Certainly I hope that all farmers will receive at least 100 percent of parity. It seems to me it is fair to ask for it. Merely because the farm program with regard to wheat, cotton, and various other commodities as of this moment causes those commodities to sell for less than 90 percent of parity is no reason why the producers of cane or beet sugar should be victimized. Those producers have accepted their fair acreage limitations.

The cane producers have had a cutback of one-third in the acreage which they are permitted to plant. They are the only major producers of commodities in this country who are denied the major share of the domestic market. More than half of the market is guaranteed to foreign producers and I am including Puerto Rico and Hawaii as domestic

producers of course. That makes it possible for the producers of farm commodities here to have a better market overseas. Perhaps sugarcane would lead the list of commodities which could be produced here; yet we permit other nations to have a larger share of the sugar market.

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

Mr. LONG. I yield.

Mr. ELLENDER. Is it not also true that in the Sugar Act there is a provision whereby the administrator of the act can state how much labor shall be paid in the sugar industry?

Mr. LONG. That is true. The Secretary of Agriculture is responsible for fixing the wage rates that producers must pay. That is one of the many problems most producers have. Much as some persons would like to see sugar produced at the same price at which it is produced in other countries, the fact is that the American producers are required to pay wages established by the Secretary of Agriculture, while the producers in some other countries can get by with a payment of a far lower rate.

Mr. FULBRIGHT. Mr. President, I yield myself whatever time may be necessary to make my statement.

I wish to say first, with regard to the last amendment, for which I voted, that I was on the horns of a dilemma. I favor increasing the quota for the other South American countries, but I do not favor increasing it at the expense of Cuba. But that particular amendment was one of the cases in which one is for one part of the proposal and not for the other part; and one has to take his choice.

I would not favor and do not favor decreasing the allotment to Cuba, but I think the industry in this country could well share the market a little more generously with some of our South American countries.

Returning to the amendment which is now being considered, the Senator from Louisiana says his producers are restricted, and that only a certain percentage of the domestic market is permitted to the cane producers. Of course, that situation arises only because of the embargo on imports which enables the producer to have the share he now has. If there were no tariffs and no embargoes, as in the case of cotton, the Senator knows that there would not be nearly so much domestic sugar production as there now is. To say this is unique because one is restricted in the amount he can grow, to say that as if it were comparable with any other commodity produced in this country, is completely misleading.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Certainly.

Mr. LONG. I am as much interested in cotton as is the Senator from Arkansas. Can the Senator tell me what percentage of the American market for cotton the foreign producers have?

Mr. FULBRIGHT. Of the domestic market?

Mr. LONG. Yes.

Mr. FULBRIGHT. A very small amount of Egyptian cotton comes into this country, but that is because it is competitive; it is not because the Egyptian cotton has a siphon into the Public Treasury, as sugar does. There is no embargo; neither is there a quota nor a tariff. Egyptian cotton comes into the United States simply because the domestic producers have not been able to produce long-staple cotton in competition with the Egyptian cotton.

Mr. LONG. With all deference to the Senator, I question whether foreign producers have 40 percent of the market for cotton. If they were taking the rest of it, the Senator would be taking the same position.

Mr. FULBRIGHT. The two commodities are not comparable but are completely dissimilar. I object to a comparison between them. There is nothing at all comparable between sugar and cotton. The Senator himself has advanced that argument into the circumstances, when he has sought to justify this particular bill.

The only point I make in connection with this amendment is—and I do not wish to delay the Senate unduly—that when everything is said and done, when the prices are arrived at by artificial means, by quotas, and by excise taxes, and then the compliance payments are added, it seems to me that the sugar producer is not entitled, in all fairness, to more than 90 percent of parity. This is similar to what is paid for the production of other basic agricultural commodities under the most favorable support program. One of the objections I have to the pending bill, and also to the wool program, is that these particular commodities are given special and favored treatment. Such action weakens the overall position of agriculture. One of the reasons why agriculture today is so completely out of balance with the rest of the economy is that the forces of agriculture, the people who should be working together to help agriculture, are divided. A small segment of agriculture becomes satisfied because a wool bill has been passed, which gives wool growers 105 percent of parity, so they do not care what happens to other agricultural producers. The same is true of sugar. We treat them so well that sugar producers are likely not to care what happens to wheat, cotton, or corn growers. So when we get through, all the agricultural forces are scattered and weakened. It is significant to note that for the last 4 years the income of agriculture as a whole has declined abruptly and disastrously, whereas all the rest of our economy has expanded and is flourishing.

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

Mr. FULBRIGHT. I yield.

Mr. WATKINS. I notice that the Senator has talked about basic crops as compared with sugar, and the very fine position of sugar prices as compared with basic crop prices. I wonder if the Senator has ever thought of the fact that there are literally millions of farmers in other fields who do not get any price supports whatsoever. Fruit growers, vegetable growers, and other perishable crop growers do not get any help whatsoever. There are no price supports for them. If the Senator wants to be consistent, he ought to make a fight for all the fruit growers and the other perishable crop growers, and not fight only for rice and cotton growers.

Mr. FULBRIGHT. One of the great obstacles to prosperity for fruit growers is the high price of sugar.

Mr. WATKINS. It is not the high price of sugar that is stopping the fruit growers. It is the high cost of processing fruit and shipping it. The cost of processing and shipping has gone up so high that if we were to give the fruit to people, they could not afford to pay the cost of having the fruit processed. It is processing costs that are ruining the fruit growers of the country.

Mr. FULBRIGHT. I know that fruit growers have had a very difficult time. One of the reasons why we have not been able to help fruit growers is that no one has been able to suggest a practical method to do it. During World War II, we tried to work out a program with respect to semiperishables like potatoes, and it proved to be disastrous. Its failure brought discredit to the whole agriculture program. I wish we could do something to enable fruit growers at least to stay in business, because there is no one who appreciates the peaches and cherries that grow in Utah more than I do.

Mr. WATKINS. We have made such heavy investments in orchards that we cannot afford to abandon them. Growers of wheat, tobacco, rice, peanuts, and other basic crops can go out of business in a hurry. They can change their crops. Fruit growers cannot do it.

I hear all these pleas for growers of basic crops and arguments against what is being done about sugar producers. It makes me wonder whether there is any consistency in the statements. The price of sugar is not high as compared with the price of many other commodities. We have no difficulty on that score. Fruit growers could sell their products if the cost of sugar were the only item involved, but salaries and wages, shipping costs, processing costs, the cost of baskets and boxes, and everything else used in the processing of fruit have gone so high that people cannot afford to buy fruit, even if we were to sell them fruit at half what it costs to produce it.

Mr. FULBRIGHT. I do not quite follow the Senator. All I am saying is that producers of sugar should have equal treatment with that given to producers of other basic commodities. I do not know why they should be given extra special treatment, in view of the great dividends they receive. I read those into the RECORD yesterday, and I shall not repeat them.

Mr. WATKINS. I have not said much in the debate, but I want to make it clear that, for instance, in our State, we had one of the pioneer sugar producers. Equipment was brought from France to set up one of the early sugar mills.

I should like to see our country in a position where it would be more or less independent of the production of other countries, so that in times of emergency there would be enough production in this country to meet our needs. Sugar producers should be encouraged to the point

where in times of emergency it would not make any difference whether our sources of supply were cut off. We must encourage sugar and wool producers in order that we may have some degree of independence. It is not a surplus crop in this country. We all know that. We want to share our market with other countries and at the same time help our own people.

There has been a reduction in acreage in my own State. It is true that there has been increased production per acre, but we ought to have a balanced agriculture there, instead of having farmers turn to wheat when they no longer can produce sugar. They ought to have increased acreage allotments in proportion to their fair share of the American market, so that their allotments will increase over the years. That is the kind of help we ought to give to the industry. Sugar is not produced in surplus. We ought to encourage it. We ought to make ourselves more independent than we are at the present time. In my book, that is a good national policy.

Mr. FULBRIGHT. The Senator is entitled to his view. I think one of the greatest obstacles we will have to overcome in the next several years is lack of sufficient trade with the free world. If we were to follow the Senator's view, we would trade even less.

The Senator well knows that when we foster this largely uneconomical industry, we are sacrificing other agricultural industries in its behalf. I have already gone over what that policy has done to the rice industry in my State. I do not wish to bore the Senate with a repetition of it. However, it is very clear that in pursuing the policy we have followed with regard to sugar, we have already created enormous surpluses of rice which we used to sell to Cuba. The figures were placed in the RECORD yesterday. I shall not bother to go into them again. I have spoken 4 or 5 times on the matter already. But in this case we are artificially building up an industry which was not in existence, particularly western beet sugar, and the effect is to cut off the normal, natural markets of other agricultural commodities. That is another reason why I think the bill should go to the Committee on Agriculture and Forestry, where the staff, which is expert in the field of agriculture, could study it, along with Senators who understand it a lot more.

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

Mr. FULBRIGHT. I yield.

Mr. FREAR. I merely wanted to know if the Senator preferred rice to sugar.

Mr. FULBRIGHT. We do not get much sugar. We cannot afford to buy it, because the price is so high.

Mr. President, I believe that is all I have to say.

Mr. HOLLAND. Mr. President——

Mr. LONG. Mr. President, how much time does the Senator from Florida desire?

Mr. HOLLAND. I should like to have 10 minutes.

Mr. LONG. I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, if I may have the attention of the distinguished Senator from Arkansas, I rise to oppose the amendment of the distinguished Senator from Arkansas, because it seems to me that the Senator has not glimpsed the real essence of this situation in any way at all.

By means of his amendment he proposes to place sugar in the same classification in the general price support bill with commodities which receive now, or have received in the recent past, 90 percent of parity, and are classed as basic commodities, but all of which are in heavy surplus. That bill is restricted in its operation to commodities which are in surplus.

The pending measure has to do with one of the two great commodities which, in the Untied States, not only are not in surplus but are in deficit to a very large extent.

Mr. President, I wish all Members of the Senate might have heard the statement made on yesterday by the former Secretary of Agriculture who served during World War II, the present junior Senator from New Mexico [Mr. ANDERSON]. I believe he stated that sugar was of such strategic necessity during the war, and that there was so great an outcry for sugar, not only from commercial firms making candy, bottling drinks, and the like but also from houswives all over the Nation, who wished to have sugar in order to put up preserves, jellies, fruits, and vegetables, that he was put to the necessity of negotiating with Cuba for much more sugar than we had been able to obtain up to that time. As I recall, the distinguished Senator from New Mexico, the former Secretary of Agriculture, said he went virtually on his hands and knees to Cuba for sugar because it was of such strategic necessity to our people during those war times.

Mr. President, the sugar produced in the United States supplies only a small part of our market, and would supply a smaller part of our market during a war or other great emergency. Therefore, this system of special support for sugar, through the levying of a processing tax, was evolved away back under the Jones-Costigan act.

Mr. President, it is completely idle to compare the situation existing with respect to basic storable crops which are dealt with under the general price-support legislation, and for which the highest price support has been 90 percent, with the situation existing with respect to sugar or the situation existing with respect to wool. All of us know that in the case of wool, at the very time when we as a Congress were reducing the general price-support structure, and were writing a flexible price-support structure as to some commodities, and directly reducing the support rate as to other commodities, and when we were proceeding in other ways to make more conservative, and less generous, the price-support structure, in 1954, we wrote into that very measure a special provision in the case of wool, because we recognized wool as a strategic commodity. As I recall, in order that that particular strategic commodity might be more extensively produced in the United States, we allowed a price support of 110 percent as the maximum price-support applicable to that necessitous commodity.

In the case of sugar, there has been no such price support as 110 percent. The figures for the last few years show that, on the average, the price support for sugar has, under the present act, been between 90 and 93 percent.

Mr. President, it appears very clearly that this measure had been coupled with a reduction of tariff taxation, so as not to increase the price to consumers. Likewise it appears that the price to the consumers has remained stable, and that the price has not increased anything like the general level of increase which has occurred in the case of food commodities other than sugar.

On yesterday, a question was raised by the distinguished Senator from Arkansas [Mr. FULBRIGHT] as to why this measure went to the Finance Committee. It did so because it began in the Finance Committee, primarily as a tariff-reduction measure, as well as one providing a price-support structure for domestic producers; and the bill had to be reported from that committee.

Senators will recall that when the first law on this subject was passed, a tariff or tax of 2 cents a pound was imposed on sugar imported into the United States. The Jones-Costigan Act reduced the tariff to 1½ cents a pound, and at the same time placed a processing tax of one-half cent a pound on sugar produced in the United States.

Mr. President, we have the direct word or statement at that time of the Secretary of Agriculture then serving and of the President of the United States then serving, that that act did not bring about an increase in the price of sugar to consumers throughout the United States. It is unnecessary for me to repeat those statements or to quote from them, for they are already in the record in this instance.

Measures on this subject have continued to be considered by the Finance Committee, because such measures have continuously been coupled with reciprocal trade and with tariff-reduction measures; and the record regarding the several acts will show that while the tax of 50 cents per hundredweight continued to be imposed on sugar as a processing tax, the import tax or tariff on sugar was reduced, as I have already said, in the first instance from 2 cents to 1½ cents, and subsequently to the present level of one-half a cent a pound. Except for the tariff, sugar imported into the United States from Cuba sells for identically the same price as that received for sugar produced in the United States.

Mr. President, it is completely idle to liken the program for sugar to the regular 90 percent price-support program which heretofore has been applied to some basic commodities, and is still being afforded to one basic commodity, namely, tobacco, and such protection is being afforded to some nonbasic commodities because in the case of those nonbasic commodities the producers

have worked together and with our Government, and have not greatly increased production.

For instance, only yesterday the Secretary of Agriculture announced for the third consecutive year a 90 percent price support for naval stores, doing so on the ground that the naval stores industry had disciplined itself, and had not continued to produce surpluses, but, instead, had kept its production in line with demand during the last several years.

Mr. President, for a moment let us consider some of the other matters to which the Senator from Arkansas adverted yesterday.

First, in regard to conditional payments by the Government and the list of those who received in excess of $100,000 in such payments, which was placed in the RECORD by the Senator from Arkansas, I wish to call attention to the fact that the payment to the producers varies from 80 cents per hundredweight of raw sugar, in the case of the small producers who produce not more than 350 tons, down to 30 cents per hundredweight in the case of the really large producers of sugar. Mr. President, what could be more protective of the rights of the small producers of the Nation, than that provision? In all the price-support legislation of the United States, I know of no comparable provision which so clearly operates in the protection of the small producers, as does this provision in this sugar measure.

Mr. President, the list of some 38 producers whose names were placed in the RECORD, will be found on page 2215 of the RECORD for yesterday. In 1954 each of those producers received more than $100,000 in conditional payments. I may say that there are 39 instead of 38 listed as having received $100,000 or more, but there are only 38 as to which the amount of tax paid and the other facts required to be furnished in that compilation appear. So there are really only 38 producers in that list whose figures are shown with respect to what they received and also with respect to the taxes they paid, and the profit they made.

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

Mr. HOLLAND. Mr. President, may I have 5 minutes additional?

Mr. LONG. I yield 5 additional minutes to the Senator from Florida.

Mr. HOLLAND. I hope Senators will look at the list on page 2215 of the RECORD of yesterday. They will find that exactly half of those producers, or 19 out of 38, would have been operating in the red if they had not been receiving some compliance payments. In other words, the compliance payment in the case of half those producers was greater than the total profit made. Certainly that ought to be a rather clear illustration of the fact that, without compliance payments, this industry would not be able to exist in this country.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question on that point?

Mr. HOLLAND. I shall be glad to yield when I conclude my statement.

Mr. FULBRIGHT. I am glad to yield 1 minute of my time to the Senator from Florida.

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. Is it not true that, according to the table, there is only one company within the United States which shows a loss, namely, the Okeelanta Sugar Refinery, Inc.?

Mr. HOLLAND. The Senator is correct. There are two Florida companies shown, one of which is shown as operating at a loss, and the other of which is shown as operating at a profit.

Mr. FULBRIGHT. Is it not a fact that the Okeelanta Sugar Refinery, Inc., is the only mainland refining company which does not publish financial reports?

Mr. HOLLAND. I am unable to say.

Mr. FULBRIGHT. That was the information brought to me by our staff. I understand that that company does not publish reports. Therefore we cannot tell accurately what its situation is. It reported a loss without the compliance payments.

Mr. HOLLAND. For the information of the Senator, the Okeelanta Sugar Refinery, Inc., went through bankruptcy 3 or 4 years ago, and is now trying to get on its feet. It has demonstrated rather conclusively that the sugar business is an uncertain, indefinite, unsatisfactory business, and that certainly the compliance payments are required. In this case, for this year, the Okeelanta Sugar Refining Co., Inc., was still operating in the red.

I invite attention to the fact that all 38 of these producers are producers of cane sugar. I remember that yesterday the Senator from Arkansas stated, on page 2205 of the RECORD, that beet sugar was uneconomical, unnatural, and, in fact, had no right to continue to exist as an industry in this country. However, he was gracious enough to say:

> By and large, I think the cane-sugar industry in this country is quite similar to that in Cuba.

I invite the attention of the Senator from Arkansas and of other Senators to the fact that the 38 largest producers of cane sugar in this country show the following record: 19 of them would have been operating in the red in the prosperous year for sugar of 1954 if it had not been for the compliance payments.

Let me say something about the United States Sugar Corp., inasmuch as it was held up as being one which was profiting too greatly. The Senator from Arkansas does not know it, but I want him to know, and I want the RECORD to show, that the second year before the passage of the Jones-Costigan Act that organization went through bankruptcy.

I want the Senator to know that in 4 different years since the passage of the Jones-Costigan Act that company has been in dire straits, due in 2 instances, to floods, and in 2 other instances to freezes.

So the existence of this act, and of some price support under it, has been a life-and-death matter to even the best operators in the sugar industry. I think I am justified in saying that the United States Sugar Corp. is shown by this list to be one of the best organized and best operated companies in the business.

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

Mr. HOLLAND. I yield.

Mr. LONG. Does the Senator know that among the corporations pointed out by the Senator from Arkansas as making too much profit and not being deserving of a subsidy was a corporation under whose land oil had been discovered? Therefore the oil royalties account for half the revenues of the corporation. If it did not have the oil royalties, I suppose the corporation would be expected to close down and stop completely the production of sugar.

That corporation also operates a sugar refinery, and it is entitled to make a profit on its refinery, quite apart from the question of whether or not it should be engaged in the production of sugar.

Mr. HOLLAND. I understood that to be the situation.

Mr. LONG. That is the situation with reference to Southdown Sugar, Inc.

Mr. HOLLAND. The Senator is correct.

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

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield me 5 additional minutes?

Mr. LONG. Mr. President, I yield the Senator from Florida an additional 5 minutes.

Mr. HOLLAND. In the case of the United States Sugar Corp., again the production of sugar is not the only business in which it is engaged. It is one of the largest cattle producers in our part of the country. The latest available figures show that its gross production of cattle—and the figures shown in the record are gross—was about $1½ million.

Oil was also a factor entering into the revenue of the United States Sugar Corp.—not the actuality of oil, but the hope of oil. In connection with a large part of its acreage there were leases and production and exploration contracts, which accounted for a sizable part of its revenue.

It seems to me that we have a very clear picture of the fact that the sugar industry cannot operate without this special kind of support. The support has been carefully calculated so as not to cost the consumers additional money, but, on the contrary, to keep down prices. For example, we saw that in World War I, the price of sugar went up above 15 cents a pound, when there was no such structure as this.

Mr. President, I wish Senators to get the picture with reference to the United States Sugar Corp. It is the largest mainland producing company. It is a good citizen of our State. In drainage districts—and there are many drainage districts in our State—where the United States Sugar Corp. has property, frequently small producers are not able to pay their very heavy drainage tax. The United States Sugar Corp. has a fixed policy of advancing such taxes so that the bonds will not go in default. While

repayment has been made in some instances, there are many instances in which the company has not been repaid.

Also, I learned from some of the small growers that during the recent freezes in Florida in December the United States Sugar Corp. had pooled its frozen acreage with the frozen acreage of the independent producers and had transferred all its harvesting equipment over into the area which had been frozen and is operating, on a share-and-share-alike basis, in cooperation with the independent growers in that area.

There are many other things which show that that organization was and is a good neighbor and a good citizen. However, I shall not discuss that situation further.

One further comment with reference to the United States Sugar Corp., and I will conclude my remarks on the proposed amendment. If anyone thinks this has been a bonanza to that corporation, a close look at the facts will, I am sure, convince him that such is not the case.

In 1953 the United States Sugar Corp. had 28,415 acres of sugar. It has been cut down yearly since that date until this year, 1956, it has been allotted 19,760 acres. It has had cut out 8,655 acres, or a reduction of 33 percent.

This is no easy business to keep going, but it has been found, under the Jones-Costigan Act and succeeding acts, that it is an important business, and that it should be continued. It is of extreme importance that we have a continuation of domestic production in this Nation to free us from such situations as the one so vividly described by the former Secretary of Agriculture, the distinguished Senator from New Mexico [Mr. ANDERSON] in his statement of yesterday.

Mr. President, I hope the amendment will not be adopted. I regret the necessity for taking this much time. However, it seems to me that in this field we are completely justified in asking for an extension and revision of the present program, recognizing that life under it has not been easy, and recognizing that in both beet sugar producers and cane sugar producers we have industries which are great assets to our Nation and which need to be preserved and allowed to live in prosperous conditions.

I hope the Senate will reject the amendment of the Senator from Arkansas.

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

The PRESIDING OFFICER. The Senator from Arkansas has 17 minutes remaining.

Mr. FULBRIGHT. Mr. President, first, with regard to the referral of the bill to the Committee on Finance, if my memory serves me correctly, the distinguished Senator from Michigan, Mr. Vandenberg, in the 80th Congress, referred the sugar bill to the Committee on Agriculture and Forestry, where it should have gone. However, the Senate overruled him. It overruled him because of the outstanding strength of a group of Senators who were interested in sugar, especially because the distinguished Senator from Colorado [Mr. MILLIKIN] was chairman of that committee. Therefore it is quite obvious that there is no sacredness about the jurisdiction of the Committee on Finance over the bill.

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

Mr. FULBRIGHT. It is contrary to commonsense. We do not have to go further than that. It is essentially an agricultural matter. Certainly the Committee on Agriculture and Forestry has a better claim to such a bill than the Committee on Finance.

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

Mr. FULBRIGHT. I shall be very glad to yield. However, as I say, we just differ about it, the Senator and I. The Senator from Florida certainly does not deny, does he, that the bill was referred by Senator Vandenberg, and that the Senator was overruled in that regard?

Mr. HOLLAND. I recall that incident well. I remember when the precedents were adduced, they showed that the bill had always been referred to the Committee on Finance, and the distinguished Presiding Officer of the Senate was overruled by the Senate because of the precedents in the case.

Mr. FULBRIGHT. I do not wish to argue the point any more. The Senator also well knows that in the House of Representatives the bill does go to the Committee on Agriculture and Forestry. The situation is perfectly ridiculous, Mr. President. The reason for it is that a custom has grown up in the Senate, under which such a bill has never been sent to the Committee on Agriculture and Forestry for study. In fact, the proponents of such a bill seem even to resent having the bill discussed on the floor. Last year they desired to pass it during the last few hours of the session, without debate. It ran afoul of a parliamentary difficulty.

The bill certainly should have been referred to the Committee on Agriculture and Forestry. It should have been treated in the same way that bills dealing with other segments of agriculture are dealt with. Sugar should receive justice, not preferential treatment. That is all my amendment would do. There is no reason why we should select a small group of enormously rich corporations and a scattering of small farmers and give them this kind of preferential treatment.

The Senator from Florida [Mr. HOLLAND] has strengthened my argument that this is an uneconomic industry. I did not realize, until his very enlightening speech drew our attention to it, that 19 companies would go broke if they did not have this handout. That clearly demonstrates the fact that without this artificial stimulus, those companies would fail. It is a clear demonstration that the industry should not be sustained. That is the whole trouble with the Senator's argument.

He talks about sugar being a strategic crop and about how necessary it is in time of war. I submit that it is obvious that it is much easier to get sugar from Cuba than from Hawaii. It is not one-third as far away. The sugar would come through Florida, and it would be beneficial to the Senator's own great port of Miami. I draw attention to page 2214 of the CONGRESSIONAL RECORD, which lists the very large and rich corporations, which have been drawing up to $2 million in direct payments. One of the reasons we had to get the sugar in enormous quantities from Cuba during World War II was that we could not get sugar in sufficient quantities from Hawaii and the Philippines. That strategic argument does not hold water at all. The truth of the matter is that we are now spending enormous sums of money to keep alive a large industry in Hawaii, far from our shores, and at the same time we are punishing the local domestic industries, such as the producers of rice and wheat. Cuba buys both products in large quantities, as do other Latin American countries. That applies also to all kinds of machinery which is manufactured in the great State of Wisconsin and in other States. There is no question that every one of the Latin American countries, especially Cuba and Mexico and Peru, are our best customers. They take 90 cents out of every dollar they get, and with that money buy something else in the United States.

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

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. Is the Senator from Arkansas arguing that we should liquidate not only the sugar industry of Hawaii, but all the attendant activities and employment of American citizens who are in the Territory of Hawaii, which I, at least, hope will eventually become a State, and liquidate the tremendous amount of agricultural labor and the labor in industry, both of which are dependent upon the beet sugar industry and the cane sugar industry in this country?

Mr. FULBRIGHT. The Senator from California could logically pursue his argument by saying that we ought to start a coffee industry in this country. Of course, we could also build hothouses and grow bananas. We could give employment in those industries, too. If we gave such industry enough of a handout, they, too, would survive.

Mr. KNOWLAND. I am sure the Senator is not serious.

Mr. FULBRIGHT. Well, that is the logical conclusion of the Senator's argument. I am not arguing that we should liquidate any industry. I simply argue that there is no sense in taking an industry which is poorly suited to our climate and our soil and giving it this kind of treatment in order to have it survive.

Nineteen of the corporations mentioned by the Senator from Florida would be in the red, or would be liquidated, if we did not give them artificial stimulus through direct payments, quotas, and tariff relief.

Mr. KNOWLAND. I am sure the Senator is familiar with the fact that if we had no domestic sugar industry and no domestic agriculture in this country and in Hawaii, the time would come when this country would have to pay through the nose under a situation similar to that which obtained with regard to rubber, when, during wartime other countries

were able to get rubber at their own price and Americans had to pay a high price.

Mr. FULBRIGHT. The Senator was not in the Chamber when the Senator from New Mexico [Mr. ANDERSON] made his statement. Incidentally, he is in favor of the bill, but he said very clearly from his own experience that that was not so. He said that Cuba sold us enormous quantities of sugar at well below the world market price because of her regard for our country and because of her friendship. He said that both yesterday and today. What the Senator from California is saying is just not so. Cuba has cooperated and kept the price down in time of need. I do not wish to repeat all that has been said on that subject.

In this bill we are beginning to cut Cuba's throat. Of course, if we continue to do it, we will have to grow our own sugar. Unfortunately, if we continue this kind of policy, no country in the free world will be able to trade with us. We will isolate ourselves from all the friendly countries of the world. Apparently we are determined to become completely self-sufficient and not trade with anyone else. What has happened in Burma and Egypt with regard to Russia will inevitably happen in the other half of our own hemisphere. It is certainly very bad for our foreign relations to go along that route. Besides, it is bad economics. With regard to liquidating an industry, it is true that some sugar corporations may have to go out of business.

By the same token, if we purchase sugar from these other nations, they will purchase more of our products. The figures which I placed in the RECORD show a very close relationship to the selling of other agricultural commodities. That is why we should look not merely at sugar. We should see what has happened to other fields of agriculture.

For example, from the State of the Senator from North Dakota [Mr. YOUNG], wheat is sold to Central America. If we exclude their sugar in order to help growers in Utah and California, we foreclose the wheat growers in North Dakota from selling wheat to Cuba.

Mr. YOUNG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. YOUNG. Does the Senator contend that wheat farmers in the United States can compete on an equal basis with cheaper labor in Canada, or that cattle growers can compete on an equal basis with cattle growers in South America? If such a thing were attempted, we would have practically no agriculture in this country.

Mr. FULBRIGHT. As a realistic matter, I do not say that we could immediately and suddenly abolish all our tariffs. However, I do not accept the Senator's basic thesis that this country is so inefficient or stupid that it cannot compete with any other country and that everything we produce must be protected.

I think, in a transitional period, we must protect infant industries, in order that they can become efficient producers. Of course, some protection is needed in that case. But I think, among the nations of the free world, it is important that we do some trading and that we should not go out of our way to create an industry for which we are poorly suited by climate and soil. I have no doubt that in Louisiana and Florida, if we wanted to spend the necessary money, we could grow all the bananas we need at probably twice the price we now have to pay for that product. It is the same way with sugar.

The trouble is that we are helping only 60,000 people who are engaged in the sugar industry and are, at the same time, injuring in an uncalculable way many more people interested in other industries. When we begin to interfere with the natural productivity of a country, it usually has that effect.

Let me say to the Senator from California [Mr. KNOWLAND] that I think experience will show that when we increase trade in other commodities it offsets whatever liquidation takes place in sugar production. That is the whole thesis of expanded trade. That is the whole idea of trade, not aid. But here is a complete contradiction of the idea of trade, not aid. If we are going to cut off all trade, we will become completely isolated economically and eventually politically.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Yesterday the Senator made the statement that the beet-sugar industry is uneconomic and unnatural, and he made the claim that we should not produce any sugar domestically because we can get sugar which is produced abroad at a lesser figure. Is it not true, then, that we should shut down on the production of oil and purchase all our oil in the Near East where it can be produced at one-fifth of what it can be produced for in this country? Should not the oil industry be placed in the same category with sugar?

Mr. FULBRIGHT. Are we giving aid to the oil industry comparable to that given to the sugar industry?

Mr. DWORSHAK. The Senator is in a better position to answer that question than I am, knowing that the oil industry receives a 27½ percent depletion allowance. I am not going to argue that point. But I say the charge that the sugar industry receives a subsidy from the Federal Treasury is incorrect and untrue.

Mr. FULBRIGHT. It certainly appears on the books of the Treasury. There is a very substantial amount paid to the sugar industry.

Mr. LONG. Mr. President, how much more time remains?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The Senator from Arkansas has 3 minutes remaining, and the Senator from Louisiana has 4 minutes remaining.

Mr. LONG. Mr. President, the Senator from Arkansas has argued that the domestic sugar industry should go out of business, if I properly understood his argument. I should like to invite the attention of the Senate to the fact that there are 282,000 field workers in the United States and its possessions who are engaged in the production of sugar. Those are only field workers. Of that number of workers, 145,000 are in Puerto Rico. Puerto Rico enjoys the same benefits under the Sugar Act as our producers enjoy.

I would be curious to know how we expect the producers to exist when they find the price of sugar has been cut 25 percent. Perhaps the Senator from Arkansas would like to see the wheat producers reduced about one-third. To me it does not make good sense.

A great number of farmers produce sugar. I understand the Senator would like to benefit the rice producers at the expense of the sugar producers. Is Arkansas prepared to reduce its rice acreage? Every single acre in Louisiana could be used in the production of rice. If the Senator would like to know why there is a large surplus of rice, let me say that one of the principal reasons is that when the cane producers were cut back they have tried to produce rice.

The Senator picks out the Southdown Corp. which is making a profit of 12 percent. Part of that is from oil royalties discovered under the land. If there is not some subsidy for the domestic industry I assume it would have to close down. It would not particularly benefit us; it would not even benefit the Cubans, because they are in a position to sell their sugar at a net price of about 5 cents as against the world market price of 3¼ cents, and they have a large surplus on hand which they cannot dispose of.

If we were to ask the Cubans I am sure they would tell us that the last thing they want to see is the destruction of the American Sugar Act. Therefore, Mr. President, I rather doubt that we can find any nation in the world which would care to see the act repealed and the production of sugar come to an end.

Mr. FULBRIGHT. Mr. President, the amendment I have offered does not liquidate anyone. It merely asks that the sugar producers take a 90-percent support, the same as in the case of cotton, wheat, rice, and peanuts. The Senator thinks that is good enough for the cotton grower. Why is it not good enough for the sugar grower?

Mr. LONG. I have heard the argument of the Senator that we should quit the production of sugar in the United States. What the Senator wants to do is to put the sugar producers out of business completely.

Mr. FULBRIGHT. Not at all.

Mr. LONG. That is what the amendment would do.

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

Mr. FULBRIGHT. Mr. President, I would say to the Senator, since he has put words into my mouth, that my amendment is a simple amendment which provides that we should treat sugar no better than cotton is treated. I am sure the Senator has many cotton constituents and rice constituents.

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

Mr. FULBRIGHT. In just a moment. Consider the United States Sugar Corp. in Florida. It had a profit last year of more than $5 million. Why the little housewife should be penalized to the extent of 2 or 3 cents a pound in order to

pay the United States Sugar Corp. $750,000 on top of $4,500,000 is beyond me. It makes no sense. All I am asking in this amendment is, Why not take 90 percent supports for sugar, as the producers of other crops do? We in Arkansas would be delighted if we could get back to 90 percent for our rice and cotton. I think the amendment is fair.

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

Mr. FULBRIGHT. I yield.

Mr. BARRETT. I am advised that cotton which is just as good as any cotton that can be produced in the United States can be grown in Egypt at a mere fraction of the cost at which it can be produced in Arkansas or any other State which grows cotton.

I am also advised that that cotton can be sent to Japan for processing into cotton goods at about 15 or 20 percent of the cost to make those goods in this country.

Does the Senator from Arkansas believe it would be in the best interest of the consumers of the United States to have the cotton producers of America get out of the cotton business, to have the cotton grown in Egypt, to have the processors or manufacturers of cotton in the United States get out of the manufacturing business, and to import the finished cotton products from Japan?

Mr. FULBRIGHT. I do not accept the Senator's advice. He is misinformed when he says the cotton producers in Arkansas are inefficient, and that American production, not only of cotton but of other commodities, cannot compete with the products of other countries.

The cotton producers of Arkansas until recently competed with the producers of the world. The Senator knows that support prices and other situations have created conditions under which cotton is not competitive. But there has been and is at present in progress a review of that program, which has caused the dislocation.

For 150 years American cotton has competed with the cotton from any other nation. Cotton was not built up on a Government subsidy. Cotton was not built up by placing an embargo on importations and on handouts from the Federal Treasury. Until very recently, as the Senator from Wyoming well knows, none of the basic commodities were in that condition.

Mr. BARRETT. The Senator has been told repeatedly on the floor that this is not a subsidy from the Federal Treasury on sugar.

Mr. FULBRIGHT. Anyone who wishes to believe that is welcome to do so. The figures will not support such a statement.

The PRESIDING OFFICER. All time on the amendment offered by the Senator from Arkansas has expired. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

Mr. BENNETT. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Utah.

The CHIEF CLERK. On page 18, beginning with the table following line 2, it is proposed to strike out through line 7 and insert in lieu thereof the following:

Country:	*Percent*
Cuba	33.8
Other countries	11.2
Total	45.0

The above proration of 11.2 per centum to foreign countries other than Cuba and the Republic of the Philippines shall be apportioned on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

Mr. BENNETT. Mr. President, I yield myself 3 minutes. I had hoped to get the floor to offer this amendment immediately after the amendment offered by the Senator from Indiana was rejected by the Senate, but I have been unable to do so until now.

This simple amendment gives Cuba the share which the Senate bill gives her, but divides the share of the other full-duty countries in accordance with their historic percentages. We have been over the problem. I think Members of the Senate expressed themselves fully on the subject during the debate on the Capehart amendment. It is not my intention to ask for a yea-and-nay vote on the amendment. However, the administration still feels that it would like to be free to proceed in its relations with the full-duty countries on the basis of their historic record, rather than on the basis of the division as accepted by the committee.

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

Mr. BENNETT. I yield.

Mr. BYRD. Is the Senator's amendment practically the same as the Capehart amendment?

Mr. BENNETT. It sets the quota for Cuba at 33.8 percent. It takes Cuba out of the discussion entirely, and then would divide the remaining tonnage among the full-duty countries in the same way as the Capehart amendment would have divided it.

Mr. BYRD. The Capehart amendment was defeated.

Mr. BENNETT. The Capehart amendment was defeated, and I recognize that my amendment probably will be defeated. But the administration is anxious to give the Senate an opportunity to vote on the amendment for the purpose of the RECORD.

I have no further statement to make on the amendment. I hope that without further discussion the Senate may vote.

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

Mr. BENNETT. I yield back the remainder of my time.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT]. [Putting the question.]

The "ayes" seem to have it.

SEVERAL SENATORS. Mr. President, a division.

The PRESIDING OFFICER. Without objection, the Senate will divide.

On a division, the amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment designated 2-7-56-B and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arkansas.

The CHIEF CLERK. On page 25, line 10, it is proposed to strike out "1962" and insert in lieu thereof "1958."

On page 25, line 14, it is proposed to strike out "1963" and insert in lieu thereof "1959."

On page 19, lines 10 and 11, it is proposed to strike out "and for each subsequent calendar year."

Mr. FULBRIGHT. Mr. President, the amendment merely limits the extension of the bill to 2 years instead of 6. It seems to me that it would be very unwise to commit the Senate and the country for such a long period, when so many things could happen which might cause great dislocation in our trade with the various countries involved. I think this kind of legislation should be reviewed more often than every 6 years.

I ask that the Senate agree to the amendment.

Mr. LONG. Mr. President, I hope the amendment will be rejected. Those who plant sugarcane and all the nations which sell sugar to the United States are engaged in the planting of sugarcane—must plant their crop on a 3-year basis. In other words, from the time the cane is planted until it is finally harvested, 3 years are required. The planters need to make their plans ahead of time, based on the market available to them.

Mr. FULBRIGHT. Mr. President, would the Senator accept a 3-year limitation?

Mr. LONG. No; I would not.

Mr. FULBRIGHT. I thought the Senator was making the argument that 3 years were needed.

Mr. LONG. This point itself indicates that the nations trading with the United States need to plant on a fairly long-term basis and need to know in advance what markets will be available to them when they clear new land in order to make sugar available.

I hope the amendment will be rejected.

The PRESIDING OFFICER. Do both sides yield back the remainder of their time?

Mr. LONG. I yield back the remainder of the time in opposition to the amendment.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

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

Mr. MAGNUSON. Mr. President, I call up my amendment 1-12-56-A and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington.

The CHIEF CLERK. On page 3, line 3, after "SEC. 6", it is proposed to insert "(a)."

On page 4, after line 10, it is proposed to insert the following new subsection:

(b) The Secretary of Agriculture is authorized and directed to set aside, out of the increases provided by the amendment made by this section in the quota for domestic beet sugar, a reasonable amount to be used as a reserve for establishing or adjusting proportionate shares for farms on reclamation projects on which new acreage suitable for production of sugar beets has been made available.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that I may modify my amendment on page 1, lines 4 and 5, by striking out the words "and directed".

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Is that the Senator's own modification to his amendment?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the amendment will be modified as requested.

Mr. MAGNUSON. Mr. President, the purpose of the amendment, with the words "and directed" taken out, is merely to authorize the Secretary of Agriculture, in his discretion, to set aside, in certain cases, a reasonable amount of land for sugar-beet production. He might decide not to set aside an acre. He might find it reasonable to set aside a few acres on new lands. The amendment is primarily directed to lands in the West which are under irrigation and reclamation. In the Columbia Basin in my own State, as well as in lands in Utah, Wyoming, and Idaho, the Government has spent great sums of money—in the Columbia Basin alone over a half billion dollars—to reclaim land for small, family-size farms, the average being from 25 to 30 acres, where landowners or tenants on the land have agreed to pay back money which they have invested in the land.

Most of the farms are small ones and are occupied by veterans who had priorities and who were encouraged to occupy the lands by the Department of Agriculture, the Department of Interior, and all the other agencies involved, and start small family farms. They were encouraged in some cases to grow sugar beets. Sugar beets would be a very small cash crop. Under the bill 1 percent for new lands is provided. Those lands would be located in the States of Washington, Wyoming, Utah, and Idaho, and would comprise such a small amount that it would not take care of any of the new settlers. Sugar beets would be what is termed a cash crop.

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

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Would the Senator be willing to restrict his amendment to beet sugar? We have no reclamation projects in Louisiana or Florida which might be used to divert some of our cane sugar acreage.

Mr. MAGNUSON. I would be willing to restrict my amendment to beet sugar, because that is all I am talking about.

Mr. HOLLAND. Will the Senator so modify his amendment?

Mr. MAGNUSON. I so modify my amendment.

The PRESIDING OFFICER. The Senator from Washington modifies his amendment accordingly.

Mr. MAGNUSON. Mr. President, I used the word "sugar." We do not raise cane sugar. I have listened to the debate concerning foreign countries. It seems to me we have been pretty liberal with foreign countries providing them sugar quotas. We surely have some responsibility to take care of veterans who were almost pushed upon the land to which I have referred and who were encouraged to take up farming there. It seems to me we could at least take a step which would enable them to pay back and make good their obligation to the Government by allowing the Secretary of Agriculture discretion in some cases to allocate a very, very small proportion of sugar production to these farmers. About 92 percent of the persons who go on these small tracts are veterans.

The distinguished Senator from Utah said to me a few moments ago that there would not be any unused land. In that event the Secretary of Agriculture would make no allotments to sugar beet production to new lands. All I am asking is that the Secretary of Agriculture have discretion and authority in cases—and they are very few—where the land is available and the Government is encouraging the farmers to raise sugar beets on it. We spent millions of dollars so that the land could be utilized. I think we have a greater obligation to those farmers than we have to Cuba, Peru, and other foreign countries. The quota involved would be less than 1 percent of the amount being allotted to foreign countries. It seems to me we owe an obligation first to our own people.

I know the historic growers of sugar beets probably will oppose the amendment. Senators who have in their States more historic growers of sugar beets than there are in my State have talked to me about it. However, I am sure that a fair analysis of the amendment will convince them that new farmers, who are mainly young married people on these reclaimed lands should have a chance to benefit from this apparently very important agricultural crop.

I think we have been very liberal with foreign countries. I am perfectly willing to vote to help them, but, surely, the Secretary of Agriculture should have some discretion so that he can take care of this problem affecting irrigated lands on which we have spent hundreds of millions of dollars.

There will be such farmers in Wyoming. They are primarily young people and veterans. The amendment would give the Secretary of Agriculture discretionary authority to set aside some lands for sugar-beet production. Perhaps in a given year he would not set any land aside.

I voted for the Fulbright amendment for 2 years. If the bill as it now is before the Senate, is passed the farmers to whom I have made reference will never have a chance to come under the program. If the amendment is not adopted, we will be saying to American veterans who are encouraged to go into farming, "You shall not be allowed to enjoy the benefits of this law under any circumstances, because we have given so much to foreign countries. You shall not be allowed to devote 1 acre to sugar beets."

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

Mr. MAGNUSON. I yield.

Mr. BARRETT. Yesterday I stated on the floor of the Senate that 42,000 acres out of a total acreage of 850,000 acres were not planted last year. I suggested that it was the duty of the Department of Agriculture to reallocate those divested acres to other States. If the Department of Agriculture did that, there would be acreage which would be available for people in the State of Washington and in my State. I may say to the Senator that I agree wholeheartedly with him.

Mr. MAGNUSON. I have stricken from my amendment the words "and directed." I think the Secretary of Agriculture should have leeway. It might be that in a given year he might not care to use his authority. But, without the amendment, the bill would foreclose new farmers for 6 years. They are usually young married people who have gone on the land to farm. We would be saying to them, "You shall not raise one single sugar beet." I think that is unfair.

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

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. Does the Senator refer to land which has been brought in under Government projects?

Mr. MAGNUSON. Yes.

Mr. FULBRIGHT. The situation is that we have appropriated large sums to bring the land under cultivation, and now we are asked to give a special subsidy to grow beets on it. Is that correct?

Mr. MAGNUSON. We would not give the farmers on the land subsidies. We would merely allow them to grow beets.

Mr. FULBRIGHT. They would not receive payments for their production. Is that correct?

Mr. MAGNUSON. I do not know what payments they would receive. I suppose they would receive the same payments received by other beet growers. This is land on which they have invested money, and they wish to pay back their obligations.

Mr. FULBRIGHT. From payments received for growing beets?

Mr. MAGNUSON. This is the most productive land in the whole United States.

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

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I am in thorough sympathy with the objectives of the amendment offered by the Senator from Washington, but under our restrictive sugar program probably after a man

gets through fighting for his country, we are placed in the embarrassing position of encouraging him to take his family and go to Cuba or some other country in order to produce sugar.

Mr. MAGNUSON. He might go to Peru and raise sugar. Cuba is a little overcrowded, but he might go to Peru.

Mr. DWORSHAK. He can fight for his country, but cannot grow sugar for Americans to consume.

Mr. MAGNUSON. My amendment does not in any way touch the quotas which the committee has wisely set; it merely provides that the Secretary of Agriculture may, if he finds a way, under given circumstances, allot to a few farmers just a little bit of the sugar production. The amendment gives him authority to do so.

Mr. President, I have some time remaining, have I not?

The PRESIDING OFFICER. The Senator has.

The Chair suggests that the language of the amendment is limited to beet sugar, so it is not necessary to amend the amendment in order to take care of the point suggested by the Senator from Florida.

Mr. MAGNUSON. That is correct; and we are not going to raise any cane sugar.

Mr. FULBRIGHT. How about bananas?

Mr. MAGNUSON. We might raise some bananas. [Laughter.]

Mr. President, I wish to read a letter which came to me from the Columbia Basin Commission. The letter does not come from a chamber of commerce, but comes from the official State of Washington agency charged with operation of the Columbia Basin. Naturally, they are the ones who have made the suggestion. The letter reads as follows:

STATE OF WASHINGTON,
COLUMBIA BASIN COMMISSION,
Ephrata, Wash., February 2, 1956.

Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Thank you very much for your telegram yesterday and the assurance that you will continue the effort to get sugar beets for the basin when the sugar legislation reaches the floor of the Senate. I want to thank you again for the excellent help and cooperation that you gave us when the effort was made to get committee approval in the hearing before the Senate Finance Committee.

The committee's action was somewhat of a shock to the Columbia Basin, and farmers here are constantly calling meetings to consider what to do. There is no doubt but that the growers here feel that the right to grow sugar beets is one of the most important, if not the most important, need at the present time. There are many who even put sugar beets ahead of appropriations and farm financing. I have assured them that you are doing everything possible to get that right for us.

In meetings held by water users Tuesday and Wednesday, there were expressions indicating that the farmers could not go along with the stand of the committee, which reportedly said that the amendment called for earmarking beet acreage and would cause inequalities and ineffectiveness in administering the act. To say that we are asking for special privileges is to say that we are asking for nothing more than the old growers are asking for and obviously expect to get. The legislation as it now stands certainly gives them special consideration by assigning all of the normal-growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

We are not asking and never have asked that any definite acreage be earmarked for the Columbia Basin or any other project. We just don't want to be discriminated against to the point where we cannot get acreage which it seems to us this legislation does. We only want the right to get acreage on a basis equal to everyone else, and we believe we can sell our proposition to processors and others.

There is a great fear out here that if the legislation passes without your amendment, we will be out in the cold for so long that it will be questionable whether some of our farmers can survive. The legislation as it now stands, continues this Sugar Act until 1962, and if we are denied sugar beets until then, we will have to face an obstacle that could easily be disastrous.

I am sure that you understand the condition here very well, and in behalf of the Columbia Basin farmers and at their request, I am asking that you do everything you can for us. I want you to know, too, that I personally realize the magnitude of the task we are asking you to perform, but I am not sure that everyone out here is aware of that.

We talked quite at length with Senator MORSE when we were there, explaining our sugar problem to him, and I believe we have his wholehearted support, and he said he would do whatever he could to help us.

If there is anything that you can suggest that we should do, we will certainly be very glad to do it. Again I want to thank you for the splendid cooperation you have given us in the past.

Yours very truly,
HUBERT H. WALTER,
Administrative Assistant.

In the letter, Mr. President, I emphasize particularly the sentence:

The legislation as it now stands certainly gives them special consideration by assigning all of the normal growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

That is the point I made before.

Mr. JACKSON. Mr. President, will my colleague yield to me?

Mr. MAGNUSON. I yield.

Mr. JACKSON. I desire to thank my colleague for the very fine statement he has made, and I wish to join him in advocacy of the amendment.

Mr. MAGNUSON. I thank my colleague.

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

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I am very happy to support the amendment. If there is to be an increase, I think the veterans should have an opportunity to receive some of the acreage.

Mr. MAGNUSON. I thank the Senator from Arkansas.

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

Mr. MAGNUSON. I yield.

Mr. HOLLAND. I thank the Senator from Washington for yielding to me.

I wish the RECORD to show, in connection with my request that the Senator's amendment be limited to beet sugar, that two things are true regarding our cane-sugar acreage: First, there are no reclamation projects at all in the States of Florida and Louisiana; second, the average yield per acre has increased so greatly that, in the case of my State it has caused a drastic reduction of acres. I hold in my hand a statement concerning a typical grower in Florida, which shows, between 1953 and 1956, a loss of 33 percent of the acreage of productive cane-sugar area belonging to that grower, solely due to the production of more tons of sugar per acre. So in recent years the process has been one of constant shrinkage, insofar as the acreage he has employed is concerned.

Mr. BENNETT addressed the Chair.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, I should like to have the attention of the two Senators from Washington, in particular, as well as the attention of my other colleagues.

I read now from paragraph (b) of section 302 of the Sugar Act of 1948, as amended; this is the present law. I shall read the entire paragraph, but the end of the paragraph is the most important part:

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall—

The word was "may" at first, but now it is "shall"—

insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

I think the Secretary already has all the authority this amendment could convey to him, for he is instructed to "protect the interests of new producers."

I hope we will continue to depend upon this very clear statement in the law, rather than to adopt this amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield.

Mr. MAGNUSON. I am familiar with that section, but that applies to the 1 percent.

Mr. BENNETT. No, it says nothing about the 1 percent.

Mr. MAGNUSON. But does not the act provide 1 percent for new acreage?

Mr. BENNETT. It says:

The Secretary shall, insofar as practicable, protect the interests of new producers and small producers.

Mr. MAGNUSON. But does not that provision apply to the 1 percent? The Secretary has leeway only to the extent of the 1 percent, does he not?

Mr. BENNETT. I understand that is a plain statement of general power.

Mr. MAGNUSON. But in that case he has a leeway of only 1 percent.

Mr. BENNETT. The decision to limit it to 1 percent was an administrative decision. So the Secretary has the power to change his own administrative

decision, and to increase that amount in the State of Washington, for new producers, if he wishes to do so.

Mr. MAGNUSON. I can read to the Senator from Utah the testimony of those who feel that he did not have that authority or, if he did, that it would apply to only 1 percent, which is less than 300 acres in my State.

Mr. BENNETT. That is a problem of administrative solution.

If the representatives of the Columbia Basin Commission could present their problem to the Secretary, in view of this new legislation, I am sure he would give them sympathetic consideration. But I do not think anything would be added to his present powers by the amendment.

Mr. MAGNUSON. I think the amendment would add to his present powers. The best information I obtain from the persons concerned is that adoption of this amendment is necessary for them.

Mr. LONG. Mr. President, I yield back the remainder of the time under my control.

Mr. MAGNUSON. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All time available has either been consumed or yielded back.

The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.]

The amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

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

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. KNOWLAND. Mr. President, under the unanimous-consent agreement, I understand that time is available for debate on the question of final passage, and is under the control of the majority leader and the minority leader, respectively.

Unless some Senators desire to submit requests for time to the minority leader, the minority leader is prepared to yield back the time under his control, if the acting majority leader is prepared to do likewise.

Mr. CLEMENTS. Mr. President, the acting majority leader is in complete accord with that suggestion, except he understands that one Senator desires to make some comments.

Mr. KNOWLAND. In fact, several Senators on this side are in the same situation.

Mr. President, at this point I yield 2 minutes to the distinguished junior Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. ALLOTT. Mr. President, during the past 2 days we have completed consideration of what is commonly known as the Sugar Act. It has been a very technical, very detailed, and a very toilsome process.

I believe I speak for all those in the West, particularly, when I extend to the junior Senator from Utah [Mr. BENNETT] our thanks for the magnificent and scholarly way in which he has handled this very complex subject. All citizens of the country who grow sugar cane or beets are indebted to him for the masterly way in which he has handled this legislation on the floor; and I am happy and proud to have this opportunity to congratulate him.

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

Mr. ALLOTT. I yield.

Mr. BARRETT. I wish to join the distinguished Senator from Colorado in commending the junior Senator from Utah for his untiring efforts, not only while the bill has been under consideration in the Senate this week, but during the past year, in preparing the bill for presentation on the floor of the Senate. I think he has done an admirable job. He is entitled to great credit, and I am happy to join with the distinguished Senator from Colorado in commending him.

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

Mr. WATKINS. Mr. President, will the Senator from California yield to me 5 minutes?

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

Mr. WATKINS. Mr. President, I am delighted to hear the statements of the Senator from Colorado [Mr. ALLOTT] and the Senator from Wyoming [Mr. BARRETT] with respect to my colleague from Utah [Mr. BENNETT]. I wish to join with them in the commendation they have expressed for the very fine work he has performed in connection with this problem. He has worked for more than a year in an effort to develop a program which would be satisfactory to the sugar producers of the United States, to Members of Congress, and to the administration, particularly the State Department.

He has had a difficult task, and he has executed it with a great deal of ability and efficiency. In the beginning there was such a difference of opinion among various groups that it seemed impossible to bring them into agreement. Largely as a result of the work of my colleague, we have now arrived at the point where we can say that his work in that field has been very successful. We now commend him for the work he has done.

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

Mr. WATKINS. I yield.

Mr. POTTER. I join the distinguished senior Senator from Utah in his commendation of the junior Senator from Utah for his work in connection with the extension of the Sugar Act.

The extension of this act means a great deal to the sugar beet growers of the State of Michigan; and I wish to join my colleague in commending not only the junior Senator from Utah, but also members of the Committee on Finance, for bringing forth a bill which, possibly, some of us would like to have seen a little different, but which, of necessity, must represent a compromise. I join heartily in the commendation.

Mr. WATKINS. Mr. President, I had prepared a statement to make on the particular measure now before the Senate. The points which I had intended to discuss have been discussed by various other Senators during the 2 days' debate, so I shall not read the statement which I have prepared, but I ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR WATKINS

I urge the Senate to pass H. R. 7030, as amended by the Finance Committee. I shall be brief and will limit my remarks to a discussion of why, as provided by the Finance Committee amendment, American farmers ought to be given a larger share of the production needed to meet our growing domestic sugar requirements.

The demand for sugar, as we all know, has continued to increase as our population has increased. One authority has estimated this increase to be 135,000 short tons, raw value per year based upon an annual 2.5 million addition to total population, which has been the annual increase for several years. Per capita sugar consumption has also increased over the years from 18 pounds to 96.2 pounds during the period 1860–1954, which also saw our total population increase from 31.4 million to some 164 million.

So that the Senate may have a concise but comprehensive picture of the domestic sugar industry, which will be affected by the action it takes, let me digress just a moment and call these facts to its attention:

1. Sugar beets are grown as a cash crop in 22 of our western and north central States on some 27,965 farms. In 1954, the latest year for which reliable figures are available, the total farm value of the beet crop was $185,828,000.

2. Sugarcane grown for sugar was grown as a cash crop on 3,908 farms in Louisiana and Florida during 1954 with a total farm value of $55,713,000.

3. In 1955 there were some 70-odd sugar beet factories in operation, 57 cane mills, and some refineries. The investment in land, plant, and equipment, which this part of the sugar industry represents, totaled over one-third of a billion dollars.

4. Some 300,000 seasonal workers are given employment during the planting and harvesting season; some 70,000 plant workers depend for a livelihood upon the production of domestic sugar; and some 50,000 producers depend upon sugar beets and cane for a large part of their cash income.

5. Domestic consumers have benefited pricewise from the operation of the Sugar Act and domestic sugar production. For example, I should like to point out that whereas sugar cost 13.5 cents per pound in 1870, we consumers paid only 8 cents per pound in 1953. Relative to other food prices, sugar prices have risen less since 1940. According to the Bureau of Labor Statistics wholesale price index the combined 1952 price of all foods was 254 percent of the 1940 prices; sugar by comparison was only 195 percent of the price prevailing in 1940.

I should like to take a minute or two and point out the importance an expanded domestic sugar-beet industry has to western agriculture. As you know, one of the major

problems which has served to help pile up the burdensome $8 billion surpluses, which the Commodity Credit Corporation now has on hand, is that a great many farmers lack substantial diversified production opportunities. They continue to produce the same crop regardless of the price received, regardless of supplies already on hand, and regardless of what it does in the way of "mining" our soil reserves.

In western agriculture, the growing of sugar beets is important in maintaining diversified or rotation farming. This is so because—

1. Sugar beets return everything they take from the soil. They serve to promote soil equilibrium when grown in rotation with hay, grains, and legumes.

2. As Senators know, the major agricultural industry of the intermountain area is livestock production. In Utah, farmers derived in 1954 some 70 percent of their income from that source compared to a national average of 55 percent. The byproducts of beet sugar—tops, molasses, and pulp—provide a rich and very necessary source of supplemental feed for livestock in an area generally considered to be a deficit feed area. Experiments carried out at our Western States experiment stations show that the byproducts from 1 acre of beets, if properly fed, will produce 300 pounds of meat.

I should like to point out in this connection that per capita beef consumption has increased some 24 pounds since 1950.

The Department of Agriculture estimates that by 1960 we will need 2 billion more pounds of meat each year if our projected population requirements are to be met. It is estimated that by 1975 beef production will need to be increased 46 percent over that prevailing in 1950 to meet consumer demand. This will require more feeder livestock for finishing in the Midwest and on the west coast. As Senators know, the bulk of cattle in our area is not slaughter cattle. Rather the great ranges of our mountains and desert areas primarily produce feeder cattle. But in order to build larger breeding herds to meet future needs more feed is going to be required especially for winter feeding. It is in this respect that the byproducts of sugar beets—tops, pulp, and molasses—play such an important role. Greater amounts will be needed in the future and this requires obviously a larger acreage allotment for the production of domestic sugar beets. I should like also to point out that the bulk of the grains, legumes, and hay produced in rotation with sugar beets in the Western States are likewise fed to livestock. They do not find their way to Government warehouses in any appreciable quantity.

The present Sugar Act quota provisions, however, restricts the domestic beet area's production to only 1,800,000 short tons, raw value based upon an annual estimated need of 8 million short tons raw value. Although the actual distribution required to meet our needs actually exceeded this statutory estimate of 8 million tons in 1952, 1953, 1954, and 1955, respectively. Unless this quota is adjusted upward, as provided by the Finance Committee Amendment to H. R. 7030, the following adverse effects upon western agriculture and the Nation as a whole will readily become more apparent:

1. A further decline in farm income.

2. Less not more diversified agriculture with continued loss of flexibility in planting alternatives and less opportunity for farmers to take advantage of more favorable prices.

3. Continued deterioration of our soil and water resources at a very time when all of us are interested in maintaining soil fertility for future use.

4. Adverse effect upon livestock production for future projected needs.

The present law serves to deny domestic beet and cane producers an opportunity to expand, to grow, and to develop. This restriction upon acreage in the beet areas coupled with technological progress in beet farming has served to work real hardships on farmers at a time when every sector of the economy except agriculture is enjoying unprecedented prosperity and economic growth.

New seed strains, use of fertilizers, better methods of cultivation resulted in an increased yield per acre from 13.6 tons in 1948 to 16.0 tons in 1954. Expressed another way, the average yield, raw value, per planted acre for the three years ending in 1950 was 1.92 tons. For the three-year period ending in 1954, that yield per planted acre increased to 2.2 tons—a 15 percent gain. The effect of technological development for output is easy to see. For example, the acreage of sugar beets in 1954 was 878,000 acres, yet the production was 1,998,000 short tons, raw value—198,000 short tons in excess of its quota.

This has necessitated a decrease in the acreage allotment required to meet the domestic beet areas quota of 180,000 tons raw value. For example, the beet acreage in 1954 was 944,000 acres and for 1955 it was set at 850,000 acres—a 10 percent decrease.

Because of acreage restrictions, two adverse situations have resulted:

1. Acreage released from sugar beet production have been diverted to the production of other crops, many of which were already in surplus and which were under price support during a period which saw the parity ratio fall from 92 percent in December 1953 to 80 in December 1955.

2. Large numbers of farmers have simply had to stop producing beets because their allotments are so small that it is not economical to produce them. Labor costs are too high if the beets must be hoed, thinned, and topped by hand, and it doesn't pay to buy expensive mechanical equipment to do these jobs unless it can be applied to the optimum sized land area which can reduce per unit costs of output to the lowest possible point.

Yet on the other hand, acreage restrictions and low prices for other alternative crops have created a great demand by farmers for an adequate proportionate share of the domestic sugarbeet quota.

When farmers have several crop production alternatives, their choices are largely determined, other things being equal (resources, know-how, etc.), by the price relationship between these various alternatives. When one examines these relationships in terms of the farm price as a percentage of the parity price, it is not too difficult to see why farmers in our domestic beet areas are demanding, and I believe rightly so, an opportunity to grow beets.

For example, while the price of sugar for the years 1948–54 has averaged 93 percent of parity as of November 1955, the price of sugar stood at 98 percent of parity. Compare this with the parity prices of other crops grown in rotation with sugar beets:

1. Barley: Parity price has declined from 81 to 69 percent of parity 1954 to 1955.

2. Oats: Parity price declined during the same period from 88 percent to 74 percent of parity.

3. Grain sorghums: Declined from 87 to 69 percent of parity.

4. Potatoes: Parity price has declined from 70 percent in 1954 to 57 in 1955.

5. Beans: From 93 to 73 percent of parity.

Certainly, we can recognize the need, in light of the sober facts I have presented, to permit American farmers to supply a larger percent of our domestic sugar needs than that permitted by the Sugar Act of 1948. Farmers caught in a cost-price squeeze, as they have been since soon after the end of the Korean war, ought to have the greatest possible freedom and flexibility to produce those commodities in growing demand, which offer the best income alternative. The production of sugar beets, as these figures indicate, is one such bright alternative.

I believe that the least the Congress can do to assist these farmers is to provide for the modest increase in the domestic quota provided by H. R. 7030 as amended by the Finance Committee. This provides that 55 percent of the amount by which the Secretary of Agriculture's annual estimated needs exceeds 8,350,000 short tons, raw value shall be added to the basic quota now provided in the Sugar Act of 1948, as follows:

1. Of the first such 165,000 tons, 51.5 percent is to be added to the basic sugar quota of 1,800,000 tons of the beet area, and 48.5 percent to the basic quota of 500,000 tons of the cane area.

2. The next 20,000 tons is to be added to Puerto Rico's basic quota of 1,080,000 tons.

3. The next 3,000 tons to the Virgin Islands basic quota of 12,000 tons.

4. If any remains of the 55 percent of the amount by which the Secretary's estimated needs exceeds 8,350,000 tons, it is to be apportioned on the basis of the basic quotas of the domestic suppliers.

Mr. WATKINS. Mr. President, I wish to say in conclusion that I am in full support of the measure which has finally been hammered out in committee negotiations and in the various other activities of the Senate, to the point where it is now ready for passage. The people of my State engaged in agriculture—in fact, all the people of the State, because they all benefit from agriculture—will be pleased by favorable action by the Senate this afternoon.

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

Mr. WATKINS. I yield.

Mr. LANGER. I am quite sure the distinguished Senator from Utah would also wish to say a few words in commendation of the senior Senator from Colorado [Mr. MILLIKIN], who cannot be with us. During the many years he has been in the Senate he has worked untiringly for the sugar interests of the United States.

Mr. WATKINS. I appreciate the statement by the Senator from North Dakota with respect to the senior Senator from Colorado. We have all noted over the years his untiring labors in behalf of the industries of the United States, and particularly those of the intermountain States of Colorado, Utah, Wyoming, Idaho, and other States which have the same type of agriculture and other industries. It is one of our regrets that the senior Senator from Colorado, who is so greatly admired and beloved by us all, is unable to be present on this occasion. I am glad to note, from reports which I have recently received, that he is gradually gaining in strength, and we hope and pray that he will soon be with us.

Mr. BENNETT. Mr. President, will my colleague yield to me?

Mr. WATKINS. I yield.

Mr. BENNETT. I appreciate the statement by the Senator from North Dakota [Mr. LANGER] bringing in the name of the distinguished senior Senator from Colorado. I was very much honored by having the privilege of reading his statement on the bill as I began my participation in the debate. He honored me by giving me the privilege of reading his statement. I am happy that the bill is about to pass under those circumstances.

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield 1 minute to me?

Mr. CLEMENTS. I yield 1 minute to the senior Senator from Louisiana.

Mr. ELLENDER. Mr. President, I wish to join my colleagues across the aisle in paying tribute to my good friend, the junior Senator from Utah [Mr. BENNETT].

I remember when the bill was first introduced. We were having a great deal of difficulty with the White House and the State Department, in having a bill enacted last year. It was through the efforts of the junior Senator from Utah that we were able to get the various departments of Government—the State Department, the Department of the Interior, the Department of Agriculture—together, so that the bill could be enacted so early this year.

Mr. HUMPHREY. Mr. President, will the Senator from Kentucky yield to me?

Mr. CLEMENTS. Will the Senator suggest the amount of time he desires?

Mr. HUMPHREY. Less than 5 minutes.

Mr. CLEMENTS. I yield to the Senator from Minnesota 6 minutes.

Mr. HUMPHREY. Mr. President, last August the House sent H. R. 7030 to the Senate only 2 days before adjournment. This is the bill that would restore the right of all domestic sugar-producing areas to share in the future growth of the United States sugar market.

Our domestic sugar products desperately need our help—and they must have it now before they plant their 1956 crop. If Senators think we dare procrastinate another hour, hark to the mandate of thousands of distressed sugar beet farmers among my constituents in the great State of Minnesota.

In these times of booming prosperity we are all perturbed to find our farmers plagued by surplus production, declining prices, and rising costs. Explain then, if you can, why our fixed marketing allotments are so low that farmers in the fertile Red River Valley of Minnesota and North Dakota must accept a cut in sugar beet acreage. Sugar is not a surplus commodity in the United States, and they know it.

Yet the fixed quotas of the 1948 Sugar Act forced them in 1955 to reduce by 15 percent their sugar beet acreage. Orders for 1956 call for holding the 1955 level. To what possible use can they commit this newly idle land? Certainly not potatoes. They are so abundant in the Red River Valley that one cannot give them away. Certainly not corn or small grain, already subject to controls because of a real surplus.

And while my Red River Valley farmers are pondering this dilemma, they read in the Fargo, N. Dak., Morning Forum (September 11, 1955) that housewives and commercial sugar users in the area were being forced to use cane sugar "despite the fact that there is more than enough beet sugar in the Red River Valley to supply their needs."

Let me quote further from the Fargo Morning Forum:

> At least one industrial user in Fargo has already received cane sugar. A company representative said that cane cost 20 cents more per 100-pound bag and that it takes from 2 to 3 weeks longer to be delivered after ordering, making it necessary to order much further in advance than in the past. He opined that it was "kind of stupid" to buy the cane when "they have all the sugar we need right over in Moorhead."

Let me assure Senators that my beet farmer friends find this predicament "kind of stupid" too. And so do the families of some 300 men at 1 Minnesota procesing factory which ran out of beets after a 50-day campaign. A neighboring Iowa factory had an even shorter run.

In Michigan, too, sugar-beet growers this year will be forced to accept an average 4 to 5 percent reduction in acreage. This is their penalty for exceptional yields per acre in 1955. Yet it is the only possible course under a ceiling of fixed quotas.

If I may be permitted to step across into North Dakota's new irrigation project, what is in store for farmers wanting to grow sugar beets in the 22-county Garrison Conservancy District? Even now they have entered their petition for a sugar-beet program on 2 million acres of North Dakota land scheduled for irrigation.

I speak not for my State alone. The same need prevails throughout the North Central region, in fact in each of the 22 sugar-beet States from Ohio and Michigan westward to the Pacific. It prevails, too, in Louisiana and Florida, where our growers of sugarcane are confronted with acreage curbs on land suitable for no other crop. Parallel hardships extend to our offshore domestic producers in Puerto Rico and the Virgin Islands.

It is high time to correct the inequities and injustices of this act, which is disrupting the lives and well-being of thousands of American families in half the States of our Union where sugar is produced.

It should be pointed out that the Sugar Act of 1948 was expressly designed as a short-term measure to meet post-World War II problems in the production and distribution of sugar. Domestic sugar-producing areas were at that time given fixed quotas for a temporary period of 5 years. This period was then adjudged of sufficient duration to enable necessary postwar adjustments to be made in the foreign areas supplying the United States sugar market. Then in 1951 that act was extended to December 31, 1956. Domestic quotas remained fixed, although Puerto Rico and the Virgin Islands were granted modest increases.

It is most important to our deliberations at this time to know that in 1948, and again in 1951, the Congress expressly stated that the fixed-quota system was "not to be regarded as the establishment of longtime national sugar policy." Congress clearly and implicitly reserved the right to change the act whenever the need arose.

The domestic sugar industry now finds that need acute. Tremendous technological improvements, more efficient and greatly mechanized cultural methods, plus application of research findings, have enabled sugar producers to grow more sugar per acre than ever before. Since 1948 sugar-beet farmers have increased their average tonnage per acre by 20 percent, and growers of sugarcane in Louisiana and Florida have increased their yield by more than 16 percent.

The result is that this kind of dynamic progress is producing more sugar than the present law will let enter the domestic industry market.

Under the Sugar Act, of course, our domestic producers are always subject to acreage restrictions. Accordingly, these restrictive measures have been severely imposed during the past 3 years in an effort to keep sugar production within the rigid limits fixed by present law. In 1955 western sugar-beet farmers were obliged to reduce their acreage from 10 to 15 percent, and southern sugarcane producers were required to accept an 18 percent acreage cut during a 2-year span. Puerto Rican sugar production has been restricted for 3 successive years.

And yet a combination of favorable weather conditions and continuing progress within the industry has more than offset these acreage reductions. Inventories of sugar continue to pile up—sugar that cannot be sold because of fixed marketing quotas.

These excess inventories are costly to carry, and they reduce the net returns of farmers, because in the sugar business the final income of the farmer depends upon the costs of marketing as well as the sales price of sugar. I submit that it is contrary to the national interest to heap still further acreage reductions and hardships on our sugar farmers. We dare no longer sanction a law which penalizes progress.

Yet, for all the urgency to relieve the critical situation in which it finds itself, our domestic sugar industry wishes to be most generous and considerate of our foreign sugar suppliers. In the following corrective legislative program endorsed by domestic sugar producers, foreign nations will find their present sugar quotas undisturbed.

Put simply, the most important of the amendments to H. R. 7030 as now proposed by the Senate Finance Committee would restore in 1956 the historic division of the future growth in the United States sugar market on approximately the same basis that existed before 1948. This means that the future growth of this Nation's sugar market will be divided on the basis of 55 percent for domestic producing areas and 45 percent for foreign nations. This division will be effective on all sugar consumed in the United States in excess of 8,350,000 short tons, approximately the level reached at the close of 1955.

By agreeing to these terms, the domestic sugar producers are willing to concede the foreign supplier's right to all the 1,150,000-ton increase in the United States sugar market between 1948 and 1955. Thus foreign producers are assured they will be able to sell in 1956 as much sugar as they did in 1955, plus their 45-percent share of the still expanding United States market.

Another amendment provides that beginning in 1956 the foreign countries, exclusive of the Republic of the Philippines, producing sugar for United States consumption will share among themselves 45 percent of the growth of the United States sugar market in excess of 8,350,000 short tons. These foreign countries will share this 45 percent of the growth in 1956 as provided by existing law.

This means that in 1956 Cuba will continue to enjoy 96 percent of the foreign share of the United States increased market. All other countries will share in the remaining 4 percent. This is the same ratio Cuba has enjoyed since 1948, the difference being that it will now apply only to the foreign nations' 45-percent share instead of the entire increase of the United States market.

However, beginning in 1957 Cuba's share of the foreign countries' participation in our annual sugar-market growth will be reduced to 75 percent. Other foreign countries will divide the remaining 25 percent, according to quotas which the administration will recommend at that time. This realinement among our foreign suppliers has been suggested by experts well versed in international sugar policies and trends of supply and demand.

Other features of this proposed new Sugar Act would include:

First. Beginning in 1956 the quantities of direct consumption sugar which may be brought in annually from Hawaii and Puerto Rico will, as provided in the bill passed by the House, be increased to the same proportion as their respective quotas are increased by the growth formula.

Second. Deficits in any domestic sugar producing area in any year resulting from operation of the growth formula will first be offered to the other domestic sugar producing areas.

Mr. President, I submit we should enact the revised Sugar Act of 1956 into law immediately for these reasons:

First. It best serves the interests and welfare of sugar producers both domestic and foreign. Proponents and dissenters to any and all provisions considered for this legislation in House or Senate during the 84th Congress have been heard, and their statements have been carefully evaluated in drafting this final bill.

Second. It restores to our sugar-quota legislation the fundamental and historic principle that the growth in the American sugar market should be shared by the American sugar industry as well as by foreign sugar interests.

Third. It provides for moderate relief in 1956 for the most oppressed of our domestic sugar producing areas; and at the same time it assures our foreign producers that they, too, will enjoy small quota increases during this calendar year.

Fourth. It provides a solid foundation for a continuously growing trade with our foreign friends of Latin America in the years ahead.

Fifth. It protects the American housewife and industrial consumer of sugar by assuring a stability of price and adequate supplies.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a resolution which I received from the Marshall County Sugar Beet Growers Association of Warren, Minn.

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

RESOLUTION 1—AMENDMENT OF SUGAR ACT OF 1948

Whereas the Sugar Act of 1948, as amended, will expire on December 31, 1956, and consequently its protective provisions will apply only to sugar refined from beets grown in 1955 and sold in 1956; and whereas, reenactment of present law, with retention of protective quota provisions for sugar beets produced in domestic areas, is therefore essential early in second session of 84th Congress; and whereas, under the present act the sugar-beet crop has been subjected to acreage restrictions in 1954, 1955, and proposed for 1956 amounting to from 12 percent under previous plantings; and

Whereas the sugar-beet crop is a major and important crop and the need is imperative that full acreage be restored and reasonable future expansion be provided for new areas; and

Whereas the sugar-beet crop is of increasing importance due to the curtailment of other crops and because they furnish a reliable cash crop badly needed on new areas to meet high operating costs as well as old areas to carry the mounting expenses of farming; and

Whereas both domestic sugar beet and cane growing farmers in equity should have the right denied to them under present law, to participate in the expanding market for sugar in this country; and

Whereas there is now pending before Congress legislation to reenact and amend the expiring act: Now, therefore, be it

Resolved, That the Marshall County Sugar Beet Growers Association hereby directs its officers to actively support new legislation which will:

1. Provide sugar quotas to continental beet areas which will restore opportunity for full production among growers with a historical beet-growing base;

2. Provide immediate opportunity on both new as well as established areas for farmers who desire to add the beet-growing enterprise to their farming program to the extent that processing facilities are available;

3. Provide further that in sugar quota allocations such division of the steadily increasing American market be made as will create a basis for additional sugar processing facilities in areas adapted to beets, such as this, in which farmers do evidence a firm and continuing desire to grow beets;

4. Provide that deficits occurring in the quantities allotted to domestic areas be reallocated to other domestic areas; and be it further

Resolved, That this association actively support a provision in new legislation limiting the term of the Sugar Act now under consideration for a period of 4 years in order that in 1960 Congress may again reappraise the need for quotas in all domestic areas and their ability to consistently supply the amounts prescribed.

RESOLUTION 2—TO COYA KNUTSON

Be it resolved, That the Marshall County Sugar Beet Growers Association thank Mrs. COYA KNUTSON for her efforts put forth in getting the sugar legislation through the House of Representatives.

RESOLUTION 3—TO STATE AND AGRICULTURE DEPARTMENT

Be it resolved, That the sugar consumed above the consumptive estimate of 8,200,000 tons, be taken from the stocks of domestically produced sugar instead of being allocated to foreign producers.

Mr. CLEMENTS. Mr. President, I yield 3 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to say that I oppose the bill. The Senate is considering a bill which involves a levy of about $300 million a year on the consumers of America. The increase in the domestic price of sugar over the world price because of this bill is 2 cents a pound on 8,500,000 tons. Nevertheless, the bill has attracted extremely little attention, and virtually no opposition. That is indeed strange, when I think of the great opposition which develops to some legislation affecting the consumer. It puzzles me how our legislative process functions. Are not the housewives captives of the sugar producers? I desire to congratulate the sponsors of this legislation for their astuteness in being able to pass legislation of this kind with so little opposition. Even though hundreds of millions of dollars will be levied upon the consumers of sugar in this country and paid to a favored few, no one—or at least very few—objects. It is a rare accomplishment. I am opposed to the bill.

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

The PRESIDING OFFICER. The Senator from Kentucky has 50 minutes remaining. The Senator from California [Mr. KNOWLAND] has 55 minutes remaining.

Mr. CLEMENTS. Mr. President, I am ready, willing, and anxious to yield back the remainder of my time.

Mr. KNOWLAND. I am prepared to do likewise.

The PRESIDING OFFICER. All times has been yielded back. The question is, Shall the bill pass?

The bill (H. R. 7030) was passed.

Mr. CLEMENTS. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Kentucky to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from Kentucky.

The motion to lay on the table the motion to reconsider was agreed to.

Mr. BYRD. Mr. President, I send an order to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the order.

The legislative clerk read the order, as follows:

Ordered, That in the engrossment of the amendment of the Senate to the bill (H. R. 7030) the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto.

The PRESIDING OFFICER. Without objection, the order is entered.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the

Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MARTIN of Pennsylvania, and Mr. BENNETT conferees on the part of the Senate.

BUDGET OF THE JUVENILE DELINQUENCY SUBCOMMITTEE

Mr. WILEY. Mr. President, I am delighted to speak in favor of the $110,000 budget which is requested for the operation of the Juvenile Delinquency Subcommittee of the Senate Committee on the Judiciary during the next year.

This subcommittee has been one of the most productive subcommittees of the Senate. It has explored urgent problems facing the American people. Its nearly finished reports on juvenile delinquency and religion, pornography, black marketing of babies, and education, will be basic contributions to our understandings of these subjects.

The subcommittee, very wisely, because its major work is now behind it, has reduced its budget from a budget of $154,000, as it was last year to $110,000 for this year.

The magnificent work of the subcommittee has been accomplished on a modest budget. The opportunity to finish its important work—that of maturing badly needed legislation in this field—must be preserved.

I strongly urge that the budget be approved, and I desire to express my appreciation to the hard-working members of the Juvenile Delinquency Subcommittee, and to its able chairman, the Senator from Tennessee [Mr. KEFAUVER].

AMENDMENT OF AGRICULTURAL ACT OF 1949 AND AGRICULTURAL ACT OF 1954

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Order No. 1488, H. R. 8320.

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

The CHIEF CLERK. A 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 PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 8, after the numerals "$60,000,000," to insert "and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1958, not to exceed $75,000,000"; on page 2, line 2, after the word "in", to insert "(1)"; in line 3, after the word "under", to insert a semicolon and "and (2) such nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions as are devoted to the care and training of underprivileged children on a public welfare or charitable basis"; in line 13, after the numerals "1956", to insert "and $20,000,000 for each of the fiscal years 1957 and 1958"; and on page 3, after line 5, to insert:

SEC. 3. The first sentence of subsection (a) and the first sentence of subsection (b) of section 202 of the Agricultural Act of 1949, as amended, are amended by striking out "1956" and inserting in lieu thereof "1958."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

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

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program, the veterans and Armed Forces milk programs, and the brucellosis eradication program."

CONVEYANCE OF CERTAIN LAND IN LEE COUNTY, FLA.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1458, H. R. 7156.

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

The CHIEF CLERK. A bill (H. R. 7156) to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Florida.

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

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

Mr. HOLLAND. Mr. President, the bill authorizes the conveyance of 7.2 acres of land in Punta Rassa, Florida, now belonging to the United States to the Board of County Commissioners of Lee County, Florida, without consideration.

The land was acquired by the United States from Lee County for the purpose of building a Coast Guard station on it. Previously, the county commissioners of Lee County had paid $3,167 for the land at the time of its acquisition by the county.

The land was never used by the United States for a Coast Guard station, although no final decision in that regard was made until last year, when the Coast Guard decided finally that it did not wish to build such a station on the land.

My colleague in the other House, Representative PAUL G. ROGERS, who represents the district in which the land is located, introduced the measure in the House of Representatives. The bill was passed by the House.

I believe this is a meritorious measure. I gladly consented to a postponement of its consideration the other day when it was called on the calendar, because of the necessary absence of the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to make a brief statement on the bill, so that there will be no misunderstanding as to whether or not the bill violates the so-called Morse formula.

This bill would authorize the General Services Administrator to convey to the Board of County Commissioners of Lee County, Fla., without consideration, a tract of land consisting of 7.2 acres of unimproved surplus land located at Punta Rassa, Lee County, Fla.

The land in question was conveyed to the Federal Government for a nominal consideration of $10 for the specific purpose of constructing and operating a Coast Guard lifeboat station.

The property has been reported excess in October 1954 and was determined to be surplus in January 1955 by the General Services Administration.

This bill would appear equitable in permitting the transfer without consideration because the specific purpose never was fulfilled.

We are concerned with a situation involving some land which was conveyed to the Federal Government for a very small sum of money. In this instance there was a definite understanding that the use of the land would be limited to the Federal Government's carrying out a specific purpose, that specific purpose being the building of a Coast Guard lifeboat station on the land. The Federal Government has given up that plan. It is only fair and proper, therefore, that the land should be returned to the original grantor. The bill in no way violates the Morse formula, and I have no objection to it.

I thank the Senator from Florida for his courteous consideration in withholding action on the bill when I had to fly to Oregon to attend the funeral of the Governor of my State. He postponed consideration of it so that I could make my statement on the floor of the Senate today. I appreciate his courtesy very much.

Mr. HOLLAND. I thank the distinguished Senator from Oregon; and to his statement may I add the further fact that the county commissioners, out of county funds, paid at the time of the original conveyance something over $1,300 in addition to the $10 referred to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

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

CONVEYANCE OF CERTAIN LAND IN NEDECAH, WIS., TO THE VILLAGE OF NEDECAH

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1210, House bill 2889, to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 2889) to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

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

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

The PRESIDING OFFICER. There was an amendment to the bill which has been previously agreed to.

Mr. MORSE. Mr. President, the bill would authorize the General Services Administration to convey to the village of Necedah, Wis., a tract of about four-fifths acre of unimproved land for $1.

The report states that the land has a market value of about $500.

A proviso of the bill recites that the land is to be used for public purposes for not less than 20 years, with optional reversion in event of nonpublic use.

The village conveyed the land to the United States in 1938 for $1. It desires to use the land for park, picnic grounds and recreational area.

The land appears to be worth $500. The fact that the city conveyed originally for $1 creates no equity of reversion in the city. The Morse formula should apply with the city of Necedah, Wis., paying 50 percent of the fair appraised market value.

There should be a complete reversionary clause, and minerals should be reserved.

Therefore, Mr. President, I send to the desk an amendment to be added to the bill. This is not like the Florida case which we have just considered. It is not a case in which the land was conveyed in the first instance to the Federal Government to be used for a specific purpose, such as the building of a Coast Guard station and the Federal Government decided that it did not want the land for that purpose. In such an instance as that, I think it only fair and proper that the land should revert to the original donors. But here is an out-and-out grant, and the city wants the land back for park purposes. I think the city should pay the owners if it wants to claim any reversionary right, which it did not do. The bill also violates the usual provision with respect to mineral rights.

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

The CHIEF CLERK. On page 1, line 5, after the word "interest," it is proposed to insert a comma and the words "except mineral rights (including oil and gas)."

On the first page, lines 6 and 7, strike out "in consideration of $1 upon such," and insert in lieu thereof "upon condition that such village pay to the Administrator of General Services as consideration for said land an amount equal to 50 per centum of its fair market value as determined by the Administrator of General Services after appraisal of said land, and upon such other".

On the first page, lines 9 and 10, strike out "for a period of not less than 20 years".

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

Mr. MORSE. I yield.

Mr. KNOWLAND. I wish to inquire of the Senator whether he discussed with the Senators from Wisconsin the amendment he has offered to the bill.

Mr. MORSE. No. I have not, since the last night of the last session. The Senator will recall that the bill was up at that time and I then announced that I would object unless the standard Morse formula were added to it, both as regards the mineral rights and the 50 percent of the appraised market value clause. I have not had an opportunity to talk to the Senators from Wisconsin with reference to it today. I did not know until only a few moments ago that the bill would be brought up.

Mr. KNOWLAND. Then, Mr. President, I will say to the Senator that I shall ask the acting majority leader if he will not withhold consideration of this bill. I understand the junior Senator from Wisconsin is on his way to the Chamber. There is some other business which I hope can be disposed of until he arrives.

Mr. MORSE. I think we should wait until the Senator from Wisconsin appears.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the bill be temporarily laid aside.

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

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Oregon if he holds the same position with reference to Calendar No. 1296, House bill 6857.

Mr. MORSE. No; I do not. I am ready to make a statement on that bill.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF MILWAUKEE, WIS.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1296, House bill 6857.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 6857) to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

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

Mr. MORSE. Mr. President, I have had a conference with the Senator from Wisconsin [Mr. WILEY] in regard to this bill, and I should like to make the following report in regard to it:

This bill would authorize the General Services Administrator to convey to the city of Milwaukee, Wis., without consideration, a small tract of Federal land consisting of .40 of an acre located at Milwaukee Harbor entrance.

The land in question is part of a tract of 19 acres donated to the Federal Government by the State of Wisconsin during the 1920's. According to House Report 1460, the 19 acres was conveyed to the United States without charge to serve a specific purpose, namely, the reclamation and development of the area as a central depot for marine activities of the Federal Government in Milwaukee Harbor.

In 1949 the 19 acres, minus the .40 of an acre, was conveyed to the city of Milwaukee in exchange for city-owned property desired for use by the Corps of Engineers. The .40-acre tract was retained for use by the United States Coast Guard.

The Coast Guard discontinued use in September 1953, the property was declared surplus for Federal needs in November 1953, and the buildings have gone into such a state of disrepair that they must be demolished and removed.

In return for the conveyance the city of Milwaukee agrees that it will remove and dispose of the buildings without cost to the Federal Government.

This condition is included in the bill, H. R. 6857.

This is a very close case under the Morse formula. The original donation was made by the State of Wisconsin; the proposed disposal in the instant case would benefit, not the State of Wisconsin, but the city of Milwaukee.

The 1949 exchange agreement presumably was based upon the transfer of 18.6 acres of Federal property.

The report fails to disclose the fair-market value of the tract in question but, inasmuch as it is harbor property, it must have a fairly substantial value.

Furthermore, Mr. President, I have gone into the matter and studied the consideration involved. I have met with the officials of the Milwaukee Harbor Commission, and I have before me a map showing property which is being turned over to the Federal Government by the Harbor Commission of the City of Milwaukee, including, for example, a 19.5-acre tract leased to the United States Government for $1, the lease value of the land involving a good many thousand dollars.

There is another tract of 2.25 acres which represents a tremendous value to the Federal Government.

There is a third tract of 6.4 acres with a 50-year lease for $1.

Finally, there is a 6-acre tract with a 50-year lease by the city to the Navy for $1.

These all represent a program of exchanges and leases which have been entered into by the city through its harbor commission and our Military Establishment. If we ever had before us a case in which the Federal Government received not only full consideration, but consideration in the amount of many times the value of the property being conveyed, this is such a case. It simply illustrates what I think is the importance of getting all the facts in these matters. The Knight site alone involves a value that would equal more than 50 percent of the appraised fair market value of this property. In fact, it more than equals many, many times the total value of the property. Therefore, I am pleased to say that I have no objection to this particular transfer.

Mr. President, I ask unanimous consent to have printed at the close of my remarks a letter addressed to me under date of January 19, 1956, signed by H. C.

Brockel, municipal port director, and Arthur J. Saltzstein, assistant city attorney, which sets forth in greater detail the consideration which I have briefly outlined in my remarks in support of the bill.

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

CITY OF MILWAUKEE, WIS.,
January 19, 1956.

HON. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: On behalf of the city of Milwaukee, Mr. Salzstein and I wish to convey to you our deep appreciation of the courteous reception you gave us yesterday in connection with our discussion of the proposed Milwaukee harbor land conveyance bill. We very much appreciate your taking time from your busy schedule to give us a hearing on this legislation.

This letter will confirm the information conveyed to you yesterday and we hope will provide a convenient memorandum for your consideration of the bill. As you know, three identical measures cover the requested conveyance. H. R. 6857 by Congressman ZABLOCKI, of Milwaukee, passed the House of Representatives on July 30. This measure and two Senate bills are pending in the upper Chamber. Senator MCCARTHY has introduced S. 2254 and Senator WILEY has introduced S. 2262. We understand that it is the House measure H. R. 6857 which is pending on the Senate Calendar.

As we advised you, the city of Milwaukee, through its board of harbor commissioners, has made the following conveyances of land to the United States Government in the area dedicated for municipal harbor development by the city of Milwaukee: In December 1948, we conveyed to the United States Corps of Engineers 2.25 acres of high-value dock property in the west bank of the Kinnickinnic River, for use by the Corps of Engineers as a marine depot. This conveyance was demanded by the Corps of Engineers as a prerequisite condition before the Federal Government would convey to the city of Milwaukee 20 acres of lake bottom which we had previously conveyed to the Government for a Federal project which was subsequently abandoned. In other words, the Federal Government returned our own property to us but as a condtion thereto, demanded 2.25 acres of dry land dock property.

In 1948, this property was valued at $65,000. Recent land transactions in the area indicate property values in the range of $50,000 per acre.

In 1950, the United States Army received a 50-year lease on 6.4 acres of municipal harbor property for armory purposes. The consideration for the entire rental term of 50 years was $1. The value of this property is approximately $250,000 and if the city were leasing it commercially, that would be the valuation upon which rentals would be fixed.

In 1952, the city of Milwaukee, through its board of harbor commissioners, leased to the United States Navy for Navy armory purposes another 6-acre tract, located in close proximity to Lake Michigan. This lease runs for 50 years, for a token consideration of $1. If commercially leased, it would have a lease valuation of $240,000.

On January 6, 1956, the United States Navy applied for lease of another 0.92 acre of harbor land, and for free use of valuable dock structures, for the purpose of establishing docking and service facilities for naval training craft which base at Milwaukee Harbor. The land area is required for the establishment of a small steam plant and other service facilities, to support the proposed naval harbor installation. This land application has not been formally acted upon as yet but we are confident that it will be approved by the board of harbor commissioners and by the common council.

The largest land acquisition of Milwaukee Harbor property by the United States Government is approaching the final stage of negotiation. The United States Army has requested that the city lease to it for 20 years, 19.5 acres of our most valuable municipal harbor land in close proximity to the downtown district. The Federal Government proposes to establish guided missile (Nike) batteries on this location for the defense of the Milwaukee industrial area. The common council has given preliminary approval to the Army request and has directed this office to negotiate a suitable lease with the United States Army. This negotiation has been delayed because of the difficulties encountered in terminating agreements and contracts for operation of a downtown municipal airport which now occupies the area.

Assuming that the lease for the proposed Nike installation will be granted and assuming also favorable action on the latest Navy request for 0.92 acre or harbor land, it will be seen that since 1948, the city government has conveyed or leased or is in the processing of leasing a total of 35.07 acres of valuable and strategic municipal harbor property for various Federal governmental undertakings.

In contrast, we are requesting the conveyance of 0.4 acres of Government property, not as an acquisition of great value but merely to assure unified jurisdiction in filling and developing a 20-acre area of submerged land north of the harbor entrance. As we advised you, this small, federally owned remnant of land has been declared surplus by the United States Coast Guard. It is occupied only by a dilapidated dwelling and an ancient tin garage. The property has been badly vandalized, has little or no commercial value, and, in our judgment, some expense will be borne by the city of Milwaukee in removing the buildings from the site. If we do not do so, it is inevitable that the Federal Government must in the near future remove these dilapidated structures and will therefore incur expense which we are prepared to assume if we are given title to the small land area involved.

The locations of the various parcels of land in question have been indicated on the map which we left with you. Brief legends describe the transactions involved, but this letter will supplement and amplify the data set forth on the map.

We can assure you with all sincerity that the city of Milkaukee is not attempting to acquire a Federal asset of any substantial value, but desires only to correct a physical eyesore in the harbor area and to secure unified jurisdiction in an area which the city of Milwaukee has under development for harbor purposes at a most substantial cost. As a final thought, may we point out that our municipal harbor development serves the foreign and domestic commerce of the United States, and in this respect also the requested conveyance would seem to us to be in the public interest.

Your careful consideration of our presentation and your prompt action in having the bill placed on the calendar for early consideration is deeply appreciated. We thoroughly respect the principle you have so often expressed but believe that the circumstances surrounding this legislation are far different than those which customarily surround requests for conveyance of Federal lands or surplus property. The city of Milwaukee has aided Federal programs in this area by substantial grants of valuable land and we believe that the circumstances completely justify the small consideration we now request the Congress to grant to this community.

Respectfully and sincerely,
H. C. BROCKEL,
Municipal Port Director.
ARTHUR J. SALTZSTEIN,
Assistant City Attorney.

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

The bill was read the third time.

Mr. CLEMENTS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLEMENTS. I should like to ask if that is the bill of which the Senator from Wisconsin is the sponsor.

Mr. McCARTHY. Yes.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H. R. 6857) was passed.

PRESIDENT EISENHOWER'S VIEWS ON THE NATURAL GAS BILL

Mr. HUMPHREY. Mr. President, I understand the Senate is operating under the 5-minute rule on the call of the calendar.

The PRESIDING OFFICER. The Senate is not calling the calendar and is not operating under any rule at this time.

Mr. HUMPHREY. My comments, while not on the subject of the bill which has been under consideration, will, I trust, be of some interest, considering what has happened in recent days.

The press wire services are carrying an account of President Eisenhower's press conference today. During the press conference, a question was asked concerning the President's reaction to the natural gas bill. I read from the Associated Press wire service, as follows:

Asked whether he intends to sign or veto the natural gas bill sent to him by Congress 2 days ago, Eisenhower replied that he always has felt that the Federal Government should not interfere with the States any more than is absolutely necessary. The bill would exempt producers of natural gas from Federal price regulation at the well.

Eisenhower said he had not made up his mind yet whether to sign or veto the measure. One of the things he wants to resolve, he said, is to find some way of preserving the rights of States and at the same time protecting the public as users of gas from any excessive price increases.

I now read from a further dispatch concerning the same news conference, as follows:

President Eisenhower said today he will try to strike a balance between States rights and the rights of consumers in deciding what action to take on the Natural Gas bill.

Eisenhower declined to say specifically whether he will sign or veto the controversial measure, sent to him after the Senate passed it Monday night 53-38.

The bill would exempt natural gas producers from utility-type Federal regulation. Eisenhower has 9 more days in which to act.

The President told questioners at a news conference today that his feeling always has been that production of national resources is a matter for State regulation and that the Federal Government should not interfere in the States' business unless it must.

On the other hand, Eisenhower said, natural gas production and distribution is a complex affair and it is necessary to protect consumers—who, he said, are pretty much the captives of producers.

He said he will weight both factors in deciding what action to take.

Mr. President, in these dark, sometimes despairing days, it is good to see a ray of hope. I hope this is not an optical illusion. I have at least some reason to believe that this may be a matter of considerable substance and importance. The President in his news conference has touched upon two of the important points which were developed by those of us who opposed the natural gas bill. The first point was that the distribution and production of natural gas is a complex business, and that the consumers are in a sense captive customers.

The President then goes on to point out that he is concerned about the consumers' interest, and the fact that the consumers might be compelled to pay excessive prices; or, to put it in another vein, he was concerned lest the consumers should be compelled to pay excessive prices.

It appears, therefore, that the President is asking the American people for their views. I hope the American people will indeed respond and will let the President know exactly what their views are.

I hope the White House will receive a substantial number of letters, messages, and telegrams from the consumers of natural gas, indicating their desire that the President veto the natural gas bill.

It is reassuring to know that the President of the United States is weighing the natural gas measure most carefully. He has stated his views, namely, that he feels the matter of production of our natural resources should be basically left in the hands of the States. However, he has indicated that there may be overriding or compelling reasons why Federal regulation is necessary.

Some time ago the New York Times published an editorial stating that the last chance to defeat the natural gas bill was in the Senate. I wrote a letter to the editor of the New York Times in reply to that editorial, stating that the Senate was not the last chance; that the last opportunity for the American people to receive such protection, of which they are justly deserving, was in the hands of the President.

Now the President has at least indicated that he is deeply concerned about the action which was taken by the Senate. I think he has done in this press conference a very worthy service. In other words, he has invited the advice and counsel of the American people. If the American people will speak up, they may very well be able to demonstrate to the President that the bill is not in the public interest.

I call upon the President to read the debate in the Senate most carefully. I call upon him to read particularly the remarks of the junior Senator from Rhode Island [Mr. PASTORE] on the matter of consumer interest. I hope the President will note that the amendment which the Senator from Rhode Island proposed, establishing as one of the criteria for fair market value, for fair market price, the criterion that the consumer interest be considered, was defeated in the Senate; that the proponents of the natural-gas bill refused to accept that criterion.

When the President of the United States sees that the word "consumer" is not to be found in the natural gas bill, and when he sees that the proponents of the bill refused to accept an amendment which would have set up, as one of the criteria for establishing what is called reasonable market price, the criterion of consumer interest, then I feel certain that he will realize that the bill does not protect the consumers.

I call upon the people of the United States to let the President know their views. I hope that mayors, governors, legislators, aldermen, and councilmen, as well as housewives and businessmen, all of whom are consumers of gas, will send telegrams and letters to the President, setting forth in no uncertain terms the necessity of a veto.

President Truman vetoed the Kerr bill of 1950. President Eisenhower, by vetoing the present bill, will demonstrate his keen interest in the consuming public. I only hope this will be his decision.

If that shall be his decision, he will surely receive my praise and my approval, if that will mean anything. I urge bipartisan support to encourage the President to do his duty in this matter as he sees it, as he undoubtedly will, but to make certain that that duty is one of protecting the consumer interest.

PROPOSED IMMIGRATION AND NATURALIZATION LEGISLATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 329)

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate a message from the President of the United States, which was referred to the Committee on the Judiciary.

(For President's message, see House proceedings of today.)

REVIEW OF THE AMERICAN PATENT SYSTEM—ADDITIONAL COPIES OF REPORT

Mr. O'MAHONEY. Mr. President, on the 30th of January last, I filed with the Senate Report No. 1464, from the Committee on the Judiciary. This was a report of the Subcommittee on Patents. The report is less than 20 pages in volume.

In the ordinary course of business, the committee had 3,500 copies printed. The demand for the report has been so great that in less than 1 week more than half of the supply has been exhausted.

I should like to have it noted on the record precisely how this report of the special Subcommittee on Patents, a standing subcommittee, has been received by the public, the demand for the report, and the interest the country has displayed in the activities of the subcommittee.

More than 990 requests, to be placed upon our mailing list for this report and all others, have been filed with the committee, and to date copies have been distributed, not only in response to those who wanted only a single copy, but those who wanted as many as 250 copies.

I have in my hand a list of the categories of organizations which have filed applications for the report. I am going to ask unanimous consent that the entire list may be printed in the RECORD, but, for the information of the Senate at this moment, I shall be content to say that these requests come from Government officials, including Members of Congress, from trade associations, and from other associations such as the American Bar Association, the National Council of Patent Law Associations, and the United States Trade-Mark Association.

In addition, applications from abroad have come from the Australian Consulate General, the Commonwealth National Library at Canberra, Australia, the National Foreign Trade Council, the British Embassy, Switzerland, and also from corporations abroad, as well as research corporations and organizations, oil companies, automobile companies, electric companies, publications, universities and schools, the Rockefeller Foundation, the American Federation of Labor, the United States Chamber of Commerce, the Los Angeles County Law Library, and miscellaneous companies in this country such as the National Cash Register Co., the North American Philips Co., International Harvester, Aluminum Company of America, Allis-Chalmers, Block Drug Co., the Machinery and Allied Products Institute, and so forth.

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

Mr. O'MAHONEY. I yield.

Mr. LANGER. I might say I received a request from the Volkswagen, in West Germany, that it also wanted a report of the committee. I submitted that request to the distinguished Senator.

Mr. O'MAHONEY. That is true. Interest in the report is so great and so general that I feel, as I have felt on previous occasions when I have filed reports with the Senate, notice should be given to the public that copies will be available for sale at the Government Printing Office.

Arrangements have been made, Mr. President, whereby the report, which is entitled "Review of the American Patent System," will be on sale, at 10 cents a copy, at the Government Printing Office. Members of the public who desire to have copies of the report, if they cannot get them from other sources, may get them from the Government Printing Office.

The demand has been so great, of course, that I am asking that additional copies be printed by the Government Printing Office for the use of the committee and the use of Members of Congress.

Mr. President, I ask unanimous consent that a breakdown of requests for the report be printed in the RECORD, and I also ask unanimous consent that the report of the committee be printed in the RECORD at this point.

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

BREAKDOWN OF REQUESTS FOR PATENT REPORT

GOVERNMENT

Department of Justice: Patent Section, Antitrust Library.
Copyright Office.
Commissioner of Patents.
Bureau of the Budget, Executive Office of the President.
Council of Economic Advisers, Executive Office of the President.
Office of Solicitor General.
Small Business Administration.
Committee on Government Operations.
Department of State: Office of International Trade and Resources, Distribution Section.
General Services Administration—Law Library.
Department of Commerce—Office of Technical Services.
Assistant Secretary of Defense (Supply and Logistics).
Federal Trade Commission—Bureau of Economics.
United States Court of Customs and Patent Appeals.
United States Court of Claims.
National Bureau of Standards.
Atomic Energy Commission.
Library of Congress.
Navy Department: Office of Naval Research, Bureau of Ordnance.
Department of the Air Force: Judge Advocate General's Office.
Department of the Army: Judge Advocate General's Office.
Department of the Interior: Patents Branch.

ASSOCIATIONS, TRADE

Automobile Manufacturers Association.
Aircraft Industries Association.
National Association of Manufacturers.
Engineers and Scientists of America.
American Railroads Association.
Manufacturing Chemists Association.

ASSOCIATIONS, OTHER

American Bar Association.
National Council of Patent Law Associations. The executive secretary of this organization informed me that there are 26 local associations in this organization each of which will probably write in to receive from 20 to 50 copies. (Today we received a request for 20 copies of the report from the Chicago Patent Law Association.)
Patent Equity Association.
Patent Office Society.
American Arbitration Association.
National Patent Council.
Public Affairs Institute.
American Patent Law Association.
District of Columbia Bar Association.
United States Trademark Association.

FOREIGN

Australian Consulate General.
Commonwealth National Library—Canberra.
National Foreign Trade Council.
British Embassy.
CIBA—Switzerland.
Seefhaupt, O. B. B.—West Germany.
British Iron & Steel Corp., Ltd.

RESEARCH

Esso Research & Development Co.
National Research Council.
United Engineering Laboratories.

OIL COMPANIES

Socony Mobile Oil Co.
The Texas Co.
Ethyl Corp.
Sinclair Oil Co.
Standard Oil Company of New Jersey.

AUTOMOBILE COMPANIES

Ford Motor Co.
General Motors Corp.
Chrysler Corp.
American Motors Corp. (Nash-Hudson).
White Motor Co.
Studebaker-Packard Corp.
Willys Motor, Inc.

ELECTRIC COMPANIES

General Electric.
Sylvania Electric Products.
Western Electric.
Westinghouse Electric Corp.

PUBLICATIONS

Bureau of National Affairs.
Jobber News.
Labor Newspaper, Washington, D. C.
McGraw-Hill Publishing Co.
Business International.
Commerce Clearing House.
Federal Legal Publications.
Chelton News Bureau.
Patents Quarterly.
Chicago Daily Law Bulletin.

UNIVERSITIES

Northwestern University: Law school, department of economics, technological institute.
Michigan State University: Department of economics, law school.
Chicago University: Department of psychology, law school, school of business.
Harvard Law School.
Massachusetts Institute of Technology: Dewey Library, division of industrial cooperation, office of sponsored research, department of economics.
Cornell University: Law school, department of economics.
George Washington University: Law school, department of economics.
Georgetown University Law School.
Queens College: Department of economics.
Columbia University: Department of industrial engineering.
Johns Hopkins University: Department of political economy, applied physics laboratory.
Miami University: Radio-TV-film department.
Villanova University: Library.
University of California Law School.
Stanford University.
Catholic University of America: Department of economics.
University of Wisconsin Law School.
Rockefeller Foundation.
American Federation of Labor.
United States Chamber of Commerce.
Los Angeles County Law Library.

MISCELLANEOUS COMPANIES

National Cash Register Co.
Pittsburgh Plate Glass Co.
Celanese Corporation of America.
Polaroid Corp.
Ferro Corp.
Kaiser Aluminum Co.
Koppers Co., Inc.
Lockheed Aircraft Corp.
Champion Paper & Fiber Co.
North American Philips Co.
International Harvester Co.
Schenley Industries, Inc.
Aluminum Company of America.
Otis Elevator Co.
Vick Chemical Co.
Allis-Chalmers Manufacturing Co.
Abrasive Associates.
The Bettinger Corp.
Block Drug Co.
Dayton Rubber Co.
Machinery & Allied Products Institute.

REVIEW OF THE AMERICAN PATENT SYSTEM

INTRODUCTION

Pursuant to Senate Resolution 92, May 11, 1955, 84th Congress, 1st session, the standing Subcommittee on Patents, Trademarks, and Copyrights was authorized to review the statutes relating to patents, trademarks, and copyrights, and to take testimony thereon. The sum of $50,000 was appropriated from the contingent fund of the Senate for use of the subcommittee. Due to the lack of office space, the subcommittee was unable to launch its work until August 22, 1955. Approximately $24,000 will, therefore, remain unexpended on January 31, the termination date of the appropriation of the subcommittee as fixed in Senate Resolution 92.

It is already clear from the testimony which has been adduced, from the preparatory investigations of the staff, and from the reports and papers of well-known experts of training and experience who are generously cooperating with the subcommittee, that the study now in progress is of great importance. Although the work of the subcommittee is far from completion, the following preliminary conclusions are justifiable on the basis of the facts before it.

I. PRELIMINARY CONCLUSIONS OF THE SUBCOMMITTEE

1. The present patent system should be adjusted to modern conditions

When the patent laws were first drawn, invention and discovery were almost exclusively the product of the efforts of individuals working alone. Today, invention and discovery are largely the work of research laboratories. In other words, individual enterprise has been gradually yielding to collective enterprise. No less than 4,835 laboratories are now in operation in this country, and many of them are owned and operated by large corporations.[1] Seventeen years ago (1938) more than 50 percent of all patents issued by the United States Patent Office went to corporations.[2] This included 17.2 percent of the total which went to giant industrial corporations with assets over $50 million each. It is now estimated that 60 percent of the patents go to corporations and only 40 percent to individuals.[3] As a result, the independent individual inventor is continually finding it more difficult to defend and to market his own invention.

The subcommittee heard an almost unanimous chorus of dissatisfaction from individual inventors. The normal market, investment, and business hazards attending any innovation—whether a new product, a new machine, or a substantive improvement—are already so large that the additional and, in some respects as they see it, unnecessary administrative and judicial hazards now incurred in securing and protecting a patent represent the straw that breaks the camel's back.

It is true, of course, that the fault by no means always lies with the system. Many individual inventors are wasting time and money in filing patent applications that should never have been filed, and attempting to exploit inventions that should never be exploited. This happens because they do not have adequate technical background or sufficient knowledge of present-day problems in industry to qualify in the fields in which they have chosen to work. Unfortunately, some garret inventors, often with no experience in the problems at hand, have

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[1] Information supplied to subcommittee by National Research Council: In 1950 there were 3,313 scientific laboratories employing 165,032 persons.

[2] Investigation of Concentration of Economic Power, 75th Cong., pt. 3, p. 1127.

[3] Hearings, American Patent System, pt. 1, 84th Cong., p. 25. The Patent Office is currently making a study for the subcommittee to determine the number of patents owned by large patent-holding corporations and the number owned by each of the 500 largest corporations.

no hesitation in filing patent applications on everything from improved tools for brain surgeons to atom smashers.[4]

Notwithstanding these unfortunate experiences, the individual inventor working in a field in which he has technical competence and directing his efforts toward the current problems in that field, performs a vital and important function. The patent system is designed to encourage this type of inventor, and the patent statutes, Patent Office administration, and the patent system as a whole must be considered, and improved where necessary, in the light of this purpose.[5]

[4] An illustration of the problem, perhaps an extreme one, was found in the experience of the Sinclair Oil Co. About 4 years ago, Sinclair, finding itself with excess capacity in its new research laboratory, under the guidance of P. C. Spencer, president, offered its facilities to independent inventors to test out any inventions relating to petroleum. In return, Sinclair asked only a royalty-free license for its own operations (hearing, p. 20).

The results were not happy. The company received 6,000 inquiries and 400 ideas or suggestions. More than half of the ideas were outside the petroleum field and only about 30 came within the ambit of the plan. Two-thirds of these were excluded because they were not patented or proper subjects for patenting. All but 3 of the remainder were excluded after screening that indicated they did not make sense. The remaining 3 were tested, 2 unsuccessfully; the third turned out to be economically unsound. The company concluded that there were no independent inventors in the petroleum field really in need of help, although the need for help might exist in other fields (hearings, p. 20).

[5] The problem here, fully corroborated and documented throughout our hearings, was stated by the chairman of this subcommittee on the opening day as follows:

"The question that now presents itself is whether the individual inventor still enjoys the sort of protection the drafters of the Constitution had in mind. The Senate by its adoption of a special resolution authorized the Judiciary Committee to undertake what was conceived to be a necessary study to determine what changes should be effected in the patent law if new frontiers are to be opened to the inventive genius of Americans in the modern era. The individual in our time finds himself in a field of competition with foreign nations and institutional research laboratories which did not exist as competitors when the Constitution was drafted and the patent laws first written."

* * * * *

The central patent issue seems to be that of the relation of the individual inventor and the business concern which puts inventions on the market. Phrased in another way, is the million-dollar laboratory usurping the function of the garret inventor; and, if not, how can we bring the inventor down from the garret and into the living room and eventually into the dining room, where he can pick up the profit? The problem comes up in several ways.

First, we find the practical business problem of the inventor in financing the research he must undertake and his cost of obtaining patents and marketing inventions.

Second, is the problem of the dealings of organized industry with inventors in order to achieve a satisfactory working arrangement which can best convert the fruits of the inventor's mind into merchantable commodities whose introduction into the market will benefit the public, the inventor, and the producer.

Third, is the problem of high mortality of patents—the fact that our courts so frequently hold patents invalid. What is its effect upon the inventor and the manufacturer? What is the underlying reason for this situation? What can be done to remedy it?

Fourth, is the cost of obtaining patents and of patent litigation. What is the effect of these costs upon inventors and industry? How can they be reduced consistent with maintaining a sound patent system?

Fifth, apart from financial costs, how adequate are our present court procedures both in terms of the time it takes to reach decisions and in terms of the correctness of those decisions? Are our courts equipped to handle the complex technical subjects involved in patent litigation; do they need the benefit of consultation with independent experts, or do we need special courts to hear patent cases?

Sixth, how adequate is Patent Office administration in terms of the time it takes, the results reached, and the issuance of patents that our courts will enforce? How can this administration be improved to the advantage of the inventor, the businessman, and the general public? Do we need more patent examiners? Do they need better working conditions so they can work more efficiently, and do they need better salaries so the Patent Office does not lose them to private industry after they have been trained? Can Patent Office procedure be improved, especially with respect to classification? (hearings, pt. 1, pp. 1–3).

From the standpoint of complexity, there seem to be two extremes in the scale of invention. The simple "gadget" type requires relatively little scientific knowledge for its conception and limited capital for its exploitation. The more complicated invention requires extensive scientific knowledge and considerable capital to bring it to the point of even a successful commercial demonstration.

In the gadget field, the subcommittee heard the testimony of Mr. Donn Bennett, producer of the TV program The Big Idea. This program over the past 6½ years has presented demonstrations of inventions with the purpose not only of entertaining the viewers but also of securing interest in production or sale of the invention. During that period of time, 36,000 inventors have submitted ideas to Mr. Bennett's program, more than 14,000 of them being rejected by letter. Of the remainder, he has been able to get less than 10 percent, or approximately 1,600, on the air. Of that number, however, almost 500 have found their way into the market place. Some have been extremely successful.[6] Another interesting incident: When a certain manufacturer described one of his problems over Mr. Bennett's program and offered the audience a reward for acceptable solutions, some 1,500 inventors submitted ideas. After review, six were found to be of practical merit.[7]

In the field of aiding the independent inventor, the Small Business Administration has undertaken a program to help manufacturers find new products and processes and also to assist distributors in finding products. It lists inventions in a circular published periodically and distributed to manufacturers throughout the United States, and also offers assistance through its regional and branch offices. There have been a number of good results from this program and many manufacturers express a desire to be on the mailing list.[8]

The Office of Technical Service of the Department of Commerce has also aided manufacturers and inventors by collecting and disseminating information of both patented and unpatented technical nature. The National Inventors Council, also of the Department of Commerce, provides both a stimulus and focal point for national-defense inventions made by independent inventors.

The National Research Council is an independent organization in Washington, D. C., which aids Government, industry, and universities, as well as individual scientists. It has published books and articles on the subject of nonprofit research and patent management. Research Corp. is a nonprofit patent-management foundation which aids inventors and universities and other nonprofit organizations.[9]

A frequently mentioned obstacle to successful negotiation between inventors and the company research laboratory is the common use by companies of "idea submission" forms which outside inventors must sign before their ideas will be considered. Such forms are often legalistic in wording and sweeping in the protection they give manufacturers.[10] The latter justify this on the grounds of need to protect themselves both against unwarranted claims and against liability for the submission of ideas from the outside on which the research department of the company is already at work.[11]

2. The Patent Office and the United States courts are in conflict as to what is and what is not patentable

Testimony before the subcommittee indicates that more than 60 percent of patents brought before the various United States courts of appeal since 1947 have been invalidated.[12] In the district court the published decisions have ruled out more than 53 percent of the claims which the Patent Office had previously approved.[13] Although

[6] Hearings, pt. 1, pp. 5, 35.

[7] Hearings, pt. 1, p. 38.

[8] Hearings, pt. 1, p. 42.

[9] Hearings, pt. 1, p. 21.

[10] Hearings, pt. 1, p. 38.

[11] Hearings, pt. 1, p. 58.

[12] Hearings, pt. 1, p. 178.

[13] At the instigation of the subcommittee, the Patent Office prepared a study of patents adjudicated in the period 1948–54 (hearings, pt. 1, p. 176, et seq.) In approaching the problem of patent invalidity, in order to secure a balanced perspective it must first be recognized that only 1 out of every 290 patents issued is litigated (hearings, pt. 1, p. 176.) During the 7-year period the United States Supreme Court passed upon the validity of 7 patents, of which 5 were held invalid and in 1 certain of the claims were held invalid. In the United States courts of appeal during the same period 62.7 percent of the patents involved were held invalid. The published district-court decisions reported 53.5 percent of the patents adjudicated invalid, though the unpublished decisions of the district courts show a considerably lower percentage of invalidity.

Partly as a result of this situation, a considerable reduction took place in the number of patent suits filed in 1954 as compared with 1938 (hearings, pt. 1, p. 182). The statistics also show a decline in the percentage of cases in which patents were held valid and infringed with a corresponding considerable increase in the percentage of patents held invalid in the courts of appeal from 1925–54 (hearings, pt. 1, p. 182).

At the request of your subcommittee, the Patent Office studied 50 patents recently held invalid by the United States courts of appeal (hearings, pt. 1, p. 183, et seq). Thirty-four of the 50 patents were held invalid solely on the ground of lack of invention or anticipation. In 9 others this was one of the grounds of invalidity. In 6 of these cases the patent was held invalid on the basis of the identical prior art that had been cited by the examiner.

In 34 cases new references were used or referred to. In 6 instances the court noted specifically that the references were not considered by the Patent Office; in 11 instances all of the references applied by the court were new. In the 17 remaining cases the holding

the action of the Patent Office has fared better in those cases in which opinions were not written by the courts, this conflict in approach is a matter of serious concern. Whatever the explanation for the gap now existing between the findings of the Patent Office and those of the courts, every effort should be made, consistent with the public interest and the constitutional objectives of the patent system, to narrow it.

The large number of patents held invalid has an especially devastating effect upon the independent inventor of small financial means. Because of the probability that infringement litigation will result in judgment for the alleged infringer, it encourages a tendency to ignore the rights of patentees even where the patents are valid. Since prosecution of infringement suits is extremely difficult, slow and expensive, patentees may balk at undertaking it, even though satisfied that their patents are valid. Investment in inventions, in consequence, is discouraged since the property value thereof is depreciated.[14]

On the other hand, infringement litigation is expensive for both parties and even a successful defense of a patent-infringement suit requires heavy expenditures; issued patents, whether valid or not, may have a high nuisance value in the hands of large corporate owners, since they can wreak financial havoc upon smaller competitors by infringement suits, even though the ultimate judgment is in favor of the infringer.[15]

3. Need for maintaining and expanding qualified Patent Office personnel

Because the Patent Office is one of the older Government agencies, it has suffered by comparison with newer agencies in salaries offered to the highly trained engineers and scientists whose services are essential. The examiner of ability can easily find a better salary and more attractive employment conditions outside the Government than are now afforded him in the Patent Office. This results in many resignations, particularly in the higher grades.[16] In turn, an unduly high proportion of less qualified or inexperienced examiners inevitably means slower and less competent processing of applications. If the quality and the rate of output at the Patent Office are to be improved, the positions should be made more attractive than they are now. The separation of able employees from the service should be discouraged and the enrollment of new experts of high qualifications should be secured by providing better incentives than is now the case. In addition to the salary scale of Patent Office examiners, the need for a considerably increased staff of examiners, engaged both in examining pending applications and in classification, and for improved working conditions in the Patent Office was forcibly brought out in the hearings.

One of the casualties of inadequate budget and staffing has been improvement of the Patent Office classification system. Classification of prior art is a crucially important function of the Patent Office—and at the present time a sadly neglected one. Classification is important for several reasons. In the first place, the Patent Office is a vast storehouse of technical information which should be available to the public. Without adequate indexing, this store of information becomes virtually inaccessible to the public. Second, an adequate classification is necessary to enable examiners of pending patent applications adequately to review the prior art which may anticipate pending applications. Failure to locate pertinent prior art as a result of inadequate classification is seriously detrimental to the public since it increases the number of invalid patents, inevitably resulting in unnecessary litigation and expense both to the patentee and to the alleged infringer. The high incidence of patent invalidity, already mentioned, is at least partly attributable to inadequate examination and classification. Finally, inadequate classification seriously retards the examiner bent upon doing his best with the facilities at hand. Without pertinent information at his fingertips, with irrelevant materials mixed in with the relevant, he must rummage through a vast jumble of miscellaneous information, on the chance that it may contain a pertinent reference here and there—and when he is through he has no assurance that he has explored all the possibilities.

Further study of the operations of the Patent Office is necessary to ascertain what other devices may be necessary to take care of the tremendous backlog of patent applications awaiting action. No stone should be left unturned to bring about a reduction in the unconscionably long time—some 3 years and 5 months on the average [17]—which is now required to secure a patent grant.

The long pendency of applications is a serious problem not only to those inventors who require the issuance of patents in order to interest risk capital but also from the standpoint of manufacturers innocent of any wrongful intent who embark upon manufacture of an item only to find after the lapse of some years that a patent has issued thereon.

Finally, it plays into the hands of those applicants who deliberately delay issuance in order to prolong the patent monopoly beyond the 17 years provided by the statute. As was repeatedly stated in our hearings, there is urgent need for prompt, intelligent, and stable decisions by the Patent Office in its issuance of patents.

The budget for the Patent Office submitted to the Congress for several years has been considerably less than that required satisfactorily to maintain adequate examining and classification personnel.[18] This has been so well understood by the Congress that last year the Appropriations Committee on its own initiative increased the Patent Office 1956 budget from a recommended $12 million to $14 million. Subsequent to preliminary inquiries made by the chairman of your subcommittee, the Patent Office prepared an 8-year program to reduce the backlog of pending patent applications from a present peak in excess of 220,000 to a manageable total of approximately 100,000.[19] This would enable the Patent Office to act upon applications within 3 to 4 months, in contrast to delays today, in many instances, of over a year.[20] Reflection of this 8-year plan is the budget for fiscal 1957 which proposes $17 million for the Patent Office. The proposed plan contemplates considerable increase in the size of the Patent Office examining staff and this entails recruiting engineering, physics, and chemistry graduates, a program which the Patent Office is now vigorously pursuing.

The efforts that are being made to solve these problems are encouraging. It is an unhappy fact, however, that the damage done by an inadequate budget, even for a single year or biennium, can have far-reaching effects and the process of convalescence—in this case, 8 years by the most optimistic predictions—can be distressingly slow.

It is essential that relief be considered as a long-range proposition. Examiners require several years of experience in the Patent Office before the volume of applications which they are capable of handling reaches a satisfactory level. Only by maintaining the Patent Office budget on a long-range basis, can examiners be encouraged to make a career of Patent Office service instead of accepting the tempting lure of private employment—and only in this way can the backlog of pending applications be effectively reduced.

4. The need for a single Court of Patent Appeals

One of the recommendations of the Temporary National Economic Committee was the creation of a single Court of Patent Appeals, with jurisdiction coextensive with the United States and its Territories. Such a court would replace the present independent jurisdictions and should do much to assure uniform treatment of patents and to reduce the time and cost of patent litigation. It is true that since the rendition of the foregoing report, the lack of uniformity in decisions among the circuits which prompted the recommendation has to a considerable extent disappeared. It has disappeared because the circuits are now uniformly holding patents invalid.

The need for appellate judges having intimate acquaintance with patent-law problems is apparent. At the hearings, the view was exressed that such a court of appeals should be a rotating court with its bench drawn from the judges of the various courts of appeal rather than a court of technical experts.[21]

Regardless of whether the bench of such a court is selected in such manner or from the members of the bar having particular familiarity with patent matters, nevertheless, the court should be assisted in its determinations by a staff of technically trained experts.

II. SUMMARY OF SUBCOMMITTEE WORK DURING THE FIRST SESSION AND PROPOSED AGENDA FOR THE SECOND SESSION

1. October hearings on major patent problems

The subcommittee conducted hearings on October 10, 11, and 12, 1955, in the form of round-table conference discussions.[22] Approximately 49 inventors, inventor representatives, judges experienced in patent matters,

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of invalidity may or may not have been caused by new references and in some of these instances the new reference or references do not seem to have been of much consequence.

The foregoing statistical résumé provides a clue to what Justice Jackson may have had in mind when in a famous dissent he said that the only patent which is valid today is one which the Supreme Court has not gotten its hands on (*Jungerson* v. *Ostby & Barton Co.*, 335 U. S. 560).

[14] The existence of some prior art and prior uses of patented subject matter may be known only to industry and not be available to the Patent Office, which results in the inadvertent issuance of invalid patents, however thorough its examination. Nevertheless, the study conducted by this subcommittee shows that there is an increasing percentage of holdings of invalidity. A very large number of witnesses testifying before the subcommittee expressed the view that this is extremely undesirable from the standpoint of protecting the independent inventor in his attempt to enforce patents and to interest capital in investment. If continued, according to these witnesses, this tendency may result in a reversion to the mystery of the guilds of the Middle Ages where technology was suppressed and restricted to the initiated and the channels of free exchange of information and ideas were impaired. Such regression might be well nigh disastrous to the welfare of the country.

[15] Hearings, pt. 1, p. 108.

[16] Hearings, pt. 1, pp. 14, 17, 170, 171, 199.

[17] Information furnished the subcommittee by the Patent Office. In 1954 the average was 3 years 6.8 months.

[18] Hearings, pt. 1, p. 164.

[19] Hearings, pt. 1, pp. 162, 195. The 8-year program will also increase the number of classification examiners to 141 from a present average of 17 (hearings, pp. 165, 203).

[20] Hearings, pt. 1, p. 162.

[21] Hearings, pt. 1, p. 132.

[22] The transcript of the hearings is found under the title "American Patent System," 84th Cong., referred to herein as "hearings." The transcript is preceded by a synopsis prepared by staff members of the subcommittee.

and patent attorneys participated. A full and frank discussion of the problems of the independent inventor and small-business man in dealing with patents, as well as other problems relating to the patent system, ensued. Mr. Robert C. Watson, Commissioner of Patents, and Mr. P. J. Federico, Examiner in Chief, attended the hearings throughout, not only participating actively in the discussion and comments but also assisting the subcommittee in questioning the numerous witnesses. Subsequent to the hearings, those in attendance, as well as other experts in the field of patents, were requested to submit written statements on the subjects discussed at the hearings, as well as other topics of their own choosing. Approximately 58 persons responded to this request and their statements are being printed as an appendix to the transcript of the hearings.[23] The large number of persons participating in the hearings and even larger number sending in statements is ample evidence of the interest in and concern for the welfare of the patent system, and underlines the importance of the current inquiries by this subcommittee.

2. Research studies in process

A most distinguished witness at the October hearings, the venerable Judge Learned Hand, retired chief judge of the United States Court of Appeals, Second Circuit, stated:

"I take it that you really want in this subcommittee to consider the thing anew from the bottom up.

* * * * *

"Well, my own view is that the only step which will really be important—the rest will be skirmishing about, procedural skirmishing—is to have a thoroughgoing examination of how the present system works.

"As I say, I mean a very thoroughgoing investigation in which you would compel, for example, the corporations that maintain their laboratories and everybody else you could get and see if you could find out how far the present system contributes to the purpose, the underlying purpose being, of course, the promotion of the arts on which civilization has come to depend so completely, even for its very existence.

"I don't know that that has ever been done. I think that has never been done. Oh, there have been committees. I know I was on a committee. Perhaps I didn't pay enough attention, but nothing came of it (hearings, pt. 1, pp. 111–112)."

The thoroughgoing inquiry urged by Judge Hand may be conducted by investigations and hearings, as well as through special studies undertaken by experts in the field. Whatever the method, the subcommittee often possesses facilities for obtaining needed information that may not be available to other groups. This was emphasized by Judge Hand. Thus, when Dean O. S. Colclough (acting director, Patent, Trademark, and Copyrights Foundation, the George Washington University) testified concerning the work of the foundation, Judge Hand, with a play on Dean Colclough's name and referring to the subpena power of Congress, commented to the subcommittee, "You have got the claws, and they have not" (hearings, pt. p. 123).

The subcommittee has heeded the counsel of Judge Hand. In the field of special studies, it has arranged for the preparation by eminent authorities of research papers covering a wide variety of subjects in the patent field. While some of these are already well along, most of them will not be finally completed until sometime during the second session.

The first of these papers to be undertaken and now nearing completion is a study by Dr. Vannevar Bush, recently retired president of Carnegie Institution of Washington, D. C., long a constructive critic of the patent system. He is the author of Science, the Endless Frontier; Modern Arms and Free Men; and many other studies and articles on the subject of technology, research, and the social significance of technological development. His present study embraces proposals to strengthen patent validity and protect against the misuse of patents, including their use for monopolistic purposes.

Included in his tentative suggestions are procedures for more careful processing of patent applications so as to increase the probability of validity; provision for technical advice and assistance to courts handling patent cases; and broader use of compulsory licensing at a reasonable royalty to deal more adequately with restrictive practices and other misuse, monopoly, or domination through patent concentration, domination through improvement patents, and patent suppression. He also takes up the underlying purposes and objectives of the patent system, its relationship to basic and applied science and their shifting roles, and its relationship to the independent as compared to the corporate inventor and to innovation as compared to invention.

Other outstanding figures who are currently preparing studies for the subcommittee include:

Dr. Walton Hamilton, formerly associated with Yale Law School and the Antitrust Division and now practicing law in Washington, D. C.: Dr. Hamilton is author of TNEC Monograph 31 (Patents and Free Enterprise) and numerous other writings. His present study deals with the applicable technological and economic tests in the grant and use of patents, including analysis of the technical criteria that should be considered in determining whether a patent should issue and the economic criteria to be applied in determining the validity of licensing practices, concentration of patents and other patent conditions affecting the competitive structure of business and industry.

Dr. Archie Palmer, Director of the Office of Patent Policy Survey, National Research Council, and former president of the University of Chattanooga and chairman of the Government Patents Board: Dr. Palmer is author of a number of studies and reports dealing with patents and research, especially with respect to the policies and administration of nonprofit and university research organizations. His present study deals with this same subject, but with especial attention to the actual operation of such organizations, their relation to and effect upon the inventors whose inventions they administer, and the business, industrial, and competitive effects of their licensing policies.

Mr. John Schulman, practicing attorney, New York City: Mr. Schulman, a leading authority on copyright law, was one of the United States advisers who participated in the 1952 Inter-Governmental Copyright Conference at Geneva, Switzerland, which drafted the Universal Copyright Convention, ratified in 1954 by the Congress. He is the author of a number of articles, lectures, and other treatises on various aspects of copyright law. His present study involves a comparison of patents, copyrights, and trademarks, and of the respective functions, purposes, and objectives served by these different types of intellectual property. Following completion of this study, Mr. Schulman will prepare a study of "petty" patents comparable to the German "gebrauchsmuster," which would provide a short-period, limited-rights grant for novel contributions of a minor nature.

Prof. Seymour Melman, department of industrial engineering, Columbia University, New York City: Professor Melman has given considerable study over the years to modern industrial research, especially corporate research of the large-scale, industrial laboratory type. His present study will examine definitions and legal tests of "invention," as applied in the patent laws, in relation to these modern research methods, and the operation of the patent system generally in its application to corporate research.

Mr. Nathaniel Sage, director of the office of sponsored research, division of industry cooperation, Massachusetts Institute of Technology: Mr. Sage and his staff have had wide experience in working with business concerns, independent inventors, and Government agencies in the conduct of research and the development of new inventions to the point of successful innovation and commercial practicability. Their study, based upon actual case histories, will deal with the patent system in terms of its significance as an aid to individual and independent inventors and to new and small businesses in their efforts to develop and successfully commercialize new inventions.

Prof. Leonard Emmerglick, professor of law, Georgetown University, Washington, D. C.: As former trial attorney with the Antitrust Division, Department of Justice, Professor Emmerglick tried, or participated in the trial of, several of the major antitrust cases involving patent and other technological features, including the Aluminum case, the General Electric Incandescent Lamp case, the Imperial Chemical Industries case, and several others. His study will analyze and evaluate the patent recommendations of the report of the Attorney General's National Committee to Study the Antitrust Laws, with especial attention to the probable effect of these recommendations upon the trial of antitrust cases involving patent issues.

Mr. Raymond Vernon, manufacturer and former Chief of the International Business Practices Division, State Department: Mr. Vernon is preparing a study of United States business and governmental policies and practices in relation to patents and technology involved in international trade. These will be examined from the standpoint of commerce in patents and technology as such and in products involving patented technology as well. The study will analyze business practices in relation to Government policies concerning international trade, foreign investment, and effect of technology, as well as their relation to antitrust policies in respect to international trade.

Prof. Murray Friedman, department of economics, Queens College, New York City: Professor Friedman is undertaking certain institutional studies relating generally to the relationship of research and technology to industrial size, and the competitive significance of this relationship. He is giving especial attention to the effect of mergers upon research activity and upon the acquisition and use of patents.

Mr. P. J. Federico, Examiner in Chief of the Patent Office, author of Statutory Disclaimers in Patent Law, and numerous studies and articles relating to the patent system, is preparing a comparative study of "opposition" and cancellation proceedings in foreign countries. He is also preparing a digest, survey, and tracing the historical development of proposals presented to Congress from 1870 to date for reforming and improving the patent system.

The Legislative Reference Service of the Library of Congress is undertaking several projects for the subcommittee. These include the preparation of a detailed bibliography of patent reference materials, appropriately indexed and classified; also a historical digest and analysis of congressional hearings, reports, and legislation on various subjects, including the following: (1) Efforts to establish a statutory standard of invention; (2) recordation of patent license and assignment agreements and regu-

[23] Appendix to hearings, pt. 1, p. 239, et seq. A synopsis of the appendix materials prepared by staff members is found at the front of the hearings.

lation of international patent cartels, including appropriate parts of Federal incorporation proposals and proceedings with respect to the Habana Charter; (3) licensing of patents, including various compulsory licensing proposals and provision for voluntary registration of patents available for license, as well as bills to require the licensing or dedication of Government-owned patents; (4) recommendations for Government assistance to and encouragement of invention and research, including proposals for dealing with inventions made by or for the Government, reward of Government-employed inventors, creation of organizations designed to encourage and supervise research such as the National Research Council, National Inventors Council, and National Science Foundation, aid to private inventors through assistance, subsidy, awards, dissemination of information, etc., and proposals for favorable tax treatment of research expense and patent income; (5) Patent Office fees; and (6) proposals for expediting Patent Office procedures, including the 20-year law.

Other studies in the course of preparation relate to the historical development of remedies in patent-infringement cases, with especial attention to the development of equitable relief and the circumstances, historically, under which such relief would be granted; and a study of the legal development and scope of judicial doctrine relating to price restrictions in patent agreements as well as the economic and business factors back of such restrictions and economic evaluation of the applicable legal rules.

A number of other research studies are currently under discussion with selected and qualified individuals, both in and out of Government, who have indicated an interest in proceeding with them. Subject matter includes comparative studies of the patent systems of several other countries; further studies in the international field; legislative and historical developments in our patent system over many decades; further studies of Patent Office and court operations and procedures; the sociological and psychological foundations and effects of the patent system; the broad relationship of the patent system to scientific and technological development; further studies of the relationship of the patent system to problems of competition, monopoly, marketing practices, and the antitrust laws; further studies of the system's role vis-a-vis the small-business man and independent inventors; the role of various Federal Government activities in relation to the patent system; and so on.

As the foregoing studies are completed and received by the subcommittee, it is contemplated that they will be printed, either separately or collectively, and made available for public distribution as committee prints, monographs or in some other appropriate form.

3. Staff investigations

(a) Compulsory patent licensing: This is one of the most controversial subjects in the patent field. The Temporary National Economic Committee reported in favor of an amendment to the patent laws which would require licensing of patents at reasonable royalties. Subsequently as an adjunct of enforcement of the antitrust laws in the patent field, a number of antitrust civil decrees required defendants to license patents either at a reasonable royalty or royalty free. The subcommittee determined that no study had ever been made of the effect of these provisions of the decrees either by the Antitrust Division or by others. Accordingly, a complete review of every antitrust decree in which compulsory licensing of patents was required has been undertaken to determine how effective it has been in opening industry to competition and what practical problems have arisen in the administration of compulsory licensing.

(b) Patent-antitrust problems: In preparation for hearings on patent-antitrust problems, the staff is studying major topics of concern in the antitrust-patent field. Cooperation of the Antitrust Division of the Department of Justice has been secured in this work. This preparation is in line with the subject matter discussed in the chapter on patent-antitrust problems in the report of the Attorney General's National Committee to Study the Antitrust Laws.

(c) Relation of the individual inventor to corporate research: The staff of the subcommittee has undertaken to investigate the relationship of the individual inventor to corporate research. One of the first steps presently in process is a determination of what companies own the largest number of patents and how many patents are owned by the largest corporations in the United States. This work is being conducted in cooperation with the Patent Office.

In addition, the subcommittee, as a result of its hearings and publicity thereon, has received numerous complaints of unfair treatment of individual inventors by corporations to whom they have disclosed their inventions. If substantiated, these complaints indicate a very grave disregard for the rights of individual inventors. The staff of the subcommittee is now in the process of investigating the most serious of these complaints.

(d) The automobile patent pool: A number of years ago the automobile industry by private cross-license agreement had in operation a system whereby patents acquired by any manufacturer were available to all competitors either without payment of royalty or on payment of a nominal royalty. Investigation by the staff of the subcommittee disclosed that this cross-license agreement had broken down and for all practical purposes is no longer in existence. Further investigation and eventual hearings are necessary.

(e) Electronics patents: Within the past years antitrust actions involving electronics of major significance have been filed and consent decrees have been entered. Recently filed has been an action by the Government against Radio Corporation of America, charging an illegal patent pool in the electronics industry on patents acquired by Radio Corporation of America from General Electric, Westinghouse, A. T. & T. Co., and Western Electric. Recently settled by decree have been an action against Western Electric and A. T. & T. providing for compulsory licensing of all patents, both present and future, with no limit as to time or the use to which they may be put, and covering approximately 8,600 patents; and an action against International Business Machines Corp., likewise providing for compulsory licensing of patents and technical know-how. There are numerous agreements involving patents in the electronics industry. Further investigation of the patent picture and the enforcement of the antitrust laws as affecting patents in this growing industry is necessary.

4. Legislative action

Title 35 of the United States Code, dealing with patents and the Patent Office, was completely overhauled and codified in 1952. One may inquire, in consequence, why there should now be any occasion for other than minor legislative changes. The answer is twofold. First, that overhaul, except in certain minor respects, was a codification, not a revision, of existing law. Numerous substantive changes, some of which may have considerable merit, were suggested at that time, but were passed over in view of the sound disinclination to consider new matter at that time. These proposals should now be examined on their merits. Second, many important attributes of the patent system, both in terms of its effect upon other laws and vice versa, may be the subject of legislation that lies outside the scope of title 35 as such. Antitrust matters, special relief bills, certain aspects of Government research and patent policies, many statutes relating to litigation, and various international aspects, come within this category. Trademark and copyright matters also lie outside the scope of title 35.

As a result of the evidence thus far obtained in our hearings, the chairman is ready to submit drafts of the following bills for submission to the Congress:

1. A statement of intent by Congress that patents shall be issued only to inventors in accordance with the public interest and only after thorough search and consideration of the prior art, but after once issued by the Patent Office patents shall not be held invalid except upon the basis of clear and convincing evidence of improper issuance or on the ground of fraud.

2. A bill which would create in the Department of Commerce an agency to assist inventors by making inventions more readily available to industry.

3. The so-called 20-year bill, which was passed by the Senate April 26, 1940,[24] and which would limit the term of a patent to 20 years from the date of filing of the application but in no case more than 17 years from the date of issuance.

4. A compulsory recording of license agreements bill which passed the House of Representatives April 1, 1946.[25]

5. A bill permitting revocation or cancellation of patents on motion of the Patent Office, interested persons, or the Attorney General which in large measure follows the recommendations of the National Patent Planning Commission established by Executive order in 1941.[26]

6. A bill for the creation of so-called short-term or minor patents and patents of addition which are found in the laws of many foreign countries.

7. A bill for filing evidence of invention similar to a proposal which passed the Senate October 9, 1949.[27]

8. A bill simplifying review of Patent Office decisions by eliminating 1 of the 2 alternative appeals now open to applicants.

9. A bill requiring publication of interference counts after termination of the motion period and before the taking of testimony so as to give warning to manufacturers of the possibility of delayed issuance of patents involved in interference between two applicants.

10. A bill to establish a single Court of Patent Appeals.

There are now pending in the Senate a number of bills relating to patents, trademarks, and copyrights which come within the jurisdiction of your subcommittee and require consideration by it. These include bills originating in the Senate, others which originated in and were passed by the House of Representatives, and others still pending in the House but expected to be passed by it and referred to the Senate during the second session.

The following bills originating in the Senate are currently pending before this subcommittee:

S. 116 (companion bill H. R. 2128 presently pending before the House of Representatives): To authorize the extension of patents covering inventions whose practice was

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[24] 76th Cong., S. 2688, S. Rept. 747. See also: 79th Cong., H. R. 2631; 77th Cong., H. R. 3211, S. 892; 74th Cong., H. R. 4986; 73d Cong., H. R. 5554; 72d Cong., H. R. 10153, 11016, H Rept. 1200.

[25] 79th Cong., H. R. 3756. There were a number of bills of similar nature in prior and subsequent Congresses.

[26] Recommendation of National Patent Planning Commission (1941).

[27] 81st Cong., S. 868, H. R. 1711, S. Rept. 675. Similar proposals in prior Congresses.

prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls.

S. 215: An act to amend the Trademark Act in certain particulars.

S. 590: Relating to the rendition of musical compositions on coin-operated machines.

S. 672: For the relief of Richard T. Harvey by the renewal and reviving of patent application No. 320,998.

S. 683: For the relief of Ashley G. Ogden by payment of a sum in satisfaction of his claim against the United States for use of an invention submitted to the National Inventors Council.

S. 1815: To confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Antoine Gazda for use of certain patents.

S. 1968: To amend the act of June 30, 1950, relating to the extension of the terms of patents of World War II veterans.

S. 2233: To extend and renew letters patent relating to vehicle-door hardware.

The following bills have been passed by the House of Representatives and are now pending before this subcommittee:

H. R. 2068: For the relief of William F. Friedman in settlement for all rights in respect of his inventions placed in secrecy status.

H. R. 2383 (companion bill S. 2157): To provide for inventors' awards for those making inventive suggestions to the Armed Forces.

H. R. 5876: To amend the copyright law to permit, in certain classes of works, the deposit of photographs or other identifying reproductions in lieu of copies of published works.

Although not presently before the subcommittee, the House Committee on the Judiciary has reported favorably H. R. 4983 to increase Patent Office fees. The subject matter of this bill will in all likelihood come before this subcommittee during the second session.

5. Additional hearings on certain patent problems

One of the important chapters in the report of the Attorney General's National Committee To Study the Antitrust Laws is on antitrust-patent problems.[28] The Senate Subcommittee on Antitrust and Monopoly Legislation has undertaken extensive hearings on other chapters of the report but has specifically deferred hearings on antitrust-patent problems so that the Patents Subcommittee may conduct these hearings.

In addition, hearings on the patent policies of the Federal Government are highly desirable, both for their general significance in terms of public policy and for their effect upon monopoly, competition, and concentration in our economy.

Further, hearings are desirable on the international aspects of patents, including attention to the International Union for the Protection of Industrial Property (an especially significant matter at this time because of the contemplated meeting to consider revisions thereof, scheduled for Lisbon, Portugal, in 1957); the export and exchange of technology and patent rights as part of our foreign policy, in connection with cartel agreements, etc.; and a comparative study of the United States patent system and those of other countries.

Several witnesses stressed the extreme importance of making, as Judge Learned Hand put it, "a thoroughgoing examination of how the patent system works. That is the only question in the end, how far does this system of what we call monopolies promote the public interest by stimulating progress, interstitial progress of the arts? That cannot be determined satisfactorily a priori by the beliefs that people have one way or the other. Not without a thoroughgoing investigation. I mean a very extended examination. Call everybody and see how it works. I don't care much about their opinions as to how it works. But how does it work? It will be a long job. It may be an impossible job (hearings, pt. 1, p. 118)."

This examination the subcommittee proposes to undertake.

CONCLUSION

No basic changes in our patent system or its underlying principles have been made since 1836 when our "modern" patent statute came into being. Amendments have either dealt with specific, and often relatively minor, problems or have been largely revisory or declaratory in nature.

Yet with so relatively static a statutory structure, this country, like much of the rest of the world, has been the subject of dynamic development industrially, technologically, and economically. Except for a few minor areas of business activity, the industrial and technological economy of today bears little resemblance to that of yesterday. The relatively simple, easily understood and inexpensive inventions have given way to highly complex inventions that require extensive scientific training to understand and substantial experimentation and capital to develop and perfect. The garret, garage, or basement inventor to a marked extent has given way to the laboratory technician who is both scientifically trained and versed in the latest techniques of experimentation and invention. The independent "lone wolf" inventor has given way to the coordinated group activity of the research laboratory.

An economy of scarcity, relying mainly upon manpower, craftsmanship, and simple tools, has been replaced by an economy of potential abundance increasingly mechanized, productive and efficient, with developments in automation, chemistry, electricity, electronics, and atomic energy increasingly measuring the pace and extent of advance. The science and technology of foreign countries that was almost as unavailable as undiscovered technology in an earlier day, is now, with certain obvious exceptions, capable of easy, rapid, accurate, and complete communication. An economy that once was slow moving and deliberate in its technological advances has given way to one that moves at fast and ever-accelerating speed.

A Government that once contributed little to technological development, other than to enact a patent law and provide a court system to enforce it, has today become a tremendous factor in this area, not only through its own direct research activities and financial assistance to other public and private research institutions, but by increasingly posing the problems that require solution and thereby providing the incentive for their solution.

The genius of the architects of our patent system, like the genius of those who framed our Constitution, to some extent anticipated these basic shifts and built a structure that was adaptable to them and sufficiently flexible and far reaching in its underlying principles as to be able, with an occasional patching here and a shoring there, to weather these changes and continue to carry out with maximum effectiveness the constitutional purpose of "promoting the progress of science and useful arts." One cannot, however, question the desirability of an inquiry, as suggested by Judge Hand, to determine to what extent this is so and, even where it is so, to ascertain what patching or refurbishing may be desirable if the patent system is to perform even better in today's society.

These are some of the considerations that induced this subcommittee to shape the program and undertake the activities outlined in this report.

[28] Ch. V. Patent-Antitrust Problems, pp. 223–260.

CONVEYANCE OF CERTAIN LAND IN NECEDAH, WIS., TO THE VILLAGE OF NECEDAH

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of Calendar No. 1210, H. R. 2889, which was temporarily laid aside.

The PRESIDING OFFICER. The bill was temporarily laid aside.

The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 2889) to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. McCARTHY. Mr. President, I very much dislike the amendment offered by the Senator from Oregon. I think it is unfair to the village of Necedah, which transferred this property for $1. The village should get it back for the same price. However, rather than hold the bill up, I am willing to accept the amendment of the Senator from Oregon.

I assume the amendment also strikes the proviso clause, so that Necedah will get the property free and clear. Is that correct?

Mr. MORSE. That is correct.

Mr. McCARTHY. I accept the amendment.

Mr. MORSE. I wish to thank the Senator from Wisconsin for his cooperation. As I said before he reached the Chamber, it is a close case and a difficult case. I not only want to thank the Senator for his cooperation in this case, the case of a bill which involves his own State, but for his cooperation in the past when he has supported me when I have urged the Senate to adopt the so-called Morse formula.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE], which has heretofore been stated.

The amendment was agreed to.

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

The bill (H. R. 2889) was ordered to a third reading, read the third time, and passed.

EXTENSION OF TIME FOR INVESTIGATION OF WELFARE AND PENSION PLANS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1470, Senate Resolution 200.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 200) extending the time for investigation of welfare and pension plans.

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

Mr. KNOWLAND. Mr. President, I am not going to object to taking the resolution up, but I should like to have an understanding with the majority

leader. I understand there remains in the funds available to the committee the sum of $20,500. What the resolution seeks to do is make that amount available until March 15. The committee normally would have finished its work and reported by January 31.

This resolution extends the period to March 15. But I should like to have assurances that this will complete the job, and that the committee will not return, seeking an extension of time or additional funds with which to finish its work.

Mr. CLEMENTS. Mr. President, my distinguished friend, the Senator from California, is correct, insofar as I am informed. Sufficient money remains with the committee for the completion of its work. It does need the time from now to the 15th of March to complete its report and submit its report to the Senate.

I was informed today, by letter from the committee chairman, that the March 15 date would give him ample time, and that the money which remains unexpended is ample to take care of the committee's needs.

Mr. KNOWLAND. With that understanding, I am prepared to join the Senator from Kentucky in the motion.

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

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

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 200) was agreed to, as follows:

Resolved, That section 1 of Senate Resolution 40, 84th Congress, 1st session, agreed to February 21, 1955 (authorizing an investigation of welfare and pension plans by the Committee on Labor and Public Welfare) is amended by striking out "January 31, 1956" and inserting in lieu thereof "March 15, 1956."

ADDITIONAL CLERICAL ASSISTANT FOR THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1473, Senate Resolution 164, authorizing the Committee on Post Office and Civil Service to employ a temporary additional clerical assistant.

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

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 164), which had been reported from the Committee on Post Office and Civil Service without amendment, and subsequently had been reported from the Committee on Rules and Administration without amendment.

Mr. ELLENDER. Mr. President, is this the resolution for the employment of the same number that were employed last year, or would this resolution authorize the employment of new employees?

Mr. CLEMENTS. I will say to my friend, the Senator from Louisiana, that I am informed that the resolution authorizes the employment of the same number employed by the committee a year ago. But the chairman of the Committee on Post Office and Civil Service is present, and I prefer that he state the situation.

Mr. JOHNSTON of South Carolina. Mr. President, the resolution is for the employment of a stenographer. We have a great deal of correspondence to handle; and this authority has been continued from year to year, during the past 6 or 8 years, including the time when the Senator from North Carolina [Mr. LANGER] was chairman of the committee, as he will inform the Senator from Louisiana.

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 164) was agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service is authorized, from February 1, 1956, through January 31, 1957, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

ADEQUACY OF UNITED STATES AIRPOWER

Mr. SYMINGTON. Mr. President, once more an acknowledged military expert has written an article in which he states that the Secretary of Defense has again evaded answering in a press conference a frank question about the airpower of this country.

Partial truth is an evasion of truth. The Department of Defense should not continue such efforts to mislead the people about the true nature of our relative military strength, as against that of the Communists.

The article states flatly that the number of aircraft scheduled in the fiscal year 1957 budget is not enough to either attain or maintain the 137-wing program. These figures justify the statement that this new budget means the death of any true combat-ready, 137-wing Air Force.

The article in question says, in part:

What it (the Air Force) is getting is 137 wings on paper as the administration has promised, but as many as 20 of these wings will not be effective.

What the article shows is, in effect, that much of the 137-wing program is being scrapped; and that even further heavy reductions in the program will be necessary unless very much increased funds are asked for, and ultimately are actually spent.

The article continues:

The problems and costs of maintaining in readiness and keeping modern the 137-wing Air Force have not been faced, according to Air Force officials. It will be one of the major problems the next administration will have to deal with.

If the plan now is to scrap part of the 137-wing program, the American people should be told just that.

As the great chairman of the House Armed Services Committee, the Honorable CARL VINSON, of Georgia, said recently:

Time is the most precious item known to man, and it can't be stockpiled or purchased.

And as the great chairman of the House Appropriations Committee, and distinguished dean of the Missouri delegation in the Congress, said:

And if we lose, we lose forever. There will be no second chance. It will avail nothing to go down on our knees and beg for mercy. The last ounce of gold and the last drop of blood will be exacted. The looting of Anglo-Saxon England by the Normans will not be a circumstance. And if there is still any doubt about it, take another look at Czechoslovakia, Poland, Lithuania, Estonia, and the rest of the once-proud and independent nations which have been "liberated" by Russia.

Mr. President, in the interest of further knowledge of what is actually going on with respect to our airpower and our defense picture in general, I ask unanimous consent that the article in question, by Brig. Gen. Thomas Phillips, as printed in the St. Louis Post-Dispatch on February 6, be inserted in the RECORD.

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

AIR FORCE FUND 5 BILLION SHORT OF NEEDS FOR REPLACING LOSSES BY ATTRITION AND OBSOLESCENCE—BUDGET AUTHORIZES ONLY 1,900 PLANES WHEN 5,000 ARE REQUIRED—REQUEST FOR FULL AMOUNT WOULD HAVE BEEN POLITICALLY INEXPEDIENT

(By Brig. Gen. Thomas R. Phillips, U. S. Army, retired)

WASHINGTON, February 6.—Asked at his press conference Wednesday if the 1,900 aircraft that can be ordered under the new obligational authority provided in the budget for 1957 were sufficient to maintain the Air Force when it required about 5,000 new aircraft annually as replacements on account of attrition and obsolescence, Secretary of Defense Charles E. Wilson gave no direct answer, but stated that the figures were wrong.

The figure of 1,900 aircraft that could be contracted for in 1957 under the new budget authorizations is the figure used by the Defense Department's comptroller's office in its budget seminar January 14. The exact figure is 1,891, so the Secretary could call 1,900 wrong.

All figures on attrition and obsolescence of aircraft are debatable. Air Force experience shows that attrition varies from 6 percent to 10 percent on different types of aircraft. If averaged at 8 percent on an inventory of 25,000 aircraft, attrition would account for 2,000 losses a year.

Obsolescence is a more difficult figure to determine. Cargo and passenger aircraft may have a usable, although probably not economical, life of from 7 to 10 years.

In contrast, new bombers or fighters can be made obsolete by the time they are in production if the potential enemy has made great advances in his aircraft.

Our own subsonic jet bombers, for example, can be made obsolete by high-performance Soviet supersonic interceptors, just as the piston B-36 was made obsolete by the MIG-15, long before its usable service life was ended. If the B-36 were used in war, the losses might prove unacceptable.

In the same way, our own interceptors must have much better performance than the potential enemy's bombers. The famous F-86 Sabre jet is obsolete against the Soviet type 37 Bison and type 39 Buffalo jet bombers.

Only the F-86D all-weather interceptor, of the entire F-86 series, remains able to perform its task against the new Soviet bombers.

To return to the figures of obsolescence: If 7 years is taken as the average life of military aircraft, other than loss from attrition, with an inventory of 25,000 aircraft about 3,500 aircraft would become obsolescent annually.

This number, together with about 2,000 lost from attrition, would total 5,500. In September 1954 a high official of the comptroller's office estimated the loss from obsolescence and attrition as from 5,300 to 5,500 annually.

Wilson knew what his questioner was trying to commit him on. Under the present administration new obligational authority to contract for aircraft for the Air Force has been 1,400 for fiscal year 1954, 1,400 for 1955, 2,500 for 1956, and 1,900 for 1957.

These are the aircraft that will come into inventory during the next 2, 3, or 4 years to replace the aircraft lost by attrition or obsolescence. They number 7,200 compared to prospective losses from attrition and obsolescence of between 21,000 and 22,000.

Obligational authority in the fiscal year 1952 budget authorized the Air Force to contract for 6,000 new aircraft. Until now the provision of new planes for the Air Force to replace losses from attrition and obsolescence and to build the Air Force from 48 to 137 wings has been due almost entirely to appropriations made following the outset of the Korean war.

New obligational authority during the last 4 years is not sufficient to maintain and keep modern the Air Force being completed with these funds.

The Nation, and the administration, Air Force officials fear, have not faced up to the fact that the 137-wing Air Force cannot be maintained in readiness and kept modern with the funds being allocated to it.

New obligation authority for the fiscal year from 1954 to 1957 has been 11.4, 11.6, 15.7 and 16.5 billion dollars. Authorizations for 1952 and 1953 were $22.3 billion and $20.3 billion, respectively.

For 1957 fiscal year the Air Force needed about $5 billion more than has been asked for. It did not itself make the request for the full amount, judging such a request politically impracticable.

It also would have conflicted with the New Look in defense which set a ceiling of about $16 billion on annual expenditures for the Air Force.

REQUEST REDUCED

The original estimates were pruned or stretched out and a reasonable figure of slightly under $19 billion was submitted. After conferences and budget exercises in the Pentagon the request was reduced to $16,518,000,000.

To maintain its current program in the 1957 fiscal year at a minimum, the Air Force is underfunded by slightly more than a billion dollars for aircraft procurement, about $600 million for other major procurement, about $400 million for maintenance and operations, $100 million for public works (actually an additional billion is required for public works) and a substantial amount for research and development.

Although the problem is usually discussed in terms of money, and it is easy to say that the military never have enough so why not limit them, the real decision being made in terms of dollars is that the United States will not have a modern and ready Air Force of 137 wings.

What it is getting is 137 wings on paper, as the administration has promised, but as many as 20 of these wings will not be effective. Since this is an election year, the problem has simply been brushed aside.

FEWER WINGS SUGGESTED

The next administration will have to face it. Already studies are underway to determine what size Air Force can be maintained with the present limitations of funds. It is the opinion of some Air Force officials that if the 137-wing figure were dropped, a fully effective Air Force of perhaps 10 fewer wings could be maintained.

This, they believe, would be a better solution than the present one which carries with it as many as 20 ineffective wings. After the election, the next Congress will have the problem to solve in these terms.

Since the New Look was adopted, greatly increased expenditures that had not been foreseen at that time have come up, especially for air defense. The "dew" line is underway at great cost. The SAGE (semi-automatic ground environment) system for control of air defense is going forward with billions to be spent. An increase of a billion dollars for guided missiles is included in the 1957 budget. More interceptor aircraft are required for air defense.

The money for these additional requirements has, in effect, been taken from the 137-wing Air Force.

DELIVERIES STRETCHED OUT

Just how does this affect the Air Force? The billion dollars not asked for the aircraft procurement means that about 20 percent fewer aircraft than are scheduled can be procured. Deliveries will have to be stretched out. Replacement of obsolescent aircraft will be delayed.

The reduction of $600 million for procurement other than aircraft will cause a slowdown in procurement of complicated radar and other electronic equipment for air defense. It will delay completion of the air defense system now scheduled for 1960 and putting into operation of the Bomarc long-range air defense guided missile, as well as the production of other missiles.

The reduction of $500 million in maintenance and operations means more deadlined aircraft and constantly fewer flying hours for the expanding Air Force.

As for public works, Gen. Earle E. Partridge told the jet-age conference of the Air Force Association Friday that he has units on 18 civil airports—about one-third of his operational units.

TWO WINGS TO A BASE

The Strategic Air Force is doubled up with two wings to a base on many of its United States bases. This increases the vulnerability of these wings and the crowding enhances the hazards of operation.

Due to lack of nearby housing to the bases, a substantial percentage of pilots cannot be alerted and get to their bases in less than 2 hours. The warning time being gained at great expense by the multibillion dollar air defense system is being nullified for lack of housing.

The slowdown in replacement of obsolescent aircraft is the most serious of all effects. New fighters of the 100 series are needed now. It will not be until 1958 that the lowest performer of the group, the F-100, will be in inventory in substantial numbers.

Production of the B-52 intercontinental jet bomber to replace the obsolescent B-36 is too slow—fewer than 20 a month. The B-36's will not be phased out, at present rate, until late 1958. Meanwhile the Russians are producing their intercontinental jet bomber at a rate exceeding our production of B-52's.

MEDIUM BOMBERS NEEDED

Both the United States and the Soviet Union have designs and prototypes of supersonic jet bombers. The United States needs to be in production of such a medium bomber now to start replacement of the B-47 subsonic medium jet bomber.

The supersonic bomber is required to cope with the supersonic fighters being built in large numbers in the Soviet Union now. The Russians are reported to be building a Yak-24 interceptor with a speed of 1,800 miles an hour. Such fighters would make the task of our supersonic bombers almost hopeless.

The problems and costs of maintaining in readiness and keeping modern the 137-wing Air Force have not been faced, according to Air Force officials. It will be one of the major problems the next administration will have to deal with.

McKINNEY PANEL REPORT ON IMPACT OF THE PEACEFUL USES OF ATOMIC ENERGY

Mr. HUMPHREY. Mr. President, I have read with a great deal of interest the report of the panel on the Impact of the Peaceful Uses of Atomic Energy. The Joint Committee on Atomic Energy and, in particular, its chairman, the distinguished Senator from New Mexico [Mr. ANDERSON], deserve great commendation for their wisdom and foresight in causing so necessary and thorough a study to be undertaken.

I was particularly interested in reading the panel's comments on the system of information control in the atomic energy program. This is a subject in which I developed considerable knowledge and interest last year as acting chairman of the Subcommittee on Reorganization of the Committee on Government Operations, when we looked into the Government's security mechanism in connection with Senate Joint Resolution 21, to establish a Commission on Government Security—or the so-called McKinney panel, which is what the group making the report on the peaceful uses of atomic energy is known as.

The panel recommends that the Congress and the executive branch "explore the possibility of reinstituting a single information control system with uniformly applicable penal provisions for violations." The panel reached the conclusion that this is desirable on the basis of studying only the atomic-energy program itself. I reached the same conclusion last year, on the basis of studying the operation of the overall mechanics of Government security; and I believe that the need for establishing a unified, uniform security system is much more imperative than even the panel report indicates.

As I pointed out to the Senate last June 27, there is a completely independent, self-contained statutory security system for protection of atomic energy secrets, and that system duplicates, parallels, and in many instances overlaps, the mechanisms for protecting other types of national-defense secrets. Thus, under the Atomic Energy Act, atomic-energy secrets in many respects are much more elaborately protected than are other equally vital secrets. At the same time, our hearings last year uncovered the fact that in some respects atomic-energy secrets are not adequately protected in ways in which other secrets are protected. Also, it is perfectly clear that the existence of dual standards for protection of national-defense secrets is unnecessarily costly to the taxpayers, and has significantly hampered our national-defense efforts by creating difficulties in communicating information to all the members of the national-defense team who need it. There is no

question whatever, for example, that it has impeded our civil-defense program. I think it is also established that this situation may involve serious loopholes in our overall national defense against espionage.

Mr. President, I wish to report that the McKinney panel of distinguished Americans who have been examining the operations of the Atomic Energy Commission has reached the same conclusion, namely, that the lack of uniformity in the information programs among the agencies of the Government on matters relating to our national security is a very unfortunate development, and one which should be corrected.

I note, Mr. President, that controversy about another aspect of information policies of the Atomic Energy Commission arose again yesterday, in a hearing being conducted by the Joint Committee on Atomic Energy. I was not present, of course, and my information comes from newspaper accounts, so I trust that my colleagues on the committee will enlighten me if the reports I have received in any way need expansion or correction.

According to the Washington Post and Times Herald of today—

The AEC's appearance before the Joint Committee on Atomic Energy, the first in its 3-day annual report to Congress, started off in sweetness and light and ended up with accusations of thought control in the research on uses of the thermonuclear reaction at a time restrictions are being eased on the uranium fission process.

The fracas began when Senator CLINTON P. ANDERSON, Democrat, of New Mexico, Joint committee chairman, resumed his months-long challenge of Strauss' policy for maintaining secrecy lids on scientific advances in the peaceful uses of thermonuclear (hydrogen) power.

Strauss repeated his argument that a peaceful themonuclear reactor—if successful—would produce the neutrons necessary for weapons. He said if this country released such information it might add to the research "carried on by an unfriendly power."

Senators ANDERSON and JOHN O. PASTORE, Democrat, Rhode Island, and Representative CARL T. DURHAM, Democrat, of North Carolina, then wondered what would happen if a college student, with no access to AEC data, came up with a major discovery concerning neutrons.

Strauss first said the law was silent on this point but then added: "A man takes his own chances" if he publishes without first submitting his scientific paper to the AEC for clearance. "He has a certain obligation to this country," Strauss said.

AEC General Counsel William Mitchell declared: "He [the hypothetical student] is under obligation to treat it as classified information even though it may have originated with him."

Anderson said he now knew why the Federation of American Scientists has been asking that peaceful thermonuclear work be declassified for scientists—"there's an obsolute iron curtain on thought [and] we didn't write that into the law. * * * The ultimate answer is that anyone who has a thought must first submit it to the AEC to see if they are allowed to think."

Strauss disagreed. And Mitchell said it was "not necessarily" true that physicist Albert Einstein would be in jeopardy for publicizing his nuclear findings were he alive today.

Mr. President, there is nothing new about the fact that the authority of the Atomic Energy Commission to classify information extends beyond the confines of its own establishment and jurisdiction. During the hearings which I held last year on the resolution to set up the Commission on Government Security, I posed much the same sort of hypothetical question to Mr. William Mitchell, the general counsel of the Atomic Energy Commission: whether the AEC assumed the authority to classify information developed by a scientist working in his own private laboratory if the AEC considered it should not be disclosed. Mr. Mitchell said that the Atomic Energy Commission did have this authority, and that failure to comply with AEC classification requirements could result in the prosecution of the scientist. I want to make clear, Mr. President, that I am speaking of a scientist who is in no way connected with the Atomic Energy Commission; an individual scientist just working on his own experiments in his own private laboratory.

Mr. President, I should like to have included at this point in my remarks a portion of the testimony presented by Mr. Mitchell, the general counsel of the Atomic Energy Commission, when he appeared before the subcommittee which held hearings last year on the resolution to establish the Commission on Government Security. The testimony begins at the bottom of page 267 in the hearings and concludes midway down page 270.

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

Senator HUMPHREY. There was some information to the effect in the stories at that time that if a good competent scientist or physicist with plenty of time, with the knowledge that is now public knowledge, would spend his time and energy he could produce a weapon. I do not have any idea about this. That is all very fascinating. My son knows more about this than I do. He was showing me about it last night. He reads the Popular Mechanics. But what would happen if a scientist out here at some university came up with some very important material and decided he just was going to release it? He says "I am an American. I live in this free country. I have got the Bill of Rights. Not only that, I do not like to be restricted." And so he just published it. What do you do about that?

Mr. MITCHELL. I am assuming that this scientist knows that the information that he has developed and is publishing falls within the category of restricted data.

Senator HUMPHREY. Let us assume that he is not very smart about these matters, but is just a good scientist. He never has met a politician, or even read the papers or a law book. I have met people like that. They are not particularly interested in the AEC. They are just interested in these little molecules. They finally produce something. What happens if he produces something?

Mr. MITCHELL. I think when this came to our knowledge, we would immediately call to his attention the fact that this information does fall within this area, and we would call to his attention the need for safeguarding it, and not passing it on to people who were not entitled to receive it.

Senator HUMPHREY. In other words, you would in the first instance only exercise prudent caution with him. No penalty?

Mr. MITCHELL. That would be my feeling, maybe Captain Waters——

Mr. WATERS. That would be my feeling.

Senator HUMPHREY. If he were going to continue his investigation, he would have to be cleared?

Mr. WATERS. Yes, sir.

Mr. MITCHELL. I think he would.

Senator HUMPHREY. What if he did not want to work through you? He just wants to sit in the basement and brew up these juices and just produce. Does he still have to be cleared?

Mr. MITCHELL. He would not have to be cleared so far as ideas generated in his own mind are concerned.

Senator HUMPHREY. What about his publishing these ideas?

Mr. MITCHELL. Well, the minute, I would say that at this point, he is on notice, that the kind of thing he is doing not only the information he already has developed but the information that he may continue to develop falls within this area. Then I think he is on notice that if he passes this new information on to people who are not entitled to receive it, I would think that this would be a knowing revelation.

Senator HUMPHREY. He is not a malicious fellow and really is a very saintly sort of person—the one I am talking about. He does not even know about these foreign enemies. He is filled with love and he writes these articles.

What do you do about him? Do you tell him he cannot write?

Let us assume first of all that he cannot get a security clearance. That he joined something that he should not have joined. He does not get a security clearance. So you cannot hire him. You cannot have anything to do with him. What do you do with this fellow? He is a scientist. He has a laboratory. He likes to work in his laboratory. He researches and he produces and he publishes. What do you do with him in America?

Mr. MITCHELL. So far as I know, we have never run into this situation. If we did, I would say that if this man is on notice that the things that he is doing have an important impact on our national defense and security, and if he chooses in spite of this knowledge, to pass this information on, to people who are not entitled to receive it, then he quite properly becomes subject to the criminal provisions of the law.

It seems to me in that situation, the national interest——

Senator HUMPHREY. In other words, you could really put him in jail?

Mr. MITCHELL. I think we could.

Senator HUMPHREY. What I am getting at is that here is a man who cannot meet your criteria for clearance. He is brilliant. He is able. He is skilled and he is peculiar. He just does not like these rules and regulations. I have some sympathy for those people that I meet. He does not know about a lot of the things we are talking about here. He has his mind on these atoms. He is splitting them five different ways. He is publishing things about them. You cannot use him. You do not want him. You cannot possibly take him under the law. And yet he has a brilliant mind. What do you do, just put him in jail?

Mr. MITCHELL. I hope we would not have to meet that situation.

Senator HUMPHREY. You may, very well. Let me give you an example which I am sure is not realistic. Suppose Oppenheimer who has been denied AEC clearance came to the AEC and informed you that he has been performing some calculations in his own office, because of his great intellectual curiosity, and that he has developed a revolutionary idea in the atomic weapon field.

The idea looks good to AEC, so good that if it had been developed within the AEC, a top secret restricted data classification would be immediately placed on it.

What could or would AEC do about controlling this data which now Dr. Oppenheimer has? What would Dr. Oppenheimer's position be?

Would AEC permit him to have access to this data and to work on his own idea? What do you do with this fellow if he comes up with a big new discovery?

Mr. MITCHELL. I would say in this situation that we would have to tell Dr. Oppenheimer something which he of course would know anyway, that this did fall within the category of classified information which had a bearing on the national defense and security, that we would expect him to follow the same physical precautions by way of safeguards and so on in protecting this that we would do ourselves, and then we get to the difficult question that you suggest, are we going to clear him so that he can discuss this with other people or must he segregate himself and carry it on himself?

Senator HUMPHREY. That is where you get to the tough issue.

Mr. MITCHELL. That is a very tough one.

Senator HUMPHREY. I am sorry to have to use this name. There are probably many scientists who could fall into this category?

Mr. MITCHELL. I think, yes, sir, as you say, let us take the hypothetical situation.

Senator HUMPHREY. Yes.

Mr. MITCHELL. One thing I can suggest there is that our security criteria do permit of a balance between the security risk on the one hand, and the need for getting the man's services on the other. So that we would have room there for this judgment.

How we would exercise it I could not tell you.

Senator HUMPHREY. What if you found a man who produced such ideas that is not just a security risk, but actually disloyal? What do you do about that?

Mr. MITCHELL. I would assume that we would have no compunction about compelling him to comply with the law; namely, not to pass this on.

Senator HUMPHREY. One way that could be done would be to put him in the electric chair. That surely would shut him up. What about the information that you may need? What do you do about that?

Mr. MITCHELL. Senator, I do not know any way that you can compel a person to give up what is in his mind unless he is willing to do that.

Senator HUMPHREY. But let us assume that he was willing to give us the information if he could get some other classified information to help with his idea?

Mr. MITCHELL. Well, then, we would have this balancing of judgment, if we knew he was disloyal. I think it is unlikely—it is most unlikely we would let him have anything additional.

Senator HUMPHREY. Even though he could give you twice as much.

Mr. MITCHELL. We would have to balance the relative factors here, and arrive at our best judgment. It certainly would be, to my mind, we would have to have a very impelling showing of our need to get what he had, before we would give him anything that was in our possession.

Senator HUMPHREY. This is an intriguing proposition, if you will pardon me for saying so. You know, you do run into people that are just sort of unorthodox.

Mr. MITCHELL. Yes, sir.

Senator HUMPHREY. You get one that is very wise, able, intelligent, and brilliant. He comes up with some discovery in a private installation. Maybe he worked all of his life to build his own laboratory. What if he just does not like all of your regulations?

Mr. MITCHELL. That is right.

Senator HUMPHREY. But you could force him to shut up.

Mr. MITCHELL. Yes, sir.

Mr. HUMPHREY. To return to the subject which I first began discussing, Mr. President—the fact that there is not a single information control system applicable to atomic-energy information as well as other types of national-defense secrets that are just as secret.

I searched in vain for an explanation, justification, or defense of this situation and why it has been permitted to persist since 1946. I am satisfied that there is no justification for it. Certainly no witness before the Subcommittee last year was able to defend or justify the situation or to explain why a uniform system would not be preferable.

It is my earnest hope that the Commission on Government Security will thoroughly explore this problem and submit recommendations for bringing order and system out of the existing chaos.

I repeat, the present confusion is intolerable and indefensible. It seems to me that after almost 10 years someone in the executive branch of the Government should be able to devise a uniform information system with respect to national defense matters, so that the respective offices and agencies of the Government responsible for the defense and security of the United States could exchange information without having road blocks placed in their way by an uncoordinated, literally unorganized system of information restrictions in department after department. Undoubtedly, the report of the McKinney panel will provide added impetus in this direction.

I wish to commend the McKinney panel for an outstanding job. It has been my privilege to read the account of the work of the McKinney panel on the peaceful uses of atomic energy, as published in the New York Times of February 1, 1956. That report has brought to the attention of the American people some very forward looking thinking and planning. The substance of the report, of course, is that there needs to be freedom of action and freedom of exchange of information relating to peacetime uses of atomic energy and thermonuclear energy.

I commend the chairman of the Joint Committee on Atomic Energy [Mr. ANDERSON] for his foresight and leadership. It is due very much to his determined, intelligent, and progressive leadership that the McKinney panel was established and the report made available.

Mr. President, I ask unanimous consent that the text of the conclusions and recommendations in the report of the Panel on the Peaceful Uses of Atomic Energy be printed in the RECORD at this point as a part of my remarks.

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

REPORT ASKS AEC TO SHARE CONTROL OF ATOM IN PEACE—VAST GAIN FORECAST IN NUCLEAR POWER

(By Anthony Leviero)

WASHINGTON, January 31—Congress was told today that atomic energy should be able to produce more electricity in 1980 than now is generated by conventional means.

The report of a citizens panel on the Impact of the Peaceful Uses of Atomic Energy called on the Nation to drive toward the nuclear-power goal with urgency and high priority.

The coal and gas industries were assured that the impact of nuclear power would be so gradual in a continually expanding economy that they would suffer no damage from this source.

In fact, the panel, headed by Robert McKinney, said neighborhood atomic powerhouses would bring many beneficial and few, if any, adverse effects on the national economy.

The report declared that if industry failed to assume the full risks and burdens in the nuclear power endeavor, the Atomic Energy Commission should go ahead and build with public funds one full-scale demonstration atomic plant of each size and type.

The more difficult but intriguing possibility of obtaining usable power by taming the thermonuclear hydrogen bomb process was viewed by the panel as a problem requiring maximum cooperation between the Commission and private scientific and industrial interests.

EXPANSION OF ECONOMY CITED

The relative impact of industrial nuclear power 25 years hence was illustrated in the report in this way:

The electric-generating capability of the United States, having doubled since the end of World War II, now is close to 115 million kilowatts. If the national economy continues to expand at the present rate, the United States will require as much as 600 million kilowatts by 1980, and of this total nuclear reactors may produce 135 million kilowatts annually.

"Special impact of atomic power," the panel said, "may be hard to isolate 25 years from now from the sum of the forces which will have come to bear on the power economy of the world's greatest energy user.

"Within 25 years our total electrical output may have gone up 3 to 5 times. If so, the national investment in generating, transmission, and distribution facilities will have risen from around $40 billion to between $125 billion and $210 billion.

"Using forecasts favorable to a high rate of atomic-power growth, atomic reactors would, in 1980, still be generating less than a fourth of our power. Using forecasts pessimistic to the use of fossil fuels, steam powerplants then will still be burning more than 60 percent more coal than they do today."

The panel also referred to the controlled hydrogen bomb process as another promising source of power. But the prospects of taming this greatest of forces were so remote that the committee was unable to venture an estimate as to when it might be attained.

A BASIC ENERGY RESOURCE

"This is a truly frontier research project," it said. "It concerns a basic energy resource which could have impact on the economics of the entire world. The Government has a clear obligation to give it full support as well as to stimulate scientific contributions from every quarter.

"At the same time there is also an obligation to the public and to those being encouraged by the Federal Government to invest in nuclear fission power to see to it that they are allowed to have sufficient information about the feasibility of nuclear fusion power to have an adequate foundation upon which to base a determination for themselves of the propriety of their investments and actions."

Senator CLINTON P. ANDERSON, Democrat, of New Mexico, who is chairman of the Joint Congressional Committee on Atomic Energy, has been feuding in recent months with Lewis L. Strauss, Chairman of the AEC, over the latter's refusal to release information about the hydrogen or fusion process.

The AEC has established a project to explore the feasibility of a controlled fusion process. The project has military implications associated with the hydrogen bomb, however, and for this reason the Commission has withheld information. The panel recog-

nized this and pleaded for a maximum interplay of scientific and engineering ideas within the limits of national security.

But it was atomic or fission power as the realizable goal that the panel discussed exhaustively. It saw an immediate need for experimental pilot plants from which necessary engineering and operating data would be gained.

"Private enterprise should carry a substantial part of the burden of research and development," the panel said, "including construction and operation of full-scale 'demonstration' plants.

"By 'demonstration' we mean providing experimental and engineering data from which economic feasibility can be deduced reasonably.

"REACTORS ARE DESCRIBED

"Where private enterprise does not assume the risk, we believe that the Commission should support expeditious development, if necessary, even up to and including construction of one 'demonstration' plant of each major reactor size and type with public funds. In any event, we believe that continuing responsibility should rest with the Commission to encourage, and, where necessary, support basic research and development in this field."

These are seven types of nuclear power reactors, authorized by, or pending before, the AEC:

Type, sponsor, power level, and kilowatts

Pressurized water at Shippingport, Pa., due for completion in 1957—AEC-Duquesne Light & Power Co.-Westinghouse Electric Co.	60,000–100,000
Boiling water, in operation 1960—Commonwealth Edison, Illinois	180,000
Fast breeder, in operation 1959—Detroit Edison and AEC	100,000
Pressurized water, Westchester County, N. Y., in operation 1959—Consolidated Edison	140,000
Aqueous homogenous, in operation 1962—Pennsylvania Power & Light and AEC	150,000
Sodium graphite, in operation 1959—Consumer's Public Power District, Columbus, Nebr., and AEC	75,000
Pressurized water, in operation 1958—Yankee Atomic Electric Co., Boston, and AEC	134,000

If nuclear power develops, as forecast, the panel said, its impact on the electric power equipment industry would amount to sales of $27 billion between 1960 and 1980.

Similarly if total electrical generating capacity expands as forecast, there will be no disruption or dislocation in the coal industry. If dislocations do occur, the panel said, they will be caused by the mining of more tons of coal by fewer men as a result of technological improvements.

REPORT ASKS AEC TO SHARE CONTROL OF THE ATOM IN PEACE—SECRECY DECRIED—CITIZENS' PANEL URGES BROAD CAMPAIGN TO TAP RESOURCES

(By Russell Baker)

WASHINGTON, January 31.—Congress received today a detailed and comprehensive blueprint for the Nation's peacetime atomic future.

It came from a special citizens' panel that had spent 10 months studying the country's atomic resources for peace at the direction of the Joint Senate-House Committee on Atomic Energy.

The panel urged that responsibility for developing the peacetime atom be transferred to a broad partnership of Government and independent science, technology, and industry.

In effect, it called for an end to strong centralized control by the Atomic Energy Commission. It recommended that the Commission become adviser, aid, and coordinator for a concerted national drive to develop the atom's peaceful potential.

On this basis, it depicted a future in which the Nation would add immeasurably to its material resources, extend its atomic bounty to the backward and improve the physical well-being of peoples everywhere.

CALLED MOST COMPREHENSIVE

The panel was composed of nine prominent citizens. It was headed by Robert McKinney, editor and publisher of the Santa Fe New Mexican. The Joint Atomic Energy Committee had assigned it to study "the impact of the peaceful uses of atomic energy."

Mr. McKinney described the report as the most comprehensive and, in some respects, the most authoritative survey of its kind yet published. Its major recommendations, concurred in by all the panel members were:

Government should build demonstration nuclear power plants of each reactor size and type if private capital did not take this important pioneering step soon.

The Atomic Energy Commission should make public all information about the technology of reactors.

The Commission should abandon the concept that all nuclear information was "born classified"—that is, that all new knowledge should be automatically labeled secret.

The Commission should create procedures through which more scientists could participate in the ultra-secret thermonuclear program related to the development of the hydrogen bomb and so speed development of nuclear fusion power.

The United States should make available "know-how and materials" for generating 1 million kilowatts of nuclear power abroad by 1960. This, it said, would rebut the argument "that America is so rich, so prosperous that a revolutionary new energy resource can emerge without any urgent need on our part to put it to man's use."

The Commission, the Maritime Administration and private shipping interests should explore the economic feasibility of atomic-powered ships in the 1960–65 period. Atomically propelled motor cars were ruled out as impracticable in the foreseeable future. The panel said atomic propulsion for commercial airplanes should await military experiment. It saw no immediate economic advantages for atomic locomotives.

Atomic developments in agriculture should be explored with high priority for humanitarian benefits to the world. In this country, however, Government should be alert to the likelihood that they would increase the food-surplus problem.

Implicit in the 155-page document and its 749-page supplement is the conviction that the United States cannot develop the peaceful atom best under restrictions now imposed on the Atomic Energy Commission by law and practice.

Both Congress and the Executive branch, the panel said, should accept "the fact that the era of atomic centralization in the Government in general and the commission in particular ended with the decision to press forward with peaceful uses."

As a basic step in making peaceful development equal to military research, it urged the commission to create a focal point within its organization at which authority could be concentrated for a master program.

The panel urged a greater responsibility for the atomic future for traditional wellsprings of United States progress—the universities, the hospitals, independent science, technology, and industry. It also recommended, however, that the Government continue to play a large and active role.

AN OPINION BY REUTHER

Many of the panel's recommendations, and particularly its call for a freer flow of information, contain the seeds of controversy. The report, however, is not regarded here as a partisan document in the amicable feud between Senator CLINTON P. ANDERSON and Lewis L. Strauss.

The New Mexico Democrat, who heads the Joint Atomic Energy Committee, and Mr. Strauss, chairman of the Atomic Energy Commission, have been at odds for months over information policy.

Because of this, many Capitol observers had expected that the report would be a hatchet job on Mr. Strauss.

Only in a separate opinion filed by Walter P. Reuther, president of the United Automobile Workers Union, was there any hint of overt criticism of the Commission. Mr. Reuther said that the country was "not moving with speed and determination to convert atomic energy into an instrument of peaceful progress."

He also concurred in the report of the full panel.

This report implied mild criticism of the Commission in its study of Government organization. It noted that there was "no actual focal point in the Commission for the integration of policies and programs related to peaceful uses comparable to the focus and empetus provided for military applications." It added:

"Yet the urgency for exploration of both is rapidly approaching equality as a matter of national policy."

The panel recommended action to fill this need and urged that other executive agencies develop their own organizations for dealing with their functional interests in peaceful uses of atomic energy, drawing upon the Commission for advice and services rather than leaning on it.

It also urged the joint committee to adjust restrictive deficiencies in the controlling Atomic Energy Act of 1954 and to conduct "continuous critical but constructive evaluations.

A WARNING ON MEDICINE

The weight of most recommendations was that peaceful development of the atom should gradually be turned over to those facets of national life that traditionally have brought all other scientific innovations to fruition.

It urged freer information, for example, so that industry might have sound knowledge for making vital business decisions and so that research might flower in the universities and private laboratories.

It warned that the Government atomic energy monopoly must not be extended to medicine because of dangers of secrecy, concentration of research, and bureaucratic control over institutions and personnel.

It urged private shipping interests and the Maritime Commission to be active in planning of atomic ships.

It urged generous support, both in money and facilities, for basic research in universities. It suggested that reactors be located for the greatest use to the greatest number of university scholars.

A CONCEPT CHALLENGED

Many recommendations hinged on the need for diffusing atomic know-how throughout the social fabric.

To balance "special-interest pressures," Congress would need "a well-informed and vocal public opinion," it said.

"The inherent requirement for less secrecy and freer flow of sgnificant information concerning the peaceful uses of atomic energy" is greater than the amount encouraged by the present law, the panel said.

While conceding the importance of keeping some information classified for security reasons, the panel criticized the concept that information is born classified.

This concept, it said, is not compatible with the expeditious action required to make information available for the full development of peaceful uses. Secrecy should

be limited to nuclear weapons, the report insisted.

It urged the Commission to begin compiling both classified and unclassified information relating to peaceful uses of the atom so that it could be easily available to those entitled to use it.

Without such a program, it warned, important data seem doomed to pile up in obscure documents and never reach those competent to use them.

Besides Mr. McKinney and Mr. Reuther, the panel members are: Ernest R. Breech, chairman of the Ford Motor Co.; George R. Brown, chairman of the Texas Eastern Transmission Co.; Sutherland C. Dows, president of the Iowa Electric Light and Power Co., and Dr. John R. Dunning, dean of engineering at Columbia University.

Also, Frank M. Folsom, president of the Radio Corporation of America; T. Keith Glennan, president of Case Institute of Technology, and Samuel B. Morris, general manager of the Los Angeles Water and Power Department.

REPORT OF THE PANEL ON THE PEACEFUL USES OF ATOMIC ENERGY

CONCLUSIONS AND RECOMMENDATIONS

Inevitably the many peaceful uses of atomic energy will be explored, fully developed, and put to man's best use. They will have strong impact on the American society and economy. For the Nation as a whole, and for most people, impact should be beneficial. Dislocations which may be in store will not be different from those normal in a rapidly expanding industrial economy.

For the many peaceful applications to enter into everyday life on a scale sufficient to cause impact, much remains to be done. Atomic power must first become economically competitive. Later it may be cheap but not free. Other atomic applications can add to the production capabilities of our factories and farms. New avenues to better health are in prospect.

More than money and promises are needed, however. It takes time and trained people to stake out the resources of this new technology. Widespread understanding of the difficulties to be overcome—potential hazards, and necessity for realistic international working arrangements—is an essential element in the realization of these benefits. Not only are these benefits our objective for ourselves; they must also be our objective for the whole free world. With our ability and leadership, their realization need not be far off.

ATOMIC POWER

Atomic power gives promise of becoming an important new resource for the generation of electricity. For the expanding economy of the United States and for less highly developed countries seeking ways to raise their levels of industrialization, atomic power provides reason for optimism.

The bright promise of the future must not hide the fact that large sums of money and years of effort must be spent to bring atomic power to a point where it can be used effectively and widely on a competitive basis. Unless and until research and development demonstrate that atomic power can be economically feasible, there can be no substantial impact.

Private enterprise should carry a substantial part of this research and development program, including especially the construction of full-scale "demonstration" plants. But in the event that industry does not take on the full risks and burdens, such a program should be supported by the commission, even to the construction with public funds of one full-scale "demonstration" plant of each major reactor size and type.

The present development program is deficient to the extent that appropriate "demonstrations" of the small and medium-size types are not now under way. The urgency associated with accepting the challenge to United States world leadership, together with the need for establishing atomic energy as a power resource available to assist in maintaining maximum expansion rates of the American economy, require that effective development and "demonstration" of all major reactor sizes and types be carried forward at high priority. If progress is not expeditious and efficient, it is clear that the Federal Government has a fundamental obligation to carry it out. Although private participation in this program is desirable, it should not be obtained at the cost of delay.

The rate of growth of atomic power will depend to a large degree on the rate of expansion of our total economy. By 1975 atomic power could amount to 20 to 40 percent of presently installed electric generating capability in the United States. If this occurs, however, it will be in the context of a total generating capability of 3 to 4 times present levels.

The net domestic impact of atomic power should be beneficial to individual consumers and to industry. Disruptive influences, even on specific industries most directly affected, are likely to come—if at all—over periods of time long enough to permit orderly adjustment. In specific industries popularly assumed to be most vulnerable to atomic inroads—coal, for example—such dislocation as appears possible would come from a welter of forces more complex and more overriding than atomic energy alone.

If atomic power is exploited as a source of electric power at a rate consistent with sound technological, economic and public policy considerations, the impact will be totally beneficial at home and abroad.

We recommend—

1. That the Congress, the American people, and the people of the world recognize that large sums of money and years of effort must be spent to bring atomic power to a point where it can be used effectively and widely on a competitive basis; unless and until research and development demonstrate that atomic power can be economically feasible, there can be no substantial impact;

2. That, in the event that industry does not take on the full risks and burdens, the commission should support a program to bring atomic power to a point where it can be used effectively and widely on a competitive basis, even to the construction with public funds of one full-scale "demonstration" plant of each major reactor size and type;

3. That the urgency associated with this program requires that the technological resource of atomic power be fully explored with high priority; and

4. That atomic power be exploited as a source of electric power at a rate consistent with sound technological, economic and public policy considerations.

CONTROLLED THERMONUCLEAR POWER AND DIRECT CONVERSION OF RADIATION ENERGY

Controlled thermonuclear power and direct conversion of radiation energy are subjects which stimulate men's imaginations. We have come to the conclusion that we can contribute nothing in the way of sound estimates of future impact in the absence of better data and on the basis of the speculations available to us. Exploration of these areas offers a great challenge to the best scientific minds in the world today.

There are military implications, however, which would come with the availabilty of specal nuclear material as a byproduct of controlled thermonuclear power. Within the limitations of national security considerations which these impose, we believe that this entire area of scientific and engineering development warrants the maximum interplay of ideas. We note the recent decision by the commission to make available information about its controlled thermonuclear program to United States citizens holding permits for access to secret restricted data. As private citizens, we would hope that the day will come when world conditions will permit all those able to contribute to thermonuclear power to learn all there is to know about it. Of greater present importance is the development of procedures by which more people can contribute freely to it.

This is a truly frontier research project. It concerns a basic energy resource which could have impact on the economics of the entire world. The Government has a clear obligation to give it full support as well as to stimulate scientific contributions from every quarter. At the same time there is also an obligation to the public and to those being encouraged by the Federal Government to invest in nuclear fission power to see to it that they are allowed to have sufficient information about the feasibility of nuclear fusion power to have an adequate foundation upon which to base a determination for themselves of the propriety of their investments and actions.

We recommend:

1. That the Commission, with the limitations which national security considerations impose, permit the maximum interplay of scientific and engineering ideas, and develop procedures by which more people can contribute to the controlled thermonuclear program in the United States; and

2. That the Commission, in encouraging investment in nuclear fission power, see to it that investors have sufficient information about the feasibility of nuclear fusion power upon which to base determinations for themselves as to the propriety of their investments and actions.

MEDICINE AND PUBLIC HEALTH

We feel that a high priority must be set on means for bringing higher health standards to our people and the peoples of the world through the beneficial use of atomic energy in medicine and public health. As individuals learn to recognize these beneficial aspects, they will begin to lose their fears of atomic energy arising from the fact that hitherto their attention has been focused on its military applications.

In setting forth the recommendations below, we have purposely refrained from suggesting specific methods of financing. It is our strong feeling, however, that medical institutions and research centers should not assume a passive role and expect the Government, and more especially the Commission, to assume all or even a major portion of the responsibility for providing research facilities, equipment, and materials. Government monopoly of atomic energy for weapons was wise and necessary, but this monopoly must not be allowed to extend itself into the medical field, with all the concomitant dangers of secrecy, concentration of research and control over facilities and personnel. Any Government assistance afforded the medical and public health professions should flow from all the various governmental agencies concerned with health, education, and research, and should carry with it no implication of Federal control over medical practice or research.

If maximum benefit is to be gained from the advances in medicine and public health made possible by atomic energy, it is necessary to—

1. Provide all medical schools with adequate facilities for training in atomic medicine techniques;

2. Create additional research centers with all appropriate equipment, including reactors;

3. Design low-cost atomic medical equipment suitable to the needs of the 6,100 hospitals and medical clinics without atomic facilities and provide at least minimal facilities to this group as rapidly as possible;

4. Make available at reasonable prices the now-expensive radioactively labeled organic compounds essential for research and therapy;

5. Assure prompt availability of current atomic developments in the field of medicine and medical research, with opportunity for full interchange of latest data and without interference of the independence of medical research investigators; and

6. Inaugurate a nationwide educational program on the more judicious use of radiation and the need for better recordkeeping of the exposure of individuals to radiation from all sources.

AGRICULTURE

Peaceful uses of atomic energy in the field of agriculture are significant additions to the many other modern methods of improving farm technology.

Man can already produce the food he needs if he takes advantage of the modern techniques available today. Atomic contributions will extend this ability to a still higher level, thus accentuating farm surplus problems in the United States. The extent of this impact will depend upon the rate of speed of development and the breadth of application. Efforts to speed the contribution of atomic energy to agriculture will inevitably increase the urgency of meeting the challenge to the Nation posed by farm surpluses.

Benefits of atomic applications to farmers can be as real and as immediate as each individual wishes to make them. The cumulative impact will be an increase in the farmers' ability to specialize, diversify, and better deal with their traditional worst foes—weather, pests, and diseases.

Peaceful uses of atomic energy in agriculture can help the undernourished peoples of the world have more to eat. If technological assistance is provided. There can be no miracles; research, education, and work are needed.

We recommend:

1. That the humanitarian benefits which can result from the application of atomic developments to agriculture require that this technological resource be fully explored with high priority;

2. That those charged with meeting the farm surplus problem take into consideration the fact that such atomic developments—as other major new farm techniques—will contribute materially to farm output; and

3. That the agencies and departments concerned with assistance to foreign countries develop a coordinated and vigorous program of high priority with technical assistance from the Commission, to focus atomic research where it can be useful soonest in undernourished countries. Only in this way can the United States bring to bear atomic contributions to agriculture, so as to demonstrate our historic sense of international humanitarian leadership.

RADIATION PRESERVATION OF FOOD

Radiation preservation of food does not appear likely to replace other methods of food preservation to any substantial extent in the foreseeable future. When economically feasible, it would be a supplement to other methods.

It appears that nothing but benefits can come from success in this field for both the consumer and for the economy as a whole. Higher proportions of skilled workers would probably be needed in the food industry, but the levels of skill should not be difficult to meet by retraining.

As radiation preservation is adopted commercially, more of the food produced in the Nation would reach consumers in usable condition. This would have the effect of adding to food supplies without relationship to any increases in food production. Radiation deinfestation of grain, a technique now available, could lead to greater surpluses.

Radiation preservation techniques appear to be new tools of an advanced and mature technological and industrial society, and are not likely to be readily applied to industrially underdeveloped areas of the world.

We see no need to change the present rate at which development of radiation preservation techniques is going forward, except insofar as military needs may require.

Therefore we recommend:

1. That the present program for development of radiation preservation techniques for foods and other perishables be supported at present and projected levels; and

2. That those charged with meeting the farm surplus problem take into account the fact that radiation deinfestation of grains, a technique now available, could lead to greater surpluses.

ATOMIC PROPULSION

Propulsion of commercial ships: Atomic propulsion of commercial ships is technically feasible. However, economically competitive atomic ships are not generally yet in prospect. A limited number of applications, such as oceangoing tankers, may have economic advantage. The possible need to replace a large portion of the United States merchant fleet in the 1960–65 period makes it desirable for the Atomic Energy Commission, the Maritime Administration, and the shipping and shipbuilding industries to work out a program for exploring the economic feasibility of atomic-powered ships. Only in this way can adequate engineering and operating data be obtained in time to permit determination of the advisability of construction of any substantial number of atomic-powered commercial ships a decade hence. Advantages of such ships during any future war, as well as maintenance of United States maritime prestige, give a degree of urgency to this line of development.

Propulsion of commercial aircraft: Though technical prospects for military aircraft with atomic propulsion are considered good, prospects for economically competitive commercial applications seem unlikely until some experience with military prototypes has been acquired. If commercial types ever come into use, they will probably be by-products of the military program. Foreseeable impact, even so, is not substantial since only very long-range cargo aircraft appear likely to be able to make profitable use of atomic power. The prospect of nuclear crashes in populated areas and resultant radiation hazards could serve as additional deterrents to extensive use. There appear to be no advantages inherent in commercial atomic aircraft worth additional efforts now, over and above those being expended on achievement of military objectives.

Propulsion of locomotives: Atomic locomotives could in all probability be built and operated successfully, but appear to offer no economic advantages until substantial improvements in reactor technology are made. There is no real industrial development program directed at atomic locomotives today and no directly comparable military atomic power projects are underway, but the technical and engineering data being developed will undoubtedly improve the outlook for economically competitive atomic locomotives in the years ahead. There appears to be no incentive or necessity for Federal support of an atomic locomotive development program, but the Commission should cooperate within the limits of national security with any industrial efforts.

Propulsion of motor vehicles: Atomic-powered civilian automobiles and commercial trucks and buses are not technically feasible today and apparently will not be in the foreseeable future.

Recommendations: We recommend:

1. That the Atomic Energy Commission, the Maritime Administration, and the shipping and shipbuilding industries work out a program for exploring the economic feasibility of atomic-powered ships; and

2. That the Commission cooperate within the limits of national security with any industrial efforts to develop atomic locomotives.

GENERAL INDUSTRIAL USES

Radioisotopes and radiation are already being used by industry for process control and inspection and for research. Savings in the form of reduced scrap, reductions in additional work performed on faulty products in process, and in better knowledge of what is happening in complex processes undoubtedly will be large in the years ahead. These have become natural tools of industry.

Atomic heat for industrial processes could be of significance in the future. No active research and development program on this problem is in progress. In view of the nature of the potential industrial applications of process heat, it would appear that private industry must bear the primary responsibility for the development of specific applications. However, at the present time, only the Commission has the facilities required to conduct the metallurgical research essential to the development of high-temperature reactors.

Atomic radiation may be very important as a new form of energy for the chemical and other industries. Present Commission support could profitably be stepped up in these areas of fundamental exploration. However, here again it appears that the development of specific applications will be most successful if they are carried out by the actual industries which are prepared to exploit them.

Atomic space heating, while theoretically feasible, appears unlikely to prove economically competitive on any substantial scale. Nevertheless, since space-heating requirements are a large fraction of total national energy demand, any efforts on the part of private industry to explore promising ideas should be encouraged by the Commission.

We recommend:

1. That the Commission step up fundamental research in areas relating to the use of atomic radiation as a new form of energy for material processing; and

2. That the Commission encourage any efforts by private industry to explore promising ideas relating to atomic space and process heating.

IMPACT ON THE UNITED STATES OF PEACEFUL ATOMIC DEVELOPMENTS ABROAD

The humanitarian applications of atomic energy can make significant contributions to the health and prosperity of peoples throughout the world. These techniques offer the United States an opportunity to establish specific research goals, the accomplishment of which could demonstrate the benefits of our concepts of freedom and the importance of the individual in society. There are many ways in which United States leadership in application of humanitarian uses must be pressed forward with imagination and vigor.

Atomic power may be the most tangible symbol of America's will to peace through the peaceful atom. Our domestic needs cannot be our only motivation. Otherwise, we leave without effective rebuttal the argument that America is so rich, so prosperous, that a revolutionary new energy resource can emerge without any urgent need on our part to put it to man's use. This must seem a strange position indeed to peoples possessing neither conventional fuels nor technical capabilities to put the atom to work.

If we fail to act to bring atomic power to the free world, other countries will do so ahead of us, or progress will proceed at a slower pace.

Peaceful uses of atomic energy will inevitably be developed throughout the world. The United States must lead.

Therefore, we recommend:

1. That the executive branch establish specific research and development goals to meet the needs of friendly nations; and that attainment of these goals be assured by provision of technical services, including the conduct of projects at home and abroad aimed at developing crops and farming methods, medical practices, and education and training in basic science and in applied atomic techniques adapted to the problems of specific friendly nations;

2. That the Commission center its responsibilities with respect to international development of peaceful uses of atomic energy in one alert, forward-looking organizational unit;

3. That adequate research and educational equipment and facilities be provided to friendly countries, accompanying research reactors sonsored by the United States, so that atomic scientific, agricultural, and medical benefits can be brought to bear promptly where most needed;

4. That the United States encourage other nations to decide for themselves the rate at which they wish to apply atomic power and other industrial uses of atomic energy to their own economies, to which end, we further recommend:

I. That the United States promptly convene a series of regional conferences of our bilateral partners for the immediate establishment of realistic goals for the installation of atomic electric generating plants in specific countries:

II. That the United States, in issuing invitations to such conferences, announce that it is prepared to furnish nuclear fuels, provide necessary technological assistance and permit contracts for the installation of at least 1 million kilowatts of atomic generating capacity outside the United States as soon as possible—we hope by 1960. The attention of the world should be called to the fact that such a program would parallel and possibly exceed the capacity installed during the same period at home;

III. That financial assistance, when required and where justified for this program, be made available through normal governmental and private channels, not through the Commission; and

IV. That atomic power plants constructed under these programs be subject to interim control plans involving appropriate inspection to be agreed upon by each participating bilateral partner, and requiring reprocessing of spent fuel and recovery of plutonium or uranium 233 in the United States; materials thus recovered to be earmarked for further expansion of peaceful uses.

PUBLIC AND PRIVATE ATTITUDES AS THEY AFFECT DEVELOPMENT OF THE PEACEFUL USES

Until there is a better informed public opinion—until there is more balance in programing what lies ahead—and until there is integrated policy to guide both our domestic development and our participation in international development of peaceful uses of atomic energy compatible with international atomic control, attitudes and climate alike are apt to shift from day to day and week to week. Stabilizing these in the framework of sound public policy is a task which requires the concerted, responsible attention of all those seriously interested in the future of America in the atomic age.

With the opening up of applications of peaceful uses of atomic energy to private enterprise, however, the Congress clearly needs the full benefit of a well-informed and vocal public opinion. This is necessary to provide a balance to special-interest pressures. In the normal course of the democratic process there are pressures concerning public and private power, concerning guaranteed ore and byproduct purchasing programs, concerning Federal encouragement of developments which, it is feared, may cause dislocation of workers or obsolescence of capital investment. These and other pressures can best be kept in balance by an informed and critical public, and an intelligent, freely functioning press. It therefore follows that the inherent requirement for less secrecy and freer flow of significant information concerning the peaceful uses of atomic energy is greater than the encouragements to this end contained in the 1954 act.

CONTROL OF INFORMATION

National security requires that some information related to atomic energy be controlled. Important though the peaceful uses of atomic energy may be, military uses are vital to our defense. As long as world tensions continue, some classification system will be required both to reduce the knowledge of potential enemies about our defenses and to avoid making it easier for potential enemies to build military strength to be used against us.

The existence of a dual system of information control, one for atomic information and one for defense information, has less validity now that other countries have developed capabilities of their own in military and peaceful uses of atomic energy. We would think it appropriate for both the Congress and the executive branch to explore the possibility of reinstituting a single information control system with uniformly applicable penal provisions for violations. The concept that information is "born" classified is not compatible with the expeditious action required to make information available for the full development of peaceful uses. This concept should be limited to nuclear weapons.

As long as any atomic information remains under control, those interested in its development and applications will suffer serious handicaps. No administrative agency can ever give a guaranty that a private citizen has all the information needed for decisions and actions.

The Commission can take steps beyond those now contemplated, however, to improve the situation. The collation of all information pertinent to peaceful uses on some rapid and continuing basis is an important technique. Collections can and should be divided into classified and unclassified categories so that they can be made available to the maximum number of people. Without action of this sort, important data seem doomed to pile up in obscure documents, and never reach those competent to use them. Such data may not even come to bear fully on Commission work. If any significant quantity of information essential to development of peaceful uses is to remain classified, it would seem that a substantial number of people will have to become engaged, directly or by contract, in the tasks of digesting, collating, reviewing, and distributing it for those entitled to use it.

Therefore we recommend:

1. That the Commission remove all reactor technology from the restricted data category, including such areas as fuel element fabrication and processing techniques, leaving specific military applications of such technology to be protected, insofar as national security is involved, by the defense classification system;

2. That the Joint Committee reexamine the concept that atomic information in all fields is born classified; we believe that this concept is not compatible with the expeditious action required to permit rapid development of peaceful uses of atomic energy; and that therefore this concept should be limited to the design, manufacture, or utilization of atomic weapons; and

3. That the Joint Committee require the Commission to undertake the compilation of both classified and unclassified information relating to peaceful uses of atomic energy on a continuing and current basis so that it can be available in ready reference form for those entitled to use it.

RESEARCH AND DEVELOPMENT

During the present transition from all-Government to Government and private responsibility for the conduct of applied research and development relating to the peaceful uses of atomic energy, a more equitable sharing of the burden should be the constant objective of the Commission and of industry. The research resources of the Commission should continue to be directed to exploration at the frontier and at the same time be available to insure that no promising area is left unexplored or receives insufficient effort to meet the national interest.

For industry to bear its responsibility, it must have facilities, personnel, current and full information, and detailed knowledge of Commission programs as they relate to peaceful uses. Normal competitive incentives must be available. To hasten progress a two-way flow of information between the Commission and industry is essential.

Continued expansion of basic research is, of course, essential to future progress. Such research should continue to be supported vigorously by the Commission in the university centers where, historically, the dual function of advancing fundamental knowledge and education has flourished.

In order to achieve these objectives, we recommend:

1. That basic research in universities be given generous support, both in funds and facilities, through all normal channels to insure continued expansion of fundamental knowledge in the fields related to the peaceful uses of atomic energy:

2. That the Commission be encouraged to place research and development contracts with universities and other private research centers—even in advance of actual construction of such facilities—in order to expand total research efforts and to aid in the prompt establishment of such private research capabilities; should additional contract authority be necessary, appropriate amendment of the 1954 act should be made promptly;

3. That the Commission be encouraged and, if necessary, required to state its research and development objectives and programs in detail on a current basis so that industry can have a firm base in knowledge on which to make its decisions; and

4. That the present Commission laboratories continue to be supported as vital national assets for assuring the expeditious exploration of atomic energy. For exploration of our peaceful atomic resources, these laboratories, however, must be used to encourage non-Commission research capacilities as they develop. Their objective must continue to be research at the frontiers so that they can make the maximum contribution to peaceful and military application of atomic energy.

MANPOWER; EDUCATION OF THE PUBLIC AND THE INDIVIDUAL

Whatever limitations are imposed by present secrecy rules on other aspects of the development of the peaceful use of atomic energy, there can be no doubt that sufficient information now exists in unclassified form to serve as texts for the most advanced college courses in nuclear science and engineering.

Having noted the need for more nuclear scientists and engineers, and having noted that present college programs are not adequate to supply them, the consideration of various alternate solutions is in order.

An all too normal tendency is to view with alarm, to consider every problem in every field a crisis, and to call for crash-program solutions.

America's multitudinous forums of public opinion are now at work on the important

task of searching for an answer to the problems of higher education in a free society. We believe the Nation will find the answer in a variety of ways, not in any single master plan.

We feel that nuclear scientists and engineers will be important to the Nation in the years ahead. It will also be important to train scientists and engineers in many other specialties as well. Further, scientists and engineers are an important element, but only one of the elements of a free society. Our social sciences and cultural arts need equal emphasis to aid us in adapting to conditions and tensions of the atomic age—both military and peaceful.

The balanced society is the society which serves all its members best and uses all their talents.

Our recommendation here, as on other subjects, is balance. Specifically we recommend:

1. The encouragement of orderly and determined efforts on the part of all concerned to increase the output and improve the quality of scientists and engineers capable of contributing to the development of peacetime atomic uses;

2. That the Commission continue support of university research and graduate study; we urge that private enterprise likewise give them support;

3. That the facilities of the national nuclear laboratories be made more widely available to support college training programs; and

4. That recognition be given to the need for additional research reactors and other facilities. In addition to facilities required for use on college campuses, we would consider it wise to design, locate, and operate future research facilities, and especially reactors, in such way that they can be of the greatest use to the greatest number of college and graduate students.

HAZARDS, PROTECTION, AND INSURANCE

The possible hazards from peaceful uses of atomic energy range from minor to catastrophic. Hundreds of applications in the fields of medicine, agriculture, and industry can apparently go forward under present regulations and standards with no serious risks.

There is urgent need for better data, however, and every effort to expedite its development should be made by the commission and all other responsible public and private groups involved in development of peaceful uses. Every argument for changes in standards should be explored fully in competent forums to insure that no lead is left unexplored and that real doubts are resolved for maximum public safety.

Federal, State, and local authorities must continue to cooperate closely in the establishment and enforcement of the best uniform radiation health standards which can be developed. There must be balance between the conceivable and the actual hazards, however, and for some years to come the Federal Government will certainly have the responsibility of establishing this balance. This is not the sole responsibility of the Commission, but a joint responsibility of all Federal agencies involved or affected.

We are not satisfied that the time has yet arrived to reconsider the need for a Federal atomic insurance program covering peaceful uses. We have noted with interest recent plans of private insurance companies to deal with these problems. Such efforts should be encouraged. At least 2 and possibly 3 years remain in which to conduct research and accumulate knowledge and experience before any substantial private activity can be delayed or stopped because of inability to obtain adequate insurance. In fact, implications that the Government is prepared now to take on the insurance burden might stifle vigorous private efforts to meet the problem. We look on a Federal atomic-insurance program as a threat to private atomic enterprise, not a benefit. It is a last resort not yet called for and one which may not be needed.

Therefore, we recommend:

1. That the Commission be encouraged to step up its program of research into the causes, effects, and control of atomic hazards; the 2 or 3 years remaining before any full-scale "demonstration" atomic powerplant comes into operation must be used to obtain the maximum amount of information in order that both those concerned with protection against harmful levels of radiation and those concerned with providing insurance to cover such damage as may occur can have the most advanced knowledge possible at the earliest time; and

2. That the Joint Committee and the Commission continue to encourage the insurance industry to develop ways of meeting atomic-insurance problems entirely within the concepts of private enterprise.

OWNERSHIP OF SPECIAL NUCLEAR MATERIALS, LICENSING AND REGULATION

Ownership of all special nuclear materials by the Federal Government is now desirable and useful, but at some future time the factors motivating such Federal ownership may change. We would expect that continuing review for the statutory finding would result in its abandonment at some future date.

We have noted that while it is desirable to construct a sound licensing system as rapidly as possible, contracts for private possession and use of Government-owned special nuclear materials could provide, in addition to financial terms, all of the conditions necessary for protection of public safety and national security. The emphasis in the 1954 act on licensing is sound as a means of establishing equality of treatment of private participants, only if it is recognized that licensing rather than Federal ownership is to be the future course.

Despite recognition of the fact that there is no evidence of anyone now being injured by the licensing provisions of sections 103 and 104, the principles involved in these sections, in our opinion conflict with the principles of private enterprise which the 1954 act has been represented as advancing.

As the peaceful uses of atomic energy expand, public safety requires establishment of minimum Federal standards on radiation dosage and equipment design. Enforcement on a uniform basis should be shared with State and local authorities as rapidly as possible * * *.

Delays in clarifying for American business men what they can do or what they can discuss with potential foreign customers with respect to peaceful atomic applications further impair incentive for development of industrial manufacturing potential at home, and the leadership of the United States in these fields abroad.

We therefore recommend:

1. That the Joint Committee on Atomic Energy create statutory devices to insure a continuing review of the present policy of Federal ownership of all special nuclear materials in anticipation of the establishment of private ownership;

2. That the 1954 act be amended to permit initiation of proceedings for the determination of "practical value," as required in section 102, by private citizens as well as by the Commission, limiting the definition of "practical value" to technical considerations;

3. That the Commission and other appropriate Federal departments and agencies, work with State and local authorities to establish uniform safety and health regulations and enforcement relating to peaceful uses of atomic energy; and

PEACEFUL USES OF ATOMIC ENERGY

4. That the Joint Committee on Atomic Energy reevaluate now the propriety of the controls on the activities of American business in foreign countries imposed by section 57a (3) of the 1954 act, over and above those controls established by other provisions of the act relating to control of information.

FINANCIAL ENVIRONMENT

The selection by the Commission of research and development projects is significant in affecting the financial environment surrounding development of peaceful uses of atomic energy. Research performed by the Commission and access granted to the results can take the place of work which otherwise would have to be performed by private investors.

Guidance related to research conducted in Commission laboratories for itself and for others should be given by the Congress on three points: The priority to be accorded civilian versus military research tasks; the desirability of creating additional Commission facilities to conduct peaceful research as an alternative to other devices, such as direct Government financial aid to private industry to develop such research facilities, and priorities as between potential private applicants for research in Commission facilities.

Without such guidance, the Commission is placed in a position to exercise influence over the economics of private ventures which may lead to charges of favoritism, partiality, and mismanagement of Government resources. This is an excessive responsibility to place on the Commission. It is almost certain to lead to an overly cautious attitude on the part of Commission personnel.

The establishment of priorities for making available Commission facilities for processing, fabricating, separating, or refining source, byproduct, and special nuclear materials should follow the standards of urgency applied to peaceful uses requiring these services * * *

With respect to Commission support of research and development in licensed facilities, we have concluded that only in this way can the Commission assure that exploration of the frontiers of peaceful atomic use will move forward with sufficient impetus. Investment of Commission research and development money in both small and large private demonstration atomic powerplants seems to us to be sound national policy.

The Commission can seek to meet its own requirements for products and services of a military nature by contracting with industry. There may be some question, however, as to how useful this form of financial encouragement can be to peaceful uses development, except for the value resulting from the training of skilled personnel.

Waiver by the Commission of charges for fuel inventories and consumption could be of substantial financial assistance in the development, construction, and operation of experimental, medical, research, and demonstration facilities. This device now has limited effect because the Commission is considering the exercise of its discretionary authority only in relation to fuel consumption.

Military requirements for uranium are the present reason for ore-price guaranties. A free market should be the objective for the era of expanded peaceful uses without guaranties.

As an alternative to price guaranties in accomplishing the transition to a free market, tonnage guaranties based upon military requirements should be considered. Any guaranties should be reviewed annually and extended on a 5-year moving basis only if justified by military requirements.

Commission authority to establish guaranteed prices for production of special nuclear materials in licensed facilities is a powerful financial device which has a material bearing on the economics of atomic power. The Commission has exercised its pricing authority in a conservative manner so as not to lay the foundations for a long-term subsidy to the

atomic-power industry. The wisdom of this cannot be examined publicly unless the entire supply and demand picture can be declassified. We are not critical of the Commission's prices, but we think it undesirable for a financial device of such far-reaching significance to be hidden from public examination.

The authority of the Commission granted by section 81 of the 1954 act to distribute radioisotopes and fission products with or without charge has been exercised with beneficial effects in the sale of radioisotopes at 20 percent of cost for medical research. We can think of no better way to increase the rate of development of many peaceful uses of atomic energy in the years immediately ahead than by extending this same policy to all research in the fields of general science, agriculture, and industry, as well as to diagnostic and clinic uses in the field of medicine. This may be an ideal way for Government to speed exploration of potential new resources and to aid humanity at modest cost.

Other financial devices, direct and indirect, controlled both by the Commission and by other Government agencies, can be used as necessary to improve the financial environment and speed development of peaceful uses of atomic energy.

We recommend that:

1. The Joint Committee review the 1954 act, in light of the priorities for development of various peaceful uses set forth in our report, with a view to providing clear guidance to the Commission on the relative priorities of military and peaceful uses and between various peaceful uses:

2. The Commission provide financial assistance under section 31 of the 1954 act for the conduct of research involved in one "demonstration" of each major type of utilization facility insofar as such assistance proves essential to private participation in such projects;

3. The Joint Committee, in considering future Commission requests for long-term contract authority for the procurement of materials and services from industry as an alternate to building additional Government facilities, bear in mind that in some cases it may be unsound to encourage private enterprise to focus its attention on commission military needs not compatible with the ultimate direction of peaceful uses;

4. The Commission waives all charges for fuel used in experimental, medical, research, and demonstration facilities where such facilities are owned by nonprofit institutions and used substantially for educational or medical purposes;

5. The Commission recognize that military requirements for uranium are the present reason, for ore-price guaranties and that a free market should be the objective for the era of expanded peaceful uses without guaranties; that the Commission, as an alternative to price guaranties in accomplishing the transition to a free market, consider tonnage guaranties based upon military requirements; any guaranties should be reviewed annually and extended on a 5-year moving basis only if justified by military requirements;

6. The guaranteed price schedules for the production of special nuclear materials be declassified to make possible public examination of this important financial device;

7. The Commission sell radioisotopes at 20 percent of cost for use in all research in the fields of general science, agriculture and industry, as well as in diagnosis and clinical use in the field of medicine; and

8. The study prepared by the Department of the Treasury be examined as a valuable exposition of important and often-misunderstood financial techniques. * * *

PATENTS

Patents can stimulate private investment in the development of peaceful uses of atomic energy. The absence of clear patent policies or ambiguity in administration can seriously retard. The 1954 act for the most part accomplishes the same objectives as the normal patents system and at the same time protects the public against unwarranted abuse or monopoly. Return of patents on peaceful atomic applications to the normal system must be the objective. In the meantime, prompt and definitive statements of Commission patent policy are currently more essential than revision of the patent provisions of the 1954 act.

We recommend:

1. That the Commission announce its complete interpretation of patent provisions relating to private development of peaceful uses promptly, not on a piecemeal or case-by-case basis;

2. That the Commission notify inventors promptly as to the intentions of the Government with regard to the filing of applications for patent rights in foreign countries on inventions to which title in the United States rests with the Commission and authorize the inventors to file applications for patent rights in foreign countries where the Commission chooses not to do so; and

3. That the complete review of the patent provisions of the 1954 act by the Joint Committee be set aside until the expiration date relating to the reserve power compulsory licensing provisions in section 153 (h)—September 1, 1959—is closer at hand. There are many other important policy issues which require more prompt attention.

GOVERNMENT ORGANIZATION

The peaceful uses of atomic energy affect the functions of almost every department and agency of the executive branch and all of the corresponding committees of the Congress. Organization of both branches of our Government must be directed toward acceptance of the fact that the era of atomic centralization in the Government in general and the Commission in particular ended with the decision to press forward with peaceful uses.

There is no actual focal point in the Commission for the integration of policies and programs related to peaceful uses comparable to the focus and impetus provided for military applications. Yet the urgency for exploration of both is rapidly approaching equality as a matter of national policy.

In the transition from primarily military orientation to dual emphasis, the speed with which the Congress recognizes problems and adjusts legislative policy will be of great importance in determining the rate and continuity of progress. The need for a mutuality of understanding between the Joint Committee on Atomic Energy and the Atomic Energy Commission and for leadership on the part of both to a common end is of greater importance today than ever before.

We therefore recommend:

1. That the Commission provide a real focal point within its organization at which are concentrated authority and responsibility for defining the integrated objectives for research and development of the peaceful uses of atomic energy, both at home and abroad, for establishing definite requirements with time scale for accomplishment of these objectives, and for assuring expeditious execution of the necessary programs and projects;

2. That other departments and agencies of the executive branch be encouraged to develop their own organizations for dealing with their functional interests in peaceful uses of atomic energy, drawing upon the Commission for advice and services rather than leaning on the Commission or delegating their functions to it;

3. That the Joint Committee on Atomic Energy continue to serve the Congress as a mechanism for balancing the interests of the Nation in both peaceful and military atomic pursuits and for providing the Congress and the Nation, through hearings, reports, and by other means with a constantly expanding but realistic understanding of the import of peaceful uses of atomic energy to the American way of life, economy, industry, employment, and natural resources, and to our international leadership; and

4. That the Joint Committee on Atomic Energy recognize deficiencies in law, act expeditiously to make appropriate adjustments and clarification in law, and provide the Commission and other agencies and departments of the executive branch concerned with peaceful uses of atomic energy with opportunity for sympathetic consultation, as well as conducting continuous critical but constructive evaluations.

NOMINATION OF JAMES WELDON JONES TO BE A MEMBER OF THE UNITED STATES TARIFF COMMISSION

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a statement which I have prepared in support of the nomination of Mr. James Weldon Jones to be a member of the United States Tariff Commission, which nomination has been favorably reported to the Senate by the Committee on Finance.

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

STATEMENT BY SENATOR LEHMAN

For some days now there has been on the Executive Calendar the name of Mr. James Weldon Jones, of Texas, who has been nominated to membership on the Tariff Commission. Mr. Jones' nomination has been favorably reported by the Finance Committee to fill an unexpired term. He is at present sitting on the Tariff Commission as an interim appointee.

I do not have the pleasure of personally knowing Mr. Jones, but individuals in whom I have high trust and confidence have spoken to me in eloquent terms concerning the qualifications of Mr. Jones, his character, and his long and faithful service to the Government of the United States.

Mr. Jones is, as I understand, a member of my own party. He is a man of vision and understanding of the role and position of the United States in world affairs. He understands the economic implications of that role.

Having served for over a decade in the Budget Bureau as Assistant Director of the Bureau, having served before that in the Philippines as financial adviser to the High Commissioner and as Acting High Commissioner, he has shown throughout his career in public service—and it is a service now of more than 20 years—a keen and lively sense of the human values which underlie the figures and statistics with which he has always worked, and with which he will continue to work as a member of the Tariff Commission. Such a man is a valuable addition to the Tariff Commission.

It seems to me that Mr. Jones is a very appropriate appointee as the Democratic member to the Tariff Commission. I wish there were more appointments like this one. Unfortunately there have not been many. I am glad, however, to pay tribute to President Eisenhower for this one appointment which should be a model for others.

ADDITIONAL FUNDS FOR THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the

consideration of Calendar No. 1474, Senate Resolution 184.

The PRESIDING OFFICER. The Secretary will state the resolution by title.

The CHIEF CLERK. A resolution (S. Res. 184) to provide additional funds for the Committee on Interior and Insular Affairs.

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

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

Mr. ELLENDER. Mr. President, as I understand, the resolution would authorize the employment of additional persons by the Committee on Interior and Insular Affairs.

Mr. CLEMENTS. The Senator is correct.

Mr. ELLENDER. The same situation prevails as has prevailed in the past. Is that correct?

Mr. CLEMENTS. That is my information.

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

The resolution was agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 of the Legislative Reorganization Act of 1946.

EXTENSION OF TIME FOR FILING REPORT BY THE SUBCOMMITTEE ON DISARMAMENT OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1475, Senate Resolution 185.

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

The CHIEF CLERK. A resolution (S. Res. 185) extending the time for filing a report by the Subcommittee on Disarmament of the Committee on Foreign Relations.

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

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

Mr. ELLENDER. Mr. President, I understand that the resolution merely gives authority to complete the report by June 30, 1956, with the utilization of $15,000 of unspent funds and $20,000 of new funds; is that correct?

Mr. CLEMENTS. That is correct; $35,000 in all.

Mr. KNOWLAND. Mr. President, the distinguished Chairman of the Committee on Foreign Relations, the senior Senator from Georgia [Mr. GEORGE], spoke to me about the resolution. I am a member of the Committee on Foreign Relations and of its Disarmament Subcommittee. The resolution was unanimously approved by the Committee on Foreign Relations.

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

The resolution was agreed to, as follows:

Resolved, That the subcommittee (as authorized and directed by S. Res. 93 of the 84th Cong., 1st sess., agreed to July 25, 1955) of the Committee on Foreign Relations is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with the jurisdiction of the Committee on Foreign Relations specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the international control and reduction of armaments, as further described in Senate Resolution 93, 84th Congress.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to July 1, 1956, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than July 1, 1956.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $35,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF MATTERS PERTAINING TO TECHNICAL ASSISTANCE AND RELATED PROGRAMS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1480, Senate Resolution 162.

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

The CHIEF CLERK. A resolution (S. Res. 162) to investigate matters pertaining to technical assistance and related programs.

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

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments on page 1, line 12, after the word "January", to strike out "13" and insert "31", and on page 2, line 4, after the word "the", where it appears the first time, to insert "prior", so as to make the resolution read:

Resolved, That the subcommittee (as authorized by S. Res. 214, 83d Cong., 2d sess., agreed to July 6, 1954) of the Committee on Foreign Relations is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with the jurisdictions of the Committee on Foreign Relations specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to technical assistance and related programs.

SEC. 2. For the purposes of this resolution the committee from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $27,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

Mr. ELLENDER. Mr. President, as I understand, the purpose of the resolution is to continue the study of technical assistance to South America. Is that correct?

Mr. CLEMENTS. The Senator is correct.

Mr. ELLENDER. The amount involved is $27,000. Is that correct?

Mr. CLEMENTS. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

RESOLUTION CONTINUING TO FEBRUARY 29, 1956, AUTHORIZATION OF COMMITTEES TO MAKE EXPENDITURES

Mr. CLEMENTS. Mr. President, on behalf of the minority leader and myself I send to the desk a continuing resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will state the resolution.

The Chief Clerk read the resolution (S. Res. 209), as follows:

Resolved, That all committees having fund resolutions now on the Senate Calendar, specifically Calendar Nos. 1387, 1388, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1476–1479, and 1481 (inclusive), and which have, under specific prior resolutions that expired on January 31, 1956, or which will expire prior to February 29, 1956, authority to make expenditures from the contingent fund of the Senate, shall, through February 29, 1956, be authorized, pursuant to the provisions of each committees' expired or expiring resolution, to make expenditures from the contingent fund of the Senate at a monthly rate not in excess of the highest expenditures for each committee, respectively, in any of the past 3 months.

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

Mr. CLEMENTS. I am delighted to yield.

Mr. KNOWLAND. The distinguished acting majority leader consulted me with regard to this procedure. We felt, in view of the gentleman's agreement with respect to the period of a week which starts tomorrow, the only fair thing to the committees involved would be to continue their funds through the 29th of February.

Undoubtedly before that date, and at the earliest opportunity, after the disposition of the program the majority has in mind, the Senate will consider these resolutions, debate them, and adopt them. Therefore, I believe we should consider the resolution before the expiration date contained in the continuing resolution which the Senate is now considering.

Mr. CLEMENTS. I may say to the Senator from California, and for the information of the Senate, that it is the intention of the acting majority leader to bring the resolutions to the floor of the Senate for consideration and final determination at the earliest possible time after the period involved in the gentleman's agreement has expired.

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

Mr. CLEMENTS. I am pleased to yield to the Senator from Wisconsin.

Mr. McCARTHY. With respect to the list of resolutions which the clerk has read, I should like to inquire whether the list includes a resolution for the so-called Hennings subcommittee on constitutional rights.

Mr. CLEMENTS. I say to the Senator from Wisconsin that it applies to that resolution and that it also covers resolutions of all committees that have requested funds to continue their work.

Mr. McCARTHY. I may say to the Senator from Kentucky, in view of the gentlemen's agreement, which I understand has been entered into, to the effect that no controversial matters will come before the Senate during the next week or 10 days, and in view of the fact that the authority for the expenditure of funds by the committees is being extended for only a short period of time, I shall not spend any time discussing the resolution at this time.

However, I wish to serve notice—and I should like to have the attention of the Senator from Missouri——

Mr. HENNINGS. I am listening very carefully to the Senator from Wisconsin.

Mr. McCARTHY. I wish to serve notice that when that resolution comes up I shall discuss it in some detail. I believe the Hennings subcommittee, not purposely, but unwittingly, has done irreparable damage to the country. I believe it has damaged the security system as it exists in our country. I believe it has scared security officers, and has kept them from performing their functions as they should have. I say again that, not purposely, but unwittingly, the Hennings subcommittee has served the cause of Communist Party liners who hold jobs in Government and who have infiltrated the Government.

I do not intend to discuss the matter any further at this time, because I believe it would be improper to object to the extension requested until February 29, under the agreement entered into between the minority leader and the majority leader. However, I shall discuss it in some detail when the resolution comes before the Senate for consideration.

Mr. CLEMENTS. So that the RECORD will be clear, the date is not February 29, but March 1.

Mr. McCARTHY. Very well; March 1.

Mr. HENNINGS. Mr. President, the Senator from Wisconsin, of course, has made several declarations this afternoon. I assure him that I shall undertake to be ready to answer his observations and arguments to the best of my ability, as I was ready to do this afternoon. I assume and presume that we can leave the entire matter to the good judgment of the Senate at the appropriate time.

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

There being no objection, the resolution (S. Res. 209) was considered and agreed to.

Mr. CLEMENTS. Mr. President, I am sure it is not necessary for me to say that every Member of the Senate is aware that both the Senator from Missouri [Mr. HENNINGS] and the Senator from Wisconsin [Mr. McCARTHY], and every other Member of the Senate, will have ample opportunity to express their views on this resolution, as on any other measure that comes before the Senate.

Mr. President, I desire now to make a motion.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I realize that the senior Senator from Oregon has a matter which he has been waiting for some time to take up, but I hope he will bear with me for a moment while we consider the Executive Calendar.

Mr. President, I move that the Senate proceed to the consideration of executive business and consider the nominations under the head of "New Reports."

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

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will state the nominations under the head of "New Reports."

UNITED NATIONS

The Chief Clerk read the nomination of Raymond T. Bowman, of Pennsylvania, to be a representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mrs. Lorena B. Hahn, of Nebraska, to be representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations in the Diplomatic and Foreign Service are considered and confirmed en bloc.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Frank D. Yturria, of Texas, to be collector of customs in customs collection district No. 23, with headquarters at Laredo, Tex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

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

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

HOG MARKETING PREMIUM PAYMENTS

Mr. HUMPHREY. Mr. President, today in the Senate Committee on Agriculture and Forestry I presented for the consideration of my colleagues on that committee amendments to the pending farm bill relating to our overall agricultural program.

One of the amendments I presented related to hog market premium payments. It is a proposal to implement the price of a certain type of hog, namely, the lightweight hog, and I have outlined a proposal which I think will be workable and be a very sound and economical program for the Government, the consumer, and the producer.

Mr. President, I ask unanimous consent that a statement which I have had prepared explaining the proposal involved in the amendment which I have presented to the committee be printed at this point in the RECORD.

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

STATEMENT BY SENATOR HUMPHREY

A self-regulation plan for easing depressed conditions in hog markets through Government premium payments for the marketing of hogs at weights of 200 pounds or less was proposed to the Senate Committee on Agriculture and Forestry today by Senator HUBERT H. HUMPHREY, Democrat, Minnesota.

Senator HUMPHREY emphasized that the premium proposal was aimed at adjusting supply to demand through orderly marketing, rather than being an outright price support proposal.

"It is estimated that a cut of 800 million pounds of pork volume would have rallied the price to 90 percent of parity during the past year," Senator HUMPHREY said.

"From our calculations, the premium payments for marketing lightweight hogs would be the most effective and least expensive way to achieve such a reduction. For example:

"For surplus removal of 800 million pounds of pork by direct purchase, as now

being attempted, would require an estimated $400 million.

"To achieve the same ends by direct supports, according to Secretary Benson's own estimates, would cost $1 billion.

"But under the incentive payment plan I have proposed, we can reduce the amount of pork going on the market by 800 million pounds at a cost of $198 million in 1 year, with that cost declining to not more than $96 million in the second and succeeding years.

"It would be a self-liquidating plan, with smaller premium payments as prices improved and finally none at all as prices reached 90 percent of parity."

The plan calls for premium payments of $3 per hundredweight when the national average price received by farmers for hogs in any month is less than 80 percent of parity, premium payments of $2 per hundredweight when the average price is less than 85 percent of parity, and premiums of only $1 per hundredweight when prices are more than 85 percent but less than 90 percent of parity.

"Participation would be entirely voluntary, with no regulation of production but incentives for marketing leaner hogs rather than fattening them up to increase the amount of pork on the market," Senator HUMPHREY said.

All that would be required for administrative purposes would be certificates to be issued the farmer by the buyer at time of slaughter, showing how many hogs he sold weighing not more than 200 pounds. The farmer in turn would collect on the certificates from his county ASC office.

"My amendment proposes a limitation of $1,200 on the total premium payment any farmer could receive in a year, meaning he could not market more than 200 hogs at the premium prices," Senator HUMPHREY explained.

Senator HUMPHREY said he had offered the pork amendment as 1 of 4 amendments submitted to the committee "to strengthen our proposed farm bill." All will be voted on in the committee tomorrow.

The other amendments include:

Dairy amendment: Establishing dairy support prices at not less than 80 and not more than 90 percent of parity, based on a parity equivalent using the 30-month period from July 1946 to December 1948.

Parity formula: Continuing the present dual-parity formula until the Department of Agriculture completes a thorough study of possible methods of improving the parity formula and reports back to the Congress with recommendations.

Feed grains: Requiring the Secretary of Agriculture to establish support prices for feed grains at levels preserving competitive equality between them on the basis of feed values.

"I feel so strongly about the need for all these improvements that I shall press for them on the Senate floor if we do not gain them in committee," Senator HUMPHREY said.

"The dairy amendment is urgently needed to make dairy support mean anything at all. Unless we fix a definite base for the parity equivalent the actual dollar support can keep going down without being reflected in a lower percentage of parity, as a result of continually lowering the parity formula itself.

"The same thing is true on shifting to the transitional parity formula on basics. It just means lower support prices, with a built-in downward escalator that will cause lower dollar-support levels each year regardless of what the percentage of a distorted 'parity' might indicate. All we are asking is to retain present formula with which farmers are familiar until a thorough study has been made of alternatives for the committee to consider.

"On feed grains, it is foolish not to relate one to the other in establishing support prices. They are all alternative feeds—barley, rye, oats, and grain sorghums. They are used as substitutes for corn. When prices are out of balance, farmers seal one grain and feed the other. My amendment would require support prices to be established in relation to feed value, to preserve competitive relationships."

Mr. HUMPHREY. Mr. President, I commend this matter to the attention of my colleagues. The proposal is not one which has been created alone out of my own imagination or thinking, but is the result of very careful study and analysis on the part of a number of agricultural economists, including the best thinking of a number of producers of hogs in the Minnesota-Iowa area. It is one which has received considerable support and attention in the States of Minnesota and Iowa. I believe it is one which will do a great deal to solve the present economic problem relating to livestock production.

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

Mr. HUMPHREY. I yield.

Mr. CLEMENTS. I have not heard all the statements of the distinguished Senator from Minnesota. I understand he is offering a suggestion of legislation dealing with farm problems. It is not unlikely that whatever he may offer here may become the plan of someone else, possibly in the executive branch of the Government.

It was about this time a year ago that the distinguished Senator from Minnesota devised a soil-bank proposal, and even though it was rejected by many in Government circles a few months after that time, today its praises are being sung from the housetops in many places, and we find but few being willing to give the Senator from Minnesota credit. I hope that in what he has presented the Senator has offered a means of bringing more money to the pockets of that group who are in a worse plight than any other group of our people.

Mr. HUMPHREY. I thank the Senator from Kentucky. I wish to make it quite clear that if this proposal is accepted by the administration and they wish to call it their own, I shall be glad to give them full title to whatever rights of parenthood they can obtain. I do not ask to be invited to the family table, if I may just have a peek at the children. I am not interested in who may receive the credit. We are going to pass a good farm bill, I am sure, with the help of the Senator from Kentucky, who is a very able, diligent, and distinguished member of the Committee on Agriculture and Forestry, and one with whom I find great joy in working. In almost all instances I find myself agreeing with him on agricultural problems.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I should like very much to be associated with the proposal of the Senator from Minnesota. I think it is very sound, as I have found to be all the proposals of the Senator from Minnesota on farm matters.

I agree with the Senator from Kentucky as to the Senator from Minnesota being a forerunner in the soil-bank proposal. I wish to compliment him for the high degree of leadership he has shown in the matter of farm legislation. I seldom find myself even having a mental reservation as to what the Senator from Minnesota says on many matters. But as to what he has said about the Senate passing a good farm bill, I wish to register a very strong reservation. All I wish to say is that I hope it will.

Mr. HUMPHREY. I join in that reservation.

Mr. MORSE. With reference to the dairy farmers, the bill coming from the Committee on Agriculture and Forestry is far from being a good farm bill. Apparently, the responsibility for it is on both sides of the Senate. As I understand, in its present form, in regard to the dairy industry, every dairy farmer ought to rise up in wrath against the perpetrators of a bill which fails so utterly to meet the needs of the dairy farmers. We will have to put on the most vigorous fight we have ever conducted on the floor of the Senate in order to protect the dairy farmers if a farm bill comes from the committee containing what the press ticker says it embodies.

That is not the only segment of the bill, unofficially reported, which I think falls far short of meeting our obligations to the farmers in their sorry plight. We should come to grips with the farm problem to protect the purchasing power on the part of a very important segment of our economy. If the farm bill in the offing is what I understand it to be, it is not going to do the American farmer very much good. I hope that we can at least get some improvement on the early reports which have come out of the Committee on Agriculture and Forestry as to the shortcomings of the farm bill, and, particularly, I hope that something will be done in regard to the dairy farmers.

I am very much interested in a bill which provides a 2-price system for rice, but rejects a 2-price system for wheat. Whereas the 2-price system for rice has been in the field so much longer, no consideration was ever given to the matter of a 2-price system for wheat. I shall be very much interested in any explanation as to why the committee can recommend it for rice and not for wheat. Even Mr. Benson, speaking in Portland the other day before the Wheat League, said he thought the system had a great deal of merit in it, although he had submitted an adverse report last year against the 2-price system for wheat.

He said he thinks there is much merit in it. He wants only another year in which to study it. Perhaps in another year from now he will report favorably on it. I hope the Senate Committee on Agriculture and Forestry has not swallowed his present line, namely, that the matter ought to be delayed for another year.

If the 2-price system for wheat has merit, we ought to come to the assistance of wheat farmers this year, 1956. If it is sound for rice, it is sound for wheat. I shall be very much interested in the kind of farm bill to be reported by the Committee on Agriculture and Forestry both with respect to the dairy farmers and the wheat farmers. I will make the statement general and say I shall be much interested in respect to every farm

producer in this country who is being put through the economic wringer by this administration, every farmer who is now in the depths of the great farm depression.

I did not intend to make these remarks until my good friend, the Senator from Minnesota suggested that the committee is going to come forward with a good farm bill. It had better be a better bill than the news ticker today indicates the present bill in the Committee on Agriculture and Forestry appears to be.

Mr. HUMPHREY. I thank the Senator from Oregon for his advice and counsel, and for his expression of a strong, right, and proper feeling about developments in the agricultural legislative field. I assure the Senator that many areas of the farm bill need drastic revision and improvement.

I intend to offer in the committee tomorrow 4 amendments which go right to the heart of the subject about which the Senator from Oregon has spoken. It would be much easier if we had some help from the administration in backing up the income-stabilizing and income-improvement provision which some Senators favor.

Tomorrow I shall offer an amendment on the dairy question, which, first of all, will require honest reporting as to what the parity price ratio is as affecting dairy products. I want the record to be clear that the present reports are not factual or honest. They are misleading. They do not really tell what is happening in terms of dollar income to the dairy producers.

I shall offer other amendments relating to the feed grain parity formula. All the amendments are essential for the entire overall agricultural economy of our country.

I am delighted to have heard the Senator from Oregon speak as he has tonight, because he is always diligent in his work on a legislative proposal, and is always very careful to make certain that equity and justice are accomplished in a legislative program, particularly as it relates to the people in the agricultural areas of the Nation.

Mr. President, I included a statement as to the amendments which I propose to offer in the committee in connection with the explanation of the hog marketing amendment.

My only purpose in having included the statements as to the amendments was that I might acquaint my colleagues with the nature of the amendments, because they are new. I think they have great merit, and I believe they will produce results in the market place.

My hog-marketing proposal will involve only about 50 percent of the cost of the present pork purchase program. My proposal goes to the heart of the problem, both as to the consumer and the producer. It involves no Government regulation. It is based upon incentive payments for the kind of pork product which the consumer will want—in other words, a meat product rather than a lard product.

My proposal, furthermore, will make certain that there will not be excesses or surpluses of lard, and that pork products will flow through the normal market rather than be purchased by the Government from the processors at the highest prices, at the very time the farmer or hog producer is getting lower and lower prices for his commodity.

Mr. President, I ask unanimous consent that my proposed amendment relating to hog marketing premium payments may be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, the amendment will be printed.

The amendment intended to be proposed by Mr. HUMPHREY is as follows:

On page 3, after line 24, insert the following:

"HOG MARKETING PREMIUM PAYMENTS

"SEC. 105. (a) In order to assure the orderly marketing of an adequate national supply of hogs and pork products, to encourage the increased domestic consumption of pork and pork products, to maintain the productive capacity of our hog farming industry, and to avoid the feeding of hogs to less desirable weights, the Secretary of Agriculture is authorized and directed, whenever he finds (1) that the annual pig crop for any year will exceed the average pig crop for the 10 preceding years, or (2) that the national average price received by farmers for hogs is less than 90 percent of the parity price therefor, to make incentive payments to hog producers to encourage the marketing of hogs at weights of 200 pounds or less.

"(b) The amounts of incentive payments under this section shall be established by the Secretary at such level as he determines is necessary to carry out the purposes of this section except that (1) whenever the national average price received by farmers for hogs in any month is less than 90 percent of the parity price for hogs, the incentive payment for such month shall not be less than $1 per hundredweight, (2) whenever such average price for any month is less than 85 percent of such parity price, the incentive payment for such month shall not be less than $2 per hundredweight, and (3) whenever such average price for any month is less than 80 percent of such parity price, the incentive payment for such month shall not be less than $3 per hundredweight. No producer shall be eligible to receive incentive payments under this section totaling in excess of $1,200 in any calendar year.

"(c) The Secretary is authorized to use any funds of the Commodity Credit Corporation, and any funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; 7 U. S. C. 612c), as amended, in making the payments provided by this section."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a statement I have prepared relating to the amendments to which I have referred may be printed at this point in the Record.

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

HOG MARKETING PREMIUM PAYMENTS

(Statement by Senator HUMPHREY)

A self-regulation plan for orderly marketing of hogs through Government premium payments for the marketing of hogs at weights of 200 pounds or less.

What this plan would do:

Avoid boom and bust cycles in hog production and prices.

Assure fair and stable returns for the hog raiser.

Assure stable supplies at fair prices for the consumer.

Promote greater consumption of pork products.

Encourage the marketing of a choicer quality product.

Maintain the producing capacity of our hog plant (just as the soil bank will maintain the potential of our cropland.)

Provide mandatory use of the incentive payments for premium weights at any time a surplus is imminent or the price drops below 90 percent of parity.

Provide for payments up to $3 per hundredweight to farmers who cooperate.

Give stability to the industry through a program with a low annual cost.

What this plan does not do:

No regimentation of the hog producer.

No slaughtering of breeding stock or little pigs.

No Government processing, packing, or storing.

No pegging of market prices.

RETURNS TO THE HOG PRODUCER

The long-run effect of the incentive payment plan would be to assure that prices received by farmers for hogs would be at or near 90 percent of parity.

The incentive payment plan provides for payments of from $1 to $3 per hundredweight.

Of course, if prices were badly depressed at the time the incentive program was launched, it would take some time to cut down the volume sufficiently to rally the price.

However, in 1955, we had a surplus of only 6 percent when measured by hog marketings and only 2 percent by actual volume of dressed pork produced. Therefore, only a relatively small cutback would be needed to rectify the overrun.

It is estimated that a cut of 800 million pounds of pork volume would have rallied the price to 90 percent of parity.

To do this a sufficient incentive payment would have been needed to attract 33 million hogs to market at 200 pounds or less. Had all 74 million head of hogs come to market at less than 200 pounds, the pork volume would have been cut by 16 percent, which shows to what extent volume could be reduced by incentives, voluntarily and without controls.

Once the major adjustment in supply had been made, the program would tend to regulate itself, for if too many pigs were being raised, or if the price weakened below 90 percent of parity, the incentive payments would continuously be cutting back the pork volume.

The farmer would find it advisable to cooperate because the market price together with the incentive payment would tend to give him a return in the neighborhood of 90 to 100 percent parity. When supply and price were in order, then the premium plan would not be needed.

These projections are on the conservative side since no evaluation is placed upon the effect which the leaner pork may have in increasing consumer demand and farmer's prices. This effect may be very substantial, and, if so, it would reduce the cost of the incentive payment program.

WOULD THE INCENTIVE SYSTEM ATTRACT PARTICIPATION?

The incentive payment of $3 per hundredweight would make it worthwhile for the farmer to market his hogs at a lighter weight.

For example, a farmer would have the following alternatives:

200-pound hog sold at $16	$32.00
Incentive payment, $3 per hundredweight	6.00
Gross income from hog	38.00
250-pound hog sold at $15.50	38.75
Cost of putting extra 50 pounds on hog	7.50
Gross income from hog less added costs on final 50 pounds	31.25

The farmer would be better off, marketing his hogs at 200 pounds, whether the incentive was $1 or $3, than if he feeds the hogs to a higher weight.

HOW IT WOULD WORK

We do not have a great surplus of pork at the present time. However, even a small surplus can break the market price, just as with other commodities where a surplus as small as 5 percent can break the market.

For perishable products, which do not lend themselves very well to longtime storage, the problem is to develop a self-regulating plan which will determine the amount of the commodity placed on the market without invoking any controls upon the individual producer.

The plan for incentive payments to encourage marketing of hogs at prime weights is such a plan. It depends for its effectiveness upon incentives instead of controls.

As proposed, the plan would require the Secretary of Agriculture to put into effect the incentive payment plan whenever either of two conditions are found to exist:

1. Whenever the annual pig crop exceeds the average annual pig crop for the preceding 10-year period, or

2. Whenever the national average price received by farmers falls below 90 percent of parity.

Once launched, the program would remain in effect for as long as the surplus threat or low prices continued to exist.

The Secretary of Agriculture would be authorized and directed to offer premium payments of not less than $1 per hundredweight and not more than $3 per hundredweight on hogs marketed at 200 pounds or less. While he would have discretionary authority to offer the full $3 per hundredweight incentive at any time he deemed proper, it would be mandatory that he maintain at least a $1 per hundredweight premium payment when farmers' prices are between 85 and 89 percent of parity; at least $2 per hundredweight when farmers' prices are between 80 and 84 percent of parity; at least $3 when farmers' prices are below 80 percent of parity.

HOW IT WOULD REGULATE PORK VOLUME

In 1955, the average hog went to market at 240 pounds, producing a total volume of dressed pork of 10.8 billion pounds.

If the average hog had gone to market at 200 pounds, the 40 pounds less of live weight would have meant 24 less pounds of pork meat, per animal. Had this been true, the total pork production would have been 9.1 billion pounds, well below the amount necessary to have moved at above 90 percent of parity prices.

An analysis of pork production and prices during the period from 1920 to 1940 shows the sensitiveness of the market to even a small surplus. Several things are apparent from such a study:

1. Prices suffer disastrously when there is even a moderate increase of marketings.

2. Prices are weak when supply is about equal to demand.

3. Prices begin to approach 90 percent of parity when supply is about 4 percent short of the total disappearance of pork products during the preceding 5-year period.

4. Prices do not reach 100 percent of parity until the supply is about 10 to 12 percent short of average marketings in preceding 5 years.

Since the total disappearance of pork products from 1950–54 averaged 10.4 billion pounds, it is apparent that the 1955 production was somewhat above average marketings.

Using the rule, found to be accurate above, the 1955 production would have needed to have been cut back to a point about 4 percent below the base period average in order to bring about 90 percent of parity prices in the open market.

Expectations would be that farmers would have received 90 percent of parity market prices if the pork volume had been some 800 million pounds smaller or about a total of 10 billion pounds.

A cut of 800 million pounds of pork could be achieved in one of two ways:

1. By a system of hog controls or quotas to reduce the marketings by some 6 million hogs. This would make it necessary to regiment farmers and tell them they would have to cut their marketings by 8 percent.

2. By a system of incentive payments to bring hogs to market at 200 pounds. There would be no controls, no dictation to the farmer—he would receive the incentive payment if he cooperated, but he would not be forced to cooperate.

WHAT WOULD THE INCENTIVE PLAN COST TO OPERATE?

An incentive-payment plan would be moderate in cost compared with surplus removal or price-support measures.

Secretary Benson has announced an $85 million pork-purchase program. He has spent part of this sum, about $15 million, without rallying the market.

In fact, prices dropped about $3 per hundredweight during the peak of the marketing season despite the surplus removal measures.

Secretary Benson has reported estimates by his department that direct price support measures on hogs would be costly. He calculates that it would take an outlay of $1 billion to raise the market price by $5 per hundredweight.

He has also pointed out that processing and storage costs would be prohibitive should the Government wish to go into the purchase and packing of pork products.

COMPARATIVE COSTS OF VARIOUS MEASURES TO ACHIEVE 90-PERCENT PRICE LEVELS

Surplus removal of 800 million pounds of pork	$400,000,000
Direct supports (Benson estimate)	1,000,000,000
Incentive payments to reduce pork going on market by 800 million pounds	198,000,000
Incentive payment plan, second and succeeding years	96,000,000

Under the incentive payment plan, the greatest cost would be in the first year when the major adjustment would need to be made. Thereafter, the maintenance of a balanced supply would be less than $100 million a year.

The incentive plan would act as a preventive measure and avoid surplus situations such as we have had in recurring cycles.

HOW MUCH OF A HOG SURPLUS DO WE HAVE?

There is no unmanageable surplus of hogs.

Despite the talk of hog surpluses and of headlines about the disastrous hog price break, the 1955 hog production was only a few percent above normal.

To make a fair comparison, the 1955 production and marketings must be judged against a base of the previous 10-year period. Comparison with 1954 alone does not give a fair picture because 1954 was a comparatively light year.

The 1955 pig crop totaled 95,256,000 animals, as compared with an average total of 88,867,000 pigs for the previous 10-year period. This is an increase of 7 percent.

The preliminary figure on total hog marketings for 1955 is some 74,068,000, as compared with a 10-year average of 69,353,000. This represents an increase of 6 percent.

However, this gain in hog numbers did not show up in a proportionate gain in pork production volume because, on the average, hogs were marketed at slightly lighter weights than normal for the 10-year period. The average for 1955 was about 240 pounds, as compared with 253 pounds in the preceding 10 years.

The preliminary figure on 1955 pork production is 10.8 billion pounds, compared with an annual pork production average of 10.6 billion pounds during the previous 1-year period. This is actually, then, a surplus of only about 2 percent above the normal pork production.

MAINTAINING AN ADEQUATE FOOD-PRODUCING PLANT

While the farmers are producing more of some commodities than are being absorbed by the markets under present economic conditions, considerations of the national health, welfare and safety demand that we keep an adequate food-producing plant in existence.

There is a danger that continued low prices or unwise control tactics will drive farmers out of production and reduce our potential below safe levels.

Deliberately low prices, such as result from the flexible support program control programs which do nothing to replace the farmer's income from the diverted acres, regulations such as cross compliance which put the squeeze on the farmer, and soil-bank proposals which provide too small a payment to permit compliance by the average farmer, all are dangerous because they threaten to reduce the size of the farm plant.

A conservation acreage reserve, which fully replaces the net income from the diverted acres, can be very helpful in making a temporary adjustment in supply without breaking down the food-producing plant.

In the same way, whenever any adjustment is needed in the supply of meat products, the task should not be left to the harsh remedy of disaster prices and bankruptcy for a percentage of the operators.

Just as the soil-bank can keep our cropland potential ready on a standby basis, an incentive payment for premium weights could regulate the amount of meat being put on the market without reducing the livestock population.

There is no need to make the adjustment by killing off brood sows or little pigs. A reduction of 15 to 20 percent in the pork volume could be achieved in any season simply through the incentive payment plan for lightweights.

It takes time to expand the hog or livestock population should a larger volume be needed because of disaster, disease, or national emergency. It is much safer to keep the hog population on the farm at a high level. Normally, they can be marketed at light weights. Should the need arise, a quick expansion can be made in pork production simply by feeding them to heavier weights.

Total pig crop:	
Average for period 1945–54	88,867,000
1955 annual	95,256,000
Percentage increase	7
Total hog marketings:	*Head*
Average for period 1945–54	69,353,000
Preliminary 1955 total	74,068,000
Percentage increase	6
Total dressed pork volume:	*Pounds*
Average for period 1945–54	10.6 billion
Preliminary 1955 total	10.8 billion
Percentage increase	2

Supply-demand relationships

	Average farm price as a percentage of parity	Volume of annual pork products (million pounds)	Annual production as a percentage of annual disappearance for previous 5 years
1920	88	7,648	−4
1925	88	8,128	−4
1926	97	7,966	−6
1936	101	7,474	−10
1937	99	6,951	−12

CONSIDERATION OF URGENT DEFICIENCY APPROPRIATION BILL ON FRIDAY

Mr. CLEMENTS. Mr. President, I have conferred today with many Senators on the floor, among them being the present occupant of the chair, the distinguished senior Senator from Illinois [Mr. DOUGLAS], with reference to the program on Friday, including the action of the Committee on Appropriations today on H. R. 9063, the urgent deficiency appropriation bill.

It is the intention of the leadership, if the Senate does not offer objection, to bring the urgent deficiency appropriation bill to the floor for consideration on Friday. I therefore ask unanimous consent that the bill may be the subject of consideration by the Senate on Friday.

Mr. MORSE. Mr. President, I wish to make an inquiry. Certainly the Senate ought to handle this very important matter most expeditiously. Is it contemplated that the bill is one which will be subject to considerable debate and will necessitate a yea-and-nay vote?

Mr. CLEMENTS. If that should be the case, the bill will go over until after the period covered by the gentlemen's agreement. However, it is the opinion of the acting majority leader, which is concurred in by the members of the Committee on Appropriations, that there is not an item in the urgent deficiency appropriation bill about which there will be any serious controversy.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky is agreed to.

ORDER FOR ADJOURNMENT TO FRIDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its labors today, it stand adjourned until noon on Friday next.

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

FORESTRY PROGRAMS OF THE FOREST SERVICE, BUREAU OF LAND MANAGEMENT, AND BUREAU OF INDIAN AFFAIRS

Mr. MORSE. Mr. President, I wish to discuss for a few minutes the forestry programs of the Forest Service, the Bureau of Land Management, and the Bureau of Indian Affairs.

It is appropriate that I do this because timber is the No. 1 business in Oregon, and recreation is the second ranking business. Furthermore, Oregon is the leader in the Nation in returns to the Treasury from our Federal forests. It is interesting to note that, after all expenses were considered, including in lieu payments in fiscal year 1954, only four States returned more money to the Treasury than was expended in them by the Forest Service. These States were Arkansas, Texas, Oregon, and Washington. In the first two States expense and income were about even. In Oregon and Washington income far outstripped expenses.

Let us consider the last year as an example of what is happening in the National Forests of Oregon; $6.2 million was allocated to Oregon for operating expense, and $5.1 million was allocated for capital investments; $6.1 million was made in "in lieu" payments to counties, and an additional $2.6 million was spent on slash disposal and similar work, and for research and other State and private forestry aids. This totals about $20 million for all expenses.

Income was $33.3 million plus about another $1.2 million in deposits for slash disposal and work performed for others, or a total of about $34.5 million in income. The Treasury received as a net profit $14.5 million from Oregon's national forests.

The picture on the O. and C. lands of the Bureau of Land Management is more difficult to describe, but these lands are also showing a good rate of earning. I am delighted to see that Secretary McKay heeded the calls which the Senator from Arizona, Mr. HAYDEN, and I made this fall to increase the forestry budget of the Bureau of Land Management. However, I do feel he neglected to make commensurate increases for the Bureau of Indian Affairs.

Our Indian reservations present special problems, because these lands belong to the Indians. The American Indian is entitled to the best possible management of his lands and every opportunity to participate and learn the art of self-government and management.

The point I want to make about Oregon's public forests is that the appropriation of additional money can and will return dividends.

Take the Texas national forests as an example. Created by the purchase of cutover lands in the early 1930's, they are now paying their way. Many of our individual forests in the South and East are also paying their way. Others can do so if developed.

But Oregon and Washington forests have vast stands of timber, much of which is rotting on the stump for lack of access roads and personnel to process sales.

If we can get the funds to sell our full allowable cut and develop access roads, I can assure you, Mr. President, that the Nation will see dividends flow from Oregon, as well as to Oregon.

Mr. President, more lumber and other forest products can be procured at more favorable prices, and the Federal Treasury will receive larger payments. Land that is covered with timber which is not growing, but decaying, will be converted to a growing and a producing forest. Recreationists will find expanded opportunities to enjoy our forests.

Oregon will benefit, too. Her industries, which vitally need timber, will be adequately supplied. Her counties will benefit, not only by the increase in industry, but also by the increased "in lieu" payments. Her land will continue to be the strength which sustains her, and a source of enjoyment for those who love the growing, living forest.

Oregon's forests demonstrate what can be done, and, if given half a chance, will give an even better demonstration.

We spend about four times as much on our national forests in Utah as we take in. I do not want it to appear that I condemn this, because much of our Utah forests is vital watershed area rather than commercial forest. But I do object to Mr. Benson's apparent lack of understanding that our national forests are capable of better providing for our needs. Wood for paper and lumber is in short supply. It is not a surplus item.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the close of my remarks, the budgets of the Forest Service, Bureau of Land Management, and Bureau of Indian Affairs, and other information on the allocations to Oregon. I should like to have the people of my State and throughout the Nation enabled to study this record so that they can be in a position to judge adequately what should be done for the wise management and use of our Federal forest lands.

Mr. President, I ask unanimous consent to have the material to which I referred printed in the RECORD at this point in my remarks. It includes the regular Forest Service budget for the fiscal year 1957; the regular Bureau of Land Management budget for the fiscal year 1957; and the Bureau of Indian Affairs regular budget for the fiscal year 1957, with letter from the Bureau of Land Management relative to conditions in Oregon, and table showing appropriations for Indian Service activities in Oregon.

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

FOREST SERVICE BUDGET, REGULAR, FOR FISCAL YEAR 1957

FOREST SERVICE

Introductory statement

The Service carries on three primary functions: (1) Protection, development, and use of about 181 million acres of land in national forests in the United States, Alaska, and Puerto Rico; and management of land utilization projects covering about 7 million acres; (2) cooperation with States and private forest landowners to obtain better fire protection on approximately 431 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation, and stimulate development and management of State, county, and community forests; and (3) research for all forest lands and related ranges to bring about better protection from fire, insects, and diseases; to increase productivity, and facilitate full utilization of forest, water, and range resources, and more profitable production of timber and forage. Included in these three primary functions are construction and maintenance of roads and trails, control of forest pests, protection against floods, land exchange, and a number of cooperative projects.

Appropriated 1956, $55,088,000.

Estimated 1957, $60,938,000.[1]

[1] Excludes $9,950 for activities transferred in the estimates to "Salaries and expenses, Office of the Secretary of Agriculture." The amounts obligated in 1955 and 1956 are shown in the schedule as comparative transfers.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. National forest protection and management:			
(a) Resource protection and use	$30,002,086	$35,937,750	$39,823,000
(b) Resource development	1,246,626	1,845,000	1,845,000
Total, national forest protection and management	31,248,712	37,782,750	41,668,000
2. Fighting forest fires	6,000,000	5,250,000	5,250,000
3. Control of forest pests:			
(a) White pine blister rust control	2,553,491	2,734,000	2,734,000
(b) Forest pest control	4,498,660	3,537,500	2,386,000
Total, control of forest pests	7,052,151	6,271,500	5,120,000
4. Forest research:			
(a) Forest and range management research	3,656,258	4,529,816	4,529,816
(b) Forest protection research	1,275,776	1,388,222	1,516,222
(c) Forest products research	1,255,961	1,303,301	1,621,301
(d) Forest resources research	976,719	1,015,961	1,232,661
Total, forest research	7,164,714	8,237,300	8,900,000
Total obligations	51,465,577	57,541,550	60,938,000
Financing:			
Comparative transfers to other accounts	192,439	9,950	
Unobligated balance no longer available	312,175		
Appropriation (adjusted)	51,970,191	55,088,000	60,938,000
Proposed supplemental due to pay increases		2,463,500	

PROGRAM AND PERFORMANCE

1. National forest protection and management—(a) Resource protection and use: The national forests are protected from fire, and their resources are managed in such ways as to bring about full utilization and maximum sustained production.

Main workload factors

Description	1955 actual	1956 estimate	1957 estimate
Area administered and protected (acres)	181,071,658	181,000,000	181,000,000
Timber managed and protected (billion board-feet)	600	600	600
Timber sales (number)	27,542	28,200	28,500
Timber harvested (billion board-feet)	6.3	7.25	7.75
Forest fires controlled (number)	11,792	11,000	11,000
Area burned (acres)	203,973	350,000	200,000
Grazing use permits (calendar year)	25,783	25,500	25,500
Estimated number of livestock on national forest ranges (including calves and lambs)	8,000,000	8,000,000	8,000,000
Special use permits (number)	54,703	56,000	57,500
Estimated number of visitors to national forest (calendar year)	40,304,000	45,000,000	50,000,000
Receipts (by fiscal years):			
Timber sales	$75,043,577	$101,800,000	$108,500,000
Grazing	2,953,257	3,000,000	3,000,000
Land use and power	1,524,046	1,700,000	1,700,000
Land utilization projects	1,618,410	1,500,000	1,500,000
Total receipts	81,139,290	108,000,000	114,700,000

This item also provides for management of about 7 million acres in land utilization projects, including revegetation and other development work. These lands are used under lease or permit by local farmers and ranchers under specific use conditions.

(b) Resource development: Main factors are shown in the following table:

Main workload factors

[In acres]

Description	1955 actual	1956 estimate	1957 estimate
Planted to trees (annual)	13,000	20,000	20,000
Planted to trees (cumulative)	1,386,084	1,405,084	1,425,084
Still to be planted (total)	4,000,000	4,000,000	4,000,000
Reseeded to range grasses (annual)	41,077	60,000	60,000
Reseeded to range grasses (cumulative)	591,715	651,715	711,715
Still to be reseeded (total)	3,408,285	3,348,285	3,288,285

2. Fighting forest fires: This provides for employment of additional manpower and other facilities to suppress forest fires which cannot be controlled by the fire-control organization provided for under national forest protection and management.

3. Control of forest pests—(a) White pine blister rust control: Protection of white pine trees from blister rust is provided by removing ribes (alternate host plants) from areas where white pines grow. Some of this work is done in cooperation with State, private, and other Federal land-managing agencies. Ribes have been removed from approximately 17 million acres to date. This acreage is reworked to keep the ribes suppressed. Approximately 6.2 million additional acres require further eradication work. The following table indicates the estimated program for 1956 and 1957 as compared to work done in 1955:

[In acres]

Description	1955 actual	1956 estimate	1957 estimate
Initial eradication	184,792	175,000	175,000
Rework	668,376	750,000	750,000
Total	853,168	925,000	925,000

(b) Forest pest control: Operations consist of surveys to detect and appraise the danger of insects and plant diseases which injure or destroy forest resources and suppressive measures before extensive damage is done and while areas requiring treatment are small.

4. Forest research—(a) Forest and range management research: Research is conducted at regional forest experimental stations and elsewhere to provide private and public land managers and owners with a sound basis for protection and management of timber, range, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage on rangelands for maximum production of livestock without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce flood and sedimentation.

(b) Forest protection research: Research is conducted at the regional forest experiment stations and elsewhere to develop sound measures for the protection of forests from damage by fire, insects, and diseases. These investigations provide the technical basis for control and preventive measures, including predictions of fire danger.

(c) Forest products research: The work of the Forest Products Laboratory is directed toward improvement of forest products, reduction and utilization of waste, utilization of low-quality wood and unpopular species and development of new wood products. Studies are undertaken to reduce costs of logging and wood utilization, develop basic knowledge, and disseminate findings to meet the needs of the forest owner, primary manufacturer, wood fabricator, and ultimate consumer.

(d) Forest resources research: These investigations are conducted to inventory and appraise the condition of forest lands and their ownership, volume and quality of standing timber, annual growth and depletion, potential need for timber products, and other information on supply, production, marketing, and utilization.

Main workload factors

[Acres in millions]

Description	1955 actual	1956 estimate	1957 estimate
Initial surveys (annual)	15	15	22
Initial surveys (cumulative)	481	496	518
To be surveyed (total)	283	268	246
Resurveys (annual)	25	25	35
Resurveys (cumulative)	219	244	279

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

FOREST ROADS AND TRAILS, FOREST SERVICE

Appropriated 1956, $24 million.
Estimate 1957, $24 million.[2]

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Construction of roads and trails	$15,715,451	$17,189,583	$17,100,000
2. Maintenance of roads and trails	6,596,347	6,900,000	6,900,000
Total obligations	22,311,798	24,089,583	24,000,000
Financing:			
Comparative transfers to other accounts	2,165	2,165	
Unobligated balance brought forward	−306,012	−91,748	
Unobligated balance carried forward	91,748		
Unobligated balance no longer available	301		
Appropriation (adjusted)	22,100,000	24,000,000	24,000,000

[2] Excludes $2,165 for activities transferred in estimates to "Salaries and expenses, Office of the Secretary of Agriculture." The amounts obligated in 1955 and 1956 are shown in the schedule as comparative transfers.

PROGRAM AND PERFORMANCE

Roads and trails are essential to the protection and management of the national forests and the utilization of their resources. The existing system consists of 120,914 miles of earth- or gravel-surfaced roads and 118,755 miles of supplemental trails.

Funds for 1957 will permit continued emphasis on the construction of timber access roads urgently needed to accelerate harvesting of national forest timber.

The Federal-Aid Highway Act of 1954 (23 U. S. C. 23) made available contract authorizations totaling $70½ million. Contract authorization equivalent to funds appropriated for roads and trails are administratively canceled annually. The program for 1957 cancels the balance of the authorization.

STATE AND PRIVATE FORESTRY COOPERATION

State and Private Forestry Cooperation, Forest Service.

Appropriated 1956, $11,337,129.

Estimated 1957, $11,385,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Cooperation in forest-fire control	$9,448,614	$10,025,029	$10,025,000
2. Cooperation in forest tree planting	444,314	505,000	505,000
3. Cooperation in forest management and processing	635,003	690,000	690,000
4. General forestry assistance	148,475	165,000	165,000
Total obligations	10,676,406	11,385,029	11,385,000
Financing: Unobligated balance no longer available	20,270		
Appropriation (adjusted)	10,696,676	11,337,129	11,385,000
Proposed supplemental due to pay increases		47,900	

PROGRAM AND PERFORMANCE

This program, carried on in cooperation with the States, encourages private timber growing through assistance in preventing and suppressing forest fires, reforestation of denuded and poorly stocked areas, and good management of woodlands. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce 90 percent of all timber cut. The fire-control program applies to all forest lands within the boundaries of organized protection units. The balance of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

1. Cooperation in forest-fire control: Assistance is furnished 44 States and Hawaii in preventing and suppressing forest fires on private and State-owned lands by financial aid, training, procurement of equipment, and a nationwide fire-prevention campaign. About 89 percent of the 431 million acres of non-Federal ownership are now partially covered. During 1954 the acreage burned on protected areas was 0.7 percent as against an estimated 12 percent on unprotected lands. Of the total expenditures under this program, 72 percent is contributed by States and counties, 5 percent by private owners, and 23 percent by the Federal Government.

2. Cooperation in forest-tree planting: To encourage woodland owners to plant trees on the more than 60 million acres of inadequately stocked State and private forest land, the States provide trees at less than cost. The Federal Government shares about 25 percent of the cost with the States.

3. Cooperation in forest management and processing: In cooperation with State foresters, 274 projects in 1,300 counties are operated to aid small-woodland owners in applying good management to their timber holdings. In 1954 these projects covered some 32,224 owners and about 2.6 million acres.

4. General forestry assistance: Assistance and advice is given by field technicians in response to inquiries in technical forestry fields.

COOPERATIVE RANGE IMPROVEMENTS, FOREST SERVICE

Appropriated 1956, $700,000.

Estimate 1957, $700,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
Construction and maintenance of range improvements (total obligations)	$408,049	$728,855	$700,000
Financing:			
Unobligated balance brought forward	−36,959	−28,855	
Unobligated balance carried forward	28,855		
Unobligated balance no longer available	55		
Appropriation	400,000	700,000	700,000

PROGRAM AND PERFORMANCE

On the basis of a statutory formula and to the extent appropriated, part of the grazing fees from the national forests are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock-watering facilities, bridges, corrals, and driveways.

Acquisition of lands for national forests, Weeks Act, Forest Service

Appropriated 1956, $190,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
Acquisition of lands (total obligations)	$123,126	$190,000	
Financing: Unobligated balance no longer available	1,874		
Appropriation	125,000	190,000	

PROGRAM AND PERFORMANCE

The funds are used to acquire lands to protect the watersheds of navigable streams and to increase the production of timber. The National Forest Reservation Commission has approved the establishment of 78 national forest purchase units in 33 States, mainly in the eastern half of the United States. The present value of forest lands thus purchased to date is conservatively estimated at $200 million which is more than twice their cost.

FOREST SERVICE BUDGET—PROPOSED SUPPLEMENTAL FOR 1956

Salaries and expenses, Forest Service (under existing legislation, 1956): An anticipated supplemental appropriation in the amount of $5,750,000 is included in the budget for fighting fires and to accelerate the sales of national forest timber.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$5,750,000	
Obligated balance brought forward			$750,000
Total budget authorizations available		5,750,000	750,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		5,000,000	
Out of prior authorizations			750,000
Total expenditures		5,000,000	750,000
Obligated balance carried forward		750,000	
Total expenditures and balances		5,750,000	750,000

FOREST SERVICE—THE OREGON PICTURE

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D. C., January 19, 1956.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: In accordance with Mr. Berg's conversation with Mr. Gordon D. Fox of the Forest Service, there follows preliminary estimates of national forest damage in Oregon resulting from the recent floods:

1. Roads, trails, and bridges, $1,055,000.

2. Campgrounds, buildings, and telephone lines, $52,000.

It is estimated that there may be an additional $500,000 damage to national forest improvements in the high country which is presently inaccessible. The total preliminary estimates indicate that damage will probably be in excess of a million and a half dollars.

In addition to the above it is estimated that about 100 million board-feet of timber was blown down by the high winds accompanying the recent storms. This is known loss in areas concentrated sufficently to justify logging operations. In addition to this there are, of course, other scattered blowdown timber losses.

Very truly yours,
RICHARD E. MCARDLE, *Chief.*
By HOWARD HOPKINS.

Receipts from national forests, State of Oregon

	Timber	Grazing	Land use	Power	Total net receipts	Due State 25 percent
Fiscal year 1955	$24,179,078.54	$189,397.74	$50,100.17	$695.70	$24,419,272.15	$4,988,207
Fiscal year 1956 (estimated)	33,035,100.00	189,000.00	50,000.00	700.00	33,274,800.00	6,104,818

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, January 23, 1956.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: Reference is made to your request of January 5, and to Mr. Bill Berg's conversation with our Mr. Ahlberg on January 17 as to anticipated activities of the Forest Service in the State of Oregon as provided in the fiscal year 1957 budget.

Enclosed is a statement of Estimated Obligations for the State of Oregon, Fiscal Years 1956 and 1957, which shows amounts by appropriations. The increase of approximately $600,000 in the appropriation for National Forest protection and management is for the following activities.

(a) Timber sales and management plans	$300,000
(b) Construction of improvements	188,000
(c) Sanitation and care of public campgrounds	35,000
(d) Mining claims	25,000
(e) Maintenance of improvements	47,300
(f) Range resource management	4,700
Total	600,000

We will be glad to furnish additional information.

Very truly yours,

RICHARD E. MCARDLE,
Chief.

By HOWARD HOPKINS.

State of Oregon

	Accounting classification	Fiscal year 1955	Fiscal year 1956 (estimated)
	NATIONAL FOREST ADMINISTRATION		
020	Unit management	$706,036	$745,100
030	Timber use	1,583,254	1,918,900
041	Tree insect and rodent control	578,473	610,470
042	Tree disease control	69,896	70,000
051	Range pest control	2,565	2,500
052	Other range use	85,281	90,000
061	Land exchange and acquisition expense	30,311	30,000
062	General surveys, maps, and boundary posting	44,201	45,000
063	Other land use	32,600	33,100
070	Recreation use	66,185	67,000
080	Wildlife use	15,241	15,300
090	Water use	13,952	14,000
101	Fire prevention and prevention	935,599	987,300
102	Fire suppression	170,578	165,000
110	Maintenance of improvements	364,864	402,300
120	Maintenance of roads	709,482	750,000
130	Maintenance of trails	213,977	220,000
160	Management of land-utilization projects	9,676	10,000
	Total, operating expenditures	5,632,171	6,175,970
201	Nurseries	14,805	15,000
202	Tree planting	382,899	382,000
203	Timber stand improvement	424,074	425,000
205	Range revegetation	28,337	28,000
221	Dwellings and related improvements	63,745	67,300
222	Warehouses, shops, offices, etc	33,308	35,100
223.1	Telephone systems	5,690	6,200
223.2	Radio systems	6,190	6,300
224	Fire-control improvements	6,466	6,800
225	Recreation use improvements	8,143	8,100
226	Wildlife use improvements		
227	Range use improvements	100	
229	Soil and water control improvements	2,164	2,100
231	Bridge construction	752,541	100,000
232	Replacing temporary bridges by permanent bridges	630,213	300,000
233	Replacing temporary bridges by road construction	49,040	50,000
235	Road construction other	6,289,263	3,572,900
240	Construction of trails	51,234	50,000
	Total investment expenditures	8,748,212	5,054,800
	WORK PERFORMED FOR OTHERS		
310	Reimbursable or advanced	974,630	975,000
320	Nonreimbursable expenditures	995	
	Total, nonservice expenditures	975,625	975,000
	STATE AND PRIVATE FORESTRY AND FIRE CONTROL COOPERATION		
400	Administrative expense, State and private forestry	66,340	66,500
411	Cooperation in forest fire control	591,056	636,000
413	Cooperation in forest management and processing	8,412	10,000
432	Cooperation in tree disease control	12	
	Total, State and private forestry and fire control	665,820	712,500
	Research (total research funds, all functions)	318,400	320,100

State of Oregon—Continued

Accounting classification	Fiscal year 1955	Fiscal year 1956 (estimated)
STATE AND PRIVATE FORESTRY AND FIRE CONTROL COOPERATION—Continued		
700 Flood control, preliminary examinations and surveys	10,404	
710 Surveys and technical directions, tree pests	64,951	65,000
Stores (net fiscal year)	−3,034	
Equipment operation, repair, and replacement	570,045	575,500
Deferred charges, roads	−43,517	
Total expenditures	16,939,077	13,878,870

Summary of adjustments in fiscal year 1957 budget estimates for Forest Service

National forest protection and management: 1956, $37,782,750; 1957 budget, $41,668,000; increase $3,885,250, as follows:	
(a) Timber resource management	+$1,600,000
(b) Range resource management	+100,000
(c) Sanitation and care of public campgrounds	+470,000
(d) Management of other land uses	+250,000
(e) Maintenance of improvements	+465,250
(f) Construction of improvements	+1,000,000
Total, national forest protection and management	+3,885,250
Cooperative range improvements on national forests (fences, stock watering facilities, etc.): 1956, $700,000; 1957 budget, $700,000.	
Forest research: 1956, $8,237,300; 1957 budget, $8,900,000; increase $662,700, as follows:	

	P. 368, printed budget	Forest Service portion of $12 million supplemental estimate p. 439	Total research increase
(a) Forest and range management research		+$100,000	+$100,000
(b) Forest insect investigations	+$50,000	+25,000	+75,000
(c) Forest disease investigations	+78,000	+25,000	+103,000
(d) Forest Products Laboratory	+318,000	+150,000	+468,000
(e) Forest survey	+160,700		+160,700
(f) Economic investigations	+56,000	+150,000	+206,000
Total, Forest Research	+662,700	+450,000	+1,112,700

State and Private Forestry Cooperation: 1956, $11,385,029; 1957 budget, $11,385,000: decrease in cooperation in forest fire control	−$29
Acquisition of Lands for National Forests: 1956, $190,000; 1957 budget, 0; decrease of	−190,000
Acquisition of Lands (receipts fund): 1956, $10,000; 1957 budget, 0; decrease of	−10,000
Forest Roads and Trails: 1956, $23,997,835; 1957 budget, $24,000,000; increase of	+2,165
Control of Forest Pests: 1956, $6,271,500; 1957 budget, $5,120,000; net decrease as follows:	
(a) Detection and appraisal surveys (Forest Pest Control Act)	+210,000
(b) Control of Forest Pest (Contingency Fund)	−1,361,500
Total, Control of Forest Pests	−1,151,500
Net, Forest Service—Increase of	+3,648,586

Estimated obligation for State of Oregon, fiscal years 1956 and 1957

	Estimated, 1956	Estimated, 1957
Salaries and expenses:		
National forest protection and management	$3,912,490	$4,512,700
Fighting forest fires	180,000	180,000
Control of forest pests:		
White pine blister rust control	120,100	120,100
Forest pest control	75,500	71,000
Forest research	343,400	359,000
Total, salaries and expenses	4,631,490	5,242,800
Forest roads and trails	2,587,800	2,666,750
State and private forestry cooperation	646,200	646,200
Cooperative range improvements (receipt limitation)	41,730	40,080
Expenses, brush disposal	868,720	909,090
Roads and trails for States, national forests fund	2,455,100	3,430,000
Payments due counties, submarginal land program, Farm Tenant Act	1,863	1,863
Payments to States and Territories from the national forests fund	6,104,818	8,318,700
Watershed protection	3,600	2,600
Trust funds: Cooperative work	1,722,400	2,066,800
Total, Oregon	19,063,721	23,324,880

BUREAU OF LAND MANAGEMENT BUDGET, REGULAR, FOR FISCAL YEAR 1957

In addition, the Bureau has responsibility for mineral resources on 358 million acres of land under the jurisdiction of other Federal agencies and private land with mineral rights reserved to the United States.

The total receipts in fiscal year 1957 from revenue-producing activities of the Bureau are estimated to be about $236 million. Of this amount, $38 million will be paid to the States and counties, and the remaining $198 million will be deposited in the Treasury.

MANAGEMENT OF LANDS AND RESOURCES

Management of lands and resources, Bureau of land management

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including $35,000 for the operation and maintenance of access roads on the revested Oregon and California Railroad grant lands ($13,450,000), $18,778,000: *Provided,* That this appropriation may be expended on a reimbursable basis for surveys of lands other than those under the jurisdiction of the Bureau of Land Management: *Provided further,* That, for the purposes of surveying federally controlled or intermingled lands and operation and maintenance of access roads, contributions toward the costs thereof may be accepted. (5 U. S. C. 133a, 133y, 485; 16 U. S. C. 583, 594; 43 U. S. C. 1, 2, 54, 72, 129, 315; 50 Stat. 874j; Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $13,700,000.[1]

Estimated 1957, $18,778,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Lease and disposal of land and mineral resources	$2,434,679	$3,375,000	$5,512,900
2. Management of grazing lands	1,573,094	1,800,800	1,918,800
3. Forestry	2,664,304	2,708,800	4,087,800
4. Cadastral surveys	1,463,972	1,544,800	1,653,900
5. Soil and moisture conservation	1,700,779	2,758,500	3,351,400

[1] Includes $250,000 appropriated in Supplemental Appropriation Act, 1956.

Program and financing—Continued

	1955 actual	1956 estimate	1957 estimate
Program by activities—Continued			
6. Squaw Butte experiment station	$38,255	$39,400	$39,400
7. Fire suppression	522,118	210,000	210,000
8. Maintenance of physical facilities	84,297	50,000	50,000
9. Maintenance of access roads		35,000	35,000
10. Weed control	646,640	708,100	706,000
11. General administration	962,314	1,051,300	1,212,800
Total obligations	12,090,452	14,281,700	18,778,000
Financing: Unobligated balance no longer available	33,198		
Appropriation (adjusted)	12,123,650	13,700,000	18,778,000
Proposed supplemental due to pay increases		581,700	

PROGRAM AND PERFORMANCE

1. Lease and disposal of land and mineral resources: Applications for all types of land use and for leasing of mineral resources, principally oil and gas, are acted upon. Field investigations are made to determine the best use of resources. An increase for 1957 is provided to handle the increase in workload caused by greater public demand for lands and minerals.

	1954 actual	1955 actual	1956 estimated	1957 estimated
Cases pending, start of year	41,089	58,062	85,302	90,000
New and reactivated cases	99,799	133,567	154,698	165,000
Cases closed	82,826	106,327	150,000	175,000
Cases pending, end of year	58,062	85,302	90,000	80,000

In addition to the above, an increase is provided for the administration of Public Laws 47, 167, 357, and 359, 84th Congress, which affect mining rights.

2. Management of grazing lands: The use of 180 million acres of the Federal range by 30,000 livestock growers is supervised. Proper management of these lands increases the grazing capacity by reducing overuse, unseasonal use, or trespass, and protects them against fire and erosion. The increase in 1957 is for added workload under Public Law 167.

3. Forestry: Over 5 million acres of commercial forest lands in the United States and 40 million acres in Alaska, plus 110 million acres of woodland, are managed. It is estimated that the 1957 program will permit marketing 840 million board-feet of timber having a stumpage value of $23 million.

4. Cadastral surveys: These surveys are required to (1) locate and identify legal boundaries of lands under application for lease or disposal, (2) administer timber sales and manage forest lands, (3) provide legal descriptions necessary to the work of other Government agencies concerned with Federal land, and (4) permit States to receive patents to land granted them when they entered the Union. The increase for 1957 is primarily for surveys related to timber sales and work under Public Law 167.

5. Soil and moisture conservation: The 1957 program plans treatment of 1,300,000 acres of public lands with measures to prevent runoff and erosion and to rehabilitate areas which are in critical condition. Emphasis will be placed on cooperative programs with other agencies in river basin areas. The increase for 1957 is to provide for the second step of a 20-year program.

6. Squaw Butte Experiment Station: In cooperation with the Oregon State Agricultural College, studies are made of management problems on the western ranges. The recommendation made by the last Congress that this station be transferred to the Department of Agriculture is now under consideration, but final conclusion has not yet been reached.

9. Maintenance of access roads: Provision is made for maintaining timber access roads constructed in the revested Oregon & California Railroad grant lands area of Oregon. The funds for this purpose are to be reimbursed to the Treasury from the Oregon and California land-grant fund.

10. Weed control: Provision is made for treating 111,000 acres infested by halogeton and other poisonous and noxious weeds. Since the inception of the program in 1952, 572,900 acres have been treated.

11. General administration: In addition to normal administrative services, provision is made for the collection and distribution of an estimated $236 million in receipts for fiscal year 1957. The increase for 1957 provides for administration of the growing programs of the Bureau.

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

Construction, Bureau of Land Management

For construction of access roads on the revested Oregon and California Railroad grant lands; acquisition of rights-of-way and of existing connecting roads adjacent to such lands; and for acquisition and construction of buildings and appurtenant facilities in Alaska; to remain available until expended, [$2,300,000] $4,500,000: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further*, That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands and in addition, amounts available for operation and maintennce of such access roads under the appropriation "Management of lands and resources" are hereby made a reimbursable charge against the Oregon and California land-grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the act of August 28, 1937. (50 Stat. 874; 16 U. S. C. 594; 43 U. S. C. 2; Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $2,300,000.
Estimate 1957, $4,500,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Access roads	$3,137,840	$2,873,973	$4,879,700
2. Buildings		40,057	40,000
Total obligations	3,137,840	2,914,030	4,919,700
Financing:			
Unobligated balance brought forward	−1,685,570	−1,033,730	−419,700
Unobligated balance carried forward	1,033,730	419,700	
Appropriation (adjusted)	2,486,000	2,300,000	4,500,000

PROGRAM AND PERFORMANCE

1. Access roads: Roads are constructed to reach stands of otherwise inaccessible high quality timber in the Oregon and California Railroad grant lands area in western Oregon. The cost of this construction will be reimbursed from the Oregon and California land grant fund (Department of the Interior and Related Agencies Appropriation Act, 1956).

2. Buildings: The 1957 estimate provides for buildings and appurtenant facilities for care and protection of equipment in Alaskan installations.

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

BUREAU OF LAND MANAGEMENT BUDGET—PROPOSED SUPPLEMENTAL FOR 1956 (PROPOSED FOR LATER TRANSMISSION)

Management of lands and resources, Bureau of Land Management (under existing legislation, 1956): An anticipated supplemental appropriation for 1956 in the amount of $1,200,000 is included in the budget for fighting fires, for processing backlog of applications for public lands and minerals, for acceleration of timber sales, and for the administration of Public Laws 167 and 359, 84th Congress.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$1,200,000	
Obligated balance brought forward			$150,000
Total budget authorizations available		1,200,000	150,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		1,050,000	
Out of prior authorizations			150,000
Total expenditures		1,050,000	150,000
Obligated balance carried forward		150,000	
Total expenditure and balances		1,200,000	150,000

Construction, Bureau of Land Management (under existing legislation, 1956): It is proposed to accelerate the construction of timber access roads to reach salable but presently inaccessable Federal timber. Two million dollars is included in the budget for this purpose.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$2,000,000	
Obligated balance brought forward			$1,500,000
Total budget authorizations available		2,000,000	1,500,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		500,000	
Out of prior authorizations			1,000,000
Total expenditures		500,000	1,000,000
Obligated balance carried forward		1,500,000	500,000
Total expenditures and balances		2,000,000	1,500,000

BUREAU OF LAND MANAGEMENT—THE OREGON PICTURE

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D. C., February 2, 1956.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MORSE: In accordance with your request of January 5, 1956, it is a pleasure to advise you that the 1957 budget request of this Bureau includes approximately $8 million for expenditure within the State of Oregon for operations. The $8 million includes $3.5 million for regular operations and $4.5 million for construction and maintenance of access roads in the O and C area. In addition, the State and counties should receive about $10 million as their share of receipts.

The above amounts represent an increase of $3.3 million over the current fiscal year. The significant increases in the Bureau's programs are as follows:

Lease and disposal of land and mineral resources, $90,000: These funds will be used to implement Public Laws 167 and 359, and to reduce the backlog in the Portland land office.

Forestry, $946,000: Of this amount, $857,000 will be used to improve the management practices in the O and C area, including expanded reforestation and inventory programs and the placing of an additional 100 MM board-feet of green and salvage timber on the market. It is anticipated that this will result in an increase of $1.2 million in O and C receipts. Eighty-nine thousand dollars will be used to expand the inventory and sales program on public domain lands.

Soil and moisture conservation: An increase of $75,000 has been planned in this program. This will embrace work in 15 community watersheds, including the Langell Valley Pilot Soil Conservation District.

An increase of $2.2 million for construction and maintenance of access roads is designed to open up otherwise inaccessible areas of overmature or damaged timber.

Funds are allotted by area total only and not by State. The amounts indicated above for O and C forest management and construction of access roads are specifically identified in the budget request. Other items are our best estimate based on present needs and include the area office portion of technical services.

I appreciate the interest you have shown.

Sincerely yours,

EDWARD WOOZLEY,
Director.

BUREAU OF INDIAN AFFAIRS, REGULAR BUDGET, FISCAL YEAR 1957

Resources Management, Bureau of Indian Affairs

Appropriated 1956, $12,432,000.
Estimate 1957, $16,100,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Forest and range lands	$2,098,446	$2,295,830	$2,680,000
2. Fire suppression	115,208	140,000	140,000
3. Agricultural and and industrial assistance	1,526,551	1,553,203	1,604,671
4. Soil and moisture conservation	2,677,570	3,832,200	4,084,000
5. Operation, repair, and maintenance of Indian irrigation systems	815,302	811,329	811,329
6. Development of Indian arts and crafts	44,979	77,290	108,000
7. Management of Indian trust property	1,324,753	2,106,820	2,940,000

Program and financing—Continued

	1955 actual	1956 estimate	1957 estimate
Program by activities—Continued			
8. Repair and maintenance of buildings and utilities	$1,572,145	$2,050,854	$3,630,000
9. Weed control	98,245	102,000	102,000
Total obligations	10,273,199	12,975,535	16,100,000
Financing:			
Comparative transfer to other accounts	218,450		
Unobligated balance brought forward	−10,549	−535	
Unobligated balance carried forward	535		
Unobligated balance no longer available	44,809		
Appropriation (adjusted)	10,526,444	12,432,000	16,100,000
Proposed supplemental due to pay increases		543,000	

PROGRAM AND PERFORMANCE

This program promotes the economic advancement of the Indians in the continental United States and of the natives of Alaska through the utilization of their resources.

1. Forest and range lands: This activity covers management, protection, and utilization of the forest, range, and wildlife resources on nearly 50 million acres of Indian-owned lands.

	Calendar years		
	1955 estimate	1956 estimate	1957 estimate
Timber cut:			
Million board-feet	520	600	690
Dollar value	$8,750,000	$10,000,000	$11,500,000
Number of cattle units grazed	985,000	985,000	985,000

2. Fire suppression: This item provides for the suppression and prevention of fires on or threatening Indian reservations. Approximately 57,941,000 acres require protection.

3. Agricultural and industrial assistance: Funds under this activity provide for improved methods in farming; homemaking; the management of a revolving loan credit program for small business enterprises; and fromulation of plans for readjustment legislation pertaining to special trust relationships between Indian tribes and the Federal Government.

4. Soil and moisture conservation: Land-use practices based on land inventories and soil-conservation plans are introduced to control erosion and promote more effective utilization of soil and water resources. Approximately 25.7 million acres, or 48.5 percent of Indian-owned lands, are severely or critically eroded. The job of soil and moisture conservation is approximately 17 percent completed, an increase of 3 percent over 1954.

5. Operation, repair, and maintenance of Indian irrigation systems: Approximately 300 irrigation systems serving about 864,000 acres of Indian and mixed-ownership lands are operated and maintained. About 82 percent of the cost is financed from collections from water users, an increase of 2 percent over 1954.

6. Development of Indian arts and crafts: Production and marketing of the products of Indian crafts are fostered through formation of production groups; establishing of standards; and improving of markets, design, and production methods.

7. Management of Indian trust property: Banking services are provided for Indians; land is purchased, sold, exchanged, and leased; and Indian property and money rights are safeguarded. Consolidation and/or disposal of fractionated land holdings, especially in those areas affected by readjustment legislation is to be accomplished.

Road construction and maintenance (liquidation of contract authorization), Bureau of Indian Affairs

For liquidation of obligations incurred pursuant to authority contained in section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73), [$7 million] $11,500,000, to remain available until expended. (Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $7 million.
Estimate 1957, $11,500,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Road maintenance	$2,017,929	$2,270,000	$2,220,000
2. Road construction	5,750,991	9,961,080	7,780,000
Total obligations	7,768,920	12,231,080	10,000,000
Financing:			
Unobligated balance brought forward	−30,000,000	−22,231,080	−10,000,000
Unobligated balance carried forward	22,231,080	10,000,000	
Contract authorization (new)			

Status of unfinanced contract authorization

	1955 actual	1956 estimate	1957 estimate
Unfinanced balance at beginning of year	$30,000,000	$21,185,071	$14,185,071
Unfinanced balance at end of year	−21,185,071	−14,185,071	−2,685,071
Appropriation to liquidate contract authorization	8,814,929	7,000,000	11,500,000

PROGRAM AND PERFORMANCE

1. Road maintenance: The Bureau of Indian Affairs road system which requires maintenance includes 18,860 miles of roads located on 179 reservations in 24 of the States.

2. Road construction: The proposed road-construction program for 1957 places emphasis on the completion of unfinished road projects necessary to the economy and community life of the areas served, and the reconstruction of roads to standards acceptable to those local governments willing to assume future maintenance responsibilities.

	1955 actual	1956 estimate	1957 estimate
Grading and draining (miles)	463	388.2	479.7
Surface (miles)	436	482	469.7
Bridge construction (running feet)	2,594	1,709	941
Surveys and plans (miles)	837	678	645

BUREAU OF INDIAN AFFAIRS—THE OREGON PICTURE

Statement of appropriation amounts programed for Indian Service activities in the State of Oregon

Appropriations and activities	Allotment, 1956	Budget estimate	Major increases
Education and welfare services:			
Educational assistance, facilities and services	$1, 196, 241	$1, 462, 903	The basic change in the education item is the increased adult training program and increased enrollment of 100 at Chemawa Indian School.
Welfare and guidance services	53, 395	56, 838	
Relocation services		16, 205	Increase provides for relocation officer and clerk in Portland area office.
Maintaining law and order	14, 457	16, 048	
Total	1, 264, 093	1, 551, 994	
Resources management:			
Forest and range lands	149, 557	222, 957	Increases in this appropriation reflect program expansion. The descriptive title of the activities reflects the purposes for which the funds are allocated.
Agricultural and industrial assistance	124, 629	132, 517	
Soil and moisture conservation	143, 000	192, 996	
Operation, repair, and maintenance of Indian irrigation systems	11, 500	14, 000	
Management of Indian trust property	144, 937	203, 453	
Repair and maintenance of buildings and utilities	83, 796	124, 462	
Weed control	1, 616	1, 620	
Total	659, 035	902, 005	
Construction:			
Buildings and utilities	227, 880	111, 500	The 1957 estimate includes $90,000 for construction of additional classrooms at Warm Springs School. The funds for 1957 are for Klamath irrigation project, Modoc Point unit.
Irrigation system	140, 476	193, 000	
Total	368, 356	304, 500	
Road construction and maintenance (liquidation of contract authorization):			
Road maintenance	143, 000	138, 000	Funds for maintenance and construction of roads and bridges on the Klamath, Umatilla, and Warm Springs Reservation.
Road construction	253, 350	457, 000	
Total	396, 350	595, 000	
General administrative expenses	166, 010	213, 567	Included in the 1957 budget are additional funds for expansion of the program.
Grand total	2, 853, 844	3, 567, 066	

NOTE.—The 1956 amounts exclude pay increases authorized by Public Law 94, as these funds have not yet been made available.

ADJOURNMENT TO FRIDAY

Mr. CLEMENTS. Mr. President, pursuant to the previous order of the Senate, I move that the Senate stand in adjournment until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Friday, February 10, 1956, at 12 o'clock meridian.

NOMINATION

Executive nominations received by the Senate February 8, 1956:

GENERAL SERVICES ADMINISTRATION

Franklin G. Floete, of Iowa, to be Administrator of General Services, vice Edmund F. Mansure, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1956:

UNITED NATIONS

Raymond T. Bowman, of Pennsylvania, to be a representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations.

Mrs. Lorena B. Hahn, of Nebraska, to be a representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

George H. Emery, of North Carolina, to be a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 2 to class 1:

Elmer H. Bourgerie, of Maryland.
Daniel M. Braddock, of Michigan.
Aaron S. Brown, of Michigan.
Augustus S. Chase, of Connecticut.
Warren M. Chase, of Indiana.
Theodore J. Hadraba, of Nebraska.
Howard P. Jones, of New York.
John H. Madonne, of Texas.
Thomas C. Mann, of Texas.
Robert B. Memminger, of South Carolina.
Marselis C. Parsons, Jr., of New York.
Arthur R. Ringwalt, of Nebraska.
Laurence W. Taylor, of California.
E. Paul Tenney, of Washington.
Sheldon Thomas, of New York.
Ray L. Thurston, of Wisconsin.
Clare H. Timberlake, of Michigan.
Rolland Welch, of Texas.
Clifton R. Wharton, of Massachusetts.
Woodbury Willoughby, of Virginia.

The following-named persons for appointment as Foreign Service officers of class 1, consuls, and secretaries in the diplomatic service of the United States of America:

Frank A. Waring, of California.
Glenn G. Wolfe, of West Virginia.
T. Eliot Weil, of California, to be also a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 3 to class 2:

Leonard Lee Bacon, of New York.
James D. Bell, of New Mexico.
W. Wendell Blancké, of Pennsylvania.
Byron E. Blankinship, of Oregon.
William C. Burdett, of Georgia.
Frank P. Butler, of New Jersey.
Ralph N. Clough, of Washington.
Wymberley DeR. Coerr, of Connecticut.
Earl T. Crain, of Virginia.
William A. Crawford, of Pennsylvania.
Robert B. Elwood, of Iowa.
Thomas S. Estes, of Massachusetts.
Herbert P. Fales, of California.
Ernest H. Fisk, of Ohio.
Albert B. Franklin, of Massachusetts.
A. David Fritzlan, of Kentucky.
Paul F. Geren, of Arkansas.
John Goodyear, of New York.
Martin J. Hillenbrand, of Illinois.
Douglas Jenkins, Jr., of South Carolina.
Coburn B. Kidd, of Oklahoma.
Augustus S. Chase, of Connecticut.
William Koren, Jr., of New Jersey.
William Leonhart, of West Virginia.
Raymond E. Lisle, of New York.
William Bruce Lockling, of Arizona.
Edwin W. Martin, of Ohio.
Robert H. McBride, of Michigan.
Sydney L. W. Mellen, of Pennsylvania.
William J. Porter, of Massachusetts.
Milton C. Rewinkel, of Minnesota.
Robert W. Rinden, of Iowa.
Terry B. Sanders, Jr., of Texas.
Richard M. Service, of the District of Columbia.
John C. Shillock, Jr., of Oregon.
Harold Shullaw, of Illinois.
Harold Sims, of Tennessee.
C. Allan Stewart, of Arizona.
Wallace W. Stuart, of Tennessee.
John M. Vebber, of Wisconsin.
William A. Wieland, of New York.
William Witman 2d, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

R. Gordon Arneson, of Virginia.
Miss Ruth Bacon, of Massachusetts.
Norman Burns, of Ohio.
William E. F. Conrad, of Ohio.
Carl D. Corse, of Maryland.
John E. Fobes, of Virginia.
Henry J. Kellermann, of Maryland.
Jeffrey C. Kitchen, of Oregon.
Geoffrey W. Lewis, of Virginia.
Graham N. McKelvey, of Illinois.
Daniel F. Margolies, of Maryland.
Jack D. Neal, of Texas.
Theodore B. Olson, of the District of Columbia.
Earl D. Sohm, of California.
Robert L. Thompson, of Maryland.
Edwin Elliott Vallon, of Maryland.
Joseph A. Yager, of Maryland.
Ralph H. Hunt, of Massachusetts, to be a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 4 to class 3:

J. Wesley Adams, Jr., of Illinois.
Stewart G. Anderson, of Illinois.
Donald C. Bergus, of Indiana.

Thomas D. Bowie, of Minnesota.
Mrs. Katherine W. Bracken, of Florida.
Robert A. Brand, of Connecticut.
Howard Brandon, of Georgia.
Clarence T. Breaux, of Louisiana.
Lewis D. Brown, of New York.
Rolland H. Bushner, of Oklahoma.
Edward W. Clark, of New York.
G. Edward Clark, of New York.
Ralph S. Collins, of Tennessee.
Alfred P. Dennis, of Virginia.
Dwight Dickinson, of New Jersey.
Miss Eileen R. Donovan, of Massachusetts.
Robert J. Dorr, of California.
Leon G. Dorros, of New York.
E. Allen Fidel, of Wyoming.
Seymour M. Finger, of New York.
Richard B. Finn, of New York.
John I. Fishburne, of South Carolina.
John F. Fitzgerald, of Pennsylvania.
William J. Ford, of New Hampshire.
William N. Fraleigh, of New Jersey.
John C. Fuess, of Massachusetts.
Francis J. Galbraith, of South Dakota.
Michael R. Gannett, of New York.
William F. Gray, of North Carolina.
Norman B. Hannah, of Illinois.
John W. Henderson, of Iowa.
Deane R. Hinton, of Illinois.
John D. Iams, of Oklahoma.
Samuel Owen Lane, of California.
G. Wallace LeRue, of Missouri.
Charles K. Ludewig, of the District of Columbia.
Scott Lyon, of Ohio.
James V. Martin, Jr., of Illinois.
Thomas W. McElhiney, of Maryland.
William A. McFadden, of New Jersey.
David D. Newsom, of California.
W. Paul O'Neill, Jr., of Pennsylvania.
Givon Parsons, of Texas.
Leon B. Poullada, of California.
James W. Pratt, of California.
Henry Clinton Reed, of Ohio.
Edward F. Rivinus, Jr., of Pennsylvania.
Randolph Roberts, of Virginia.
Peter Rutter, of Massachusetts.
Lubert O. Sanderhoff, of California.
Joseph A. Silberstein, of New York.
Herbert D. Spivack, of New York.
Emory C. Swank, of Maryland.
Nicholas G. Thacher, of New York.
Robert W. Tucker, of California.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Herman H. Barger, of Virginia.
Louis C. Boochever, of Maryland.
John F. Buckle, of Utah.
Philip M. Burnett, of Maryland.
Thomas Patrick Carroll, of New York.
Frederick R. Carson, of Virginia.
Howard E. Chaillé, of Virginia.
Earle A. Cleveland, of Illinois.
John Hugh Crimmins, of Virginia.
William J. Crockett, of Nebraska.
Robert R. Cunningham, of California.
Theo E. Hall, of Kansas.
William G. Jones, of Maryland.
Neal E. Kimm, of Iowa.
Thomas B. Larson, of Maryland.
Richard E. Morrissey, of New York.
Carmen Richard Pasquale, of Pennsylvania.
Donald L. Ranard, of Virginia.
Irving W. Salert, of New York.
Norvelle H. Sannebeck, of Virginia.
James H. Sherrerd, of Nebraska.
Ben S. Stephansky, of Illinois.
Edward C. Wilson, of Florida.

The following-named Foreign Service officers for promotion from class 5 to class 4:

Robert M. Beaudry, of Maine.
Charles C. Carson, of Mississippi.
Thomas A. Cassilly, of Maryland.
David C. Cuthell, of Connecticut.
Delano McKelvey, of the District of Columbia.
Robert A. McKinnon, of Michigan.
Karl E. Sommerlatte, of Florida.
Robert W. Weise, Jr., of Minnesota.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Charles C. Adams, of New York.
Thomas W. Ainsworth, of New Hampshire.
Arthur B. Allen, of the District of Columbia.
John Campbell Ausland, of Pennsylvania.
John A. Baker, Jr., Connecticut.
John H. Barber, of California.
Robert J. Barnard, of Wisconsin.
Harry G. Barnes, Jr., of Minnesota.
Raymond J. Barrett, of New York.
Carl E. Bartch, of Ohio.
Frederic H. Behr, of New Jersey.
Alf E. Bergesen, of New York.
Jules E. Bernard, of New York.
Slator C. Blackiston, Jr., of North Carolina.
Vincent S. R. Brandt, of Rhode Island.
Robert C. Brewster, of Nebraska.
Emerson M. Brown, of Michigan.
Robert R. Brungart, of Maryland.
William A. Buell, Jr., of Rhode Island.
William B. Buffum, of New York.
Miss Patricia M. Byrne, of Ohio.
William C. Canup, of Michigan.
William A. Chapin, of Illinois.
Christian G. Chapman, of New York.
Peter R. Chase, of Massachusetts.
Albert C. Cizauskas, of New York.
Carroll E. Cobb, of Colorado.
Stephen A. Comiskey, of Colorado.
Richard H. Courtenaye, of California.
W. Kennedy Cromwell 3d, of Maryland.
Oliver S. Crosby, of Washington.
Donald M. Davies, of Virginia.
Arthur R. Day, of New Jersey.
Jonathan Dean, of New York.
Morris Dembo, of New York.
Walter H. Drew, of Colorado.
Theodore L. Eliot, Jr., of California.
Warrick E. Elrod, Jr., of Illinois.
Lawrence B. Elsbernd, of North Dakota.
James B. Engle, of Iowa.
Richard A. Ericson, Jr., of Minnesota.
John M. Farrior, of North Carolina.
Benjamin A. Fleck, of Pennsylvania.
Robert C. Foulon, of Illinois.
A. Eugene Frank, of Illinois.
John N. Gatch, Jr., of Ohio.
Seymour H. Glazer, of Louisiana.
Culver Gleysteen, of Pennsylvania.
Howard C. Goldsmith, of California.
Raymond E. González, of California.
Herbert I. Goodman, of Pennsylvania.
John G. Gossett, of Oklahoma.
Pierre R. Graham, of Illinois.
Lindsey Grant, of New York.
James C. Haahr, of Minnesota.
William N. Harben, of New York.
Harry W. Heikenen, of Minnesota.
William A. Helseth, of Florida.
Gregory Henderson, of Massachusetts.
Converse Hettinger, of Wisconsin.
Thomas F. Hoctor, of New York.
Max E. Hodge, of New York.
Lewis Hoffacker, of Arizona.
John H. Holdridge, of California.
Jerome K. Holloway, Jr., of Maryland.
Robert B. Houghton, of Michigan.
Robert B. Houston, Jr., of Missouri.
Wharton Drexel Hubbard, of New York.
Paul R. Hughes, of California.
Mansfield L. Hunt, of Maine.
Robert A. Hurwitch, of Illinois.
Edward C. Ingraham, Jr., of New York.
Heyward Isham, of New York.
Alan G. James, of the District of Columbia.
Walter E. Jenkins, Jr., of Massachusetts.
Alexander C. Johnpoll, of New Mexico.
William M. Johnson, Jr., of Massachusetts.
James R. Johnston, of Ohio.
Howard D. Jones, of Oklahoma.
Abraham Katz, of New York.
Warren A. Kelsey, of Massachusetts.
William M. Kerrigan, of Ohio.
Bayard King, of Rhode Island.
David Klein, of Michigan.
Lowell Bruce Laingen, of Minnesota.
Francis X. Lambert, of Massachusetts.
Earl H. Luboeansky, of Missouri.
Dayton S. Mak, of Iowa.
LeRoy Makepeace, of Connecticut.
Philip W. Manhard, of California.
Doyle V. Martin, of Oklahoma.
Walter M. McClelland, of Oklahoma.
James H. McFarland, Jr., of Michigan.
John A. McVickar, of New York.
Francis J. Meehan, of the District of Columbia.
Kermit S. Midthun, of Michigan.
Paul M. Miller, of Maryland.
William B. Miller, of Ohio.
Lawrence C. Mitchell, of California.
Robert E. Moberly, of Idaho.
Sam Moskowitz, of Missouri.
Grant E. Mouser 3d, of Ohio.
Jacob M. Myerson, of the District of Columbia.
E. Jan Nadelman, of New York.
Joseph W. Neubert, of Washington.
Daniel O. Newberry, of Georgia.
John F. O'Donnell, Jr., of Massachusetts.
Robert L. Ouverson, of Minnesota.
Stephen E. Palmer, Jr., of New York.
Richard B. Parker, of Kansas.
John M. Perry, of Massachusetts.
Peter J. Peterson, of California.
Chris G. Petrow, of Massachusetts.
Paul M. Popple, of Illinois.
Clifford J. Quinlan, of Minnesota.
Lawrence P. Ralston, of Connecticut.
James R. Ruchti, of Wisconsin.
David T. Schneider, of Massachusetts.
Peter A. Seip, of Iowa.
Matthew D. Smith, Jr., of South Dakota.
Paul A. Smith, Jr., of Virginia.
Richard E. Snyder, of New Jersey.
C. Melvin Sonne, Jr., of Pennsylvania.
Moncrieff J. Spear, of New York.
William F. Spengler, of Wisconsin.
Daniel Sprecher, of New York.
Thomas C. Stave, of Washington.
Kenedon P. Steins, of Pennsylvania.
William N. Stokes, of North Carolina.
Lee T. Stull, of Pennsylvania.
Kenneth P. T. Sullivan, of Massachusetts.
Jack A. Sulser, of Illinois.
Godfrey Harvey Summ, of New York.
Kingdon W. Swayne, of Pennsylvania.
Robert J. Tepper, of New York.
Herbert B. Thompson, of California.
Malcolm Thompson, of Massachusetts.
David R. Thomson, of the District of Columbia.
Edward J. Thrasher, of New York.
Theodore A. Tremblay, of California.
Edward J. Trost, of New York.
Thomas T. Turner, of Washington.
William N. Turpin, of Georgia.
Philip H. Valdes, of New York.
George S. Vest, of Virginia.
Theodore A. Wahl, of New York.
Peter C. Walker, of New York.
Herbert S. Weast, of California.
Sidney Weintraub, of New York.
Alfred W. Wells, of New York.
Orme Wilson, Jr., of New York.
Stanley B. Wolff, of New York.
Wendell W. Woodbury, of Iowa.
Charles G. Wootton, of Connecticut.
Arthur I. Wortzel, of New Jersey.

The following-named persons for appointment as Foreign Service officers of class four, consuls, and secretaries in the diplomatic service of the United States of America:

Ellis K. Allison, of Maryland.
Lawrence H. Backs, of Washington.
St. John Bargas, of Louisiana.
Josiah W. Bennett, of Maryland.
Mrs. Isabel G. Blackstock, of Utah.
James E. Bowers, of North Carolina.
John A. Bywater, of the District of Columbia.
James S. Cunningham, Jr., of California.
Frank A. Davis, of Ohio.
Jefferson Dix, Jr., of Maryland.
Culver E. Gidden, of Texas.
Robert Whitcomb Heavey, of California.
Michel M. Ivy, of Washington.

Charles M. Johnston, of Maryland.
William Kane, of Virginia.
Andor Klay, of Ohio.
Walter E. Kneeland, of Texas.
Archie S. Lang, of New York.
Chas. E. Laurendine, of Alabama.
Mrs. Ruth A. Lovell, of California.
R. Glynn Mays, Jr., of Maryland.
Carl J. Nelson, of Virginia.
William V. M. Owen, of the District of Columbia.
James C. Powell, Jr., of Texas.
Miss Catherine A. Rock, of Pennsylvania.
Lawrence W. Sharpe, of Ohio.
Charles G. Sommer, of Ohio.
Donald S. Spigler, of Pennsylvania.
Erwin C. Thompson, of California.
Henry T. Unverzagt, of Virginia.
Jack L. Vrooman, of California.

The following-named Foreign Service officers for promotion from class 6 to class 5:

Miss Gloria E. Abiouness, of Virginia.
James E. Akins, of Ohio.
Robert N. Allen, of Oklahoma.
Daniel N. Arzac, Jr., of California.
G. Michael Bache, of Maryland.
George M. Barbis, of California.
Robert E. Barbour, of Tennessee.
Richard W. Barham, of Texas.
Malcolm R. Barnebey, of Texas.
Robert S. Barrett IV, of Virginia.
John A. Billings, of Missouri.
Richard J. Bloomfield, of Virginia.
Lewis W. Bowden, of the District of Columbia.
William G. Bradford, of Illinois.
William R. Brown, of Ohio.
Robert T. Burns, of Indiana.
Charles B. Cook 3d, of Pennsylvania.
Joseph H. Cunningham, of Nebraska.
Thomas A. DeHart, of California.
Walker A. Diamanti, of Utah.
Thomas I. Dickson, Jr., of Texas.
William B. Edmondson, of Nebraska.
Alfred J. Erdos, of Arizona.
Leo Espy, of Oregon.
Miss Barbara C. Fagan, of New York.
John E. Feissner, Jr., of the District of Columbia.
Robert T. Follestad, of California.
William Lee Frost, of Connecticut.
Fred J. Galanto, of Massachusetts.
Samuel R. Gammon III, of Texas.
John L. Gawf, of Colorado.
Charles A. Gendreau, of Minnesota.
H. Kent Goodspeed, of California.
Richard C. Harmstone, of the District of Columbia.
Donald S. Harris, of Connecticut.
William C. Harrop, of New Jersey.
Roy T. Haverkamp, of Missouri.
Robert T. Hennemeyer, of Illinois.
Martin B. Hickman, of Utah.
Howard Hill, of Missouri.
David C. Jelinek, of Wisconsin.
Robert W. Kent, Jr., of California.
C. Dirck Keyser, of New Jersey.
Burton Kitain, of New Jersey.
Miss Paulina C. Kreger, of Ohio.
Paul H. Kreisberg, of New York.
Lyle F. Lane, of Washington.
Myron Brockway Lawrence, of Oregon.
Edwin D. Ledbetter, of California.
Samuel W. Lewis, of Texas.
Charles E. Lilien, of Illinois.
Ralph E. Lindstrom, of Minnesota.
John A. Linehan, Jr., of Massachusetts.
John Lloyd 3d, of New Jersey.
Alan W. Lukens, of Pennsylvania.
John G. MacCracken, of California.
Julian F. MacDonald, Jr., of Ohio.
John C. Mallon, of Kentucky.
Timothy M. Manley, of Connecticut.
David P. Mann, of the District of Columbia.
S. Douglas Martin, of New York.
H. Freeman Matthews, Jr., of Virginia.
Nicholas V. McCausland, of California.
Miss Ruth A. McLendon, of Texas.
John E. Merriam, of California.
Dudley W. Miller, of Colorado.
S. Paul Miller, Jr., of California.
John L. Mills, of Georgia.
Harry J. Mullin, Jr., of Kentucky.
Michael H. Newlin, of North Carolina.
Emmit E. Noland, Jr., of Georgia.
Donald R. Norland, of Iowa.
Hugh B. O'Neill, of Connecticut.
Frank V. Ortiz, Jr., of New Mexico.
Richard B. Owen, of Michigan.
Russell R. Pearson, of Minnesota.
Frederick P. Picard, III, of Nebraska.
Laurence G. Pickering, of Nebraska.
Richard St. F. Post, of Connecticut.
Arthur W. Purcell, of Massachussets.
Jess F. Reed, of Washington.
James F. Relph, Jr., of California.
Robert A. Remole, of Minnesota.
Don W. Rogers, Jr., of Ohio.
Leo J. Ryan, of Florida.
Theodore Sellin, of Pennsylvania.
Robert G. Shackleton, of Ohio.
Allen C. Siebens, of Ohio.
Paul K. Stahnke, of Illinois.
Joseph F. Starkey, of California.
Lawrence L. Starlight, of New York.
Francis R. Starrs, Jr., of California.
Birney A. Stokes, of New Jersey.
William A. Stoltzfus, Jr., of Minnesota.
Jean R. Tartter, of Massachusetts.
Charles W. Thomas, of Illinois.
Richard D. Vine, of New York.
Robert B. Warner, of Michigan.
Robert H. Wenzel, of Massachusetts.
Lewis M. White, of New York.
Victor Wolf, Jr., of New York.
Dan A. Zachary, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert M. Balthaser, of Pennsylvania.
William D. Calderhead, of Texas.
Robert Alexander Campbell, Jr., of the District of Columbia.
Miss Kathryn O. Clark, of the District of Columbia.
Miss Alice W. Clement, of Pennsylvania.
Eller R. Cook, of Florida.
Jeffery R. D. Crockett, of the District of Columbia.
Robert W. Day, of Maryland.
George Falk, of Maryland.
Jack Friedman, of the District of Columbia.
Robert J. Gibbons, of Ohio.
Clifford H. Gross, of New York.
Ernest S. Guaderrama, of California.
Nez C. Hallett, Jr., of Texas.
Alfred Harding IV, of New York.
Gerrit J. W. Heyneker, of Massachusetts.
Edward C. Howatt, of Virginia.
Miss Marie A. Johnson, of Minnesota.
John Edward Karkashian, of California.
Kenneth W. Knauf, of Wisconsin.
Charles W. McCaskill, of Virginia.
Allan F. McLean, Jr., of Texas.
Miss Mary Louise Manley, of the District of Columbia.
Charles Willis Naas, of Massachusetts.
James M. E. O'Grady, of the District of Columbia.
Onesime L. Piette, of Virginia.
William R. Roof, of South Carolina.
Gerald Schwab, of New Jersey.
Richard G. Smith, of Florida.
Edward O. Steilmacher, of Maryland.
Raymond Thomsen, of Colorado.
Vladimir I. Toumanoff, of New Hampshire.
Ray E. White, Jr., of Virginia.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Craig Baxter, of Ohio.
Arthur E. Breisky, of California.
Thomas R. Buchanan, of Illinois.
Miss Helen E. Kavan, of Ohio.
Robert V. Keeley, of Virginia.
Stephen Low, of Ohio.
David A. Macuk, of New Jersey.
Charles E. Marthinsen, of Pennsylvania.
Byron B. Morton, Jr., of New Jersey.
David W. K. Peacock, Jr., of New Jersey.
Miss Allene M. Roche, of Connecticut.
Samuel H. Weaver, of New York.
Miss Suzanne S. Williams, of Ohio.
Raymond W. Eiselt, of California.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Arthur A. Bardos, of California.
Henry L. Davis, of New Jersey.
Elmer S. Dorsay, of Colorado.
John V. Lund, of California.
Stanley J. Prisbeck, of Pennsylvania.
Garland C. Routt, of Indiana.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

William A. Krauss, of California.
Irvin S. Lippe, of Ohio.
George A. Tesoro, of Maryland.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Saxton E. Bradford, of Arizona.
Daxid W. Smyser, of Maryland.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Basil A. Beardsley, of Ohio.
Francis J. Jeton, of Massachusetts.
A. Grima Johnson, of Louisiana.
Charles M. Shannon, Jr., of Virginia.
Michael Tanes, of Massachusetts.

COLLECTOR OF CUSTOMS

Frank D. Yturria, of Texas, to be collector of customs for customs collection district No. 23, with headquarters at Laredo, Tex.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 8, 1956

The House met at 12 o'clock noon.

The Reverend Fred Carl Wolf, Jr., St. John's Episcopal Church, Corsicana, Tex., offered the following prayer:

O God, the fountain of wisdom, whose statutes are good and gracious and whose law is truth, grant us, we beseech Thee, Thy guidance that we may build upon the surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations to the glory of Thy name and the welfare of Thy people. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6043. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7588) entitled "An act for the relief of Jane Edith Thomas," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KILGORE, Mr. EASTLAND, and Mr. WATKINS to be the conferees on the part of the Senate.

SWEARING IN OF A MEMBER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania, Mr. ELMER J. HOLLAND, be permitted to take the oath of office today. The certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ELMER J. HOLLAND appeared at the bar of the House and took the oath of office.

IMMIGRATION AND NATURALIZATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 329)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on the Judiciary and ordered printed:

To the Congress of the United States:

Throughout our history immigration to this land has contributed greatly to the strength and character of our Republic. Over the years we have provided for such immigration because it has been to our own national interest that we do so. It is no less to our national interest that we do so under laws that operate equitably.

The Secretary of State, the Attorney General, and the Commissioner of Immigration and Naturalization have made a thorough study of the operation of our present immigration laws, and have advised me concerning the changes and additions which they consider necessary in the national interest. I have carefully reviewed their findings and concur in their conclusions. The recommendations now made are based on those findings and conclusions.

This message takes up four separate and distinct subject matters respecting our immigration policies: (1) the quota system and the use of national origins, (2) the private-relief-bill system of handling hardship cases, (3) unnecessary restrictions and administrative provisions of our immigration laws, and (4) judicial review in deportation. Each such subject matter is treated separately because the problems in each are wholly distinct from the others. Accordingly, the recommendations as to each subject matter will, I hope, be considered separately and each on its own merit.

I

The Immigration and Nationality Act of 1952 was developed essentially as a codification of many separate, and sometimes overlapping and inconsisent, immigration and nationality laws. It was thought inappropriate, in connection with that legislation, to revise our basic immigration policies. Moreover, at that time 1950 census information was incomplete.

The time has now come to consider those policies. Experience in the postwar world demonstrates that the present national-origins method of admitting aliens needs to be reexamined, and a new system adopted which will admit aliens within allowable numbers according to new guidelines and standards.

The Congress has traditionally formulated our basic immigration policies, and will doubtless wish to make its decision as to what new system should be established only after its own study and investigation of all possible choices. There are many factors that must be taken into consideration. Among these are: the needs of this country for persons having specialized skills or cultural accomplishments; close family relationships; the populations and immigration policies of countries sending immigrants to this country; their past immigration and trade relationships with this country; and their assistance to the joint defense of the friendly free nations of the world.

Pending the completion by the Congress of such study and investigation, it is essential that we take interim measures to alleviate as much as possible inequities in the present quota system. Accordingly, I recommend the immediate enactment of the following proposals.

First, the present quota system sets a maximum annual authorization of 154,657 quota immigrants. This figure is derived from a formula based upon the 1920 population. I recommend that total population as shown by the 1950 census be used as the base for determining the overall ceiling. I believe that economic growth over the past 30 years and present economic conditions justify an increase of approximately 65,000 in quota numbers. I recommend that Congress provide for such an increase by fixing the overall ceiling in terms of a percentage of total population as shown by the 1950 census. The new ceiling recommended would be approximately 220,000 quota numbers annually.

In order to eliminate some of the inequity resulting from the fact that several countries have large quotas which they do not use while others have small quotas which are usually oversubscribed, I recommend that the additional quota numbers—i. e., those over and above the 154,657 numbers now provided for—be distributed among countries in proportion to their actual immigration to this country since the establishment of the quota system in 1924.

This method of allocation will help to alleviate the problem of oversubscribed quotas. At the same time no country will have a lesser number of quota numbers allocated to it than at present.

Second, I recommend that the Congress set aside from the increased annual quota 5,000 numbers to be available for admission of aliens without regard to nationality or national origin. Use of these numbers would enable us to meet some of the needs of this country which develop from time to time for persons with special skills and cultural or technical qualifications.

The existing immigration law recognizes somewhat similar criteria for quota immigrants by giving a preference to those whose services are determined by the Attorney General to be needed urgently in the United States because of the high education, technical training, specialized experience, or exceptional ability, and to be substantially beneficial prospectively to the national economy, cultural interests, or welfare of the United States. Our needs and requirements should be determined on the basis of consultation among the various departments and agencies of the Government, and also with the advice and testimony of private organizations.

This special pool has further value as an experimental plan departing entirely from our present system of distributing quotas on a basis of nationality or place of birth. It also would enable us to give greater assistance to persons abroad who have undergone suffering and hardship resisting Communist aggression, who would make beneficial contributions to this country, and who will not have the benefit of the Refugee Relief Act after that act's termination.

Third, quota numbers that are unused by countries to which they are allocated should be made available for use elsewhere. Under our present law quota numbers which are unused by any particular country in the year in which they are available become void and may not be used by any other country.

I recommend enactment of legislation that will permit the utilization of unused quota numbers in the succeeding year. This should be done by pooling the unused quota numbers in each of the following areas: Europe, Africa, Asia, and the Pacific Ocean area. These pooled quota numbers would then be distributed during a 12-month period on a first come, first served basis among eligible applicants of the area, without regard to country of birth within the area. These quotas should be limited to aliens who qualify for preference status under existing law—persons having special skills or close relatives in the United States.

There is a further inequity in the quota system by virtue of the so-called mortgage on quotas resulting from the issuance of visas under the Displaced Persons Act and other special acts. The law provides that visas issued under these acts are chargeable against quotas authorized under the Immigration Act. The result is that the quotas of many countries are mortgaged far into the future. For example, 50 percent of the quota for Greece is mortgaged until the year 2017; for Lithuania, until 2090; for Latvia, until 2274. The total number so mortgaged for the year 1955 amounted to about 8,000, and over the total span of years the aggregate could be as much as 328,000. I recommend the elimination of this unfairness. This is consistent with the action of the Congress in enacting the Refugee Relief Act of 1953. Congress

did not then impose additional mortgages on quotas but provided special nonquota visas for eligible refugees.

II

For some time I have considered that undue and largely useless burdens are placed upon the Congress and the President by the avalanche in recent years of private bills for the relief of aliens. The number of these bills is strikingly high in comparison with the number of public enactments. In the 1st session of the 84th Congress private immigration enactments alone accounted for 413 of 880 enactments, public and private; 3,059 such bills were introduced. During the 83d Congress private immigration enactments accounted for 753 of 1,788 enactments, both public and private; 4,797 such bills were introduced. At the beginning of the present session there were 2,159 private immigration measures pending.

The Congress, in the performance of its constitutional duties, must consider the worthiness of each private immigration bill introduced. The President, in the performance of his constitutional duties, must consider the worthiness of each bill enacted. The Nation's interest would surely be better served if the bulk of these private immigration claims were handled through suitable administrative machinery and if the Congress and the Executive could thus give their full attention to more urgent national problems.

Under the private bill system of handling individual immigration cases, many persons fail to obtain the very relief which others have received, because Congress has not had the time to take up and act on the bills introduced for their benefit. Indeed there are many whose plight has not even come to the attention of the Congress.

For these reasons it is my belief that action is called for to provide the necessary administrative authority to take care of such cases. I hope that such action will be taken without delay so that it may be of help this year. The enactment of such authority, in my opinion, would substantially eliminate the need for private legislative redress in this area. I suggest that there should be vested in the Attorney General limited discretionary powers to grant relief with respect to admission and deportation of aliens. Such discretion should be limited to aliens with close relatives in this country, to veterans, and to functionaries of religious organizations, regardless of the technical statutory ground on which the alien is inadmissible or subject to deportation. These classes of cases embrace the great bulk of the hardship cases which appeal to our sense of fairness. However, no relief ought to be accorded aliens whose presence here would be dangerous to the safety and security of the United States. An appropriate charge against the applicable quota would be made in each case where relief is granted.

It should further be provided by the Congress that there shall be a ceiling on the number of cases in which such discretionary authority may be exercised.

III

Experience under the existing immigration law has established that there are a number of changes, aside from the quota provisions, which should be made in the Immigration and Nationality Act of 1952. Some provisions create unnecessary restrictions upon travel to the United States, while others inflict great hardships upon the aliens affected. Consequently, I make the following recommendations:

Under the present law, every alien applying for a visa must be fingerprinted; and every alien admitted without a visa and remaining in the United States for 30 days or longer, even if here temporarily, must be fingerprinted. Although in our minds no stigma is attached to fingerprinting, it is not a requirement of travel in other countries. We should be the first to remove travel obstacles which hamper the free exchange of ideas, cultures, and commerce. Further, experience over the last 3 years has shown that this requirement does not significantly contribute to our national safety and security. The law should be amended to permit the Secretary of State and the Attorney General to waive the requirement of fingerprinting, on a reciprocal basis, for aliens coming here for temporary periods.

We must recognize the tremendous increase in air and surface travel in recent years. Aliens traveling from one country to another often find it necessary to pass through the United States without any intention to remain in or even visit this country. A South American flying to or returning from Europe, for example, will often pass through the United States. He should not be required to meet all of the standards for admission, coupled with inspection and examination, that normally apply. These requirements result in unnecessary hardships to the traveler, expense to the carrier, and loss of good will, without proportionate benefit to the United States. The law should be amended accordingly.

The present statute contains a restrictive requirement which makes it necessary for immigration authorities to inspect and apply all grounds of exclusion to aliens seeking admission to the mainland of the United States from Alaska and Hawaii. This requirement results in expense to the Government and causes delays and inconvenience in travel. It must be remembered that, by definition in the law, these Territories are part of the United States, and aliens who have entered or are present in them are subject to all the provisions of the act. If the alien was deportable before he came to the mainland, he remains deportable. I recommend the elimination from the law of this unnecessary restriction upon travel.

The immigration laws presently require aliens to specify race and ethnic classification in visa applications. These provisions are unnecessary and should be repealed.

A large group of refugees in this country obtained visas by the use of false identities in order to escape forcible repatriation behind the Iron Curtain; the number may run into the thousands. Under existing law such falsification is a mandatory ground for deportation. The law should be amended to give relief to these unfortunate people.

The inequitable provisions relating to Asian spouses and adopted children should be repealed.

The Immigration Act grants special naturalization benefits to veterans of our Armed Forces who have completed at least 3 years' honorable service, and who can submit proof of admission for permanent residence. Many have been unable to submit this proof. I recommend that proof of admission be not required in such cases.

The present statute is unnecessarily restrictive as to aliens who marry United States citizens. It forbids adjustment to permanent residence if the alien has been in the United States less than 1 year before the marriage. This disrupts the family and is expensive for the alien who must go abroad to obtain a nonquota visa, without proportionate benefit to the United States. I recommend that the requirement of 1 year's presence in the United States before marriage be repealed.

The above covers the principal changes which I recommend as a minimum toward amelioration of the immigration laws. Others will be suggested by the Attorney General.

IV

Just as the Nation's interests call for a larger degree of flexibility in the laws for regulating the flow of other peoples to our shores, there is at the same time a significant need to strengthen the laws established for the wholesome purpose of ridding the country of the relatively few aliens who have demonstrated their unfitness to remain in our midst. Some of these persons have been found to be criminals of the lowest character, trafficking in murder, narcotics, and subversion. Constitutional due process wisely confers upon any alien, whatever the charge, the right to challenge in the courts the Goverment's finding of deportability. However, no alien who has once had his day in court, with full rights of appeal to the higher courts, should be permitted to block his removal and cause unnecessary expense to the Government by further judicial appeals the only purpose of which is delay. I am concerned by the growing frequency of such cases involving as they often do the depraved and confirmed criminal. Accordingly, I have asked the Attorney General to submit to the Congress, a legislative proposal that will remedy this abuse of legal process.

I believe that these changes in our immigration and nationality laws, together with the amendments to the Refugee Relief Act which I have heretofore recommended to the Congress, not only will advance our own self-interest, but also will serve as living demonstrations that we recognize our responsibilities of world leadership. I urge their careful consideration by the Congress.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 8, 1956.*

JOINT COMMITTEE ON ATOMIC ENERGY

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 514) relating to the compensation of the executive director of the Joint Committee on Atomic Energy.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That section 205 of the Atomic Energy Act of 1954 is amended by inserting after the first sentence thereof a new sentence as follows: "The Joint Committee is authorized to fix the compensation of an executive director at a gross rate not in excess of $18,000 per annum, and such executive director shall be in addition to the employees whose compensation may be fixed at basic rates in excess of $8,000 per annum under the provisions of any other legislative authority."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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 may be permitted to meet this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BOY SCOUT WEEK

Mr. TRIMBLE. Mr. Speaker, I ask uanimous consent to extend my remarks at this point in the RECORD and to to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, as all of you know, this is Boy Scout Week. Each of us has been honored to have young members of this great organization visit us this week. One of the proud and happy moments of the week was when young Martin Delaney, of Alexandria, Va., came by our office and honored me with this smile and a Boy Scout lapel button. He is a fine, bright-eyed youngster. These young folks and their sisters throughout the land are our greatest national assets. We are very proud of them.

For some 14 busy years I was honored to be officially connected with the circuit court in one of the judicial circuits of Arkansas. Among other things, that court had jurisdiction over criminal cases. I am proud to say that during all those years, no boy or girl who had been or was a Boy Scout or Girl Scout came before me charged with a criminal offense. What a tribute that is to the great organization which we honor this week.

My colleague, the gentleman from Arkansas [Mr. HAYS], usually makes a statement at this time about Boy Scout Week. However, his aged father is critically ill at home in Arkansas, and he has gone to his father's bedside. Mr. HAYS is a great and good friend of the Scout movement and through me extends his love and affection to the members of the organizaiton.

Mr. Speaker, as a part of my remarks, I wish to insert a letter from President Eisenhower as follows, and one from the Honorable J. Edgar Hoover, Chief of the FBI:

THE WHITE HOUSE,
February 4, 1956.

To the Boy Scouts of America:

On the occasion of the 1956 observance of Boy Scout Week I extend warm greetings and congratulations to you and your leaders.

I am, of course, delighted that the number of Cubs, Boy Scouts, Explorers, and adult leaders now totals more than 4 million. This growth gives heartening assurance that in the years to come our Nation will continue to have citizens prepared in body, mind, and character to serve it and to further its strength and progress.

In preparation for citizenship—for the exercise of its rights and the discharge of its obligations—spiritual training plays a major part. I therefore congratulate you on the fact that your organization will round out its first half century with the 4-year program, "Onward for God and my country"—a program which will strengthen your knowledge of our heritage and your capacity to contribute to the welfare of your fellow man and of the Republic.

As you begin work under this program I wish all of you the greatest possible success.

DWIGHT D. EISENHOWER.

FEBRUARY 6, 1956.

To the Boy Scouts of America:

Present and past members of the Boy Scouts of America have every reason to be proud of the movement's earned record. Since 1910, you and former members have rendered voluntarily services that have greatly enriched the Nation.

There are many reasons why the Boy Scouts of America enjoy widespread respect and approval. The fact you live the Scout oath and law, day by day, is one of them.

Your new 4-year program, "Onward for God and my country," is most timely and needed. It is created to prepare boys to live in today's world, carry their full share of responsibility, give them opportunities to develop physical fitness, self-reliance, and personal courage, a spirit of helpfulness and an understanding of our Government's democratic processes. Most important, you constantly affirm the need for spiritual strength in all you do.

I am informed that your current membership is now more than 4,100,000 Cub Scouts, Boy Scouts, Explorers, and adult leaders. Your grand total membership of 24,500,000 since 1910 is both impressive and inspiring.

My associates join me in congratulating the members of the Boy Scouts of America on its service, integrity, and patriotism. You have set a great example. We are proud of you.

J. EDGAR HOOVER.

In closing, let us give a hand salute to all Scouts everywhere.

FEDERAL PAYROLL

Mr. DAVIS of Georgia. 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 Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, today I am introducing, at the request of the Subcommittee on Manpower Utilization and Departmental Personnel Management, Committee on Post Office and Civil Service, legislation which will assist in controlling the number of employees on the Federal payroll.

Today we have about 2,360,000 Federal civilian employees on the Government payroll as contrasted to 1,943,000 just 6 years ago. That is an increase of over 400,000 employees and an increase in payroll costs of about $1.8 billion.

As I have stated on numerous occasions, I am firmly convinced that the essential functions of our Government can be performed with 2 million or less employees.

This legislation will require the executive branch of the Government to furnish full information on the manpower required in connection with pending or proposed legislation. This information will indicate to the Congress the impact that substantive legislation can and often does have on the Federal payroll. Meanwhile, I suggest that all committees require manpower data on pending legislation in order that this information will be available for floor discussion on such legislation.

The bill I am introducing will give the Congress the information needed for aiding in controlling the size of the Federal payroll. It will give the Congress better information on proposed manpower costs. I strongly urge that this bill be given prompt consideration. In the interim, I respectfully suggest that all committees require full disclosure from the executive branch covering planned manpower increases resulting from pending legislation.

IS NEW DISABILITY PENSION FOR SOME A ROADBLOCK TO BAR PENSIONS FOR ALL WAR VETS AT 62?

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I am firmly convinced that we should provide pensions of $100 a month for all honorably discharged war veterans when they reach the age of 62, without any disability or means test.

In the light of this personal declaration, I want to discuss certain phases of H. R. 7886, the modified disability pension bill. It is also known as the war veterans security bill which is apt to give the misleading impression that it applies to all older veterans.

Any pension bill which is an improvement on existing legislation, is deserving of support. But if it is an adroit maneuver to head off mounting demands for a general pension for all war veterans reaching the age of 62, then we must proceed carefully.

It is no secret that the present VA law is defective in some respects.

The Veterans' Administration has too much discretionary power; either to liberalize or tighten up on pensions—that are given only to some older war veterans—under the rating system.

By the VA's yardstick a few undeserving veterans manage to get on the rolls, while a few deserving veterans are discouraged from applying for the pensions that are due them.

The new bill provides that "a person shall be deemed to be permanently and totally disabled upon reaching the age of 65 years."

At first glance, this might seem to apply to all veterans reaching that age. But in a prior sentence, there is the requirement that "No pension shall be payable under this part for permanent disability less than total."

Furthermore, there is an annual income limitation for single or married veterans, beyond which the veteran is not eligible to receive a pension.

This bill is, therefore, an improvement, but still a compromise.

The national legislative bulletin of the American Legion quotes this Associated Press dispatch of January 9, 1956, in the Legion's support of H. R. 7886:

> Nearly three-fourths of Americans over 65 either have no income or less than $1,000 a year, according to a study released today. The report was issued by the Twentieth Century Fund, a nonprofit foundation for economic and social research and education. The study said that of the population over 65 years old, 36 percent have no income of their own, 38 percent have annual income under $1,000; 11 percent have between $1,000 and $2,000 and 15 percent have $2,000 or more.

Applying these ratios to our aging veterans, we find that 74 percent or nearly three-quarters have annual incomes ranging from $1,000 to zero.

This is a compelling reason why we should legislate a national pension for war veterans, beginning at the age of 62.

A program of this type would be more costly, but it would be easier to administer, and it would treat all old soldiers as equal recipients of a nation's gratitude.

At that, it would be but a fraction of the war debt, and it would be a payment to men, instead of war materials that have been used or discarded.

The present issue concerns the relation of H. R. 7886, to this ultimate goal of a national pension for war veterans, beginning at the age of 62.

This bill is a part way measure that represents progress, but should not be regarded as the complete and final answer to the pension question.

One cannot disagree with its intent "to liberalize the basis for, and increase the monthly rates of, disability pension awards."

But one can reserve the right, while supporting this bill, to work for the ultimate goal of pensions for all war veterans 62 years of age and older.

H. R. 7886 is interim legislation, on the road to a genuine and all-inclusive pension for older veterans.

With that clearly understood, I shall vote for this bill.

AMENDMENTS TO IMMIGRATION LAW

Mr. KEATING. 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. KEATING. Mr. Speaker, today I am introducing four separate bills to carry out the recommendations contained in President Eisenhower's special message to Congress relating to amendments of the Immigration and Nationality Act of 1952.

These bills represent progressive steps to assure that we will not be left behind in the cold war. Public pronouncements critical of the present law in this country are often seized upon and twisted by our foes abroad for their own evil purposes.

There is no reason why our immigration and naturalization law should be a whipping-boy for Communist sympathizers and propagandists. We should demonstrate the ever present willingness of the United States to eliminate from our laws any possible grounds for charges of discrimination and unfairness as soon as circumstances so require. I agree with the President that it is time to revise the McCarran-Walter Act. By doing so we can prevent our enemies from exploiting shortcomings in the law in an effort to create dissension among us.

Under one of the bills the present quota system would be revised to take the last 1950 census as the base for computing quotas instead of 1920 in the present law. Unused quota numbers would be pooled for distribution in each of four geographical regions, Europe, Asia, Africa, and Oceania.

In another measure, the present intolerable burden upon the President and the Congress of private bills would be eliminated. This proposal would shift the function of discretionary review of alien cases to the Attorney General, who would pass upon such cases upon the recommendation of the State Department.

A third bill is designed to crack down on the alien racketeers—those who in the past have remained among us for years on end, pending the outcome of judicial proceedings instituted solely for the purpose of protracting their stay. This bill would regulate judicial review of deportation and exclusion orders so that we can expedite the exiling of those relatively few aliens who have clearly demonstrated that they have no right to remain here. Thus we will be able to get rid of such undesirables as those aliens guilty of subversion or serious criminal violations in much speedier fashion than before.

Tomorrow I shall ask for time to explain more fully the contents and implications of the four bills.

I hope the Congress will take speedy action on these measures which will go a long way toward strengthening our hand in the affairs of the world. Passage of these measures will demonstrate to all the world that this Nation continues to stand for its time-honored principles of freedom, equality, and justice.

THE LATE FREDERICK WILLIAM DALLINGER

Mr. HALE. 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 Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I regret that I was not on the floor last week when the gentlemen from Massachusetts [Mr. MACDONALD and Mr. MCCORMACK] were speaking of the life and services of the late Hon. Frederick William Dallinger, because at the time of his death and for the entire period of my service here, which dates back to 1943, Judge Dallinger was one of my most distinguished constituents.

When he retired from the bench he went to live in the beautiful town of Center Lovell, Oxford County, Maine. I visited him frequently in his home where he showed me with great and legitimate pride a large room filled with the various mementos of his long life of public service. I shall not recite the biographical details of his life which are contained in the remarks made by my colleague, the gentleman from Massachusetts [Mr. MACDONALD], on February 1.

Judge Dallinger was a most diligent and devoted Member of this House, where he served throughout the decade from March 4, 1915 to March 3, 1925, and again from November 2, 1926 to October 1, 1932, when he resigned to accept appointment to the bench of the United States Customs Court. On this court he served for 10 years. Judge Dallinger took the greatest pride and satisfaction in his career of service here, and in all the friendships and associations which it brought to him. During his terms in this House he made it a point to know personally every one of his colleagues, and he had a strong sense of friendship for all those with whom he served irrespective of political affiliations. While, during the 13 years which he spent in retirement in Maine, he took no active part in politics, he had a very lively interest in everything that went on. I prized his friendship and benefited on many occasions from his counsel. His was a rich and happy life. I shall miss him and shall always honor his memory.

H. R. 6043

Mr. DEROUNIAN. 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. DEROUNIAN. Mr. Speaker, yesterday the Senate passed the Kings Point bill, H. R. 6043. I, with many others, including my colleagues Mr. BONNER, Mr. BECKER, Mr. WAINWRIGHT, Mr. LATHAM, Mr. BOSCH, Mr. KEOGH, Mr. VAN PELT, the Association of Parents and Friends of Kings Point, led by Mr. John W. Scherger, have worked and hoped for this for many years and now it is with deepest sincerity that I express my gratitude to my friends and colleagues in both parties and in both the House and the Senate for all their help in bringing this about, in recognizing the necessity of maintaining a permanent United States Merchant Marine Academy.

The faith that the Congress has shown in this superb school will not go unrewarded. This Academy is an important factor in the development of a sound merchant marine, and with the benefit of this legislative action and the expected presidential approval, it will be even better abe to fulfill its responsibilities in furnishing well-trained young officers to our merchant marine in peacetime, and a vital source of naval officers when needed for the defense of our great country.

Those of you who have had the opportunity of visiting this school, seeing its beautiful setting, its excellent facilities, and the calibre of its staff and of its student body, understand my pride in having it within my congressional district. They understand, too, why I can say with such complete confidence that this school ranks equally with our three other great military academies.

Since the day of its founding, the United States Merchant Marine Academy at Kings Point has had a proud record of accomplishment, and this further aid that you have given it through this legislation will make possible even greater accomplishments in the future.

My sincere thanks to you all.

POLITICS IN THE WEST

Mr. SCOTT. 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 Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, a bunch of Democrat politicians out West, after a look at the other candidates, chanted: "We need Adlai badly."

There is some justice in this. They sure need somebody badly. And Adlai is no more than they deserve.

SALE OF INSTITUTE, W. VA., COPOLYMER PLANT, PLANCOR 980

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 House Resolution 396, to disapprove the proposed sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended by the Rubber Producing Facilities Disposal Commission report, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the resolution be fixed at not to exceed 2 hours, to be equally divided and controlled by the author of the resolution, the gentleman from Illinois [Mr. YATES], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

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 House Resolution 396, with Mr. WILLIS in the chair.

The Clerk read the title of the resolution.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives does not favor sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the Committee on Armed Services has recommended against the adoption of House Resolution 396. This resolution, if adopted, would prevent the sale of a Government-owned copolymer facility at Institute, W. Va., to the Goodrich-Gulf Chemical Corp.

Now, Mr. Chairman, last year, after many hours of debate, the House of Representatives rejected a resolution which sought to prevent the sale of the Government-owned synthetic rubber producing facilities to private industry. Two copolymer facilities were not included in that original sales program. The first, located at Baytown, Tex., was not recommended for sale because the Commission could not obtain what they considered to be full fair value. The second copolymer plant, located at Institute, W. Va., and the one under discussion today, was not recommended for sale because no one submitted a bid for that facility.

After approving other recommended sales, the Congress amended the original law by permitting new bids to be taken for the Baytown plant. As a result, the Baytown plant was sold to private industry without objection on the part of anyone. Then Congress amended the law again to permit bids to be taken on this plant at Institute, W. Va.

Now this is the largest copolymer plant in the United States. It has a capacity of 122,000 long tons. No one bid on the plant when it was first offered for sale because it had a reputation of being a high-cost producer and in addition it has no facilities for producing cold rubber.

Bear in mind that the synthetic rubber industry had been in the hands of the Government since 1941, and thus private industry was entering into a new field. Prior to the sale of the rubber facilities, the Government, for practical purposes, had been the sole manufacturer of synthetic rubber with the exception of some special types of synthetic rubber.

After Congress approved the sale of 11 copolymer plants, some interest was indicated in the Institute copolymer plant, so we passed a law authorizing the Commission to take bids and to negotiate with the potential purchasers following the criteria established under the Disposal Act.

Now in all of these sales, the Commission and the Congress has been guided by the original act which required the Commission to obtain full fair value, to assure a fair supply of the end products for small business, to preserve a competitive industry and to protect the national security.

The Commission advertised for bids on the Institute, W. Va., facility and they received the following proposals when the bids were opened on October 7, 1955:

Goodrich-Gulf Chemicals, Inc	$9,000,000
Goodyear Synthetic Rubber Corp	2,000,000
Imperial Commodities Corp	750,000
Edwin W. Pauley	2,000,000
Union Carbide & Carbon Corp	1,500,000
United Rubber & Chemical Co	4,000,000

Now this plant had a gross book value on October 31, 1955, of $18,398,000, and a net book value on that same day of $4,968,000.

After the bids had been opened, the Commission began to negotiate with the prospective purchasers. Three of the bidders withdrew and on November 21, 1955, Goodrich-Gulf increased its bid to $9,500,000, and Mr. Edwin Pauley increased his bid to $2,837,000. Union Carbide & Carbon increased its bid to $2,700,000. So on December 19 the final bids were submitted and that day it was disclosed that Goodrich-Gulf had raised their bid to $11 million, Mr. Edwin Pauley has increased his bid to $5,800,000, and Union Carbide & Carbon had retained their latest bid of $2,700,000.

So the $11 million bid for the plant, plus $333,000 for spare parts, constitutes a very substantial return to the Government. I do not think there can be much argument about full fair value on this facility.

Now let us turn to the question of small business.

Under the terms of the sales contract with Goodrich-Gulf Chemical Corp., the purchaser agrees to make available at fair market prices to small business enterprises in reasonable equal monthly quantities, the following tonnages per year: 21,000 long tons when only one line is in operation; 51,000 long tons when two lines are in operation; and 81,000 long tons when all three lines are in operation.

Now this is by far the largest commitment with respect to small business of any of the purchasers. And I might add that since the sales of the other facilities I know of only one complaint from small business with regard to the availability of rubber to small users, and that apparently was based on a misunderstanding.

The Attorney General, while consulting with the Commission, expressed concern with regard to the enforceability of the commitments contained in the sales contracts with respect to the availability of rubber for small business. The Attorney General said:

I am, nevertheless, concerned about the future enforcement of these contractual commitments when the Commission ceases to exist.

I personally believe that these contracts are enforceable, since the Commission entered into these contracts on behalf of the Federal Government and not on behalf of the individual Commissioners. But, beyond all that is the greatest enforcement weapon in the world, public opinion.

Each one of these purchasers, as well as the Goodrich-Gulf Corp., who will purchase this facility, have agreed to make rubber available to small users. The hearings and the record are clear and unmistakable in this regard. I think we have no reason to be concerned now or in the future with regard to the obligation incurred by the purchasers of copolymer facilities to make rubber available to small business users.

So that leaves us, for practical purposes, with only one question and that is whether or not the sale of this facility will provide for the development within the United States of a free competitive synthetic rubber industry and not permit any person to possess unreasonable control over the manufacture of synthetic rubber.

Now, under the disposal act, the law required the Commission to consult with the Attorney General in order to secure guidance, "as to the type of disposal program which would best foster the development of a free competitive synthetic rubber industry."

In that connection, I call your attention to the fact that the Attorney General advised the Commission that the sale of the Institute plant to the Goodrich-Gulf Chemical Corp., or to the Goodyear Synthetic Rubber Co., "would not best foster the development of a free competitive synthetic rubber industry, since disposal would add significantly to the substantial position presently held by these companies in the field of synthetic rubber."

However, the Commission then advised the Attorney General that of the remaining eligible bidders only Goodrich-Gulf Corp. had offered a purchase price that "met the Commission's views as to full fair value."

And the Commission further concluded, according to the findings of the Attorney General, that—

The only alternative to a sale to Goodrich-Gulf, in the light of the offers received, would be the continuation of this plant in standby with none of its productive potential available to the market.

The Attorney General further stated:

Under the existing statute, not even the Government could utilize this capacity to meet the needs of domestic fabricators, except pursuant to further act of Congress.

The Attorney General went on to say:

Under the act my responsibilities are limited to advising the Commission with respect to (a) the type of disposal program which would best foster the development of a free competitive synthetic rubber industry, and (b) whether the proposed disposition, if carried out, will violate the antitrust laws. In view of this limited statutory responsibility, I do not undertake to evaluate the validity of the Commission's conclusion that the sale of Institute must be either to Goodrich-Gulf or not at all. I therefore accept the Commission's determination on this point. In these premises it is my view that the development of a free competitive synthetic rubber industry would be better fostered by bringing this plant into active competitive production rather than to allow it to lie fallow. * * *

The firm commitment on the part of Goodrich-Gulf to make at least half of the Institute product available to small business enterprises buttresses the foregoing conclusion. Goodrich-Gulf has agreed to make available to small business enterprises 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. We have been advised by the Commission that this commitment in favor of small business is by far the largest firm commitment offered by any of the bidders for this plant.

Now, you can see the position that the Commission was in as well as the Attorney General.

The Commission felt that they could not recommend the sale to any of the other bidders because none of them would approach anything like the minimum fair value that the Commission had placed on this facility.

Mr. Pauley, the second highest bidder, raised his bid from $2 million to $5,800,000 at the end of the negotiation period; but this was still $3,700,000 less than what the Commission felt was the lowest price they would take for the facility.

On the other hand, Goodrich-Gulf Chemical Corp. raised their bid to $11 million, which was $1,500,000 more than the minimum price that the Commission would accept.

Now there is not much question in my mind that if Mr. Pauley, or any other bidder had been willing to raise their bid to $9,500,000 that the Commission would have recommended the sale to some other purchaser than Goodrich-Gulf Chemical Corp., but nobody other than Goodrich-Gulf would go that high.

And on the other hand, the Attorney General, while recognizing that the sale to Goodrich-Gulf Chemical Corp. would give them the largest GR–S capacity in the Nation, nevertheless realized that if the Commission would not recommend the sale to anyone who would not meet the $9,500,000 figure, that this would prevent the facility from going into production at a time when we are in short supply of rubber.

Now this is a very important matter because natural rubber has been selling for substantially more than synthetic rubber. As a matter of fact, it was up to 48 cents per pound, and it is now around 40 cents per pound. Synthetic rubber is selling for about 24 cents per pound on the average, and yet rubber is in such short supply that consumers are willing to pay the high price for natural rubber.

So from an economic viewpoint, it made good sense to approve the sale and that, in effect, is what the Attorney General has done, although he has called to the attention of the Congress the fact that he probably would have submitted this sale to a court for a judicial determination under section 7 of the Clayton Act had it been a sale between two private bidders. But he also said that since there was no precedent for this type of sale to private industry, he would find that the sale did not violate section 7 of the Clayton Act, since the entire sale would be reviewed by the Congress.

Well, we are in this situation:

If we reject this sale, the plant cannot be offered for sale for at least another 2 years, unless Congress passes a new law. And, under existing law, the Government cannot operate the plant for the production of GR–S. This was done to protect the purchasers from competition with the Government. So, if we do not approve this sale, then we are not going to help the people in the vicinity of Charleston, W. Va., a distressed labor area. This plant will employ as many as 700 people; and the improvements that will be undertaken by the purchaser will certainly improve the employment situation in that area.

And I want to call this to your attention: Under this sale Goodrich-Gulf will end up with about 19.9 percent of the existing synthetic-rubber capacity, plus the announced expansion plans and new plants that will be constructed in the near future. If you just consider existing capacity as it exists today, Goodrich-Gulf will have approximately 25.2 percent of the capacity; but this by and of itself, according to a decision of the Supreme Court, does not violate the Sherman Antitrust Act.

Now I also want to call your attention to the fact that the Congress did not disapprove the sale to Firestone of two copolymer facilities, at a time when those sales gave Firestone 18.8 percent of the total existing capacity.

So what are we talking about?

Basically, we are talking about the difference between 18.8 percent and 19.9 percent of capacity. It seems to me that the Congress would be in an untenable position to have approved a sale which gave Firestone 18.8 percent of the capacity, but disapprove a sale that would give Goodrich-Gulf 19.9 percent of the capacity.

Now I want to make it clear that, if we adopt this resolution, we will prevent the production of 122,000 long tons of GR–S in this Nation, at a time when we are in short supply of rubber. The best thing that could happen from the consumers viewpoint, and from a competitive viewpoint, is to have this plant go into production. It will increase the supply of synthetic rubber in the Nation and will make a substantial increase in the availability of rubber for small-business users.

Mr. Chairman, I sincerely hope that the House will vote against this resolution. Under the original law, we were required to report the resolution or else it became privileged. So, therefore, we have reported the resolution adversely. I hope that the House will overwhelmingly reject this resolution.

However, I also want to say that, if we disapprove this resolution and Good-

rich-Gulf takes possession of the facility, no one of us will have expressed any opinion as to the legality of any future actions on the part of Goodrich-Gulf Chemical Corp. We have antitrust laws, and an Antitrust Division in the Office of the Attorney General. We will expect the Attorney General to keep a close watch on this purchase, as well as other large synthetic-rubber manufacturers. But, so far as the economy of the country is concerned, and particularly so far as the area of Charleston, W. Va., is concerned, I believe we would be doing a great disservice to the American people and to the people of West Virginia if we adopted this resolution.

I urge you to vote against this resolution, so that this sale may take place; that production may start, so that people may be employed in the Charleston, W. Va., area, and that a substantial increase in the production of synthetic rubber will be made available to the American people.

Mr. Chairman, I reserve the balance of my time.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON. I yield.

Mr. CHRISTOPHER. Can the gentleman tell me the total amount the Government has invested in this plant?

Mr. VINSON. On October 31, 1955, the plant had a gross book value of $18,398,000, and a net book value of $4,968,000. The Commission recommended that it be sold for $11 million.

Mr. CHRISTOPHER. I thank the gentleman.

Mr. VINSON. Let me say that I think the Commission has done a splendid job in getting the prices they have for the plants they have disposed of. We sold the other plants for around $285 million. I thought then and the Congress thought then, overwhelmingly, that we received a good price for the plants.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. SHORT. Since the gentleman has control of the time and I have none, I am sure he will be glad to yield.

Mr. VINSON. I will, with pleasure.

Mr. SHORT. Mr. Chairman, I merely want to say that it is a high honor and great privilege to serve in this body. With all our trials and tribulations and all the requests and disappointments and heartaches and headaches that we have, it is worth coming to Congress to serve with a man like CARL VINSON, whom I consider not only a fine Christian gentleman but also one of the ablest legislators that has ever been sent to this House.

I do not want to be superfluous and I am not going to, but in my humble and honest judgment there is no man in Congress or out of Congress, or in the Defense Department who knows more about the status of our national defense and everything related to it than the gentleman from Georgia [Mr. VINSON].

It has been really exciting, stimuating, comforting, and helpful to sit at his side all these years. He has spoken on this bill. If he would permit me to proceed for 1 or 2 minutes I would like to remind the House that we came dangerously near losing World War II when our source of natural-rubber supply was cut off from Indonesia and the Far East. Not until big Bill Jeffers, former chairman of the board of the Union Pacific Railroad, now gone, came to Washington did we bring order out of chaos. We built up a $700 million synthetic rubber industry and we learned to produce rubber that for some purposes was better than natural rubber in order to win that conflict and to support our domestic economy. But, believing in free individual enterprise, the Congress in its wisdom decided to get out of the rubber business and we have disposed of all these plants except one. That is the one at Institute, W. Va.

West Virginia is a great State. It contributed much to the winning of the war. Those people in that distressed area need this plant, but it is not because of hardship that the Committee on the Armed Services is advocating the sale of this last plant.

I agree with my chairman that the Commission has done a remarkable job. Although Mr. Pauley bid only $2 million for this plant, he raised it to $5,800,000 and the Commission itself set a minimum price of $9,500,000. They finally negotiated with Goodrich to sell the plant for $11 million.

Mr. Chairman, this plant has been idle for 2 or 3 years and it deteriorates rather rapidly. We are losing money. Unless we sell it we will perhaps get nothing. So after a long, patient and exhaustive hearing, the committee unanimously, with the exception of one vote "Present", decided that we should vote against this resolution and get the Government completely out of business. The Commission has done a remarkable job and private enterprise has taken over this and has done a remarkable job also. I hope, Mr. Chairman, we will vote down the resolution disapproving this sale.

Mr. VINSON. Mr. Chairman, I want to express my deep appreciation for the kind, generous remarks of my colleague, the distinguished gentleman from Missouri. So far as this matter is concerned, we are on sound ground. We have done the proper thing. We had a hearing, we took testimony, we had the benefit of the brilliant views of the distinguished gentleman from Illinois [Mr. YATES] who will present his argument in opposition to the sale. I do want to say that the Commission received the fair market value for all of these copolymer and butadine plants. I said to the House last year when we sold the facilities that they were to be congratulated for having obtained such a high price. I have compared it to other sales of Government property that were made and I say that we are receiving more for the synthetic rubber plants than we have received for any other Government facilities that have been sold up to date in proportion to the amount of money invested.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. I, too, want to commend the gentleman for his excellent statement. I am curious to know why there was a disparity in the final bids. I do not want to presume upon the gentleman's time, but I am curious to know why the second bidder was so far below the first, approximately one-half.

Mr. VINSON. That is a very pertinent question. Goodrich-Gulf, bid $9 million. The Goodyear Synthetic Rubber Co. bid $2 million. Now listen to this: The Imperial Commodities Corp. bid $750,000. Here are two of the companies that were engaged in this kind of business. Mr. Pauley came in and bid $2 million. The Union Carbide & Carbon Corp. bid $1,500,000 and the United Rubber & Chemical Co. bid $4 million.

Now, I was somewhat disturbed when this letter came in. Here is a plant that will turn out 122,000 tons annually of GR-S. The Imperial Commodities Corp. only valued it at $750,000, and another concern valued it at $9 million. Well, that disturbed the Commission, so the Commission just said "Now, we are going to say that the minimum price we will submit to the Congress is $9.5 million" because they probably did not like the way these bids were coming in.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Illinois.

Mr. YATES. Is it not possible that the purchaser, Goodrich-Gulf, may have intentionally bid so high in order to make it a monopoly price thus assuring it of achieving a dominant position in the industry?

Mr. VINSON. They did not know what Imperial or any other bidder was going to bid.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is this one of those privileged resolutions where, if I want to approve of the sale, I vote "No"?

Mr. VINSON. That is correct.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Oklahoma.

Mr. BELCHER. From the standpoint of the future defense of the country, would it not be better to have this plant in operation by private industry?

Mr. VINSON. Of course it will.

Mr. BELCHER. Than probably to let it stand idle?

Mr. VINSON. I am standing here not only on this measure but on other measures trying to get the Government out of business. I stand flatfooted for free enterprise in these matters.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. CELLER. Does the gentleman know that this successful bidder, the Goodrich Tire & Rubber Company, was not successful as a defendant in an antitrust suit not so long ago?

Mr. VINSON. Yes, we know about that. And we know if they violate the antitrust laws, they should be prosecuted. But, that is no bar and should

not be a bar to people being able to buy that which the Government offers to sell.

Mr. CELLER. Does not the gentleman think it might well be a bar?

Mr. VINSON. Well, the gentleman is the chairman of the great committee. If you want to say that because a corporation has been prosecuted for violating the Sherman antitrust law or the Clayton Act, the Government will prohibit him from doing business with it, you can bring it in here and we will debate it, Now, I do not have jurisdiction over that.

Mr. CELLER. Will the gentleman just briefly answer me this question: The acquisition of this plant, as I understand, will give the Goodrich-Gulf Co. a big percentage of the manufacture of synthetic rubber.

Mr. VINSON. 19.9 percent.

Mr. CELLER. Almost 20 percent of the capacity of the manufacture of synthetic rubber. In view of the antitrust record of the Goodrich Co.—and presently there is a complaint pending against the Goodrich Co. by the Federal Trade Commission, also—in view of that record, do you think it is proper and fair and consistent with the welfare of the Nation to have the Attorney General approve this sale which would give this company now 20 percent of the capacity of synthetic rubber?

Mr. VINSON. I have no hesitancy to say to that, yes, I think it is proper to permit this sale to go through. As a matter of fact, they will have 19.9 percent, you might say 20 percent, and if they violate the antitrust law, let the Department of Justice prosecute them.

Mr. YATES. Mr. Chairman, I yield myself 56 minutes.

Mr. Chairman, a vote against the pending resolution is a vote for monopoly and against free enterprise. A vote against the pending resolution is a vote for more concentration of power and against free competition. A vote against this resolution is a vote for predatory business practices and against opportunity for small business to compete.

This is a vital matter for the State of West Virginia and I hesitated long before filing this resolution. My good friends Mr. BYRD, Mr. BAILEY, Mr. STAGGERS, and the others almost persuaded me that I should not file it. But I feel so strongly about the disposal program and this sale that I felt I must. If the sale is approved, Goodrich-Gulf will open the plant which has lain idle for almost 2 years, giving opportunities for employment to many people in that depressed area. Yet, even though I, too, want employment for the people who live in that area, I wonder whether this sale is all they believe it is. Yesterday the president of Goodrich-Gulf testified that until 1958 only 1 of the 3 lines of this plant will be in operation. Instead of 750 to 1,000 jobs that the chairman of the Committee on Armed Services said would be made available by this sale, the most that will be made available, if that many will be made available, will be approximately 300.

I want to commend the gentleman from West Virginia [Mr. BYRD] for his efforts in this matter. He has done an outstanding job, in filing the bill which resulted in the sale and my defending it. We differ in our opinions concerning its merits but we are still and will continue to be good friends.

Mr. CELLER. Mr. Chairman, would the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. CELLER. Is it not true that the Goodrich company is presently one of the so-called Big Four in the manufacture of products from natural rubber?

Mr. YATES. The gentleman is correct.

Mr. CELLER. Does the gentleman agree with the gentleman from Georgia, the distinguished chairman of the committee, that we should disregard the antitrust record of the Goodrich Co. and allow them to make a purchase at this knock-down price of this synthetic plant?

Mr. YATES. No, I do not. The gentleman has posed a very important point, because the law requires that we consider the record of the Goodrich Co. The law under which this plant was sold requires the establishment by the Commission of a free, competitive synthetic rubber industry, one which will not permit any person to obtain unreasonable control over the manufacture of synthetic rubber or its components.

When Assistant Attorney General Barnes was asked last year about the Goodrich Co. and the other companies which have been purchasers of the plants and which have been the subjects of antitrust suits, he said we could not take their past records and judge what would happen in the future. Nevertheless, in response to a question by Senator DOUGLAS, he said, "It is true the leopards do not change their spots."

While it is true that perhaps we can disregard the antitrust suit against the company in the past, we cannot disregard an existing fact, which is that Goodrich-Gulf is now the subject of a complaint by the Federal Trade Commission because of monopolistic practices in its industry.

Mr. CELLER. Mr. Chairman, if the gentleman will yield further, over and beyond that, would it be fair to let them have this plant when we consider that they are a major factor in the manufacture of products from natural rubber; and now we would be giving them a very firm hold—20 percent—on the manufacture of synthetic rubber and synthetic rubber products?

Mr. YATES. Let me say this, that Goodrich-Gulf will have, not 20 percent of the industry if this sale is approved, but as of this time will have 25 percent of the industry. The figure of 19.9 percent, to which the chairman of the Committee on Armed Services alluded, was the percentage of control this company would possess in the industry after completion of the expansion program which the industry has announced. At this time we do not know whether that program will be completed. Some of the companies may decide not to go ahead with the expansion program. And if that is true, the amount of control by the Goodrich-Gulf Company over the industry will be correspondingly increased. Let us say that its control of the industry is somewhere between 19.9 percent and 25 percent. If this sale is approved they will control one-fourth of the entire synthetic rubber industry in the United States. In my judgment this does not comply with the criterion established in the Disposal Act of 1953.

Mr. CELLER. They have more than that percentage of control of natural rubber, so that they will be in a dominant position not only in the natural rubber field but also in the synthetic rubber field if this sale is consummated.

Mr. YATES. I thank the gentleman for his contribution.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has very properly raised this question about monopoly. It is something we are all concerned about, something which it is provided in the law shall be dealt with. The Attorney General's opinion must be asked for in connection with any such sale as to whether it does tend to foster monopoly. Now, what is the alternative? If this sale were turned down and the gentleman's resolution were approved, what then would happen, in the gentleman's opinion?

Mr. YATES. Under the law as it exists today, this plant would not be operated. It would be maintained in a standby condition. But let me point out that this was the situation, too, last year when the sale of the 24 plants was approved. The Baytown, Tex., plant was supposed to be placed in a standby position. The gentleman from Texas [Mr. THOMAS] filed a bill at that time which was considered within 3 weeks, bids were taken, and the Baytown plant was sold. It did not lie idle for any appreciable length of time. That is possible in this case. As soon as action is taken on this bill, if my resolution is approved, this plant can again be offered for sale by appropriate resolution.

Mr. KEATING. It can be, but is it not a fact that the Commission did previously offer it and did not get what they considered an adequate and fair price?

Mr. YATES. Let me refer the gentleman to the Commission's own report last year in which they stated Institute was an installation which no company in the industry thought was worth purchasing. It was described as a high-cost producer. Therefore, nobody wanted to bid for it. Yet now we have Goodrich-Gulf offering what seems to be an enormous price for this installation, one that will permit Goodrich to assume the dominant position in the industry.

Mr. KEATING. The gentleman with great frankness has said that the result of the passage of the gentleman's resolution would be that this plant would lie fallow for the time being. The Commission certainly has made, as this record would indicate, very substantial efforts to dispose of it elsewhere. I think that in the discussion of this question of monopoly which, as I say, we are all concerned about and should be concerned about, attention should be directed to the position of the Attorney General when faced with the question put to him by the Commission, "What

do we do now?" since he had previously expressed some concern about the monopoly aspects. Then the one sentence which seems to me significant is this: "It is my view that the development of a free competitive synthetic rubber industry would be better fostered by bringing this plant into active competitive production rather than to allow it to lie fallow."

Mr. YATES. That is the only reason he approved the sale.

Mr. KEATING. He said in substance, "I don't like the monopoly aspects of it, and if it were free to be sold to anyone at any time, I would say, 'Don't sell.' " I think that is the fair substance of it. But he says that if it means that the plant is going to lie idle, which this record seems to indicate it will, then competition would be better fostered by making this sale.

Mr. YATES. Obviously, there is more competition if Goodrich operates the plant than if it were to lay idle. That is the sole basis of the Attorney General's opinion. Now, let me ask the gentleman a question. Would it not be better to forego $5 million in the purchase price, if by doing so we provided a greater competition in the industry?

Mr. KEATING. I think it is very questionable whether it would be better. You are referring to the second bidder, Mr. Pauley.

Mr. YATES. The second highest bidder, Mr. Pauley.

Mr. KEATING. That is Mr. Pauley who offered some $5 million less than the other bid?

Mr. YATES. Five million dollars, yes.

Mr. KEATING. I do not think I would favor selling to Mr. Pauley who offered some $5 million less and I think the Congress would be severely criticized if it did that.

Mr. YATES. Why?

Mr. KEATING. Because $5 million is still not peanuts and the Commission has ruled the Pauley offer does not measure up to a fair price.

Mr. YATES. How do we know what a fair, full price is? Does the gentleman know what the full, fair value of the plant is?

Mr. KEATING. No.

Mr. YATES. No member of the Congress knows nor have we any way of knowing, because the Commission never furnished the committee and never furnished the Congress with any earnings data which indicates the manner in which it reached its decision on what is the full fair value of the plant.

Mr. KEATING. But I know the difference between $11 million and $6 million.

Mr. YATES. Of course, the gentleman does. The gentleman is on the Committee on the Judiciary. Is it not entirely possible that the amount offered by the Goodrich-Gulf was a monopoly price purposely bid high to enable the company to assume a dominant position in the industry? Of course, that is possible.

Mr. KEATING. It is possible. Anything is possible.

Mr. YATES. Of course, it is possible.

Mr. KEATING. But I do not think there is any evidence in this record to bear out any such proposition as that. And I do not want to be a party to a giveaway program whereby we authorize a sale to Mr. Pauley for $6 million when there is someone else willing to pay $11 million for the same thing.

Mr. YATES. Does the gentleman mean that the fact that the Goodrich-Gulf was the subject of an antitrust suit previously, and the fact that it is now the subject of a suit by the Federal Trade Commission does not indicate that it engages in practices which are monopolistic?

Mr. KEATING. Well, the fact that a suit is pending against anyone does not prove that he is guilty. I hope the gentleman does not make that kind of an argument. Of course, I know nothing of the merits of the suits.

Mr. YATES. Let me just break in to say that Goodrich-Gulf pleaded nolocontendere in that previous case.

Mr. KEATING. I would be delighted if the bid of $11 million was made by some smaller concern and if Goodrich-Gulf were in Mr. Pauley's position of bidding a much smaller figure.

Mr. YATES. I join with the gentleman in that.

Mr. KEATING. But that is not the case before us. I assume probably it takes a huge amount of capital to run a plant like that—and there are relatively few companies which have the capital and the know-how to do such a job, and we have to balance that against the possible monopoly features. On balance it seems to me in this case we should approve of this sale.

Mr. YATES. The gentleman is using the same conditional language of the Attorney General who appeared before the committee yesterday. After he had first said that the sale would not foster competition in industry, Judge Barnes came before the committee and said, and I quote from the transcript:

> We felt that the thing for us to do, as I say, was to frankly state the advantageous situation that existed here, the disadvantageous situation, and under these circumstances give this limited approval which would put the matter in Congress who had originally created the act looking toward the disposition.

You will note that he said "limited approval."

In other words, the Attorney General did not pass upon it. He sent it back to the Congress to pass on it. He did not discuss the antitrust features of it and he did not say clearly and without equivocation that this sale meets the requirements of the antitrust provisions of our laws.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BELCHER. I think probably the gentleman has nearly answered the questions that I had in mind. The closest bid to the $11 million bid is $5,800,000.

Mr. YATES. That is correct.

Mr. BELCHER. Would the gentleman prefer to disregard the $11 million bid and sell for $5,800,000?

Mr. YATES. The gentleman might or might not prefer to do that if I had sufficient facts on which to base an opinion as to the full fair value of the plant. The Commission was required under law to accept the bid that offered the full fair value with due recognition for protection of a free competitive rubber industry. I do not know whether this bid represents the full fair value. I do not know whether $5,800,000 represents the full fair value. I do know that nobody in the industry was willing to bid $5,800,000 for it a year ago, at the time that other plants were offered for sale. This may be the full fair value. It is entirely possible, too, that Goodrich-Gulf may have offered an inflated price in order that it might achieve a dominant place in the industry.

Mr. BELCHER. In that case the Government would be getting about $5 million more than the plant was worth.

Mr. YATES. Is $5 million sufficient to justify a monopoly?

Mr. BELCHER. I am asking the gentleman. He has more information than I have. I am asking him whether or not, with all the facts considered, that would bring the $5,800,000 up to $11,000,000.

Mr. YATES. The gentleman from Illinois has attempted to answer the question by saying that if the gentleman from Illinois had the facts which would show what the fair value of the plants were, the gentleman would be very happy to answer the gentleman's question. Not having enough facts, the gentleman from Illinois cannot answer that question specifically.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. YATES. I yield.

Mr. CURTIS of Missouri. Has the gentleman got the figures as to the other 80 percent of this capacity in the industry? I notice in the report that Firestone presently owns about 18.8 percent. How much of a margin would Goodrich have, after this sale, over its nearest competitor?

Mr. YATES. The report of the Commission indicates, on page 13, what the ownerships were at the time of the sale last year, and what the ownerships would be as of the conclusion of the expansion program which has been announced by the industry. Goodrich itself agrees as of the present time that its ownership is close to 25 percent. It says that after the industry's expansion program is completed, it thinks it will move down from the high figure it now has, to one which will approximate 19.9 percent or even 18 percent. The point I make is that we do not know as of this time whether the proposed expansion program will ever be completed or whether Goodrich will also expand. As of this time, if this sale is approved, the ownership by Goodrich-Gulf will be close to 25 percent.

Mr. CURTIS of Missouri. But there are other giants in the field that are competitiors of Goodrich, are there not?

Mr. YATES. Of course there are.

Mr. CURTIS of Missouri. I am not trying to argue with the gentleman. I am trying to get the facts.

Mr. YATES. Well, you know that as well as I do.

Mr. CURTIS of Missouri. I think it ought to be brought out. I wanted to be sure that the relative positions of these

people remained about what they are now.

Mr. YATES. Would it not be better if they did not, and other competitors came into the field?

Mr. CURTIS of Missouri. Oh yes. The gentleman has a point there.

Mr. YATES. Let me show you why I have a point. The Commission sold the Baytown, Tex., plant to an outsider, to a company that was not one of the big four for a very good price. The Commission said to the Goodyear Co., "We will not accept your bid because it will give you too dominant position in the industry." And it rejected Goodyear's bid. What the Commission should do in this case is to seek to find an outsider which they could bring into the industry to aid production, because, as the Attorney General points out, this is the best way to stimulate competition in the industry.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. HESELTON. I notice from the report that this contract would make available to small business, at fair market prices, 50 percent of the production on the first line and about 73 percent on the next two lines.

Mr. YATES. Yes.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. YATES. I yield myself 5 additional minutes.

Mr. HESELTON. I do not find anywhere where Goodrich-Gulf would make this available to small business. The Attorney General apparently says that the disposal sale will create problems of economic concentration. In other words, he indicates to us that there is a real problem here, but there might be other facts which would override it. What I cannot get from the report is what guaranty there is, if any, to small business, that it will get any consideration; or is it a fact that the company will be able to offer it at the same price, and if they do not take it, it is just too bad?

Mr. YATES. With respect to the provision the gentleman refers to, small business is entirely at the mercy of the big companies. In response to questions before the committee, the purchasers stated they would allocate certain portions of their production to small business firms. But this assurance is just a moral commitment. There is no way that any of those small business people can enforce that promise against any of the big companies.

Mr. HESELTON. May I ask the gentleman if he knows whether in fact any small business has recommended this disposal?

Mr. YATES. None that I know of.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BATES. I did not want to make special reference to the point to which the gentleman from Massachusetts just made, but on yesterday when we had the witnesses before the committee they said it was not only a moral responsibility but also a legal responsibility.

Mr. YATES. Who can enforce it?

Mr. BATES. Which they said was enforcible.

Mr. YATES. By whom?

Mr. BATES. They said it was enforcible.

Mr. YATES. By whom is it enforcible? Who can enforce it? The Attorney General of the United States last year said it could not be enforced.

Mr. BATES. They said yesterday that it was enforcible.

But I want to touch on another point, the one the gentleman mentioned earlier on this question of monopoly.

I do not know and I do not even think that the learned gentleman knows, distinguished lawyer that he is, when a monopoly is created in an industry.

Judge Barnes, when he was before our committee on yesterday, cited certain figures given by a most famous jurist on this question that where 1 individual or 1 firm could have 90 percent of an industry that undoubtedly it was a monopoly; that when the figure was 67 percent that probably it was a monopoly; but he said that when it gets down to 33⅓ percent undoubtedly it is not a monopoly.

Here we are talking about a situation somewhere between 18 percent and 25 percent. Now, what, in the judgment of the gentleman do the percentages indicate in the instant case?

Mr. YATES. I am willing to take Judge Barnes' opinion.

Mr. BATES. Will the gentleman answer?

Mr. YATES. Yes, if the gentleman will let me. I said I am willing to take Judge Barnes' opinion.

Mr. BATES. His argument was based on a court interpretation.

Mr. YATES. You did not let me finish my reply. I said I am willing to take Judge Barnes' opinion that where a purchaser moves into a field there is a relative amount of competition created, greater or less depending on the acquisition. But I say to the gentleman Judge Barnes yesterday said he would give limited approval to the sale; and I refer the gentleman to the transcript of yesterday. Judge Barnes talked about limited approval.

Mr. BATES. But he struck out those words "limited approval."

Mr. YATES. He did not strike that out.

Mr. BATES. If you will read the full committee report you will see that he revised those words and that instead of the phrase "limited approval" he said, "We cannot give an opinion in a limited sense; either we go one way or we go the other."

Mr. YATES. Here is what he said, and I read from the transcript:

> The CHAIRMAN. You classify it as a limited approval? You used the word "limited" there, but don't use that phraseology in your opinion.
>
> Mr. BARNES. No, sir.
>
> The CHAIRMAN. Now, there might be on the floor of the House——
>
> Mr. BARNES. There is no question but that on balance the Attorney General approves the transaction.

On balance, he says. Is that an unqualified approval? Of course it is not.

Mr. BATES. The gentleman knows that in every case it is a little gray; but finally he came out and said on balance. In fact he gives his approval. He cannot give it a little bit, he must make up his mind; and he did on yesterday.

Mr. YATES. The gentleman knows very well that the Attorney General wrestled with himself on this sale; he wrestled with his conscience and finally, he won.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. GROSS. The question that occurs to me is this: Supposing the sale were made at the sum of $5 million to a private individual. Would it be incumbent upon that purchaser to retain possession of the property acquired or could he within 30 days sell it to Firestone or some other purchaser he might elect?

Mr. YATES. The gentleman raises an interesting question. As far as I know there is no barrier.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. YATES. Mr. Chairman, I yield myself 5 additional minutes.

As far as I know there is no barrier to such a sale.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I will yield to the gentleman but first let me finish my statement to the gentleman from Iowa. I recall seeing this in an opinion of the Attorney General—where he stated specifically in his written opinion—that if this were a sale by one private company to another private company rather than a sale by the Government to a private company he would have to sue for an injunction to restrain such a sale under section 7 of the Clayton Act.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. CELLER. We hear a lot of talk about monopolies and violation of the antitrust laws. I refer to section 7 of the Clayton Act as amended by the Celler-Kefauver amendment that provides there is a violation if there is a substantial lessening of competition in any given area. Would not the acquisition of this new synthetic plant by the Goodrich people result in a substantial lessening of competition in a given area?

Mr. YATES. In my opinion, it would and that was also the opinion of the Attorney General until he reversed himself and decided he did not want to disapprove the sale.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. KEATING. I should like to pursue the point raised by the gentleman from Iowa a little further. If this resulted in a sale to Mr. Pauley and he turned around and made a $5 million profit the next day by selling to the

Gulf people, would there be anything in the antitrust laws that would prevent that? I know of nothing. Mr. Pauley is not engaged in the synthetic rubber business now.

Mr. YATES. I refer the gentleman to the opinion of the Attorney General in which he stated that if such a sale were proposed by one private person to another he would sue for an injunction under section 3 of the Clayton Act to restrain such sale.

Mr. KEATING. I think he was referring to the sale by one company engaged in the business to another.

Mr. YATES. Yes, but, as I understand Mr. Pauley's business, he is in the oil business and I would assume he qualifies therefore as one who is in this business and could properly be sued if he proposed to sell to another company.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. MULTER. Am I not correct in saying that the issue before us today is not whether Mr. Pauley can buy this plant or whether this plant should be sold to the Goodrich Co.?

Mr. YATES. That is right.

Mr. MULTER. The gentleman's resolution simply seeks to disapprove this particular sale, is that correct?

Mr. YATES. Yes.

Mr. MULTER. It is not as to who may buy or who may not buy?

Mr. YATES. That is right.

Mr. Chairman, one thing I think we are losing sight of, and I do not think it was brought out adequately by the chairman of the committee, is that this sale must be conducted pursuant to certain criteria established by the Rubber Facilities Disposal Act of 1953. There were three important criteria that we should bear in mind before we decide to approve this sale.

One of those was the requirement for the development of a free competitive synthetic-rubber industry without unreasonable control by any person manufacturing synthetic rubber or component materials. If we believe this sale will give to Goodrich-Gulf a position in the industry which would not permit it to be free and competitive with respect to any of its materials, we must disapprove this sale.

The second criterion is the requirement of the offering to small business of a fair share of the end products and the facilities sold at a fair price. Goodrich-Gulf says: We will allocate a certain proportion of the production to small business. But the Attorney General of the United States stated last year—he has not changed his mind this year—that there is no way in which small business can enforce that contract legally. The company says it is a moral and legal commitment. The Attorney General disagrees. I do not know how any small-business man can go into court and compel Goodrich-Gulf to live up to its agreement.

The third requirement is one of full fair value for the facilities. I do not know whether full fair value for the facilities has been achieved or not. We do know that Goodrich-Gulf bid $11 million, more than twice as much as its next competitor. We know, too, that Goodrich-Gulf as a result of this purchase will take the No. 1 position in the industry, which leads me to conclude that Goodrich-Gulf may have bid high purposely in order to get the plant and move into the No. 1 position.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. In the making of synthetic rubber, is it necessary to use petroleum products or do we find any agricultural products going into the alcohol or synthetic rubber process?

Mr. YATES. Petroleum is used for the most part. Alcohol is used also, but the alcoholic process is 3 cents higher in cost per unit than the petroleum process.

Mr. MILLER of Nebraska. Can the gentleman inform me as to how much agricultural production might find its way into the making of alcohol and synthetic rubber?

Mr. YATES. I am sorry. I just do not know the answer to that question.

Mr. MUMMA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. In reply to that question, for the past several years I have been endeavoring to get the Department of Agriculture to consider getting rid of some of the surplus wheat to go into the production of alcohol and synthetic rubber, and only today again have I written them a letter to reconsider their stand. They said the price was too high to sell, but at the same time we are continually piling up rental for storage space.

Mr. MILLER of Nebraska. Mr. Chairman, if the gentleman will yield further, I would like to say in that respect that the synthetic alcohol plant at Omaha, Nebr., is about to be sold. It is used almost exclusively for the making of alcohol, and the observation has been made that if 4 percent of the gasoline and alcohol production could be made from agricultural products, there would be no surplus production of agricultural products in this country. Sweden for many years and Germany have been using from 5 to 20 percent, depending on the amount of agricultural products they had to get rid of, and I think it would help the gentleman and the bill a great deal if we could be assured that some agricultural products would be funneled into this plant to make alcohol and synthetic rubber and 101 other things that industry can make out of surplus agricultural products.

Mr. YATES. I thank the gentleman for his statement. I wish I knew more about the subject so that I could reply adequately. I think his contribution is a worthy one, however.

On page 4 of the Commission's report we find the following statement, that "the synthetic rubber industry born as a Government monopoly in the early anxious days of World War II has passed to private ownership. The American concept of free enterprise has become a reality."

Mr. Chairman, if that statement were true, I would not have filed this resolution. It is because I want the American concept of free enterprise to become a reality that I am opposing the sale to Goodrich-Gulf. The only thing that has occurred as a result of this transfer by the Government to Goodrich-Gulf is the transfer from public ownership to private ownership, but what was a Government monopoly before can still be a monopoly if it is transferred to private hands. This would occur, for example, if all the plants were sold to two companies. It would still be monopolistic. But, suppose the purchaser of one plant winds up with 25 percent of the entire industry. Would not the gentlemen of the House think that this certainly was a tendency toward monopoly, if not actually monopoly itself? The Attorney General thought so, too, until the Commission established an upset price of $9.5 million, which, to all intents and purposes, wiped out every other bidder except Goodrich-Gulf. At that point the Attorney General reversed himself and said he would not disapprove the sale because he could not conscientiously say there was less competition with that plant in Goodrich's hands than if it were lying idle.

With the sales of the synthetic rubber plants, the Nation's synthetic rubber industry has been delivered to only very few large corporations, corporations which are already dominant in the rubber industry. Can it not be said that instead of resulting monopoly occurring because of the transfer to one company, that the monopoly resulted as the result of a transfer to a few companies?

Of the 24 plants sold last spring, 60.6 percent of the GR–S facilities went to the big 4 rubber companies and 26.7 percent went to 2 major oil companies, Shell and Phillips. So, we find that 86 percent of the facilities are in the hands of the big 4 rubber companies and of 2 of large oil companies. Of the butadiene facilities, 63.8 percent were sold to companies purchasing copolymer plants, thereby creating substantial vertical integration, despite the fact that such integration was not technologically imperative.

The issue is not one of the highest price, highest maximum financial return. Price is important so that the American people can get their investment back, but the fact remains that the law under which these plants were sold has to be complied with and section 17 (5) of that law does not say that the Commission shall obtain full, fair value without regard to the rest of the requirements. This is what it says. It says that the Commission should receive full, fair value, taking into consideration the policy set forth in section 2.

And, Mr. Chairman, do you know what section 2 requires? Section 2 requires that the facilities shall be disposed of under conditions which will develop a free synthetic rubber industry within the United States. So that the act's

mandate which requires a free competitive synthetic rubber industry is fully as important as the requirement for full, fair value.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. HESELTON. May I refer to the question I asked the gentleman, briefly. I have had an opportunity to read the committee report a little further and I see that the committee states flatly that, "the Attorney General has expressed concern that these contracts may not be enforceable insofar as availability of rubber for small business users is concerned when the Commission ceases to exist. It is the opinion of the Committee on Armed Services that these contracts are enforceable in law by the Federal Government. But certainly the commitments made by each of the purchasers, including the purchaser of the Institute facility, are enforceable through an even stronger enforcement agency, the weight of public opinion."

Mr. YATES. That is right.

Mr. HESELTON. Which is a very peculiar reliance, it seems to me. May I ask the gentleman in what conceivable way could a small business concern go into court and enforce any such commitment as exists here? The Attorney General says he does not think it is enforcible.

Mr. YATES. That is correct. I do not know how it could be done.

Mr. HESELTON. Does the gentleman think they will?

Mr. YATES. No. I agree with the Attorney General, because I do not know how one small business firm could sue to get its proportionate share of the allocation.

Mr. HESELTON. What form of action would he resort to?

Mr. YATES. I have not the foggiest notion. The Chairman told the Committee yesterday that even if he could not do it on the basis of a lawsuit, the bar of public opinion would protect the small-business man.

Mr. HESELTON. I suppose that he might sue for breach of contract. He might try to get into an equity court. But how in Heaven's name could he get an order from an equity court directing the delivery of a certain amount of rubber?

Mr. YATES. I can only reply to the gentleman by saying that what a small-business fabricator would need is not a lawyer but a genius to find some method of enforcing his rights.

Only in the Baytown sale did the Commission keep in mind this mandate about having a free, competitive synthetic rubber industry. In the Baytown sale, the Commission threw out the bid of the Goodyear Company saying that it would have too dominant a position in the industry. Yet they refused to do that in this case. I do not know why.

The Commission declares that with this Institute sale the American concept of free enterprise become a reality. Mr. Chairman, small business will not agree that this is free enterprise. We now see the Nation's synthetic rubber industry within the control of a few giant rubber and oil companies which are both the small-business man's supplier and his competitor. Small-business men know from hard experience that in many fields of business today their freedom is limited by the whim of their large suppliers and competitors. One of the major problems facing the small-business man today is that he is caught in the vise of dependency upon his large producers and fabricators for his own supplies of raw material, knowing that he must compete with them on the distribution level. He is completely at the mercy of the integrated company.

The Federal Trade Commission does not act merely on suspicion. It has recently filed suit accusing the purchaser of engaging in monopolistic practices?

How can we in this House possibly disregard the mandate of the Rubber Disposal Act of 1953 and approve this sale to a company that is only now the subject of a suit for monopolistic practices?

Mr. Chairman, much has been said about the allocation by the facility's purchaser of certain portions of the plant's production to small business, the question the gentleman from Massachusetts [Mr. HESELTON] raised. The fact remains that these allocations are entirely voluntary on the part of the big companies. Certainly, when the Commission ceases to exist—and this is an important point, Mr. Chairman, for with this sale the Rubber Facilities Disposal Commission goes out of existence. The Commission is the party to these contracts. When this commission goes out of existence, who will there be to enforce the rights of the small-business men under the allocations? There has been no transfer of the rights of the Rubber Facilities Disposal Commission to any other organization. When it goes out of existence, as it must when this sale is approved, there is nobody to enforce the rights of the small-business people.

Last year the chairman interrogated each of the purchasers on the amount of the production each would set aside for the small-business firms. There was presumably a satisfactory allocation made for each. Nobody can enforce that agreement. Judge Barnes of the Attorney General's office said that nobody could enforce that agreement. In his letter of transmittal to this House in connection with the sale, on this point of the right of small business to enforce these allocations under the contract, this is what the Attorney General said, and I read from his opinion:

> At this juncture it is appropriate to point out that similar provisions to assure small business enterprises a supply of GR-S that were embodied in the contracts of sale in the Commission's first disposal program were the subject of considerable congressional interest during the hearings on the program. This interest turned upon the question of enforcement of the purchasers' commitments. Assurances were given by the plant purchasers that they considered these pledges binding upon them. In fact, the president of the B. F. Goodrich Co. stated that he considered this commitment both a legal and moral obligation.

Listen to what the Attorney General said:

> I am, nevertheless, concerned about the future enforcement of these contractual commitments when the Commission ceases to exist.

This is by the Attorney General, who wants the sale approved, nevertheless, he is concerned that the commitments will not be enforceable. How can we possibly approve this sale?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Yesterday in the committee hearings I noticed the gentleman from Illinois who now has the floor had left the room when Judge Barnes was interrogated by a member of the committee on this point. As I recall, Judge Barnes' reply was to the effect that there were two possible remedies. The one he thought most acceptable, the most likely way for the Government to intervene in behalf of small business, would be specific performance. Then following that, as I recall the gentleman from Illinois was still out of the room, at that time the president of the purchasing company took the stand and he was asked by our chairman, the gentleman from Georgia [Mr. VINSON] whether or not he considered this a moral contract, a legal contract, and one that would be enforceable in court. My recollection of the answer of the president was that he considered it both a moral and a legal obligation and that he accepted it as one enforceable in court.

Mr. YATES. I thank the gentleman. I had to go to a meeting of my Subcommittee on Appropriations yesterday and that was the reason I could not remain to hear the testimony of Judge Barnes and the other witnesses.

Mr. CUNNINGHAM. I was not criticizing the gentleman because he was not there. I understand that he had other work to attend to.

Mr. YATES. That is correct. The president of Goodrich-Gulf was asked that same question about the allocation to small business in the other body by Senator FULBRIGHT. In reply to Senator FULBRIGHT he gave the same reply that he did to your committee:

The chairman of the committee of another body then said, "Suppose you are no longer the president? Suppose the board of directors is changed? Will the company still enforce or recognize its obligations?" He said, "I do not know. I assume that they would."

Mr. CUNNINGHAM. Does the gentleman contend that the statement by the president of the company, the purchaser, made before a congressional committee, a part of the record, would not be binding upon the company regardless of who the president and directors are in the future? Is that the gentleman's contention?

Mr. YATES. That is the gentleman's contention, and I am buttressed in that opinion by the Attorney General of the United States who, in connection with the report on this sale, has stated, as I indicated a few moments ago, as follows:

> I am nevertheless concerned about the future enforcement of these contractual commitments when this Commission ceases to exist.

If the Attorney General of the United States is concerned, should not we be

concerned as to who is going to enforce it?

Mr. CUNNINGHAM. Does the gentleman feel that in order to sell these plants we should continue this Commission in perpetuity in order to enforce the contracts of small business?

Mr. YATES. No; as I indicated before the gentleman's committee yesterday in my testimony, I thought that the rights of the Rubber Producing Facilities Disposal Commission in connection with the contracts should be transferred to some permanent agency of the Government, like General Services Administration, for example, so that the rights of small-business men could be enforced, assuming they are enforceable. As of this time, asked as we are to approve this sale, now, we do not know whether this will be done. That is one of the things I think we should do before we approve this sale. We should know definitely that the commitments of the purchasers to small business are in the hands of a competent Government agency, which can enforce their rights in accordance with law.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. MASON. This Commission for the disposal of these plants is the agent of what?

Mr. YATES. Of the Government of the United States.

Mr. MASON. And if, as an agent of the Government of the United States, it enters into certain contracts, specific contracts, and then after the job they are supposed to do is over, would not then the person whom they were the agent of take over and enforce those contracts?

Mr. YATES. Who is the Government of the United States for enforcing the contract?

Mr. MASON. Why the Attorney General, of course, is the legal man to enforce the contracts.

Mr. YATES. On behalf of whom? If the gentleman will recall, suits that are brought by the Federal Government are brought through a specific agency that has jurisdiction over the matter. For example, the War Assets Administration used to sue for certain rights within its jurisdiction. The gentleman would not contend, for example, that an agency of the Government such as the Federal Communications Commission could sue to enforce the allocations under these contracts, would he?

Mr. MASON. No, but I would contend an agency of the Federal Government in whose jurisdiction this would be would have to enforce those contracts.

Mr. YATES. I agree with the gentleman. The point I make in reply is that there is no agency of the Government other than the Rubber Producing Facilities Disposal Commission soon to go out of existence, which has jurisdiction and the right to enforce these contracts.

Mr. BYRD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BYRD. I am reading from the basic law, section 20:

After the Commission ceases to exist, such contracts and leases and other matters involving the Commission shall be administered by such agency of the Government as the President may designate.

I reiterate "shall be administered by such agency of the Government as the President may designate." I think that is all very well, but what happens to the rights before the President designates the successor agency? The President can designate in the future but he is not required to. Suppose he does not; will the gentleman tell me what right of enforcement a small purchaser has? It is obvious the President is going to designate somebody or some agency.

Mr. YATES. Why is it so obvious? Has the gentleman anything to indicate that he will make the appointment?

Mr. BYRD. Does the gentleman have anything to indicate that he will not?

Mr. YATES. I have no indication that he will, and I know the Commission is going out of existence.

Mr. BYRD. I rather suspect that he will appoint somebody.

Mr. YATES. The gentleman is entitled to his suspicions.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. YOUNGER. Do I understand you are advocating the sale to the second highest bidder? Is that the argument you are making?

Mr. YATES. No. The gentleman from Illinois is arguing for the rejection of all bids and throwing open the plant to competitive bidding again.

The chairman of the committee, the gentleman from Georgia [Mr. VINSON], pointed out what a great job the Commission had done in selling these plants last year for something like $280 million. I love the gentleman from Georgia [Mr. VINSON]. I respect him and I revere him, but I most respectfully disagree with him. The Commission has never furnished the Congress of the United States with the data, with the earnings data, which would permit us to know the value of these facilities. It has never given us a valuation based on earnings. That is why I asked the Library of Congress to take the earnings of the Commission and fix such a valuation, one based upon a capitalization of earnings. This was done, using the Commission's own figures and a capitalization of 10 percent, which has been approved by the Commission. The companies exceeded the rated capacity last year. Using the figures of the Commission and the actual production figures, using the 10-year factor, we find instead of the price that the Commission accepted of approximately $289 million for the 24 plants, the Library of Congress indicates that the worth of the synthetic rubber plants to be conservatively $516,273,167—over a half billion dollars. This was in accordance with the estimate of Chairman CAPEHART, of the Banking and Currency Committee of the Senate, when that matter was under consideration in 1953. Congressman Shafer, who was floor manager for the disposal bill in 1953, estimated they would be worth in excess of $350 million. The estimate of the Library of Congress, based upon their earnings, is $516,273,000. If that is their value, can we say that the amount received was the full fair value?

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JOHNSON of California. Can the gentleman tell us who made that estimate? We tried to find out but nobody was able to tell us who he was.

Mr. YATES. I told the gentleman's committee yesterday who the people were that made that estimate.

Mr. JOHNSON of California. No. You just told us a man that the Library Research Department picked out—an economist.

Mr. YATES. I told you the names of the people who computed these figures, and I shall place the computation in the RECORD. The calculation was automatic based on the figures submitted by the Commission.

Mr. JOHNSON of California. Another thing I wanted to bring out is that you have continually referred to the fact that no fair value was ever properly estimated. You were at one time a member of the Illinois Public Utilities Commission?

Mr. YATES. That is correct.

Mr. JOHNSON of California. And you know that when you tried to establish rates for electricity or gas or other utilities, the opinions as to value vary widely. For instance, I was in a lawsuit one time where land values varied from $10 an acre to $500 an acre. These determinations are merely matters of opinion; they are not scientific factual determinations.

Mr. YATES. Will the gentleman permit me to answer him?

Mr. JOHNSON of California. Certainly.

Mr. YATES. The gentleman is right about variances of valuation. But the Commission declared that it was following the congressional mandate to use earnings in determining the value of these properties, and that is all that this statement is based on, the earnings of the properties.

Mr. JOHNSON of California. That is not the only test.

Mr. YATES. I am telling the gentleman what the Commission did.

Mr. JOHNSON of California. The gentleman knows that in appraisals the basis is entirely the opinion of the man who looks at the property, and opinions can vary widely.

Mr. YATES. That is true, but new basic data in this computation is the Commission's. Let me just finish my statement. The valuation I just gave to the House was based upon a price for rubber per pound of 23 cents—and that, Mr. Chairman, is after taxes. This is not before taxes; the $516 million was the computation based on earnings after taxes.

If the price of synthetic rubber should go up from 23 cents, which is likely, if it should go up from 23 cents a pound to 24 cents a pound, the valuation jumps to $605 million. If the price of synthetic rubber goes up to 30 cents a pound—and natural rubber right now is almost 50 cents a pound—the value would be over a billion dollars.

Mr. JOHNSON of California. In my opinion that was just a wild guess of

some economist over there; that is my opinion.

Mr. YATES. Suppose the gentleman reserves his judgment until he examines the valuation in the RECORD tomorrow. I think the Library of Congress experts did a good job. However, the gentleman had every opportunity of calling these people before his committee and cross-examining them.

Mr. JOHNSON of California. No,; we had no opportunity to interrogate them.

Mr. YATES. I gave the names to the gentleman's committee yesterday. They could have been called.

Mr. JOHNSON of California. We had no chance to call the individual as we were completely occupied by the hearings.

Mr. YATES. In conclusion, Mr. Chairman, I offer the following recommendations:

That the sale of the Institute plant to Goodrich-Gulf be set aside.

That new legislation be passed promptly authorizing the Commission to take new bids.

That the Commission should not go out of existence until the rights of small business shall have been protected by enforceable agreements signed by the facility purchasers with a permanent Government agency which will assure that small business shall receive a fair share of the synthetic rubber at a fair price.

Mr. Chairman, I respectfully urge the House to support my resolution.

Synthetic rubber facilities computed net operating profit and capitalized value of facilities in 1955 under assumed conditions

[All amounts are millions of dollars]

Price per pound and facilities for production of—	Computed net profit if all facilities operated at percent of assigned capacity [1]				Capitalized value of earnings [2] at 10 percent when facilities operated at—			
	80 percent	90 percent	100 percent	Annual rate May-December 1955	80 percent	90 percent	100 percent	Annual rate May-December 1955
Copolymer: [3]								
23 cents	16.31	18.35	20.39	24.57	163.1	183.5	203.9	245.7
24 cents	22.24	25.02	27.80	33.51	222.4	250.2	278.0	335.1
25 cents	28.18	31.70	35.22	42.44	281.8	317.0	352.2	424.4
26 cents	34.11	38.37	42.63	51.38	341.1	383.7	426.3	513.8
27 cents	40.04	45.04	50.05	60.31	400.4	450.4	500.5	603.1
28 cents	45.97	51.72	57.46	69.25	459.7	517.2	574.6	692.5
29 cents	51.90	58.39	64.88	78.18	519.0	583.9	648.8	781.8
30 cents	57.83	65.06	72.29	87.12	578.3	650.6	722.9	871.2
Butadiene: [4]								
14 cents	16.54	18.61	20.68	27.06	165.4	186.1	206.8	270.6
15 cents	21.02	23.65	26.28	34.39	210.2	236.5	262.8	343.9
16 cents	25.51	28.70	31.89	41.73	255.1	287.0	318.9	417.3
17 cents	29.99	33.74	37.49	49.07	299.9	337.4	374.9	490.7
18 cents	34.48	38.79	43.10	56.41	344.8	387.9	431.0	564.1
19 cents	38.96	43.84	48.71	63.74	389.6	438.4	487.1	637.4
20 cents	43.45	48.88	54.31	71.08	434.5	488.8	543.1	710.8
Copolymer and butadiene:								
14 and 23 cents	32.85	36.96	41.07	51.63	328.5	369.6	410.7	516.3
24 cents	38.78	43.63	48.48	60.57	387.8	436.3	484.8	605.7
25 cents	44.72	50.31	55.90	69.50	447.2	503.1	559.0	695.0
26 cents	50.65	56.98	63.31	78.44	506.5	569.8	633.1	784.4
27 cents	56.58	63.65	70.73	87.37	565.8	636.5	707.3	873.7
28 cents	62.51	70.33	78.14	96.31	625.1	703.3	781.4	963.1
29 cents	68.44	77.00	85.56	105.24	684.4	770.0	855.6	1,052.4
30 cents	74.37	83.67	92.97	114.18	743.7	836.7	929.7	1,141.8

[1] Net profit per pound of 1.32 cents per copolymer plant output and 1.77 cents per pound for butadiene were computed for estimated annual production near 80 percent, in data supplied to the House Committee on Armed Services by the Rubber Facilities Disposal Commission. Charges for depreciation, interest, and insurance, were based on the actual prices and terms at which the facilities were sold. A higher price for the facilities would increase these costs and reduce net income and capitalized value computed from net income. A higher rate of output would reduce these charges per unit of output and increase net income and capitalized value. The computed net profits and capitalized values included in this table were computed without attempting to make adjustments of depreciation and interest, or other overhead, and direct costs, to reflect costs when borne by private owners and operations at higher than estimated capacity rates.

[2] Computed as 10 times net profits shown in appropriate columns.

[3] Assigned annual capacity 689,600 long tons. Annual production estimated at time of sale, 540,466 long tons. Production at 80 percent of capacity, 551,680 long tons; at 90 percent, 620,640 long tons; at annual rate of May-December 1955, 831,000 long tons, or 120.5 percent of assigned capacity.

[4] Assigned annual capacity 584,000 short tons. Annual production estimated at time of sale, 494,000 short tons. Production at 80 percent of capacity, 467,200 short tons; at 90 percent, 525,600 short tons; at annual rate of May-December 1955, 764,300 short tons, or 130.9 percent of assigned capacity.

The CHAIRMAN. The gentleman from Illinois has consumed 56 minutes.

Mr. VINSON. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Chairman, I was the author of H. R. 7301, the bill which became Public Law 336 last year, and which provided for sale of the Institute facility. Plancor 980 is located in my congressional district, a district which is a labor distress areas.

A few months ago the widely circulated U. S. News & World Report presented an article entitled "Where Jobs Are Hardest To Get." In that article it was said that the national average was a fraction more than 1 jobless area per State, but West Virginia was shown as having 13 labor distress areas.

Only last month out of a total population of less than 2 million people, 208,660 of my fellow West Virginians kept body and soul together by virtue of their receiving Government surplus commodities. The sale of the plant at Institute, W. Va., therefore means something in terms of jobs and food and clothing to the people of my State.

The Rubber Producing Facilities Disposal Commission in accordance with the terms of the law proceeded last fall to negotiate a contract of sale of the Institute plant to Goodrich Gulf Chemicals, Inc. The Commission's report has properly been submitted to the Attorney General of the United States and to the Congress. Today, we have before us a resolution which would disapprove the sale. This matter, I believe, has been rather adequately covered already. You have heard the pros and cons. At the risk of repetition, however, I would like briefly to emphasize a few of the salient facts about this sale before you vote on the resolution introduced by my friend and distinguished colleague, the gentleman from Illinois.

The bid submitted by Goodrich-Gulf was, in the words of the Commission, the only bid representing full fair value. On the chart here before you I have shown a bar representing the price offered by Goodrich-Gulf, the amount of $11 million being the high bid.

Some question has been raised as to who is to say what is full fair value? My answer to that would be, that the Commission was created to do this under the law. That was one of the functions which the Commission was expected to perform. Certainly on the basis of the past sales consummated by the Commission, upon the basis of experience, and with all of the pertinent facts and figures possessed by the Commission, the Commission was in a most advantageous position, better than any of the rest of us, to determine just what full fair value would be.

The second highest bid, as you can see here, was the $5.8 million offered by Edwin W. Pauley.

One of the criteria which governed the disposal of these plants was that the sale should best foster the development of a competitive industry. I do not need to tell you that for the Commission to have negotiated a sale to this firm would have meant in reality a Government subsidy, and would have given this firm a competitive advantage over other producers. It would not have best fostered a competitive industry. So the Commission determined that the Goodrich-Gulf offer was the only bid which represented full fair value and which would, at the same time, best serve to strengthen competition in the synthetic-rubber industry.

A question has also been raised as to why the Commission proceeded to negotiate from a figure of $9 million. I quote from the original disposal act, section 16, which says:

> In arriving at its recommendation for the disposal of the facilities, the commission shall use as the basis for negotiating the sale of each facility the highest amount proposed to be paid upon each facility.

Goodrich-Gulf proposed to pay $9 million. According to the law, then, the Commission should use as the basis for negotiating the sale the highest amount proposed.

There are some who say that to sell this plant to Goodrich-Gulf would be to contribute to the creation of a monopoly. I realize that the Attorney General stated in his findings that with Institute Goodrich-Gulf would possess 25.2 percent of the total capacity of synthetic rubber production, but the Attorney General went on to state that this figure did not take into account the publicly announced

expansions of competitors. He admitted it in his statement of findings. Many of these competitors have already spent money to expand their plants. They have announced plans for further expansion. So, in order to see just where Goodrich-Gulf will rank among the various synthetic rubber plants, we should in all fairness project our figures into the future to such a time as all competitors will have completed their plans of expansion and to the time when all three lines of the Institute facility will have begun operating.

The Institute facility has 3 units each capable of producing 41,000 long tons. Because of the shortage of butadiene, which is the major raw component of synthetic rubber, it will be impossible for Goodrich-Gulf to operate more than one line of the Institute plant until approximately 18 months hence. Then, how can we say that this company will be in a position of producing one-fourth of all the synthetic rubber in the United States when it will not be able to get but one line into operation for a period of approximately 18 months, at which time the expansions of competitors will have been finalized, and which expansions will necessarily reduce the ratio of Goodrich-Gulf production as compared to that of other competing firms. On the accompanying chart here, you see the maximum percentage of rubber which Goodrich-Gulf will ultimately be able to produce as being 19.9 percent. The next closest producer will be Firestone, with 17.4 percent. There will be a difference between the two top producers of 2.5 percent.

Now, bear in mind that this chart does not take cognizance of the fact that the Shell Co. has announced plans to materially expand its plant. As yet it has submitted no figures as to the extent of expansion it intends to carry out, but, we can rest assured that any expansion by Shell will again serve to materially reduce the percentages of all other competitors including Goodrich-Gulf.

So I repeat that after all planned expansion has taken place, Goodrich-Gulf will produce only 2.5 percent more synthetic rubber than will the nearest competitor, Firestone, and yet following the first disposals in April of 1955, Firestone possessed 18.8 percent of the total capacity, which was 2.2 percent greater than its closest competitor, Goodyear, yet, at that time, mind you, not one question was raised by the Congress or the Commission or the Attorney General about Firestone's possessing 18.8 percent of the total capacity, but now that Goodrich-Gulf is going to possess 1.1 percent more capacity than did Firestone after the first disposals, a lot of people have raised their eyebrows.

Mr. Chairman, Goodrich-Gulf has committed itself to supply small businesses with 50 percent, or 21,000 long tons, of the production of the first line at Institute. The Commission stated that this was the highest commitment made by any bidder on the Institute facilities. Goodrich-Gulf also has committed itself publicly and before congressional committees and to the Commission that it will supply 67 percent of the total output of the Institute facility to small businesses.

Now let us just take a look at the performance of companies which have committed themselves to supplying small businesses.

Let me say parenthetically that Goodrich-Gulf, when it purchased the Fort Natchez plant last year made a commitment to supply small business with 15,000 long tons of synthetic rubber. What does the record show? It shows that Goodrich-Gulf has actually supplied 19,000 long tons to small business. The total overall commitments at the close of the first disposals in April of last year amounted to 106,739 long tons. Let us see what the record of performance shows. There has been some doubt as to the ability or the intention of these producers to supply small businesses with rubber in the amounts committed. The actual performance is shown in this line of the chart. Total sales amount to 144,731 long tons. I would say that this is a performance which would inspire public confidence in the rubber producers of this country.

We now reach the final chart and it raises two questions about Institute: Loss or profit? As it now stands, Institute is costing the Government of the United States $240,000 a year to maintain in standby. The Federal, State, and local governments are not collecting taxes from that plant. Are we going to continue to let this plant deteriorate? Are we going to continue to let it be a dead horse costing the taxpayers $240,000 a year?

On the other side of the chart we find this. If this plant is reactivated, it will mean the immediate employment of about 300 men. My colleague from Illinois [Mr. YATES] said that we will be buying a pig in a poke. I should like to say this. The gentleman raised the point that the plant would only be operating one line. But while that one line is operating, remember this; Goodrich-Gulf is going to spend $6 million modernizing this plant, which will mean additional employment, which will also mean additional purchasing power and a more stable economy in West Virginia. And instead of the Government paying out $240,000 a year, the Government will be a partner in this enterprise. It will be collecting 52 percent of the profits in taxes plus the income taxes from men employed. Not only will the Federal Government be collecting taxes, but the State and local governments will be collecting money in taxes. Moreover, once the institute plant begins operating, it will encourage the location of additional industries in the area. And finally let me say that the reactivation of this plant is in the best interests of national security. Is it not in accord with the military policy of this country to disperse vital industries? This plant is located a long distance away from the synthetic rubber producing plants which are situated in the gulf coast area. I say that we today should take the necessary action to insure the reactivation of this plant by a company which is an experienced and capable producer of synthetic rubber, that it might proceed with modernizing the plant and begin placing into the hands of the consuming public synthetic rubber.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BYRD. I yield to my distinguished colleague from Louisiana.

Mr. BROOKS of Louisiana. I should like to ask the gentleman, inasmuch as this plant is located in his congressional district, is there any opposition locally to the sale of this plant to the Goodrich-Gulf Co.?

Mr. BYRD. I am delighted that my colleague asked that question. There is no opposition. All of West Virginia looks today to the Congress of the United States to make possible the reactivation of this plant.

Mr. BROOKS of Louisiana. May I say further to the gentleman that I have listened to every word of his speech. I think he has presented a very, very strong argument in favor of the ratification of the sale and the voting down today of this resolution.

It strikes me that on the one hand we have a plant that is going to pieces gradually, that is not earning anything; you have people out of work and needing jobs. On the other hand you have an opportunity to sell this plant at a very good price, apparently. It will put people to work, give them jobs, and put this property back on the tax rolls. The locality, too, will profit from a growing industry. If you accept that and put that plant back into operation by selling it to private industry, you still retain the antimonopoly powers of the Government, and you can still go in there at a later date in the event some monopoly practice materializes we do not see today and break it up by the proper and vigorous enforcement of the antimonopoly laws of the country.

Mr. BYRD. I thank my colleague for his comment. I agree with him.

In closing, may I say that I congratulate and commend the Rubber Facilities Disposal Commission on its good work in disposing of these plants. I also wish to thank the others of the West Virginia delegation in the House and Senate and the members of the House Committee on Foreign Affairs for their wonderful assistance in this matter. The Governor of West Virginia has assisted too. I am very much indebted to Congressman VINSON particularly. I must compliment Congressman YATES on his sincerity of purpose. In conclusion, I ask the Members of Congress to vote "no" on this resolution. A "no" vote means the reactivation of the Institute plant at Institute, W. Va., and jobs for my fellow West Virginians.

Mr. VINSON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, most of my colleagues in the House are well aware that the economy of the State of West Virginia is far below the level of the economy of the Nation as a whole. I am interested in this legislation because of the boost it will mean to West Virginia's economy. There is involved the possibility of some 800 jobs. No State in the Union needs jobs for its workmen more than West Virginia does. I am going to be selfish in my approach.

Let me remind you that if this resolution is disapproved and the sale is permitted to go through the Government will receive a greater percentage of its original investment than it has received in the sale of any 1 of the more than 20 rubber plants that have been disposed of. The Government will relieve itself of the maintenance cost of $240,000 a year. The city of Charleston and the county of Kanawha will be able to acquire, when the title from the Federal Government is passed into the hands of the Goodrich-Gulf people, an assessed valuation of some $10 or $12 million, which will help materially in defraying the costs of the local and county governments, a burden that plant should help share at the present time but which it is not sharing because the title is in the Federal Government.

Again, let me say to you and to the members of this committee that disapproved the resolution offered by the distinguished gentleman from Illinois that I think the committee acted wisely, and I want to commend them. That same committee, the Committee on Armed Services, in allocating several billion dollars worth of Federal installations some few years ago, overlooked the State of West Virginia completely. It is the only one of the 48 States that did not receive some kind of Federal defense facility. Here is an opportunity for the Congress to do something that will help to relieve the economic situation and the unemployment situation which is still rampant in the State of West Virginia. Some 62,000 men and women are still unemployed.

I urge my colleagues to defeat the Yates resolution and approve the sale of this property, as provided in the original bill offered by my distinguished colleague [Mr. BYRD].

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I am glad to yield to the gentleman.

Mr. GAVIN. In that event the vote would be "no"; is that right?

Mr. BAILEY. That is right.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume within the time remaining.

Mr. Chairman, I want first to congratulate and commend my good friend, the gentleman from West Virginia [Mr. BYRD] upon the very splendid presentation he has made in support of his position in this debate. Throughout the debate he has demonstrated real ability, a very fine spirit and a thorough grasp of the problems involved. I know that his motives are of the highest in seeking to have the sale approved.

I want, too, to thank the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON] for the very gracious and very courteous hearing that he gave me yesterday before his committee and for the exceedingly generous manner in which he has treated me at all times.

Mr. Chairman, I have no further requests for time. I want only again to urge the House to consider the effect that this sale will have upon one of the major industries of the country and upon the Nation's economy. If the members believe that this sale will tend to promote monopoly in the synthetic rubber industry, I believe they should support my resolution. I urge them to support my resolution.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. CUNNINGHAM], a member of the Committee on Armed Services, to close the debate.

Mr. CUNNINGHAM. Mr. Chairman, many in this room recall the 7th of December 1941. Many in this room recall that shortly thereafter there was great concern in America as to whether or not we would have sufficient rubber to support our defense effort. I recall people advising us to take the rubber mats out of our automobiles. Others advocated turning in our hot-water bottles. I recall that automobile tires were rationed. Why? Because this Congress and the people of America were very much concerned and distressed as to whether or not we would be able to have sufficient rubber to carry on the war successfully. Then, I also recall we had here shortly after Pearl Harbor the Guayule bill to get rubber from the Guayule plant which was brought out by the Committee on Agriculture. We passed that bill. Whatever happened to it, I do not recall. But, shortly thereafter, there were exhibits in the caucus room here and in hotels put on by the petroleum industry and the alcohol industry to show the Members what could be done in the way of synthetic rubber being made from those products with the result that eventually a total of 28 plants was built throughout the United States for the manufacture of various kinds of synthetic rubber such as the butadiene plants and copolymer plants and so forth. Today we are concerned with the disposal of the last of those plants, the copolymer plant.

At this point, I want to pay tribute to the subcommittee of the Committee on Armed Services and to the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], and our former chairman, the gentleman from Missouri [Mr. SHORT], for the help and support they gave to this subcommittee which worked long and arduously to get a bill to provide for a commission to sell these plants to the advantage of the Government of the United States and get them back to private industry. I also wish to compliment and pay tribute to some of the staff members who worked with this subcommittee, particularly Mr. Smart and Mr. Blandford. I think they have done a magnificent job for the American people and for the taxpayers.

Mr. Chairman, I would like to make a couple of observations. In my district, north of Des Moines, we had built during the war a small-arms factory making small-arms ammunition for the war effort. After the war was over, it was declared surplus and eventually sold by the General Services Administration. To whom? To the United States Rubber Co. For how much? For about 10 cents on the dollar of the original cost. There is no provision that the United States Rubber Co. protects small business or that it provide a certain amount of rubber for the country in the case of another war effort. Let me take you to San Diego, Calif. We had a plant out there that cost about $12,500,000 to build. It was declared surplus and was sold to the highest bidder for $1,050,000. It was not long before this bidder resold 15 percent of it for about $3 million. The Korean war came on and we had to get it back, and the owner asked $15 million for the remainder. During a war we have to pay a lot, and then we sell at a loss.

Not so in these rubber-disposal plants. This Commission, appointed by the President under authorization of the Congress, has gotten back almost 100 cents on the dollar for these plants. For the actual sale against the actual cost it would be over 50 percent as compared with the average of all of about 10 percent. I do not see how we can possibly vote for this resolution and throw this back, in face of that record.

This Commission had three objectives when it started out, after its appointment by the President. One was to get as good a price for these plants as possible. The second was to see that small business would get its share of the rubber; and, third, that there would be sufficient rubber produced in those plants that in the event of another war we would not be caught short. In each and every contract there is a guaranty that a certain amount of long tons of rubber will be produced continuously, so that in case of another war or emergency we will not have a shortage of rubber for our forces.

In addition to that, in this particular sale, 67 percent of the long tons to be manufactured at the Charleston, W. Va., plant will be allocated to small business, and percentages similar to that throughout the sale of all these plants has been provided for. I do not see how any Commission could have done a better job for the security of America, for the taxpayers, and for all concerned, including small business, than this Commission has done.

In conclusion I ask you to vote against this resolution. I want to congratulate everyone who had anything to do with the sale of these plants.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 396, had directed him to re-

port the same back to the House with the recommendation that it be not agreed to.

The SPEAKER. The question is on the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. VINSON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 61, nays 310, not voting 63, as follows:

[Roll No. 7]

YEAS—61

Addonizio	Fernandez	Metcalf
Anfuso	Fogarty	Multer
Ashley	Forand	Murray, Ill.
Aspinall	Friedel	O'Hara, Ill.
Bolling	Garmatz	O'Neill
Boyle	Gordon	Patman
Burdick	Granahan	Perkins
Byrne, Pa.	Gray	Pfost
Cannon	Green, Pa.	Polk
Carnahan	Heselton	Powell
Celler	Johnson, Wis.	Price
Christopher	Jones, Ala.	Rhodes, Pa.
Chudoff	Karsten	Rodino
Davidson	Kelly, N. Y.	Rogers, Tex.
Delaney	Keogh	Sisk
Denton	Klein	Sullivan
Dollinger	Kluczynski	Wier
Elliott	Lanham	Yates
Engle	Mack, Ill.	Zelenko
Evins	Magnuson	
Feighan	Marshall	

NAYS—310

Abbitt	Cole	Harris
Abernethy	Colmer	Harrison, Nebr.
Adair	Cooley	Harrison, Va.
Albert	Coon	Harvey
Alexander	Cooper	Hayworth
Alger	Corbett	Hébert
Allen, Calif.	Cretella	Henderson
Allen, Ill.	Crumpacker	Herlong
Andersen, H. Carl	Cunningham	Hess
	Curtis, Mo.	Hiestand
Andresen, August H.	Dague	Hill
	Davis, Ga.	Hillings
Andrews	Davis, Wis.	Hinshaw
Arends	Dawson, Utah	Hoeven
Ashmore	Dempsey	Hoffman, Mich.
Auchincloss	Derounian	Holifield
Avery	Devereux	Holland
Ayres	Dies	Holmes
Bailey	Diggs	Hope
Baker	Dingell	Horan
Baldwin	Dixon	Hosmer
Bass, N. H.	Dolliver	Huddleston
Bass, Tenn.	Dondero	Hull
Bates	Donohue	Hyde
Baumhart	Donovan	Ikard
Becker	Dorn, N. Y.	Jackson
Belcher	Dorn, S. C.	Jarman
Bennett, Fla.	Dowdy	Jenkins
Bennett, Mich.	Doyle	Jennings
Berry	Durham	Jensen
Betts	Edmonson	Johansen
Blatnik	Ellsworth	Johnson, Calif.
Blitch	Fallon	Jones, Mo.
Boggs	Fascell	Jones, N. C.
Boland	Fenton	Kean
Bolton, Frances P.	Fino	Kearney
	Fjare	Kearns
Bonner	Flood	Keating
Bosch	Flynt	Kee
Bow	Ford	Kelley, Pa.
Boykin	Forrester	Kilburn
Bray	Fountain	Kilday
Brooks, La.	Frazier	Kilgore
Brooks, Tex.	Frelinghuysen	King, Calif.
Brown, Ga.	Fulton	Kirwan
Brown, Ohio	Gary	Knox
Broyhill	Gathings	Krueger
Budge	Gavin	Laird
Burleson	Gentry	Landrum
Burnside	George	Lane
Bush	Grant	Lankford
Byrd	Gregory	LeCompte
Byrnes, Wis.	Griffiths	Lesinski
Carlyle	Gross	Lipscomb
Carrigg	Gwinn	Long
Cederberg	Hale	Lovre
Chelf	Haley	McConnell
Chenoweth	Halleck	McCormack
Church	Hand	McCulloch
Clark	Harden	McDonough
Clevenger	Hardy	McDowell
McGregor	Radwan	Talle
McIntire	Rains	Taylor
McMillan	Ray	Teague, Calif.
McVey	Reece, Tenn.	Teague, Tex.
Macdonald	Rees, Kans.	Thomas
Mackrowicz	Reuss	Thompson, La.
Madden	Rhodes, Ariz.	Thompson, Mich.
Mahon	Richards	
Mason	Riehlman	Thompson, N. J.
Matthews	Riley	Thompson, Tex.
Meader	Rivers	Thomson, Wyo.
Merrow	Roberts	Thornberry
Miller, Calif.	Robeson, Va.	Tollefson
Miller, Md.	Robsion, Ky.	Trimble
Miller, Nebr.	Rogers, Colo.	Tuck
Miller, N. Y.	Rogers, Fla.	Udall
Mills	Rogers, Mass.	Utt
Minshall	Roosevelt	Vanik
Morgan	Rutherford	Van Pelt
Moss	St. George	Van Zandt
Moulder	Saylor	Velde
Mumma	Schenck	Vinson
Murray, Tenn.	Scherer	Wainwright
Natcher	Scott	Watts
Nelson	Scrivner	Weaver
Nicholson	Scudder	Westland
Norrell	Seely-Brown	Wharton
O'Brien, N. Y.	Selden	Whitten
O'Hara, Minn.	Sheehan	Wickersham
O'Konski	Sheppard	Widnall
Osmers	Short	Wieglesworth
Ostertag	Shuford	Williams, Miss.
Passman	Sieminski	Williams, N. J.
Pelly	Sikes	Williams, N. Y.
Philbin	Siler	Willis
Phillips	Simpson, Ill.	Wilson, Calif.
Pilcher	Simpson, Pa.	Wilson, Ind.
Poage	Smith, Kans.	Winstead
Poff	Smith, Miss.	Withrow
Preston	Smith, Wis.	Wright
Priest	Springer	Young
Prouty	Staggers	Younger
Quigley	Steed	Zablocki
Rabaut	Taber	

NOT VOTING—63

Barden	Eberharter	Mollohan
Barrett	Fisher	Morano
Beamer	Gamble	Morrison
Bell	Green, Oreg.	Norblad
Bentley	Gubser	O'Brien, Ill.
Bolton, Oliver P.	Hagen	Patterson
	Hays, Ark.	Pillion
Bowler	Hays, Ohio	Reed, Ill.
Brownson	Hoffman, Ill.	Reed, N. Y.
Buckley	Holt	Rooney
Canfield	Holtzman	Sadlak
Chase	James	Schwengel
Chatham	Jonas	Shelley
Chiperfield	Judd	Smith, Va.
Coudert	King, Pa.	Spence
Cramer	Knutson	Tumulty
Curtis, Mass.	Latham	Vorys
Davis, Tenn.	McCarthy	Vursell
Dawson, Ill.	Mack, Wash.	Walter
Deane	Mailliard	Wolcott
Dodd	Martin	Wolverton

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien of Illinois for, with Mr. Mollohan against.

Mr. Barrett for, with Mrs. Green of Oregon against.

Mr. Eberharter for, with Mr. Wolverton against.

Mr. Buckley for, with Mr. Shelley against.

Mr. Walter for, with Mr. Morrison against.

Mr. Rooney for, with Mr. Hays of Arkansas against.

Mr. Bowler for, with Mr. Coudert against.

Mr. Dawson for, with Mr. Jonas against.

Mr. Dodd for, with Mr. Bentley against.

Mr. Holtzman for, with Mr. Beamer against.

Mr. Tumulty for, with Mr. Davis of Tennessee against.

Until further notice:

Mr. Smith of Virginia with Mr. Martin.

Mr. Barden with Mr. James.

Mr. Bell with Mr. Cramer.

Mr. Chatham with Mr. Canfield.

Mr. Deane with Mr. Reed of New York.

Mr. Fisher with Mr. Chiperfield.

Mr. Hagen with Mr. Sadlak.

Mr. Hays of Ohio with Mr. Latham.

Mrs. Knutson with Mr. Judd.

Mr. McCarthy with Mr. Norblad.

Mr. Spence with Mr. Morano.

Mr. BOYLE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. JOHANSEN. Mr. Speaker, rejection of House Resolution 396, just voted by this House, has the effect of approving sale of the Institute, W. Va., copolymer plant to private industry, thereby virtually completing the synthetic rubber disposal program.

I cannot permit this occasion to pass without paying tribute to my distinguished and beloved predecessor, the late Congressman Paul W. Shafer, who was author of both the Synthetic Rubber Act of 1948 and the Synthetic Rubber Disposal Act of 1953.

Today's action by this House is a consummation of the wisdom and labors which he devoted to this problem. I wish, as I know do the Members who served as his colleagues, that he might have been privileged to be here and share in this accomplishment.

It was the Synthetic Rubber Act of 1948 which assured continued operation by the Government of the synthetic rubber plants at a time when there was a real danger that the synthetic rubber industry, under the auspices of either Government or private enterprise, would not survive. It was this legislation which gave the Nation the supply of synthetic rubber urgently needed when the Korean attack occurred 2 years later.

As a firm believer in private enterprise, it was Mr. Shafer's earnest hope that this important segment of American industry would ultimately take its place as a part of the private enterprise system, albeit with adequate safeguards for the interests of national security, a reasonable return to the Government of its investment of tax dollars, adequate safeguards against monopoly abuses and adequate protection for small business.

Congressman Shafer accordingly welcomed the report of the Reconstruction Finance Corporation to the Congress on a proposal for disposal to private industry of Government-owned rubber producing facilities submitted early in 1953. He welcomed this program and he welcomed the support given to this program by President Eisenhower.

A year after the enactment of the Synthetic Rubber Disposal Act of 1953, Congressman Shafer, speaking on the floor of the House March 30, 1954, paid tribute to the work of the Commission appointed by the President to take bids and negotiate for the sale of the Government-owned synthetic rubber plants.

Mr. Shafer at that time and in the face of some passing indications of apathy toward the program within the rubber industry, made this statement:

> I believe there are enough people in private industry in this Nation who have confidence in the future of America to buy these plants at a fair price. I think * * * that there are many companies in this country who are willing to invest in the future of America.

I am sure that were he here today, the late Congressman Shafer would regard the approval given to this and previous

disposal recommendations as a most gratifying vindication of his faith.

Since he could not be here I was proud to be able, by voting against House Resolution 396, to express the satisfaction I feel, and which I am sure he would have shared, over the accomplishments of the House Committee on Armed Services and the Disposal Commission.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the resolution just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ORGANIZATION FOR TRADE COOPERATION

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point and include extraneous matter in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, on April 14, 1955, during the first session of the 84th Congress, I introduced legislation, H. R. 5550, which would authorize United States membership in the Organization for Trade Cooperation. I introduced this legislation as chairman of the Committee on Ways and Means, at the request of the administration.

I have recently received a letter from the President of the United States urging the enactment of this legislation. For the information of the Members of the Congress and other interested persons, I would like to insert at this point in the RECORD the letter which I received from the President and a memorandum prepared for the Cabinet by the Secretary of Commerce, the Honorable Sinclair Weeks, pertaining to the Organization for Trade Cooperation:

THE WHITE HOUSE,
Washington, January 19, 1956.

The Honorable JERE COOPER,
House of Representatives,
Washington, D. C.

DEAR MR. COOPER: You will recall that on December 30, at the bipartisan meeting, I asked that every person present be supplied with a memorandum on the Organization for Trade Cooperation. I enclose a paper prepared for the Cabinet by Secretary Weeks which, in my judgment, tells the OTC story about as briefly as it can be told.

When last July you advised me of your plan to hold hearings on the OTC early in this session, you said that enactment of this legislation is of "vital importance to the continued expansion of markets for our products abroad." This description of our need for OTC is still accurate but this legislation is even more essential today, now that the Soviets have stepped up their activities on the economic front. Not only would the OTC maximize benefits from reciprocal trade agreements for American industry, agriculture, and labor; it would also advance our efforts to strengthen the free world.

The administration will cooperate fully with you in bringing this matter to hearings and in moving it through the Congress as promptly as possible.

With kind regard,

Sincerely,

DWIGHT D. EISENHOWER.

THE SECRETARY OF COMMERCE,
Washington.

Memorandum for the Cabinet.

THE FACTS ABOUT THE OTC: THE ORGANIZATION FOR TRADE COOPERATION

I. WHAT IS OTC?

The OTC would be an organization composed of government representatives from 35 countries, including the major trading nations of the world.

Its major job would be to administer the General Agreement on Tariffs and Trade, in which the United States has participated for a number of years.

H. R. 5550 would authorize the United States to join the proposed OTC.

II. WHAT OTC CANNOT DO

OTC would be exclusively an administrative organization. It could not add to United States obligations under the General Agreement. It could not abridge the powers of the Congress with respect to customs and import duties. It could not make tariff concessions or modify in any way the United States tariff structure.

OTC would not be supranational in any respect. It could not impose obligations on its members. Its method would be persuasion. It could not impair in any way the sovereignty of the United States.

III. NEED FOR OTC

OTC, by attacking measures which discriminate against United States exports and limit the benefits of tariff concessions made to us, would help make our trade agreements truly reciprocal and would facilitate expanding markets abroad for United States industry and agriculture.

Today the General Agreement has no regular administrative machinery. Its business can be conducted, therefore, only at intermittent conferences—this time loss and inefficiency is hurtful to all participating nations. For example, in April 1954 France specially taxes imports from the United States and other countries. With OTC the United States could have had prompt action—without it we had to wait for nearly a year until the cumbersome ad hoc machinery of the General Agreement could be brought to bear on the problem.

OTC is therefore indispensable if we are to resolve currently the many issues constantly arising in day-to-day trade among nations.

OTC would also provide a forum for discussion and solution of other world trade problems, each government remaining entirely free to adopt or reject OTC recommendations.

OTC would also have the important function of assembling and publishing valuable data on worldwide trade movements and trends.

IV. OTC WOULD INCREASE UNITED STATES BENEFITS FROM THE GENERAL AGREEMENT

Today a number of political, military, and financial groupings strengthen the free world and advance American interests abroad. Among these are: NATO (North Atlantic Treaty Organization), SEATO (Southeast Asia Treaty Organization), IMF (International Monetary Fund), IBRD (International Bank for Reconstruction and Development).

Each of these international agreements has an administrative organization to make it effective. The general agreement does not and, therefore, is reduced in value to the United States and every other participating nation. With Soviet economic activities on the increase, the United States must strengthen its cooperation with free nations in the trade field. OTC is essential to this end.

V. UNITED STATES GAINS FROM THE GENERAL AGREEMENT

The general agreement is a multilateral trade agreement among 35 trading nations, including the United States. It is the principal instrument for promoting internationally those trade policies which have been the United States own objectives for many years.

The one major difference between the general agreement and United States policy was eliminated in 1955 when the participating countries gave the United States a broad waiver to impose import quotas unilaterally on agricultural products as required by our domestic agricultural laws.

Under the general agreement many reciprocal tariff reductions have been negotiated and the benefits guaranteed to all members including the United States.

The general agreement encourages the abolition of quotas and import licenses injurious to American enterprise. Between 1953 and 1955, 14 Western European countries removed quantitative restrictions on more than 60 percent of dollar imports.

Through the general agreement, Belgian and German restrictions on imports of United States coal have been almost entirely eliminated, rapidly expanding our coal exports. Previous bilateral discussions between the United States and these countries had failed to accomplish this reduction.

Through mediation under the general agreement international commercial disputes such as one between India and Pakistan involving jute and coal have been amicably settled.

Closer trade cooperation among members of the general agreement has strengthened the western alliance.

VI. SUMMARY

A. The United States has been party to the general agreement for 8 years.

B. The OTC, the agreement's administrative organization, is absolutely essential if United States agriculture, labor, and industry are to receive maximum benefits from the general agreement.

C. OTC could not reduce United States tariffs, increase United States obligations under the general agreement, or impair United States sovereignty in any way.

D. Adoption of H. R. 5550 authorizing United States participation in the OTC is in the national interest.

SINCLAIR WEEKS.

HIGHWAY REVENUE ACT OF 1956

Mr. COOPER. Mr. Speaker, as chairman of the Committee on Ways and Means, I announced the day before yesterday that the committee would begin public hearings on Wednesday, February 15, 1956, on the Highway Act of 1956 (H. R. 9075) introduced by my committee colleague, the Honorable HALE BOGGS, of Louisiana, who served as chairman of the subcommittee on this subject during the last session of Congress.

In announcing these hearings I issued a press release so that interested persons could be informed as to the procedure that may be followed by the committee in conducting these hearings.

The distinguished gentleman from Louisiana also issued a press release with respect to his bill, the Highway Revenue Act of 1956 (H. R. 9075).

So that the Members of Congress and other persons who may be interested in this legislation may have the information contained in these two press re-

leases, I request that they be printed at this point in the RECORD:

HONORABLE JERE COOPER, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARINGS ON THE HIGHWAY REVENUE ACT OF 1956 (H. R. 9075)

The Honorable JERE COOPER, chairman, Committee on Ways and Means, today announced that the committee would hold public hearings on the Highway Revenue Act of 1956, H. R. 9075, introduced by the Honorable HALE BOGGS, Democrat, Louisiana. This legislation would provide for raising the necessary Federal revenues to finance the proposed new Federal highway program.

The hearings will began on Wednesday, February 15, 1956, and it is hoped that they can be concluded by Tuesday, February 21, 1956.

Chairman COOPER announced that the hearings will not be limited solely to the revenue sources described in the bill. Comments from witnesses are also desired on other possible revenue sources which witnesses may feel will warrant Committee consideration.

The bill introduced by Mr. BOGGS would raise (1) the present 2 cents a gallon tax on gasoline to 3 cents; (2) the present 2 cents a gallon taxes on diesel fuel and special motor fuels to 3 cents; (3) the present 5 cents a pound tax on tires to 8 cents; (4) the present 8 percent tax on trucks, trailers, and buses to 10 percent; and (5) provide a 3 cents per pound tax on camelback or retread rubber.

The rates of increase for the taxes described above are fixed in the interest of obtaining a free exchange of views on what these rates should be from witnesses appearing before the Committee on Ways and Means. The items on which increases are proposed by the Boggs bill would be temporary increases, effective for only the period in which the proposed highway bill would be in effect. The termination dates for the new rates are fixed at July 1, 1971 under the bill.

The Boggs bill would impose the tax increases described above only with respect to highway vehicles. In addition, it provides a special exemption in the case of the gasoline, diesel and special-motor-fuels taxes for municipal and other local transportation systems.

It is estimated that the proposed new road program, together with the existing highway program (for other than Federal domain roads such as those in the national parks) will cost approximately $35 billion over the next 15 years. Existing highway-use taxes, namely, those on gasoline, diesel and special motor fuels, and tires and tubes are expected to raise approximately $22 billion over the same period. The Boggs bill would raise about $12 billion in additional revenues over the next 15 years to make the highway program self-financing.

Persons desiring to testify on the legislation may arrange to do so by submitting a written request to the clerk of the Committee on Ways and Means, room 1102, New House Office Building, Washington, D. C., by Monday, February 13, 1956. It is desired that to the maximum extent possible interested groups designate one representative as spokesman for an industry or association. The chairman has instructed the clerk to receive prepared statements (in triplicate) from persons who desire to have a statement included in the printed record of the hearings in lieu of a personal appearance. Such statements for inclusion in the record must be received in the committee office not later than February 25, 1956.

Pursuant to the usual committee practice, it is requested that each witness furnish the clerk with 50 copies of his prepared testimony for the use of the committee, 24 hours in advance of his scheduled appearance. Witnesses who desire to have their prepared statements distributed to the press should furnish the clerk with an additional 50 copies for this purpose.

HON. HALE BOGGS, DEMOCRAT, LOUISIANA, MEMBER OF THE COMMITTEE ON WAYS AND MEANS, ANNOUNCES THE INTRODUCTION OF THE HIGHWAY REVENUE ACT OF 1956 (H. R. 9075)

The Highway Revenue Act of 1956 (H. R. 9075) which I have introduced today seeks to provide the framework for the additional revenues required for a pay-as-you-go national roadbuilding program.

The bill which will be considered by the full Committee on Ways and Means at public hearings beginning Wednesday, February 15, 1956, supplements the Fallon bill now being considered by the Committee on Public Works, and is the result of intensive studies on the part of the Ways and Means Committee staff, working with the staffs of the Joint Committee on Internal Revenue Taxation, the Treasury Department, and the Bureau of Public Roads.

This legislation will set aside for highway purposes all of the revenues now derived from gasoline, diesel fuel, special motor fuels, and tires and inner tubes. This represents a vast increase in the present approximately $700 million per annum from these sources now being used for highway purposes.

Over the 15-year period of the program, it is estimated that almost $22 billion of the approximately $35 billion required will be derived from existing revenues.

We have after much study written in exemptions from the proposed increase in taxes. These exemptions would include bus transportation systems operated within metropolitan areas, fuels and tires which are used on vehicles which are not highway vehicles, and the farmers' exemption provided for in legislation recently passed by the House of Representatives.

Every study indicates the tremendous need for the proposed highway program, both from the point of view of the economic development and security of the Nation.

The Congress last year rejected the bond proposal which carried estimated interest charges of about $11 billion. The pay-as-you-go program will save these enormous costs to the American people. Actually, the additional revenues which would be produced by my bill are only about $1 billion more than this interest item alone would have been.

The Commission on Intergovernmental Relations, in its report to the President on June 20, 1955, recommended that the interstate highway system be financed on a pay-as-you-go basis and that the Congress provide additional revenues for this purpose primarily from increased motor-fuel taxes. As stated by the Commission, increased taxes are preferable to deficit financing as a means of supporting larger highway outlays by the National Government, because deficit financing would result in high interest charges and shift the burden of payment to citizens of a future generation who will have continuing highway and other governmental responsibilities of their own to finance.

It is understood that the President, after a conference with the Honorable JOSEPH W. MARTIN, JR., Republican, of Massachusetts, House Republican leader, has decided to abandon his plan for issuing bonds as a means of financing the highway program, and that the President now approves and supports the proposed pay-as-you-go method of financing, to which Mr. MARTIN has pledged bipartisan support.

The following new rates are proposed in the bill: Gasoline, diesel fuel, special motor fuels, from 2 to 3 cents; tires, from 5 to 8 cents; camelback or tread rubber, to be taxed at 3 cents per pound; and the excises upon trucks, buses, and truck trailers, from 8 to 10 percent.

It is estimated that these levies will yield about $12 billion over the 15-year period (fiscal year 1957–71) as set forth in the following table:

Anticipated revenue yield

Item	Rate		Revenue [1]		
	Present	Proposed	Present	H. R. 9075 [2]	Total
Gasoline	2 cents	3 cents	$18.0	$8.6	$26.6
Diesel fuel	do	do	.5	.2	.7
Special motor fuel	do	do	.2	.1	.3
Trucks, buses, and trailers	8 percent	10 percent	(3.5)	.9	.9
Tires	5 cents	8 cents	3.3	2.0	5.3
Camelback		3 cents	0	.2	.2
			22.0	12.0	34.0

[1] Dollar figures in billions.
[2] Adjusted for exemptions previously indicated.

NOTE.—Parentheses indicate figure not included in total.

It is my hope that we will have full cooperation of all of the Government departments, the affected industries, and the public at large so that we may be able to pass this legislation providing the money to build the roads at the same time that we pass the legislation providing for the roads.

UNITED STATES MERCHANT MARINE

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, foreign nations which have objected to the shipment of 50 percent of United States Government-sponsored cargoes on American-flag ships are in effect unwittingly endangering their own security. If, through their efforts and propaganda, they succeed in getting Congress to repeal our Cargo Preference Act—which is the so-called 50–50 law—they will succeed also in driving most of our tramp fleet off the seas. Since the end of the war, the bulk of our tramp fleet has already gone out of business because, being unsubsidized, they have been unable to compete with foreign flagships whose operating costs are from one-fourth to one-third those of United States tramps.

It is estimated by maritime authorities that about 75 additional tramps will go out of business if they are not permitted to carry 50 percent of our aid cargoes and agriculture surpluses being

sold abroad under Public Law 480. While 75 ships is not a huge number, the fact is that, according to military authorities, our Nation is even now about 600 active ships short of the number needed to meet the initial and immediate requirements of an emergency.

The shortage of active ships in the event of an emergency would undoubtedly be much more catastrophic than has ever heretofore been the case in our history. It is quite improbable that we or our allies would have much more than a fraction of the time to prepare ourselves that we had in World War I or II. We would not have the time to reactivate or build the ships which would be needed to meet military requirements. That could well be catastrophic for both our allies and ourselves.

The experience of World War II should be a clear warning to both. Military spokesmen and others have stated that without our merchant fleet we could not have won the war; and that the conflict was a touch-and-go matter, dependent in large measure upon the availability of ships. The wartime head of the Army Transportation Department testified before the House Committee on Merchant Marine and Fisheries to the effect that the No. 1 priority of World War II for a long period of time was not airplanes, tanks, guns, or naval vessels, but was the carrying of cargoes to our European allies. That simply meant that what we needed most was commercial ships to carry the cargoes.

The Germans knew that and therefore intensified their submarine warfare. At the outset of the war they only had about 60 or 70 submarines. The Russians today have at least 400.

Our foreign friends today say that because of a NATO agreement providing for a Defense Shipping Authority we need not be so concerned about an emergency. They say, in effect, that they will supply our defense ship needs. Unfortunately, history contradicts them. They were our allies in World War II, and all of their ships were pooled in an effort to meet shipping requirements. But we found that as in World War I we could not rely upon our allies for the ships we needed. We had to launch a desperate shipbuilding program, and in the final analysis we supplied our allies with about 5½ millions of tons of ships as against some 800,000 tons which they supplied to us.

We barely had time enough to build those vitally needed ships in the last war. We will not have as much time in the next emergency. Our foreign friends would do well to remember this because their own security is at stake. The fewer active ships we have in our fleet the more vulnerable is their own position. Their efforts to scuttle our 50–50 law could well scuttle themselves.

IRRIGATION WATER FOR ARIZONA

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I have today introduced a resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes.

On June 20, 1955, the Congress extended the act of July 3, 1952, related to research in the development and utilization of saline water. The program was extended for a 13-year period, and the amount of $10 million was authorized for the research program. The program calls for close cooperation and coordination of the saline-water research program with the Atomic Energy Commission and the Civil Defense Administration in the interest of achieving the objectives of the program.

The resolution that I have introduced in the House and which the junior Senator from Arizona will introduce in the Senate is to further implement the idea of the saline program that was adopted in the first session of this Congress. On January 18, 1956, the Honorable Douglas McKay, Secretary of the Interior, in his annual report on the Department's saline-water-conversion program stated that the results achieved thus far, together with the great potential value of opening vast new sources of water supplies through conversion processes, "clearly justify the accelerated prosecution of the work." The Secretary further states that the economical improvement of brackish waters for many irrigation uses is definitely in sight. In the light of the progress that has been made in the conversion of sea water and brackish inland water to fresh water, I feel that it is not too early to begin planning the use of sea water for irrigation purposes in Arizona.

I am aware of the fact that in 1931 the then senior Senator from Arizona, the Honorable Henry F. Ashurst, with his usual foresight, introduced a proposal that the United States acquire land from Mexico which would give the State of Arizona a seaport on the Gulf of California. The reaction of the Mexican Government was not favorable. I am further aware that Article 27 of the Constitution of the Republic of Mexico of 1917 offers a possible impediment to the acquisition of territorial rights for any land in Mexico. However, I am sure that our good neighbors in Mexico are as anxious as we are to adopt the utilization of sea water for the use of people and agriculture, and that it is possible to arrive at an agreement for the transportation of desalinized sea water from the Gulf of California to inland areas of this country and of Mexico. With this aim in view, the resolution has been introduced. It is not my intent thereby to impair in any way the sovereignty which the great Republic of Mexico exercises over the land within its borders.

As the problem of adequate water is one that has ceased to be restricted to the western areas of our Nation, I am sure that representatives of all of our States will recognize the need for adequate preparation for that day when sea water may be usable for irrigation, municipal and industrial purposes.

THE MIDDLE EAST SITUATION

The SPEAKER. Under previous order of the House, the gentlewoman from New York [Mrs. KELLY] is recognized for 120 minutes.

Mrs. KELLY of New York. Mr. Speaker, I have obtained this time today in order to address myself to the most serious and explosive situation existing in the Middle East. I know that many of my colleagues desire to participate in this call for action and I will yield to them after a brief statement.

No one can disagree that the leaders in the Kremlin have thrown a firebrand into the Middle East situation by the shipments of the most advanced military weapons to Egypt and other Arab States.

"This critical situation was termed by a high administration official in the executive department to be a threat in the Middle East as great as Korea." This statement was made to me while I was in Europe and it is contained in the report of my subcommittee on Europe.

Mr. Speaker, on Monday, February 6, 1956, 126 Members of the House of Representatives, including 40 Republicans and 86 Democrats, petitioned the administration to sell arms to Israel in order to offset Egypt's purchase of arms from Czechoslovakia.

This plea was rejected by the administration for the present, but Secretary of State Dulles declared:

> We do not exclude the possibility of arms sales to Israel.

That is a hope.

The Secretary further declared that the foreign policy of the United States embraces the preservation of the State of Israel. It also embraces the principle of maintaining our friendship with Israel and the Arab States.

Continuing, he stated the Middle East security cannot rest on arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. He added:

> We are actively working toward the establishment of such relations.
>
> The combined influence—

The Secretary continued—

> of the nations which would, under the United Nations Charter and the tripartite declaration, be against any armed aggression is a far more effective deterrent to any potential aggressor than any amount of arms which could be obtained by either side.

Mr. Speaker, it seems to me that this rejection of the Secretary does not conform to the statements made by him in Chicago on December 8, 1955, in his speech entitled "The Foundation for a Firm Peace."

I ask unanimous consent to have this speech of Secretary Dulles printed in full at this point inasmuch as I intend to make references to it. I would like everyone to have the opportunity to read his speech in its entirety. I hope to prove that the action I request and which has been requested in part by 126 Members of the House is first, consistent

with the administration foreign policy; second; it is a necessary part of that foreign policy; and third, the present action of the administration is a contradiction of their present foreign policy.

In his speech on December 8, 1955—and this was made after the Geneva meetings—Secretary Dulles stated:

We are, it seems, in a new phase of the struggle between international communism and freedom. The first post war decade was a phase of violence and threat of violence. * * * Since last spring, this phase of violence seems to have undergone an eclipse. But we should remember that one of the doctrines taught by Lenin and constantly emphasized by Stalin was the need for zigzag.

He continued:

In prudence, therefore, we must act on the assumption that the present Soviet policies do not mark a change of purpose by a change of tactics. We do not, however, want policies of violence to reappear. Therefore, it is useful to have clearly in mind what are the free-world policies which have caused the Soviet Union to shift from tactics of violence and intimidation as being unproductive.

I ask, Mr. Speaker, why not continue policies of the past which have been productive? Why weaken the Mutual Security Control Act, commonly known as the Battle Act? Why give in to England to sell goods to Iron Curtain countries?

In an exclusive interview with Marguerite Higgins, of the New York Herald Tribune, on January 29, 1956, Secretary of Agriculture Benson stated:

The United States has recently had to pass up possibilities of disposing of some of its huge farm surpluses to Russia's Eastern European satellites. The United States could not take advantage of these chances to diminish its mountainous surpluses because of congressional restrictions that any sales of the corn, cotton, lard, etc., piled in American warehouses must be to friendly nations only.

Mr. Speaker, it was my amendment that placed the words "friendly nations" in Public Law 480. If these countries need our surpluses, let us be realistic. Give them to them on the condition that we distribute them.

Let us return now to Secretary Dulles' speech. After explaining the vast importance of the many treaties to which the United States is a signator, he continued:

But now, except for countries of South Asia which choose neutralism, the gaps in the political warning system have been closed. The United States with bipartisan cooperation has made mutual-security treaties with the Philippines, Japan, the Republic of Korea, and with the Republic of China on Taiwan. We have entered into the ANZUS pact. We have joined with seven other nations to make the Southeast Asia Collective Defense Treaty. There is the Balkan Alliance of Yugoslavia, Greece, and Turkey, and the Baghdad pact, which includes the northern tier of Turkey, Iraq, Iran, and Pakistan. All of these treaties are made pursuant to what the United Nations Charter calls the inherent right of collective self-defense. Together they constitute a worldwide political warning system. They prevent the despots from miscalculating that they can use Red armies to conquer weaker nations, one by one.

Please take note that these treaties are called by the Secretary of State a political warning system.

In that portion of his speech following the need and success of the political warning system, the Secretary continues, under the subtitle "The Deterrent of Retaliatory Power":

It is, however, not enough to have a political warning system. It must have backing if it is effectively to deter. That poses a difficult problem. * * * As against the possibility of full-scale attack by the Soviet Union itself, there is only one effective defense, for us and for others. That is the capacity to counterattack. That is the ultimate deterrent.

I am not asking the Department of State for arms to attack or to counterattack, but to deter aggression by those nations who have consistently threatened to drive Israel into the sea; who have stated that Israel to the Arab world is like a cancer to the human body and the only remedy is to uproot it just like a human cancer; who refuse to sit down to a peace conference; who refuse to recognize Israel's existence.

The Soviet Union is recognized as increasing tensions in the Middle East—and I quote from the declaration of Washington, February 1, 1956, from the joint statement issued by the President of the United States and the Prime Minister of Great Britain:

The action of the Soviet bloc in regard to arms supplies to Middle East countries has added to the tensions in the area and increased the risk of war. Our purpose is to mitigate that risk.

Mr. Speaker, our policy must be more than that of mitigating, or rendering less severe, such a risk. We must seek to eliminate such a risk.

To return to Secretary Dulles' speech on December 8, we find the following:

Our mutual security arrangements help provide the local defensive strength needed to preserve internal order against subversive tactics and to offer a resistance to aggression which would give counterattacking, highly mobile forces time to arrive. * * * We earnestly strive for some dependable system of limitation of armament. Until we succeed in such efforts, however, we and our allies must constantly maintain forces, weapons, and facilities necessary to deter armed aggression, large or small. That is an indispensable price of peace.

Mr. Speaker, is not Israel one of our strongest allies? Israel has begged her neighbors to meet her at a peace conference but they refuse.

Again, I read from Secretary Dulles' speech on December 8:

President Eisenhower, speaking last August, pointed out that "Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history we would have sold out the freedom of men for the pottage of a false peace. Moreover, we would assure future conflict.

Mr. Speaker, is not the denial of the sale of arms to Israel assuring future conflict by the Arab world when they have sufficient weapons procured through Kremlin assistance?

Mr. Speaker, all of us are interested in the security of the United States—those who disagree on arms to Israel as much as those who agree. However, I do not feel that our stagnant policy in the Middle East helps our security one iota. While other nations may believe in a policy of muddling through, the explosive situation in the Middle East must not be muddled through.

Does United States leadership mean, in effect, saying to the Communists, "Go ahead, gentlemen, ship arms to the Arab States. That's O. K. with us"?

These are fundamental and basic questions we must ask ourselves. It is not a fundamental teaching of our way of life that we declare a policy of eternal enmity. We believe in resolving problems through discussion. But, the Arab States stubbornly refuse to talk with Israel. Even more, the Arab States consistently state that the annihiliation of Israel is their goal. General Nasser, their chief spokesman, as recently as January 16, stated—and this quotation is taken from his monitored speech:

We declare our solidarity with all Arabs from the Atlantic Ocean to the Persian Gulf for the sake of freedom, independence, and the right to existence.

However, in a special dispatch from Cairo to the New York Times on January 16, he is quoted as follows:

From the Atlantic to the Persian Gulf, there is but one Arab nation, which no one will succeed in dividing again.

I realize that the factor of oil in the Middle East is one which is uttermost in the minds of many people.

I realize that oil is important to the free world. But, let me point out that it is even more important to the Kremlin. Their policy in the Middle East is to block shipments of oil to the free world and to use it for their own purposes. The Communists do not love the Arabs any more than they love us. How then, will our policy of closing our eyes to Communist penetration in the Middle East protect either the Arabs or the oil or the free world interests? The Arabs have done very well in their dealings in oil with the free world. How will they do under communist domination? History supplies us with the answer but I am afraid the overtures of the Communists have blinded the Arabs to historical facts. In the U. S. News & World Report of November 4, 1955, General Nasser is quoted as follows:

For us the danger and the thing to worry about now is Israel, not Russia.

General Nasser obviously is no expert on Communist tactics and strategy.

As leaders of the free world, we must insist that there must be a bold, new, positive program for this area. Generalities such as those which have come from the Eisenhower-Eden talks lend some hope. But the explosive situation in the Middle East demands specific action now and fewer generalities. Specifically, I feel that it is essential to the best interests of the United States, the

free world, and the Middle East and all nations therein, that there be held without delay, a peace conference.

Mr. Speaker, the political warning system referred to by Secretary Dulles was a deterrent prior to January 1955, but the U. S. S. R., under the guise of the Geneva atmosphere—and while the foreign ministers were meeting in Geneva in late October and in November—bypassed these treaties and stepped right into the Middle East. By this action, a most critical situation jeopardizes the peace of the free world. The Soviet has ignited old hostilities and is fomenting new ones between the Arab States and Israel for the purpose of increasing the tensions in that area and subverting it for Communist purposes.

I believe it is imperative that solutions to the problems involving the Arab States and Israel be reached without delay.

I believe that the United States should forthwith and in positive terms utilize its influence and exercise its leadership to bring about a conference between the Arab States and Israel and such other friendly nations as may be appropriate for the purpose of discussing and reaching solutions to the major issues confronting the Middle East, including this threat of Communist penetration and subversion of the area, and to solve the political, economic, social and military issues between the Arab States and Israel.

I believe that the United States, Great Britain, and France should reaffirm their adherence to the three power declaration of May 25, 1950 and should take immediate effective measures to meet the threat of Communist penetration and subversion in the Middle East; and that the United States should immediately supply military arms and other forms of military assistance and economic assistance, to such friendly nations in that area which request such aid and are willing to meet at a peace conference.

Mr. Speaker, why do I ask for these specific measures? I ask only because they are needed to implement the principles which the Secretary of State has stated are a necessary deterrent to aggression and constitute the foreign policy of this administration.

Mr. ANFUSO. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. ANFUSO. Mr. Speaker, I wish to take this opportunity to extend congratulations to my esteemed colleague from New York, Congresswoman EDNA F. KELLY, on her fine presentation of the current critical situation in the Middle East. Our colleague is a very capable legislator and has made a sincere study of this problem. I want to go on record in endorsing her statements.

From a purely American point of view we must face this problem in a traditional manner. We must have the courage and the initiative to lead our allies and to help guide the destiny of the free world. Our country has throughout its entire history always been a beacon of light to colonial and oppressed people, who are yearning to maintain their national independence. Circumstances have willed it so that our country has assumed a position of moral leadership among the free nations, hence we must be extremely careful to maintain that position and to retain the faith and confidence of the other nations.

Today many of the former colonial and persecuted peoples, who gained their freedom and independence since World War II, are struggling with the trials and tribulations of their newly found independence. Some of these nations are being threatened by a militant communism; others are faced with hostile neighbors who allow themselves to become the dupes and pawns of communism. Israel is one of the newly independent countries which finds itself in such a predicament. Some of its Arab neighbors have turned to the Communists for arms and are entering into other alliances with them, not realizing how much they are hurting themselves and to what extent they are exposing the whole free world to the danger of Communist aggression.

I, for one, cannot and will not believe that the Arab countries and their leaders will voluntarily allow themselves to be swallowed up behind the Iron Curtain and in this way completely extinguish every trace of freedom and independence now enjoyed by their people. Right now, however, they are doing everything to bite their nose to spite their face. Their uncompromising attitude is only encouraging Soviet Russia to exploit every opportunity for intrusion into the Middle East—and the Arab people will be the first to suffer when Russia gets a foothold there.

The Arab leaders maintain that they desire peace in the Middle East. But thus far they have shown no willingness to sit down with Israel and negotiate a peace settlement on honorable terms satisfactory to both sides. Nor would they have the Western Powers or the United Nations attempt to negotiate such a settlement. The result is constant tension and a confusing situation which is growing more chaotic with each passing day. The only one who stands to gain from all this chaos and disorder is Communist Russia. The Communists thrive on just such conditions.

As for our own policy in the Middle East, I think the more we seek to appease the Arabs the less cooperation we seem to obtain from them. Appeasement has never brought the desired results. It did not work to prevent World War II and it will not work now.

If we back down on Israel now, I guarantee you that we will not gain the support of the Arab States. We will only lose Israel. But if we give arms and other support to Israel, the Arabs will have more respect for the United States and they will finally realize that we are earnest about peace in the Middle East.

Do you want any better example of firmness or the lack of firmness than what is happening now in Pakistan? When Russia stated that Kashmir belonged to India, Pakistan immediately turned to us for help. We said nothing and we did nothing. We were strangely silent. According to latest reports, Pakistan is now negotiating with Russia—which previously had been so firm against her.

The situation has now become a serious threat to the security of the United States and the whole free world because of the adamant stand taken by the Arab States; hence, we should consider taking effective steps to safeguard our interests and the interests of the free world.

I have urged our Government in the past, and I shall continue to do so again, to make available a substantial amount of arms to Israel which that country needs for defense purposes. I have also urged that we conclude a mutual-defense pact with Israel to guarantee the integrity of its borders and its future existence as an independent nation. I am convinced that if these two steps are taken now by the United States, tension in the Middle East will subside and the threat to the peace of that area will diminish considerably.

There is also a third step which I suggest as a means for easing the tension there, namely, a determined effort to solve the Arab refugee problem. I propose that the United States call on the United Nations to appoint a commission which is to undertake a study of this problem, in an effort to develop a new approach toward a permanent solution. After study of the problem and following consultations with the Governments of the Arab States concerned and with the Government of Israel, the commission is to submit to the United Nations a detailed program for a permanent solution of the Arab refugee problem. It is further suggested that the program be based on a plan to make these refugees self-sufficient and that they be assimilated among their own peoples in the Arab countries. Israel, however, is to admit a limited number of these people consonant with its security regulations and its ability to integrate them within its economy, and it is also to pay a compensation to the refugees who cannot be returned and for this purpose an international loan is to be made to Israel.

Mr. Speaker, in order to make some progress toward a solution of the Arab refugee problem along the lines I have just outlined, I am today introducing a concurrent resolution advocating the creation of a commission by the United Nations to deal with this problem.

May I again commend our colleague for having made a fine contribution on the subject and for granting us the opportunity to express our views in the matter.

Mrs. KELLY of New York. I thank the gentleman from New York [Mr. ANFUSO]. I now yield to the gentlewoman from Missouri [Mrs. SULLIVAN].

STUDY MISSION TRIP TO ISRAEL IMPRESSIVE AND INSPIRING

Mrs. SULLIVAN. Mr. Speaker, may I say, first, that the best way for any Member of Congress to acquire a real education in the foreign policy problems of our country and of the free nations friendly to us is to be fortunate enough to accompany a study mission headed by the gracious gentlewoman from New York, Mrs. KELLY, a ranking member of the House Committee on Foreign Affairs. As chairman of the Study Mission to Europe last fall, the Congresswoman

from New York demonstrated a grasp of foreign affairs which, to me, was simply amazing. I shall forever be grateful for the opportunity which I had to accompany the group, and particularly for the invaluable information which I acquired through the help and assistance of Congresswoman KELLY and her profound knowledge of international affairs.

In all of our interviews with heads of government, foreign ministers or other top officials of the nations we visited, Congresswoman KELLY was so familiar with the problems of each nation that I know it made a favorable—a great—impression on these officials, showing the interest of the Congress of the United States in the problems of all of the free nations. I might add that as a woman Member of Congress I was deeply proud that we women who serve in this House have such an outstanding expert among us in the complex field of foreign policy.

Now as to Israel. In the report which the gentlewoman from New York, as chairman of the Study Mission to Europe, filed recently with the Committee on Foreign Affairs, the statement is made in regard to the visit to Israel that—

> We were able to drive over most of the country, visiting Bersheba on the south, the trenches near the Gaza strip, Haifa, Tel Aviv, Jerusalem, Nazareth, and the north above the Hula Lake, within a few miles of the border. The visit to Israel was enlightening, impressive, and inspiring.

I certainly agree with that. In keeping with that statement, I would like to ask if the gentlewoman from New York would not agree that the determination of the people of Israel to defend themselves, to maintain their freedom and their independence, was the immediate impression one received from the moment one enters the country?

Mrs. KELLY of New York. Yes. I was impressed not only by that fact, but I know that they are a democracy and are endeavoring to pattern their entire life after the Western World. That is the reason I say I know that they are our allies and will be there with us when we need them.

Mrs. SULLIVAN. May I ask the gentlewoman from New York, as Chairman of the Study Mission that went to Europe whether she discovered anywhere in Israel, among any the the people in Israel to whom we talked, a warlike or aggressive attitude? In other words, did those people talk as though they looked forward to committing aggression against any of their neighbors, or was it not entirely a case of their merely wanting to defend themselves and their own country against aggression?

Mrs. KELLY of New York. That is the feeling I have always had. They are very anxious to secure and maintain this country which has been assigned to them and given to them after a long period of years. They are most anxious to have peace there to develop that country for their people and for the neighboring States. The difficult problem to them is that they have been blocked and they are surrounded by enemies. I feel that if peace is brought about there we will bring peace to that section of the world.

Mrs. SULLIVAN. Does the gentlewoman agree with me that our Government's official attitude, that of the State Department, toward Israel is often one of being "neutral" as between a country with a sincere desire to live in peace with its neighbors, on the one hand, and a group of surrounding countries which are as yet unready to accept the peace? How can we be neutral as between such outright contrasts in intention?

Mrs. KELLY of New York. At this point I do not feel that we can be neutral in spite of the need for the oil in this area. That is why I have taken this time today. I think the time has come when we should declare and know and accept our friend, and Israel is our friend; and we should do what we can for Israel to protect it.

Mrs. SULLIVAN. I thank the gentlewoman. I congratulate her on bringing this subject to the floor of Congress at this time. In my report to my own committee, the Committee on Merchant Marine and Fisheries, in connection with our trip to Europe, I said of Israel:

> Israel is a country on the battlefront. One can traverse the entire country in just a few hours, and at some points you can cross the country by car in 20 minutes. Each frontier is an attack point along almost every inch of ground. The prevailing doctrine is hard work and defense.

Certainly it is imperative that this brave little nation be enabled to survive, and it is a fine thing to have this matter brought to the attention of the House of Representatives in such a forthright and able manner as has been done here today by the Congresswoman from New York [Mrs. KELLY]. When I saw the hardships in Israel which the pioneers and settlers there have to undergo to assure the nation's survival, I was vividly reminded of the manner in which our own West was settled—I was reminded of the pioneering spirit which we who live in St. Louis are so well aware of in our own history.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DAVIDSON].

Mr. DAVIDSON. I thank the gentlewoman very much. I appreciate greatly the opportunity to add to what has already been said in commendation of her remarks and her efforts here on the floor of the House today.

Mr. Speaker, on Tuesday, January 24, 1956, Secretary of State Dulles indicated to his news conference that he was attempting to arrange an agreement whereby partisan discussion of the Middle East situation, and especially discussion of the Israel-Arab crisis, would be off-limits in the presidential campaign. This bald attempt by Mr. Dulles to foreclose discussion on this problem of world concern is in my opinion ill conceived and smacks of the methods employed by totalitarians, who, finding themselves in an untenable position from which they refuse to retreat, take the easy way out, by silencing all who would dare to oppose or criticize them.

I for one am not persuaded by the philosophy of government which Mr. Dulles advocates. I will never subscribe to the view that criticism of policy and open discussion of one's feelings and opinions must be curtailed or halted for any reason. Discussion is the lifeblood of our democratic process; without it there can be nothing but conformity and stagnation.

These are my feelings about the essential elements of public debate. Apparently Mr. Dulles and I are the proponents of opposing views.

With regard to the Middle East and the crisis and tension which now exist in that area, I believe that discussion must take place on a continuing basis so that a just and proper solution is found. There is no truth to Dulles' contention that criticism of the State Department is an attack on the Nation; or that criticism will divide our country or imperil our national unity. The only truth that commends itself is that the Middle East is seething with a discontent and a tension which the United States can alleviate; that Mr. Dulles refuses to disclose his Department's plans; and that, at the same time, he does not want anyone else to make known their ideas about, or criticisms of the present course of our dealings in the Middle East.

I cannot be a party to this distorted view of political activity. I am compelled to address myself to the crisis in the Middle East and to what I believe is the sound approach to the present situation.

We are confronted with a serious problem of balancing our relationships with the many millions of people in the Middle East. I would be the last to advocate that this country act in a fashion to alienate one people simply to curry the favor of another. My position is that we owe it to all people whom we consider our friends to deal with them in an impartial fashion and in a manner which will dissuade all others from embarking on a course of action designed to disrupt the delicate status of peace which now obtains throughout the world.

It will come as no news to my colleagues in the House to learn of the tremendous imbalance of armaments which exists in the Middle East. On January 27, the United Nations published a survey of the arms that had been sent to the Middle East from 1951 to mid-1955. These figures show that during the above period some nine million dollars worth of arms were sent to Israel while over 13 millions were sent to the 5 Arab States of Egypt, Iraq, Lebanon, Saudi Arabia, and Syria. And the survey excluded some rather significant recent developments. For example, they did not include aircraft shipments for any period, nor did they include the British annual subsidy of $23 million to Jordan's Arab Legion, nor arms from France, nor, most significant of all, Communist Czechoslovakia's agreement to sell Egypt $80 million worth of arms.

Yet this overpowering superiority of Arab military strength is only one aspect of the situation. The Arab countries are linked together by treaties in defense alliances, some of them with Western Powers. Israel is without any counterpart to these defense systems, and its exclusion creates a more critical imbalance. In terms of a long-range policy to deter aggression, the United States

has found that creation of mutual-security pacts is eminently successful. We have entered into pacts which bind us to no less than 44 of our friends throughout the world. This has been a procedure adopted to implement the United Nations Charter and to carry into effect the principle of fellowship which pervades that charter.

The only remaining question in light of these facts is the route that we, as a Nation, are to take in bringing peace to this troubled area. In the quest for an answer, we are confronted with several basic truths. In the first place, Israel represents the only true democracy in the Middle East. A great lesson can be learned by the surrounding nations if Israel prospers and grows as it has shown it can during its short existence. On the other hand, the Arab nations, with which Israel must live in peace, have been totalitarian since the dawn of history. Second, Israel, being a democracy, has firmly allied itself with the Western World both in word and action. It has actively sought the aid of the great Western Powers in its struggle for growth and survival. The Arab nations, while outwardly displaying a mantle of neutrality, have courted the Communist world in its struggle to destroy this new nation. This is especially true of Egypt. Its arrangement to purchase arms from Czechoslovakia is but one manifestation of this new alliance. Their attitude in the United Nations has been even less commendatory, abstaining on practically every crucial East-West vote, including the resolution to oppose aggression in Korea.

There is no question in my mind that our loyalty and aid should be extended to those who hold out their hands, in friendship to us. This Israel has continually done. To force her to seek aid elsewhere and to cause her to lose her faith and trust in us would be the most harmful course on which we might embark, for we would, in effect, be sacrificing our only truly democratic friend in the Middle East on the altar of dollars sticky with oil. Our path is clearly marked; all we need do is follow it.

Our first concern relates to the question of armaments. It is my belief and I sincerely advocate that we make available to the State of Israel such military aid in the form of arms as is required by her for her legitimate self-defense. Do not misunderstand, no plea is made that we foment a general arms race. All that is proposed is that we make an attempt to bring into balance the patent superiority which the Arab nations now have over Israel. It will be too late for us to make this contribution after the battle begins. It is best that we attempt to even the scale in the hope that the shipment of arms will act as a deterrent to any and all aggressive tendencies of the Arab nations.

Second, there is the long range problem of bringing a true peace to the Middle East. Again, it is my belief and I sincerely advocate the establishment of a mutual-security pact with Israel and the Arab States. Such a treaty should not be forestalled by the prior condition that boundary disputes be settled between Israel and the Arab States, for such action does not appear to be any nearer reality now than it was in August 1955, when Mr. Dulles first set down this impossible condition.

This treaty is called for both in the name of world peace and in the name of sound logic. Israel, of all the nations in the world, has a history that most clearly parallels our own. As a nation, its growth is attributable to the same spirit of immigration and pioneering that is part of our own heritage. There is between the United States and Israel a basic community of interests and ideals that commends the formation of a defense alliance in the best interests of our own Government and in the cause of world peace.

These then are my views on the Middle East crisis. I have presented them at some length to give emphasis to my position that this situation calls for public debate. It also serves as my answer to the recent comments of the Secretary of State who would prefer to have his actions and those of his Department scrutinized in silence, irrespective of whether or not they are moral, honest, decent, or democratic. Mr. Dulles has asked us not to create issues in this election year. I did not create this issue. It has existed for a long time for those who have eyes to see. Nor will I remain mute for the next 10 months. I have stated, without equivocation, exactly what my position is with regard to this crisis, and the precise terms of the program that I advocate. It will be a blessing for the American people and for the democratic people of the world, if Mr. Dulles will do likewise.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I want to compliment the gentlelady from New York [Mrs. KELLY], not only on her splendid address this afternoon but because of her masterful report, particularly on the subject of Israel which she wrote for the Foreign Affairs Committee. I commend all of you to read that report.

At the outset of my remarks on Israel I should like to place in the RECORD, and I ask unanimous consent therefor, a declaration on the Near East by 94 Democratic Members of this House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

(The matter referred to follows:)

DECLARATION ON THE NEAR EAST BY 94 DEMOCRATIC MEMBERS

Under the Tripartite Declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of armed forces for the purpose of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole."

Communist weapons and technicians are now pouring into the Near East as a result of the Egyptian-Czech arms deal, imperiling the stability and peace of the region and weakening the defenses of the free world.

The Egyptian-Czech arms deal brings the front of the cold war to the Egyptian-Israel frontier, and the survival of Israel is directly and immediately menaced.

It is vital that our Government act decisively to end the threat of war in the Near East. The best way to do this is, of course, to promote an honorable peace settlement between the parties. To that end we urge that our Government and other interested nations seek by all possible means to negotiate formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties. But to make peace we need agreement to negotiate and until there is agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities.

Accordingly, we make this further specific suggestion: That our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense. Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world.

While we are opposed to an arms race in the Near East, we believe that the military capability for safeguarding Israel's national existence must be maintained. We believe the danger of war will be seriously increased if the Arab nations attain a military preponderance capable of use for aggression because of the Communist initiative.

Our Government should continue to offer economic and technical assistance and help to resettle the Palestine Arab refugees with impartial friendship to all in the Near East who will cooperate for peace.

We have heard with regret that there are proposals that Israel be asked to yield vital territory of her small area to the Arab States. We believe this is the road to appeasement, not the road to peace.

The American people will not tolerate anything so immoral as the sacrifice of Israel to Communist infiltration of the Near East. The time to act is now. Failure to take action will encourage the Communist offensive, increase tension, and endanger freedom.

Signed by HUGH J. ADDONIZIO, 11th, New Jersey; CARL ALBERT, 3d, Oklahoma; VICTOR L. ANFUSO, 8th, New York; THOMAS L. ASHLEY, 9th, Ohio; WAYNE N. ASPINALL, 4th, Colorado; CLEVELAND M. BAILEY, 3d, West Virginia; WILLIAM A. BARRETT, 1st, Pennsylvania; JOHN A. BLATNIK, 8th, Minnesota; RICHARD BOLLING, 5th, Missouri; JAMES B. BOWLER, 7th, Illinois; CHARLES A. BOYLE, 12th, Illinois; CHARLES A. BUCKLEY, 24th, New York; JAMES A. BYRNE, 3d, Pennsylvania; CLARENCE CANNON, 9th, Missouri; EMANUEL CELLER, 11th, New York; EARL CHUDOFF, 4th, Pennsylvania; FRANK M. CLARK, 25th, Pennsylvania; IRWIN D. DAVIDSON, 20th, New York; WILLIAM L. DAWSON, 1st, Illinois; JAMES J. DELANEY, 7th, New York; JOHN J. DEMPSEY, A-L, New Mexico; CHARLES C. DIGGS, Jr., 13th, Michigan; JOHN D. DINGELL, 15th, Michigan; THOMAS J. DODD, 1st, Connecticut; ISIDORE DOLLINGER, 23d, New York; HAROLD D. DONOHUE, 4th, Massachusetts; JAMES G. DONOVAN, 18th, New York; CLYDE DOYLE, 23d, California; HERMAN P. EBERHARTER, 28th, Pennsylvania; CARL ELLIOTT, 7th, Alabama; GEORGE H. FALLON, 4th, Maryland; DANIEL J. FLOOD, 11th, Pennsylvania; JOHN E. FOGARTY, 2d, Rhode Island; AIME J. FORAND, 1st, Rhode Island; SAMUEL N. FRIEDEL, 7th, Maryland; EDWARD A. GARMATZ, 3d, Maryland; THOMAS S. GORDON, 8th, Illinois; WILLIAM T. GRANAHAN, 2d, Pennsylvania; Mrs. EDITH GREEN, 3d, Oregon; WILLIAM J. GREEN, Jr., 5th, Pennsylvania; Mrs. MARTHA W. GRIFFITHS, 17th, Michigan; HARLAN HAGEN, 14th, California; WAYNE L. HAYS, 18th, Ohio; DON HAYWORTH, 6th, Michigan; CHET HOLIFIELD, 19th, California; LESTER HOLTZMAN, 6th, New York; Mrs. EDNA F. KELLY, 10th, New York; EUGENE J. KEOGH, 9th, New York; CECIL R. KING, 17th, California; MICHAEL J. KIRWAN, 19th, Ohio; ARTHUR G. KLEIN, 19th, New York; JOHN C. KLUCZYNSKI, 5th, Illinois; Mrs. COYA KNUTSON, 9th, Minnesota; THOMAS J. LANE, 7th, Massachusetts; RICHARD E. LANKFORD, 5th,

Maryland; JOHN LESINSKI, Jr., 16th, Michigan; JOHN W. MCCORMACK, 12th, Massachusetts; TORBERT H. MACDONALD, 8th, Massachusetts; HARRIS B. MCDOWELL, Jr., A-L, Delaware; RAY J. MADDEN, 1st, Indiana; THOMAS E. MORGAN, 26th, Pennsylvania; MORGAN M. MOULDER, 11th, Missouri; ABRAHAM J. MULTER, 13th, New York; JAMES C. MURRAY, 3d, Illinois; THOMAS J. O'BRIEN, 6th, Illinois; BARRATT O'HARA, 2d, Illinois; PHILIP J. PHILBIN, 3d, Massachusetts; MELVIN PRICE, 24th, Illinois; ADAM C. POWELL, Jr., 16th, New York; JAMES M. QUIGLEY, 19th, Pennsylvania; LOUIS C. RABAUT, 14th, Michigan; HENRY S. REUSS, 5th, Wisconsin; GEORGE M. RHODES, 14th, Pennsylvania; PETER W. RODINO, Jr., 10th, New Jersey; BYRON G. ROGERS, 1st, Colorado; JOHN J. ROONEY, 14th, New York; JAMES ROOSEVELT, 26th, California; JOHN F. SHELLEY, 5th, California; ALFRED D. SIEMINSKI, 13th, New Jersey; Mrs. LEONOR K. SULLIVAN, 3d, Missouri; FRANK THOMPSON, Jr., 4th, New Jersey; T. JAMES TUMULTY, 14th, New Jersey; CHARLES A. VANIK, 21st, Ohio; ROY W. WIER, 3d, Minnesota; HARRISON A. WILLIAMS, Jr., 6th, New Jersey; SIDNEY R. YATES, 9th, Illinois; HERBERT ZELENKO, 21st, New York; KENNETH J. GRAY, Illinois; EDWARD P. BOLAND, Massachusetts; WINFIELD K. DENTON, Indiana; PETER F. MACK, Jr., Illinois; THOMAS P. O'NEILL, Jr., Massachusetts; THADDEUS M. MACHROWICZ, Michigan; ANTONIO M. FERNANDEZ, New Mexico.

Mr. CELLER. Mr. Speaker, I shall not read this declaration in detail now, but in that declaration those 94 Members proposed that the United States and other interested nations seek to negotiate formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties.

However, the Congressmen went on to say that in the absence of agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities. Accordingly, they propose that our Government permit Israel to purchase $50 million worth of defensive arms which she seeks in this country strictly for purposes of self-defense.

I have been to Israel on four different occasions. I have seen those Israeli people at first hand. I can assure you there is no desire on the part of the Israelis to stage any kind of war against the neighbors of Israel. The word "sholom" is a word you most often hear in Israel. It is a word of greeting. It is a word you hear on departure. It means "peace." It is a time-hallowed word and you hear it on all sides. It is contrary to the very nature of the Israelis to wage any kind of war against anyone. When provoked, however, they will defend themselves and defend themselves to the utmost, unto death. The Israelis will be able to take care of themselves if they are let alone. I say I have been to many nations, to all parts of the world, but I have never seen a people with a greater faith than that of Israelis.

They do not wear their faith as one would the fashion of a hat; no, theirs is a faith that is deep and abiding, a faith in the language of Browning that can move mountains.

And there you see amongst those people a determination as firm as the rock you hold in your hands, and an exultation that is as fierce as a streak of lightning. There you see unmatchable courage. They exemplified that courage on the battlefield when they, a mere handful of some six hundred thousand, successfully stood off the aggression of 7 hostile Arab nations comprising over 40 millions of people, and they fought with a dearth of arms and almost with their bare knuckles. With that faith, and that determination, and that courage, they will indeed be able, as I said a moment ago, be able to take care of themselves.

Now they are confronted with a very severe crisis, a crisis that has developed because of the sale of Czech arms under Soviet auspices to Egypt. Those arms will create an imbalance, and that imbalance bodes ill for Israel. It is our purpose, at least the purpose of those Members who signed this declaration, some 94 Members, to obliterate that imbalance, to create a balance. If there is a balance of arms I am certain it will assure peace.

In all this I want to say a word about Great Britain. Great Britain has been guilty of bad faith here. Great Britain has been supplying military material and armaments to Egypt long before the Czech supplies went into Egypt. I read from the editorial page of the Manchester Guardian:

> The British Government has placed itself in a weak position to complain about Communist supplies, because it was first in the field. Sir Walter Monckton refused to give details of the arms sold by the Government to Egypt, taking refuge behind the old excuse that it would be contrary to all practice to disclose what had been sent.

There you have it, a very responsible journal in England confronts the British with what they did.

When I was in England this past year I learned that England had sent 64, or was in the process of sending, 64 up-to-date, modern Centurion tanks to Egypt. It is very strange that while Egypt under the aegis of Nasser, Lieutenant-General Nasser becomes more bellicose and belligerent daily, England keeps speeding her arms into the Egyptian maw.

Egypt under Nasser denies access to the canal to Israeli commerce, Israeli ships, or any other ships bearing Israeli cargo contrary to the edict and the admonition of the United Nations.

Nasser flouts the resolution of condemnation of the United Nations. He blockades the Israeli port of Elath and now he is trying to block access to Israel by way of the Mediterranean Sea through Czech submarines.

Despite all this England continues to supply arms to Nasser. We are told as an excuse that if Nasser is made strong that will insure peace.

I say to Mr. Eden that is very much like the man who keeps feeding beefsteaks to a tiger in the hope of making that tiger a vegetarian. You are not going to convert Mr. Nasser. If Egypt wants peace Egypt has more arms than she needs; if Egypt wants war she has more arms than she deserves.

Nasser has stated in unequivocal terms that Israel must be destroyed, that it shall be the purpose of the Arabs at all times to annihilate Israel. Specifically he said that Israel is like a condemned prisoner in the dark awaiting execution. That gives you the import of all the pronouncements that are coming out of Egypt, that are coming out of the Arab States as against Israel.

In the face of that what shall the United States do? I think it would be well for Mr. Dulles not to lend too attentive an ear to the plea that may be made to him by Anthony Eden. Mr. Eden believes, unfortunately, that Israel is expendable. He fears there would not be access to oil reserves if Israel is made strong. That is a dangerous doctrine for Mr. Dulles to hear, but I fear me he is going to harken unduly to what Mr. Eden is going to try to sell him, namely, the idea of slicing off a goodly part of Israel and giving it to Egypt, performing a sort of Caesarian operation on Israel.

Israel is small as it is. The doors of small Israel must be kept open to the driven Jew, the Jew that has been tossed about like dry leaves before the chilly autumn blast year after year. Where can these persecuted Jews go, the Jews of North Africa, in Morocco, Tunesia, and Algeria, the Jews from behind the Iron Curtain, who seek surcease from their troubles? Where can they go? There is only one place to which they can repair and that is Israel and the United States must see to it that Israel is kept strong and made stronger so that she can resist the hostile neighbors that surround her and continue as a haven for the driven Jew.

Israel today comprises 5,000 square miles. At the time of the independence declaration in 1948 when she was born as a nation, it was 4,000 square miles. Then the Arabs converged on her, seeking to destroy her, but the Israelis worsted the Arabs in battle and Israel secured a thousand square miles from that war, captured through battle. So today Israel comprises 5,000 square miles, attained as the result of the spilling of much blood, as the result of sweat and tears and the loss of many, many lives. But remember, Israel was originally 40,000 square miles. It covered both sides of the Jordan. Now it is 5,000 square miles and it must remain 5,000.

Today I understand representatives of the Foreign Offices of the United States, France, and England are in a huddle. They are talking about Israel. All we get is talk and more and more diplomatic talk. Meanwhile Israel is in danger. Israel is in danger of what we call a sneak attack because the Russians have supplied Egypt with these MIG's, these jet fighters, tanks, heavy artillery, and submarines. And consider that it is only 8 minutes flight from Cairo to Tel Aviv by a jet plane. While they are in a huddle it is possible those MIG's may unload their bombs upon Haifa, Tel Aviv and Jerusalem. Then what? Israel might be destroyed or partially destroyed. Israel will then be invited to sit around a table, bludgeoned and bloody. Then she may be asked by Anthony Eden: We will give you peace if you allow the Arabs to hold what they have obtained by the sneak attack. Israel may thus emerge with only a tiny portion of land.

It is because we want to give Israel the power to ward off a sneak attack that we 94 Members on the Democratic side

and 40 Members on the Republican side have asked that the United States supply at least financially the equivalent amount of arms that the Czechs have given to Egypt—$50 million worth. If those arms are sent to Israel, she can well take care of herself. If those arms are antiaircraft guns, antitank guns, and subchasers, Israel will be able to ward off the foe. Mind you this, it is in the interest of the United States to supply these subchasers. Think of it. Some 6 or maybe 8 Russian submarines flying the Egyptian flag and manned by Russian technicians are in the Mediterranean in the very shadow of our 6th Fleet stationed in the Mediterranean. They are a danger to our own welfare.

What are we going to do about it? Can we continue to accept the unrealistic, the unfortunately unrealistic, policy of Mr. Dulles and remain silent? It is incumbent indeed upon the United States at least to send those subchasers and the antiaircraft and antitank guns to Israel.

If you go into Israel, no matter where you may be you can, with a twist of your neck, look into hostile territory. When you are at Acre you are only a short distance from Lebanon. In the HiKyria, which is the foreign office of Mr. Sharett at Jerusalem, you look out of the window and you see the barbed-wire demilitarized zone and beyond it is Jordan. If you go down to Elath, you look to the south and you see Egypt; you look to the southeast and you see Saudi Arabia; you look to the east and you see Jordan. No matter where you look in Israel you see enemy territory. Israel does not want anything but to be permitted to protect herself. Why, any talk of Israel being aggressive is ridiculous.

Make a comparison between the military budgets of Israel and Egypt. The military budget of Israel is £126 million. The military budget of the Arab States is £700 million, 5½ times more than that of the Israeli military budget. Egypt's military budget equals almost the entire Israeli budget.

Take the comparison of populations. The population of the 7 Arab states is 30 times greater than the population of Israel. The geographical size of the Arab states is three times the size of tiny Israel. The resources of the Arab states are more than 100 times the resources of Israel. Israel is like a gnat unto an elephant. Therefore, any talk about aggression on the part of Israel is just a lot of nonsense, and I hope indeed that when Mr. Eden and his cohorts speak of the aggressiveness of Israel that there will be somebody at that conference table to tell Mr. Dulles the truth. Mr. Eden does not want to know the truth. As I said, he wants to do all and sundry to hurt Israel. In truth, I should remind him of what Winston Churchill said of Stanley Baldwin: "Why, if he stumbled on the truth, he would pick himself up, brush himself off, and walk away as if nothing happened." Well, the truth must be dinned into Mr. Anthony Eden's ears as well as into the ears of Mr. Dulles.

As has been said, Israel is the only democracy in the Middle East, and wherever the flame of democracy burns, it is incumbent upon democracies everywhere to nurture and strengthen that flame of democracy. The United States has a grave responsibility over and beyond that. The United States helped sire Israel. She was one of those foremost in the United Nations to see to it that Israel became a nation. Now the infant needs protection, and the United States is like a mother to Israel. Whenever did a mother desert her child? And therefore it is necessary for the United States to come forward and help.

Mr. Speaker, I shall place in the CONGRESSIONAL RECORD a recital of the Arab atrocities, the constant rapine and plunder and murder perpetrated by the Arabs on the Israelis. It is a horrendous record. It indicates over a short period of time there were 1,039 casualties of maimed, wounded, and dead among the Israelis in that area.

So, in conclusion, I do indeed hope that reason and truth and decency and honor will descend upon our State Department to the end that defensive arms will be supplied Israel.

(The article referred to is as follows:)

[From Israel Speaks of January 27, 1956]

THE RECORD, IN PART, OF ARAB ACTS OF AGGRESSION, 1953–55

1953

January 4: Three soldiers and a civilian, on the way to Jerusalem, were kidnapped and detained in Jordan for 3 days before news of their whereabouts leaked out. They were released only 3 weeks later, after a series of Israeli protests.

January 10: A number of attacks were made on Israel patrols during the week by Jordanian armed bands. Near Badrus, in the neighborhood of Bet Naballa, an Israel patrol was attacked from prepared positions, while other patrols were attacked in the Bet Surik area and in the district southeast of Hebron, all in Israeli territory.

January 22: An Israeli soldier was killed by the Jordanians in the "Little Triangle" area.

January 28: An Israeli soldier was wounded when a patrol was attacked by a band of armed Bedouin and Jordan soldiers in the Beersheba district.

February 2: A Haifa-Lydda freight train was derailed after it ran over explosives which tore up over 200 feet of track in the vicinity of Kalkilya. Automatic fire opened from the direction of the Kalkilya police station on the Jordan side of the border signaling the train's approach, indicating the careful planning of this operation.

February 19: An Israeli soldier was killed during a skirmish with a Jordan force that invaded Israel northeast of Bet Govrin.

February 25: An Israeli soldier was fatally wounded when Arab forces attacked an Israeli unit near Hebron.

February 26: Members of Dardara, a settlement on the banks of the Huleh, were fired on from Syrian positions.

February 28: A group of armed Arabs ambushed an Army vehicle northeast of Beersheba, but were driven off.

March 9: An Israeli policeman was killed in the Kalkilya area, about 10 miles east of Natanya, when armed marauders opened fire on an Israeli patrol.

March 10: An Israeli who erroneously entered no-man's land in Jerusalem was shot and killed by Arab Legionnaires. When an Israeli policeman tried to enter the area to give the wounded man first-aid treatment, he was fired upon and was forced to retire.

March 12: In Jerusalem, a carpenter was killed, as he was entering his shop, by an Arab Legion soldier who shot at him from his position on top of the walls of the Old City.

March 20: An Israeli soldier was wounded in a clash that occurred south of Bet Govrim.

April 6: Two soldiers on leave were murdered near Kfar Hess by two armed Jordanians.

April 8: A mother and her 21-year-old son were shot and wounded in Kfar Saba.

April 11: Two boats attempted to land infiltrators off the southern coast of Israel. One boat was captured by an Israel patrol. The other boat escaped.

April 13: A watchman was severely wounded in an attack of a Jordanian gang of infiltrators on Israel watchmen near Hadera.

April 17: An Israel patrol was attacked near Mevuot Betar in Wadi Fukin south of Jerusalem by a larger Jordanian military force which penetrated into Israel. Two Israel watchmen were wounded and kidnapped and then murdered in cold blood and dragged across the border.

April 18: A woman was killed on the roof of her house in the Musrara quarter in Jerusalem by Arab Legionnaires.

April 20: One Israel soldier was wounded by an armed Jordan band which penetrated into Israel in the vicinity of Dawayima in the Bet Govrim region.

April 20: A father of five children and his niece, an American citizen on a visit to Israel, were murdered in their house in the Kiryat Moshe quarter in Jerusalem.

April 22: Six pedestrians were wounded, two of them severely, when Jordan Legionnaires opened fire across the demarcation line in Jerusalem from the Sheikh Jarrah quarter in the north to Dir Abu Tor in the south.

May 3: A blind 73-year-old Jew was shot dead after being dragged by three Arab Legionnaires into Jordan territory and first being beaten by them. The act occurred near the maabara of Mekor Haim in Jerusalem.

May 17: Two watchmen of a Jerusalem corridor settlement were shot dead by infiltrators.

May 25: A mother of 7 children was killed, 3 women, 1 man, and 3 children wounded by a Jordan attack on 3 villages of new immigrants near Ben Shemen at the border. In the attack at Bet Nabala, grenades and dynamite were used. Throughout the attacks the marauders covered the villages with heavy automatic fire.

May 27: One Israel soldier was killed, another wounded by an armed Jordan unit crossing the armistice line and penetrating into Israel territory in the Hebron district.

May 28: A Jordan unit crossed the border south of Bet Govrim, took up position 1 mile inside Israel territory and attacked Israel soldiers. Two Israel soldiers were wounded.

May 30: An attack occurred on an open truck carrying children on a holiday trip, 1½ miles west of Meron on the Nazareth-Acry Road. One child was killed, 3 wounded. Tracks of the killer led to the Lebanese border.

June 6: A young man was murdered, one woman wounded in Jerusalem.

June 7: Jordan Arab Legionnaires fired on two Israelis near the railway station in Jerusalem.

June 9: Tirat Yehuda near Ramle was attacked. One Jew was killed, the other inhabitants of his house wounded. The neighboring house was blown up by explosives.

June 10: A house in Mishmar Ayalon near Latrun was demolished. One woman was wounded severely.

June 11: Armed Jordanians penetrated into Kfar Hess, threw grenades, opened fire on villagers. One woman was killed, her husband wounded.

June 17: A Jordan unit opened fire on an Israel unit holding exercises near Wadi Ara. One Israel soldier was killed.

June 19: One watchman was killed and another wounded near Bet Nekofa and Kiryat Anavim.

June 22: An Israel patrol was fired upon by regular Jordan soldiers from over the armistice line in Tul Karem area.

July 9: Two Israel soldiers were killed in the Judean hills.

July 17: One watchman was killed and another wounded by infiltrators in the western suburb of Jerusalem.

August 8: Three Israel soldiers were killed by Jordanians in ambush near Bet Govrim. The Israel soldiers were walking along the road near the village.

August 11: An attack by Jordanians on a youth village for retarded children between ages 8 and 16 took place. Hand grenades were thrown into sleeping quarters at Kiryat Yearim in the Jerusalem corridor.

August 16: A man was killed in Ashkelon by an Arab marauder.

September 2: Hand grenades were thrown in the Katamon quarter of Jerusalem.

September 8: Two men were killed and one wounded in Ahiezer near Lod by Arab infiltrators.

September 8: A passenger bus was attacked near Lod, one wounded.

September 19: An attack took place on Migdal Ashkelon. One Israeli was killed.

October 4: A passenger bus was attacked in the Lydda area.

October 6: A Haifa-Tel Aviv passenger train was attacked by fire in the coastal plain.

October 11: An attack occurred on Kibbutz Nevé Ilan. One member was murdered in his bed.

October 13: Several Arab attacks on Yehudiya (Yahud) on the outskirts of Tel Aviv took place. A mother of five children was killed, her 3½-year-old girl and 1½-year-old boy killed. A 70-year-old woman and one child were seriously wounded.

October 21: Two Israel trains were derailed by mines placed by Jordan Arabs on rails near the settlement of Ayal, in the vicinity of Qualqueleyah on the Israel-Jordan border. Thirteen cars were derailed and 130 rails destroyed.

October 30: Armed Jordanians penetrated Neve Ilan, a village in the Jerusalem corridor. They opened fire on the watchmen and stole work tools and other items from the villagers.

November 4: Jordanian National Guardsmen crossed the armistice lines into Israel near Atyr in the northern Negev. The Jordanians seized 3 Israel Bedouins and their flock of more than 350 head of cattle.

November 7: An Israel soldier was kidnapped and killed by Egyptian soldiers. Another Israel soldier was wounded but escaped. The body of the Israel soldier returned by the Egyptians was riddled with bullets fired from 1-yard range, and had knife cuts in the back and stomach.

November 8: Arab Legion soldiers fired on 12 Israel representatives on their way to a meeting of the Israel-Jordan Mixed Armistice Commission near Kfar Budros.

November 12: Arab Legion forces kidnapped 8 Arab women, 2 Arab children, and a Jewish guard while they were picking olives at Bet Safafa, south of Jerusalem, 150 yards inside Israel territory. Later, 7 of the women were returned; the 8th was seriously wounded. Subsequently, the body of the watchman was found near the village. Examination of the body in the presence of U. N. officials disclosed that the guard had been shot seven times in the back.

November 16: Armed infiltrators were discovered by frontier guards in the Jordan Valley.

November 22: A band of Arab infiltrators stole irrigation pipes from the vegetable fields of a village in the western Negev.

November 24: Soldiers of the Arab Legion of Jordan threw stones into the Israel section of Jerusalem from the walls of the Old City. A man standing in front of his home was hurt, and required medical attention.

December 2: An Israel police boat patrolling the Sea of Galilee was fired upon from Syrian positions on the northern bank.

December 4: Marauders from Jordan entered the village of Hatzov, near Gedera, and stole livestock from farmyards there.

December 6: A watchman on guard in the Mount Scorpus area of Jerusalem was wounded, after being fired upon from the other side of the fence of the demilitarized zone.

December 7: Water pipes were stolen from a village near Migdal Ashkelon in the Negev. The thieves' tracks led to the Gaza strip.

December 10: A member of Ein Shemer, a village in the Sharon near the Jordan border, was seriously wounded by infiltrators as she was walking near the "maabara" in which she was employed as a social worker.

December 11: A bus traveling on the northern frontier road between Goren and Shomera was fired upon by automatic weapons.

December 16: The bodies of 2 19-year-old soldiers were found after a day-long search in the vicinity of Bet Govrin near the Jordan border. The soldiers had been shot in the head and their bodies looted. Their rifles, ammunition, army papers, personal belongings and some clothing were missing.

December 18: Infiltrators stole camels from a Bedouin tribe in the Negev. The tracks of the two marauders led to the Egyptian border. On the same night, other infiltrators stole water pipes and other equipment from a village in the western Negev.

December 22: An Egyptian warship fired on an Israel plane in the Mediterranean about five miles from the coast.

December 28: Rifle and automatic fire were opened on an Israeli patrol in the southern Negev by a large group of Jordanians.

December 30: A police patrol boat on the Sea of Galilee was fired upon from across the Syrian border.

December 31: Arab marauders stole irrigation pipes from a settlement near Migdal Ashkelon in the Negev.

1954

January 3: Infiltrators stole fertilizer and water pipes from a western Negev settlement.

January 7: Marauders broke into the village of Neve Ilan in the Jerusalem Corridor and stole quantities of clothing.

January 12: Marauders penetrated Degania Bet in the Jordan Valley. They opened fire on members of the settlement and seriously wounded one of them as the village's guard tried to stop the theft of stores.

January 13: Infiltrators stole water pipes and livestock from two settlements in the Negev.

January 17: Infiltrators stole all of the merchandise of the general store at Menachemia, close to Degania Bet.

January 18: A group of Israel Bedouin shepherds tending their camels in the northeastern Negev were attacked by armed Jordanians who had entered Israel territory. The shepherds and their camels were taken prisoner and transported across the border. A 16-year-old member of the group managed to escape and report the incident to the Israel authorities.

January 19: Israel trains were attacked by armed Jordanians in two separate instances. The first incident occurred when shots from Jordan territory were fired at a Hadera-Lydda train near Kfar Syrkin; the second occurred 1 mile north of Tulkarm on a Tel Aviv-Haifa freight train.

January 25: A Piper Cub plane carrying civilian passengers was fired on while it was flying north of Yad Chana.

January 26: Two Israel Arab residents, a man and a woman of Bet Safafa, a village south of Jerusalem, were abducted by members of the Arab Legion.

January 27: Jordanian forces entered Israel territory and killed a member of an Israel police patrol near Lifta, on the northern outskirts of Jerusalem.

January 29: Draft animals were stolen from the village of Zakaria in the Jerusalem Corridor.

January 30: An Israel police unit patrolling the armistice lines in the central Sharon was attacked by members of the Arab Legion, from four Jordan positions, including the police station at Kalkilia on the Jordan side of the border.

February 2: Jordanians were intercepted by watchmen in the Jerusalem corridor as the marauders were uprooting olive trees and transferring them across the border.

February 4: A group of marauders tried to force their way into the settlement of Mishamar Ayalon, near Ramle.

February 5: Jordan soldiers penetrated over a mile into Israel territory in the northern sector of the Israel-Jordan frontier. They stole a flock of sheep and goats and kidnapped the shepherd.

February 6: A fishing boat from the settlement of Ein Gev was fired on in Lake Kinneret from a Syrian outpost at Koursi.

February 8: Infiltrators penetrated into the village of Balfouria in the Valley of Jezreel and attempted to steal livestock. The farmers exchanged fire with the marauders who escaped across the Jordan border.

February 11: A large group of Jordan national guardsmen entered the no-man's-land in the Latrun area, to which entry is forbidden by the armistice agreement, and opened intensive fire on an Israel unit patrolling the area.

February 14: A watchman was murdered by armed infiltrators near Machaseya, a settlement in the Jerusalem corridor. Two watchmen were patrolling the area when the shots were suddenly fired at them from close range.

February 15: Jordanian forces killed a watchman at another village near Jerusalem.

February 16: A group of workers were attacked on the road leading to Ajur in the southern part of the Jerusalem corridor.

February 19: An Israel patrol encountered about 50 armed and mounted infiltrators from across the Egyptian border. The gang opened fire on the patrol and killed an Israel soldier.

February 20: An Israel Beduin was kidnaped by Egyptian soldiers in a jeep on their way to the border from the Israel-Egyptian Mixed Armistice Commission camp.

February 21: A group of workers were fired on from the southwest section of the old city wall of Jerusalem, under Jordanian control. The shooting continued for 4 hours.

February 28: A civilian plane engaged in spraying the fields of settlements near the northeastern border of Israel was fired on from Syrian positions.

March 2: An Israel unit was attacked by a band of armed Jordanians who had crossed into Israel territory east of Bet Govrin.

March 4: A gang of Jordanians kidnaped an Israel shepherd and stole his flock.

March 4: A band of armed infiltrators shot and wounded a tractorist in the village of Brur Chayil in the northwestern Negev. They robbed the wounded man of clothing and valuables and escaped across the Egyptian border.

March 7: A border policeman was seriously wounded when a police unit was fired on from across the Jordan border.

March 10: An Israel soldier was killed and three soldiers wounded when a mine exploded under the vehicle in which they were traveling near the frontier at Bet Govrim.

March 11: Syrian military positions opened fire on Israel fishing boats on Lake Tiberias. Two boats were hit and damaged. A second attack occurred on March 15 while the Israel-Syrian Mixed Armistice Commission was in

session considering the Israel complaint concerning the March 11 attack.

March 12: Armed members of the Jordan National Guard entered an Israel village south of the Valley of Jezreel and kidnaped an Israel Arab.

March 15: An Israel Beduin was murdered in his tent near Shuval in the Northern Negev.

March 15: Marauders ambushed and shot at a truck of the settlement of G'vulot, in the northwestern Negev, when it was on its way to a maternity hospital with a pregnant woman.

March 17: Eleven Israeli passengers, among them women and children, were massacred in an ambush near Maale Akrabim (Scorpion Pass) on the road from Eilat to Beersheba. The bus slid into a ditch after automatic machine-gun fire instantly killed the driver. The attackers approached the bus and two of them boarded it, firing their machine-guns at the passengers from point-blank range.

March 23: An Israel soldier was wounded when his unit was attacked by Arab marauders near Katana in the Jerusalem corridor.

March 25: Armed Egyptians wounded an Israel soldier and kidnaped a second near the Gaza strip border.

March 26: An Israel watchman was murdered when tommygun bursts were fired at him by Arab marauders near the village of Kisalon in the Jerusalem corridor. The murderers escaped into Jordan territory after stealing the watchman's rifle.

March 29: Four separate thefts of pipes, draft animals, and equipment from Israel settlements in the Western Negev occurred.

April 6: Two Israel soldiers were wounded when fire was opened on them near the settlement of Kissufim.

April 11: Fire was opened from Jordan-held territory on the settlement of Ramat Rachel on the southern outskirts of Jerusalem.

April 14: A farmer plowing in the fields of Yad Chana in the Sharon Plain was attacked and seriously wounded by Jordanian infiltrators.

April 19: Infiltrators from Jordan stole a flock of sheep from the settlement of Ein Gedi on the Dead Sea.

April 23: An Israel border patrol in the Judean hills was attacked from positions in Jordan and was under rifle, machine-gun and two-inch mortar fire for several hours.

April 24: An organized group of marauders attempted to rob the settlement of Kissufim in the Negev. When they were intercepted by an Israel patrol, the Israelis were attacked from across the armistice demarcation line by Egyptian forces stationed in the Gaza strip.

April 24: Both the settlements of B'eri and Nachel Oz were robbed by Arab marauders.

April 29: Arab infiltrators stole irrigation equipment from the settlement of Gvaram in the Negev.

May 1: An Israel patrol was attacked near Ahuzam in the South by a band of Egyptian infiltrators. The patrol killed 1 and wounded 1 of the gang. Information concerning the movements of Israel military personnel and equipment was found on the bodies of the two fallen spies.

May 7: A watchman from the Kastel maabara was killed near the Arza Sanatorium in the Jerusalem corridor. The murdered man was robbed of his ammunition.

May 8: An Israel unit was attacked by Jordanians near Givat Oz, in the Megiddo area. A Jordanian was killed in the clash, and dragged from Israel territory by the Jordanians. An Israel policeman was killed, and a second is missing.

May 9: An Israel border patrol encountered Jordan National Guard men in Israel territory near Hirvat Illin, southwest of Bet Natif in the Jerusalem corridor. In the ensuing clash, two policemen of the Israel patrol were seriously wounded and dragged by the Jordanians into territory under Jordan control where, medical reports show, they were killed at close range by sharp and blunt instruments.

May 14: The pumphouse of the settlement of Aikim, north of the Gaza strip, was broken into and the pump dismantled by Arab infiltrators.

May 23: A band of armed Egyptians crossed into Israel and attacked an Israel Bedouin camp near Bir el-Malga in the western Negev. They stabbed five of the Bedouin, beat others, destroyed the tents and robbed the Bedouin of their ammunition, cattle and donkeys.

May 28: A fire engine from the settlement of Eyal, near the Jordan border in the central Sharon Plain, was attacked by infiltrators on its way to a fire.

May 31: An Israel patrol was attacked by Jordanians while patrolling the Israel-Jordan armistice lines in the vicinity of Um-al-Fahm in the central Sharon Plain. One of the patrol members was wounded.

June 3: Arab infiltrators robbed a grove near Migdal Ashkelon, in the southern plain, of irrigation equipment.

June 8: An Israel soldier was wounded when the Army vehicle in which he and his unit were on patrol north of Kissufim, near the Gaza strip, struck a mine.

June 8: Houses in Jerusalem, near the old city wall, were stoned by Arab legionnaires. Windows were smashed and furniture broken in nearby apartments.

June 12: Organized Arab marauders robbed the settlement of Ein Hashlosha in the northern Negev of large amounts of agricultural produce.

June 19: Five settlers of Mevuot Betar, which is situated in the Judean hills, were ambushed by Jordanians as they were guarding an orchard near the armistice lines. Three of the group were killed.

June 24: Jordanians killed an Israel Arab woman when they fired across the Israel-Jordan armistice lines.

June 27: Arab marauders killed a villager in the town of Ra'anana in the Sharon Plain. The villager was murdered when he came upon the infiltrators robbing his storehouse.

June 30: The Arab Legion opened fire on Jerusalem along the entire sector of the armistice lines within the city. The attack was launched on June 30, and firing continued through July 1 and July 2. Three Israelis were killed and 25 wounded in the 3-day attack.

June 30: Israel police boats patrolling the Lake of Galilee were twice attacked by Syrians from fortified positions near Noursi. The first attack took place on June 30 when 2 Israel policemen were killed and 5 wounded as the Syrians directed machine-gun and mortar fire at an Israel police boat. On July 1, heavy cannon and machine-gun fire was opened on two Israel police boats patrolling the lake.

July 7: A band of Arab marauders robbed the settlement of Carmiyah, in the Negev, of aluminum pipe stores.

July 9: Arab Legionnaires again shot into Jerusalem. This shooting continued sporadically for 48 hours. Arab Legionnaires also threw stones into the New City of Jerusalem on July 7, 9, 10, 11, and 12. Two Israelis, a 12-year-old girl and a 45-year-old man, were hurt.

July 10: One Israeli was killed and two others wounded when Egyptians attacked an Israel unit patrolling the armistice lines near Kissufim.

July 20: An Israel unit patrolling the Israel-Jordan armistice lines in the Lydda area was fired upon from within Jordan territory. A member of the unit was wounded in the head.

July 25: A settler of Beit Gan, a settlement in lower Galilee, was killed by Arab infiltrators.

July 26: The Jordanians attacked Israel farmers operating a combine of the settlement of Netiv Ha-Lamed Heh situated near Jerusalem. An Israel border patrol and a group from the settlement who hurried to the scene were also fired upon by the Jordanians. Five Israelis were wounded during the attack.

August 2–5: Jordan soldiers opened fire upon several sections of New Jerusalem in violation of the Israel-Jordan Armistice Agreement and the renewed ceasefire agreement which followed the 3-day attack on Jerusalem by Jordan forces on June 30, July 1–2.

August 13: The third Jordan attack in as many weeks, upon harvesters from the settlement Netiv Ha-Lamed Heh, in the Jerusalem Corridor, took place.

August 26: Egyptians attacked a group of Israel Beduin in Be'erot Yam, in the Nitzana demilitarized zone. The Egyptian marauders fled with part of the Beduin flocks.

September 2: A bridge on the road to Eilat and telephone wires near the Israel-Egyptian armistice lines were destroyed.

September 4: A tractorist was murdered by Arab infiltrators near Ruchama in the south.

September 5: Armed Egyptians attacked Israel Beduin near Subeita in the Negev. They killed one and wounded a second. The Arab gang escaped across the border with the Beduin's livestock.

September 10: Two Israel soldiers were killed in their observation post near Bir Ma'in, north of the Ayalon Valley in the Jerusalem corridor. The pair were found by a patrol which was sent to investigate their absence. The Arab ambushers had concealed themselves near the observation post.

September 13: A band of armed Egyptians attacked an Israel Beduin encampment at Bir Malaga in the Nitzana demilitarized zone. The Arab gang abducted three young men from the Bedouin encampment after having wounded an old man and the sheikh.

September 20: A house in the village of Hatzav, south of Gedera, was blown up.

September 25: Two brothers, members of the Bet Shikma settlement, were killed in the Negev by Arab marauders who infiltrated into Israel from the Gaza strip.

September 27: Jordanians attacked a shepherd from Ein Hashofet in the hills of Ephraim. They wounded the shepherd and absconded with a flock of 480 thoroughbred sheep. The value of the flock is estimated at IL 75,000.

September 28. Jordanians opened fire across the demarcation line on three watchmen of Bar Giora in the Jerusalem corridor. One watchman was killed and a second wounded.

October 2: Arab Legionnaires opened fire from the Old City Wall upon a group of children playing in the street in Israel's Jerusalem. The children, and a woman, were injured by fragments of stone.

October 11: Irrigation pipes were stolen from Nahal Oz, in the western Negev, by Egyptian infiltrators.

October 29: Guards from the settlement of M'vuot Betar in the Jerusalem corridor were attacked from across the Israel-Jordan armistice lines.

October 25: The water pipe near Mefalsim was blown up by Egyptian infiltrators.

October 28: A band of Egyptian infiltrators stole agricultural produce from the settlement of Sa'ad in the western Negev.

November 1: Jordanians attacked workers near Givat Oz in the valley of Jezreel and were repulsed by an Israel border patrol. One policeman was wounded.

November 5: A bus near Magal was fired upon by Jordanians. A woman was wounded.

November 10: Egyptian marauders stole irrigation equipment from the village of Nir Moshe in the western Negev.

November 22: A group of surveyors near Mevuot Betar in the Jerusalem Corridor were attacked by Jordanians. One of a group of guards, who came to their aid, was wounded.

November 29: Jordanians attacked a unit of the Israel border patrol near Batir in the Jerusalem corridor.

November 30: A border police vehicle on patrol in the Jerusalem Corridor was damaged by a mine planted by Jordanian infiltrators.

December 4: A watchman in Eilat, Israel's southernmost port on the Red Sea, was wounded and a car attacked by Arab infiltrators.

December 8: Five Israel soldiers on patrol in northern Israel were kidnaped by Syrians.

December 11: Arab marauders again attacked and wounded a watchman near Eilat.

December 18: A truck was blown up when it crossed a mine planted near Ein Ya'Hav, north of Eilat.

December 22: Marauders, whose tracks led to the Jordan border, robbed Kfar Shmuel, near Ramle, of livestock.

December 30: Farming equipment was stolen by Egyptians from the settlement of G'vulot in the western Negev.

1955

January 14: Syrians attacked a dredge working on the drainage of the Huleh Swamp in Galilee.

January 16: A Syrian position attacked an Israel fishing boat on Lake Huleh in Galilee.

January 18: Two members of the settlement of M'vuot Betar in the Jerusalem corridor were murdered by Jordanian infiltrators as they slept in a house in Agur, northeast of Bet Govrin in the northern Negev. Their belongings were stolen by the Arab marauders.

January 21: One soldier was killed and one wounded in the vicinity of Nir Yizchak near the Israel-Egyptian border. On the same day, two Israel soldiers were wounded in the Musrara quarter of Jerusalem by shots fired from the Jordan-controlled old city walls.

January 25: Tractorists near Ein Ha'Shlosha in the northern Negev were attacked by Egyptian infiltrators as they were plowing the fields of their settlement. One farmer was killed and a second wounded.

February 1: An Israel soldier was wounded when automatic rifle fire was opened from an Egyptian position at an Israel unit near Nahal Oz in the Negev.

February 2: A Syrian position opened automatic fire at four Israel fishing boats on Lake Kinneret (Sea of Galilee).

February 2: Syrian soldiers fired across the armistice lines at a group of children in Kfar Szold.

February 8: An Israel soldier was wounded by Arab Legion fire in the Sanhedria quarter of Jerusalem.

February 9: An Israel unit was attacked by Jordanian fire southeast of Rosh Ha'Ayin, in the hills of Judea. Two Israelis were wounded.

February 13: An Israel boat at Lake Tiberias was attacked from Syrian positions.

February 18: An Israel patrol southeast of Duweima in the Negev was attacked by Jordanians. One Israel soldier was wounded.

February 25: An Israel cyclist was killed by Arab infiltrators near Rechovot.

February 27: Three students—two Israel Arabs and a young Jewish woman from the United States—were kidnaped by members of Jordan's Arab Legion near Beit Tsafafa, south of Jerusalem. They were returned to Israel the next day after having been interrogated by legion officers.

March 1: A fishing boat from Ein Gev sailing on Lake Tiberias was attacked by fire from Syrian positions.

March 9: Jordanians fired upon workers in fields north of Sde Eliahu in the Beit Shaan Valley.

March 12: An Israel Army vehicle traveling northwest of Kissufim in the south was blown up by a land mine.

March 15: Egyptian marauders blew up a house in the settlement of Sharsheret, not far from the Gaza strip border. The attackers were repulsed by the settlement's watchman and his sister. The watchman was wounded.

March 18: Jordanian infiltrators attacked the settlement of Yizrael near Afule. One settler was killed and a second wounded.

March 24: A 23-year-old woman was killed and 23 persons wounded when Egyptian infiltrators threw hand grenades and fired into a crowd attending a wedding party in the Negev settlement of Patish. The young woman had volunteered to serve as an instructor in the immigrant settlement. Mr. David Ben Gurion and Chief of Staff Moshe Dayan were among the mourners at the funeral which took place the day after the attack.

March 25: Two Israel herdsmen were kidnapped by Arab legionnaires who penetrated into Israel from Jordan territory.

March 28: An Israel Army vehicle exploded when it struck a mine near Nirim in the south. Two Israel soldiers were seriously wounded and died the following day.

April 1: An Israel Army command car was blown up and damaged by a land mine north of Kissufim. One Israeli soldier was injured.

April 2: One Israel command car was blown up by a land mine near Nachal Oz. Five Israeli soldiers were injured. After the explosion three Egyptian Army positions directed mortar, machinegun, and rifle fire at the wreckage, wounding another Israel soldier.

April 9: An Israel command car on routine patrol was blown up by a land mine at Khirbet Maayan in the Nirim area. One Israel soldier was killed on the spot, and another later died of his wounds.

April 16: A house in the Jerusalem corridor village of Zakariya was blown up by Jordanian infiltrators, over the heads of its inhabitants, burying them under the debris. Three women and 2 men were wounded and the house destroyed.

April 18: Syrians opened fire on a number of Israel fishing boats on the Sea of Galilee.

April 28: An Israel patrol uncovered a land mine laid on the road south of Nirim. Members of the patrol, left to guard the site, were attacked by an Egyptian military position.

May 7: Jordanians fired upon harvesters in the valley of Jezreel. An Israel patrol came to their rescue. Four Israelis were wounded.

May 12: Jordanian marauders fired upon watchmen from the Jerusalem corridor settlement of Bar Giora. One of the guards was wounded.

May 17: Three Israel officers were killed and a fourth wounded when an Israel patrol car was blown up by a mine west of Kissufim in the Negev. Several hours earlier another patrol had discovered a mine in the vicinity.

May 18: An Egyptian position opened fire on a group of Israelis traveling near Nitzana. On May 20 Egyptians fired upon U. N. observers investigating the Israel complaint concerning this attack.

May 27: An Israel army vehicle was blown up by a land mine laid in the road northwest of Nirim. Two soldiers were wounded.

May 30: Two Israelis were killed and eight wounded when Egyptian artillery fired upon the settlements of Ein Hashlosha and Nirim in the south. An ambulance rushing to the aid of the wounded was attacked.

June 2: An Israel patrol uncovered a land mine laid by Egyptian infiltrators south of Kissufim.

June 7: Syrians fired on an Israel fishing vessel on Lake Tiberias.

June 17: An 18-year-old girl of Kfar Menachem in central Israel was wounded by Jordanian infiltrators.

June 19: Egyptian infiltrators blew up the pipeline south of Kissufim and severed telephone communications to this southern settlement.

June 21: An Israel patrol in Taibe was fired on by Jordanians. One Israeli was seriously wounded and died several days later.

June 28: Syrians opened fire on Israel vessels sailing on Lake Tiberias.

July 2: Syrians fired on a group of settlers from Gonen, in Upper Galilee, trying to extinguish a fire that had broken out in their fields.

July 14: Syrians fired on an Israel vessel sailing on the Sea of Galilee.

July 20: Several Syrian posts opened heavy fire upon the settlement of Hagovrim.

July 23: Hand grenades were thrown into houses in the Negev village of Patish by Egyptian infiltrators. Three persons were seriously wounded.

July 27: Syrians fired on members of Gonen, in Upper Galilee, as they were walking south of the village.

August 22: Three Egyptian strongpoints attacked an Israel mobile border patrol southwest of Mefalsim. Four Israeli soldiers were wounded.

August 25: An Egyptian ambush in Israel opened automatic fire and threw hand grenades at a civilian jeep northwest of Erez. One of the passengers, a civilian, was killed.

August 27: The water pipeline at Gehah, southwest of Ashkelon, was blown up.

August 28: Two military vehicles were mined northwest of Be'eri. Two soldiers were killed on the spot and four, two of whom died later, were seriously wounded.

August 29: The masts of the radio broadcasting station at Yavne, 29 kilometers in a direct line from the nearest point on the border of the Gaza strip, were destroyed by explosive.

August 29: A family, consisting of five persons was found wounded by gunfire near Kubeiba in the vicinity of Rechovot. One of them later died of his wounds.

August 30: The bodies of four workers from Nes Ziona were found near Bet Oved, 25 miles from the border. They had been killed by gunfire.

August 30: A halted motor vehicle was found on the roadway south of Kfar Menachem. All four of its occupants had been killed by machinegun fire.

September 1: A well was blown up at Yad Mordechai, near the Gaza strip border.

September 3: The water pipeline southwest of Nitzana, 10 miles within Israel territory, was blown up.

September 7: Arab terrorists blew up the water pump in Tirat Zvi in the Bet Shaan Valley.

September 15: Egyptians attacked an Israel vehicle near Erez in the south. An Israeli was killed.

September 22: Two persons were killed and 10 wounded when Arab marauders ambushed an Israel bus just outside of Meron with machinegun fire and hand grenades.

September 27: Syrians fired on an Israel fishing vessel sailing on Lake Tiberias.

October 4: A member of the settlement of Bitha, in the Negev, was killed by Egyptian infiltrators while on guard duty at Gilat, 10 miles from the Gaza strip. The 32-year-old watchman left behind a pregnant wife and five children. Two other settlers were wounded when they attempted to come to his aid.

October 16: Egyptian troops fired on U. N. observers who were on an inspection tour of

the international frontier of the Nitzana demilitarized zone.

October 18: A young soldier on a hunting expedition in the vicinity of Gonen, in northeastern Galilee, was ambushed by five Syrians, wounded by gunfire, and then forced into Syrian territory.

October 30: Egyptian military positions attacked an Israel patrol 2 miles northwest of Nirim.

November 4: Two Egyptian Vampires flew over Nirim, Nir Izhak, and Ein Hashlosha. Another Egyptian plane lingered over Nirim, Patish, Be'eri and Nitzana on the same day. The next day, five separate violations of Israel airspace by Egyptian planes took place in the same area.

November 5: Two homes in Sde Hemed, in the Sharon, were dynamited by Jordanian infiltrators.

November 8: An explosion was averted at the reservoir south of Ein Harod, in the Valley of Jezreel, when an attempted dynamiting by Jordanians was discovered.

November 13: A home in Rosh Ha'ayin, in the Sharon, was blown up by Jordanian infiltrators.

November 20: An Egyptian unit entered the Nitzana demilitarized zone south of Berotayim and attacked an Israel patrol.

November 21: The carpenter's shop and pumping station in Avuka, southeast of Beit Shaan, were dynamited by infiltrators.

November 27: Members of the Arab Legion shot at and killed an Israeli who had entered the noman's-land near the Musrara quarter in Jerusalem.

December 10: Syrian army forces heavily shelled Israel fishing boats and a police escort on the Sea of Galilee (Lake Kinneret).

December 26: Syrians fired across the border at Israelis near Susita in the demilitarized zone in Upper Galilee.

December 27: Egyptians fired upon Israel soldiers southwest of Ein Hashlosha.

December 30: Arab infiltrators ambushed an Israel jeep traveling on the Beersheba-Eilat road, in the center of the Negev. The driver was seriously wounded but escaped through the aid of a truck traveling behind him. Two riders in the jeep were murdered.

Arab violations of armistice agreements

JORDAN

Period	Casualties (killed and wounded)	Sabotage and mining	Armed clashes	Robbery and theft
Apr. 3, 1949–Apr. 30, 1950	33	------	------	------
May 1, 1950–Aug. 30, 1953	421	128	866	3,385
Sept. 1, 1953–Apr. 30, 1954	60	21	222	205
May 1–Dec. 31, 1954	74	2	188	126
Jan. 1–Oct. 30, 1955	32	10	109	154
Total	620	161	1,385	3,870

EGYPT

1951 (as of May 1)	18	10	98	203
1952	29	20	142	541
1953	26	22	99	560
1954	47	9	135	302
1955 (to Oct. 30)	177	47	137	125
Total	297	108	611	1,731

SYRIA

1951 (as of May 1)	83	1	29	8
1952	3	------	16	13
1953	3	------	18	5
1954	4	------	24	10
1955 (to Oct. 30)	5	1	101	4
Total	98	2	188	40

Arab violations of armistice agreements—Continued

LEBANON

1951 (as of May 1)	3	------	9	12
1952	1	------	8	23
1953	9	------	16	16
1954	------	------	8	1
1955 (to Oct. 30)	11	1	6	11
Total	24	1	47	63
Grand total	1,039	272	2,231	5,704

Estimate of damage caused to property by Arab infiltrators and the value of smuggled goods confiscated by Israel authorities and returned through the Mixed Armistice Commissions:

Year	Property returned (IL)	Damage caused (IL)
1952	161,000	517,250
1953	201,620	582,910
1954	240,180	629,250

THE MIDDLE EASTERN DANGER

(An editorial in the Manchester Guardian Weekly)

If Russian MIG fighters have been seen over Cairo, as the Minister of Defense suggested in the House of Commons on Tuesday, the supply of ancient British Valentine tanks to Egypt appears comparatively trivial. Indeed, much of the debate in the House on Tuesday seemed to be on secondary issues. It is important, of course, that any laxity in the administration of arms exports should be tracked down, and Mr. Gaitskell made the most of the failings which there have evidently been. But a trickle of old tanks to the Middle East—and it has been no more than that—is insignificant beside the delivery of fairly new arms both by Communist countries and by the British Government. The Minister of Defense was justified in his contention that, even if the obsolete tanks which have been allowed out of this country were remilitarized, they would not add materially to Egypt's armed strength. It is a different story with Centurion tanks and jet fighters from this country as with Stalin tanks and MIG aircraft from Russia and Czechoslovakia. These have added greatly to Egypt's power and have unbalanced the military situation in the Middle East. The British Government has placed itself in a weak position to complain about Communist supplies, because it was first in the field. Sir Walter Monckton refused to give details of the arms sold by the Government to Egypt, taking refuge behind the old excuse that it would be "contrary to all practice" to disclose what had been sent. (Why should it be contrary to all practice when in Jordan and Iraq only a few weeks ago we held public ceremonies, with Ambassadors and press photographers in attendance, to hand over tanks and aircraft?) There is, however, no doubt that Centurions and Vampires went to Egypt before the first Soviet deliveries began.

The preponderant supply of arms to Egypt, as Mr. Gaitskell said, has created grave danger. The hope of the Arab States for revenge against Israel has been enhanced, and they may soon feel tempted to try to drive the Jews into the sea. The Israelis, too, may feel that because the balance is clearly going against them for the first time since the war, they should strike before the situation becomes worse. The danger is in part of the British Government's own making. It has been aggravated by the Soviet intervention, but Britain itself must bear part of the preliminary blame. For that reason action ought to be taken to make more plain our intentions under the Tripartite Declaration of 1950. Jointly with the United States and France, we ought to say what we shall do both to restore a balance of arms and to deal with any renewal of the war. The promise of supplies to Israel would do much to remove her feeling that she should strike while there is time, and the promise of military action against the violation of frontiers by either side would help to deter Egypt. It is ironical that, having said in the 1950 Declaration that an arms race ought to be avoided, Britain has promoted one to the extent that she ought now to send extra supplies. But the damage has been done, and Israel cannot safely be left weak. As to violation of frontiers, the wording of the 1950 Declaration was plain enough. It said:

"The three governments, should they find that any of these States was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action both within and outside the United Nations to prevent such violation."

Our obligation to defend the present dividing line is evident. (The meaning of Sir Anthony Eden's intervention last Tuesday, when he told Mr. Gaitskell that the language of the declaration was not so clear as Mr. Gaitskell thought, is puzzling.) That undertaking ought, nevertheless, to be reinforced by a statement that Britain and the United States would, if necessary, take military action. Britain has its troops in Cyprus and Libya, and the United States has a fleet handy. In Washington this week their readiness should be reaffirmed.

(Presented as a public service by International Latex Corp., Playtex Park, Dover, Del.)

Mrs. KELLY of New York. Mr. Speaker, I yield now to the distinguished gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter to Secretary Dulles and a reply.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, this is not a new subject. Ever since the end of World War II and the coming into being thereafter of Palestine as the State of Israel, there have existed tensions and controversies in this area. During that period, when the Secretary of State was Mr. Dean Acheson, many of us urged on the then Secretary of State the importance of the recognition of the integrity of the new state and many of us opposed plans for the shipment of arms and aid of one kind or another to various of the Arab States.

The other day I came across a headline of the year 1950. That headline said: "SCOTT Raps Acheson on Arab Arms Aid."

It did not get me anywhere, and I have about come to the conclusion that attacks on Secretaries of State, be they Mr. Acheson or Mr. Dulles or anyone else, probably will not be as effective an approach as the continuing logical presentation of the reasons why we believe that the preservation of the integrity of the State of Israel can be achieved by preventing the growth of an imbalance in arms between Israel and the Arab world, at least on a temporary basis, but can only be permanently achieved by the negotiation of peace between the parties to this controversy in their troubled area. These negotiations

have a better chance of success if promptly and vigorously pursued.

Together with several other Members of Congress, and representing 40 Republican Members of Congress, we called the other day on Secretary Dulles, having presented him with a letter which I am including in the RECORD, stating our views. Those views included our belief that there should be immediate shipment of arms to Israel to counter the Communist activity in the area, and the shipment of arms from Soviet satellites to Egypt. Those views also included our concern over the resettlement of the refugee problem, the Jordan Valley development; but most of all they concerned means by which we might preserve the peace of the area through the implementation of the Tripartite Pact or by use of the framework of the United Nations if, in proceeding within the framework of the United Nations, we would have a reasonable hope of success.

We talked to Secretary Dulles and from that talk emerged several important developments. In the first place, in an editorial in the Philadelphia Inquirer of January 27, I noted that the Secretary of State at that time had implied that it might be months before a decision would be reached on the arms bid. I think it is real progress to be able to report that peaceful negotiations looking toward peace are now presently being undertaken; that those negotiations are with other members of the Tripartite Pact and presumably with other nations; that as one member of this delegation said to the press after leaving Mr. Dulles, it was expected and the clear implication was received that some determination which would permit the Secretary to make some further announcement could be expected in about a month. This is a great improvement over previous reports that decision might be delayed for many months. If we have succeeded in advancing the time limit in that degree, I think that is an important contribution. We have not changed our mind. We still think that arms to Israel to counter this imbalance are necessary. But the position of the Secretary is that he should be given an opportunity to work out peaceful solutions on the basis as suggested in our letter particularly through the implementation of the Tripartite Pact, the guaranty of existing frontiers, as we suggested, and other methods, including the increase in the number of persons engaged in neutral patrols along the borders.

It is, I think, fair to state that it would be the Secretary's opinion that time is needed to work out some of these problems. Some of us think that that time should not be very long, because we recognize the danger to peace and the menace to our own national security through delay.

But we learned something else. We secured from the Secretary in that conversation a firm policy statement which was reported in the press conference, and that statement is this:

It is one of the basic tenets of American foreign policy that Israel be saved.

Another restatement of the same policy as used by the Secretary was:

It is one of the basic tenets of American foreign policy that the integrity of the State of Israel be preserved.

I think we may say categorically that in learning from the State Department something that we have been very anxious to hear for some time, that the Department has a basic intent that the people who live in Israel shall not be attacked without action on our part and on the part of other friends of Israel who are tremendously concerned about her danger, is an important assertion of policy. An even more important development occurred today when President Eisenhower gave flat assurance that every constitutional method would be used by the United States to avoid outbreak of war in this area.

Naturally the negotiations themselves looking to peace cannot be spread open to the public gaze as each step is taken, because to do that would in itself defeat the purpose of the negotiations.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. CELLER. However, the gentleman, I am sure, feels that arms should be sent immediately?

Mr. SCOTT. I have said so.

Mr. CELLER. I am sure he feels that any kind of a declaration may be unable to save Israel if there is any aggression, a sudden aggression on the part of Egypt. The United Nations brought Israel into being. That was a declaration. We joined in that declaration. Then immediately seven hostile Arab nations converged on Israel and sought to destroy her. Israel therefore was sorely put to and had to defend herself with great difficulty. Israel may not be able to defend herself as well now as she did then because of the superiority of arms that Egypt now possesses. So that it is the arms to which we must address ourselves immediately.

Mr. SCOTT. I appreciate the import of what the gentleman has said and I am particularly aware of the danger through the attainment of air superiority on the part of Egypt. That is why I think that what is called for here in the treatment of this matter is expedition. The sooner we act to assure the free world's security, the better.

I think at the same time we have to take at face value the statement of the Secretary of State that within a near period, within some early period, the United States should be aware of whether its steps directed toward a permanent peaceful solution are going to succeed.

The position of the State Department is, "We believe there are better solutions than are now proposed." They say that in their opinion something can be done within the near future. We say if that cannot be done, then at the very least there should be arms aid at that time. We are going to continue that position, we are going to maintain that view to the State Department. We have stated to the Secretary of State that we would like to act as a continuing committee to keep in touch with him because, as the gentleman from New York himself has indicated, we do not look with complete trust upon the intent of the enemies of Israel. Therefore, the watchword, I think, is to be eternally vigilant day by day in the hope that an early solution will appear. I believe we will get that solution sooner if we do not at this time waste our energies in an attack on the Secretary of State, as I used to do when I attacked Mr. Acheson. Mr. Acheson and his administration never did anything for us. I think there are better ways to do it, than to make attacks on Cabinet officers, which confuse the issue with partisan politics.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that in that same conference the Secretary most emphatically made it clear that he was not ruling out the necessity of arms to Israel and that that would be very seriously reconsidered at the time when the present negotiations warranted it?

Mr. SCOTT. The Secretary made the point that what he was saying was more of a revelation and much more of a forward step than had been indicated as American policy up to that time, and, further, that the question of arms to Israel is wide open if other solutions are not arrived at. In fact, the release of arms to Israel remains very much in the picture, if peace negotiations bog down. Yes, in our call on Secretary Dulles, we succeeded in clarifying the picture and we advanced, in our opinion, chances for the solution of this problem.

FEBRUARY 3, 1956.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Department of State,
Washington, D. C.

DEAR MR. SECRETARY: As you know many of us, in our individual capacity of Members of Congress, have been in continuing communication with the Department of State concerning the tragic increase of tensions in the Middle East. Your statement of August 26, 1955, outlined the basic concepts which could, through effective implementation, bring peace to this troubled area. In your statement, you outlined certain specific problems requiring solution in order to bring about peaceful conditions. You referred to the lack of fixed permanent boundaries between Israel and its Arab neighbors, the fear of an imbalance of power which might lead to violence on the part of one of the parties to the controversy against the other, and to the tragic plight of the 900,000 refugees whose displacement presents a continual problem.

We, therefore, proceed from the premise that you recognize the great danger to peace in the Middle East. We and the millions of constituents whom we, collectively, represent are gravely concerned about the immediate necessity for finding means to bring about a treaty of peace between Israel and the Arab world.

We, therefore, would like to state in further detail some of the problems which we consider need to be met by our Government and associated governments particularly Great Britain and France. Under the tripartite declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of Armed Forces for the purpose of assuring

their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole." Because of a fear of growing imbalance of arms, the Government of Israel desires to purchase through private sources defensive arms strictly for purposes of self-defense. We have individually, and now collectively, taken the position that Israel as a firm part of the free world should be allowed to obtain in the open market such weapons as would assure her protection against aggression. What is the position of the State Department on this matter?

We do not contend that tension in the Middle East can be finally resolved by the provision of defensive arms alone. We are convinced that immediate negotiations for the conclusion of a treaty of peace between Israel and the Arab world should be undertaken. These negotiations should be effectively implemented by our Government in association with those governments which joined in the Tripartite Declaration of 1950.

It is vital that prompt and decisive measures be taken to end the threat of war in the Near East.

To achieve this end, the negotiation of formal treaties guaranteeing the existing frontiers of Israel and the Arab nations is essential but essential also is a willingness to negotiate such treaties. We believe that a treaty of peace and a guaranty of existing frontiers should be offered to all interested parties in the Middle East and should be implemented promptly as to the frontiers of that nation or those nations which accept the proposed peace terms. Otherwise we continue to be faced with the refusal of some nations to enter into peace negotiations or even to recognize the existence of the State of Israel. What is the position of the State Department in this regard?

There are two additional matters as to which we seek information from the Department: first, we do not believe that economic aid should be extended to any nation which is engaging in warlike or aggressive maneuvers against any part of the free world. Therefore, we would like to go on record as urging our Department of State to consider most carefully further extension of economic aid, denying such aid to those countries which by their actions endanger the peace and security of free nations. What is the position of the State Department in this regard?

Second, we agree with your August 26, 1955, statement concerning the immediate desirability of economic and technical help in resettling those Arab refugees whose continued presence in their present location delays or impedes the possibility of a total solution of the Arab-Israel problem. What progress has been made by our Government and associated nations toward the solution of this matter?

We recognize that the continuing effort of our Government to counter the spread of world communism has many facets. Action taken anywhere may have repercussions in all parts of the world. But we do urgently feel that our constituents will be better informed by frank statements of the position of the Department of State wherever that is possible, consistent with national security. As Members of Congress, who support the aims and objectives of this administration, we are particularly anxious that our constituents be advised that the Department is taking positive steps toward the protection of free nations such as Israel and toward the dissolution of dangers which in threatening the peace of Israel, threaten also the peace of the free world.

We would much appreciate an early response to this urgent expression of our concern.

HUGH SCOTT, 6th District, Pennsylvania; ALBERT P. MORANO, 4th District, Connecticut; KENNETH B. KEATING, 38th District, New York; EDMUND P. RADWAN, 41st District, New York; JAMES G. FULTON, 27th District, Pennsylvania; THOMAS M. PELLY, 1st District, Washington; THOR C. TOLLEFSON, 6th District, Washington; KARL M. LECOMPTE, 4th District, Iowa; R. WALTER RIEHLMAN, 35th District, New York; ALBERT W. CRETELLA, 3d District, Connecticut; HOWARD H. BAKER, 2d District, Tennessee; HORACE SEELY-BROWN, Jr., 2d District, Connecticut; TIMOTHY P. SHEEHAN, 11th District, Illinois; ALVIN M. BENTLEY, 8th District, Michigan; LAURENCE CURTIS, 10th District, Massachusetts; GORDON CANFIELD, 8th District, New Jersey; ROBERT W. KEAN, 12th District, New Jersey; JOHN P. SAYLOR, 22d District, Pennsylvania; JOSEPH L. CARRIGG, 10th District, Pennsylvania; STUYVESANT N. WAINWRIGHT, 1st District, New York; STEVEN B. DEROUNIAN, 2d District, New York; FRANK J. BECKER, 3d District, New York; FRANCIS E. DORN, 12th District, New York; KATHARINE ST. GEORGE, 28th District, New York; BERNARD W. KEARNEY, 32d District, New York; WILLIAM R. WILLIAMS, 34th District, New York; HAROLD C. OSTERTAG, 39th District, New York; THOMAS B. CURTIS, 2d District, Missouri; JAMES T. PATTERSON, 5th District, Connecticut; WILLIAM E. MILLER, 40th District, New York; ROBERT J. CORBETT, 29th District, Pennsylvania; JACKSON B. CHASE, 2d District, Nebraska; PAUL A. FINO, 25th District, New York; RUTH THOMPSON, 3d District, Michigan; GORDON L. MCDONOUGH, 15th District, California; DEWITT S. HYDE, 6th District, Maryland; FREDERIC R. COUDERT, Jr., 17th District, New York; CARROLL D. KEARNS, 24th District, Pennsylvania; DONALD L. JACKSON, 16th District, California; PETER FRELINGHUYSEN, Jr., 5th District, New Jersey.

FEBRUARY 6, 1956.

GENTLEMEN: I have your letter of February 3. I share your concern at the continuing tense situation in the Near East, and at the persistent threat it represents to the peace. Let me say that the foreign policy of the United States embraces the preservation of the State of Israel. It also embraces the principle of maintaining our friendship with Israel and the Arab States.

The Government of Israel, feeling that its peaceful existence is threatened by the large amount of arms now made available to certain Arab countries by the Soviet bloc, desires to purchase from the United States and other countries additional armament to balance what it considers to be the increased threat against it.

The United States recognizes that current developments could create a disparity in armed force between Israel and its Arab neighbors. However, we are not convinced that that disparity can be adequately offset by additional purchases of arms by the State of Israel. Israel has a population of under 2 million, whereas the Arab population amounts to tens of millions, and they apparently have been offered access to huge stores of Soviet bloc material. Under this circumstance the security of Israel can perhaps better be assured by means other than an arms race.

The having in hand, by Israel, of equal or superior arms is not the only deterrent to aggression. Israel is a creation of, and member of, the United Nations; the Arab States are also members, and all are solemnly bound by that Charter to refrain in their international relations from the threat or use of force. The United Nations organization is capable of providing many forms of protection. Furthermore, the United States in 1950 joined with the United Kingdom and France to declare a policy of action within and without the United Nations to deter aggression by either side against the other. United States policy in that respect has recently been reemphasized in the statement issued on February 1, 1956, by President Eisenhower and Prime Minister Eden. The combined influence of the nations which would, under the United Nations Charter and the Tripartite Declaration, be against any armed aggression is a far more effective deterrent to any potential aggressor than any amount of arms which could be obtained by either side.

We do not exclude the possibility of arms sales to Israel. But it is our belief that the security of states in the Near East cannot rest upon arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. We are actively working toward the establishment of such relations.

In my speech of August 26, 1955, made with President Eisenhower's concurrence, I referred to the fear and tension arising in the area from the lack of fixed permanent boundaries and indicated United States willingness to assist the parties in substituting agreed frontiers for armistice lines. To encourage the parties to work toward such agreement and to assure them that the United States would be prepared to make its contribution to the maintenance of international respect for such boundaries, I stated that the President would recommend that the United States participate in an international guarantee of agreed frontiers. That statement still stands.

You inquire about economic aid. United States policy in the extension of economic aid is based upon the desire to strengthen other free nations. In the case of each aid program we take into account the nature of the project in question and the purpose for which it was intended. I can assure you that United States aid would not be extended for purposes or under circumstances which we judged would undermine peace in any part of the world.

The Arab refugees remain perhaps the most important single source of bitterness existing between the Arab States and Israel. In my speech of August 26, 1955, I proposed that the problem of the Arab refugees be attacked in several ways. I suggested United States participation in an international loan to Israel to assist her in funding her obligation to pay compensation for property left in Israel by the refugees and which is now being utilized by Israel. I recommended assistance to Israel and the Arab States in the rehabilitation of the refugees both by repatriation to Israel to such extent as might be feasible and resettlement in adjoining Arab States. In this connection the Arab States and Israel have accepted, on a technical basis, the Jordan Valley plan which would provide new economic opportunities for several hundred thousand refugees. But final political approval remains to be achieved. Thus, some progress has been realized, but much remains to be done.

I know that you all understand that it is not practical, or in the interest of the goals we seek, to discuss publicly all of the factors involved in this complicated situation. I know you also recognize that the problems of this area must be studied in the larger context of the free world's unceasing struggle against international communism. I have, however, no hesitation in declaring that the United States, seeking for itself to avoid involvement in war, is earnestly striving as a friend of both Israel and its Arab neighbors to relieve the present tension in the area. If the political and economic developments should subsequently become such as to make congressional action desirable or necessary,

the President would, of course, promptly communicate with the Congress.

Sincerely yours,

JOHN FOSTER DULLES.

Mrs. KELLY of New York. I want to thank the gentleman from Pennsylvania. However, I want to point out I made that statement in my opening remarks prior to yielding to other Members. I do want to bring out this point that as a member of the Committee on Foreign Affairs, I took a trip to Europe with a subcommittee and it was only there in Europe that we learned of the Czech-Egyptian arms deal. That is in the record of the subcommittee. It was known to the Department of State as a rumor in the spring. I think it should have been brought to the attention of the House during the session last year. I also feel that had it been brought to the attention of the House, we might have, which I also wrote into the report of the subcommittee, we might have and we should have called off and postponed the Foreign Ministers' Conference in the fall and thus show to the world the insincerity of the Russians.

Mr. MULTER. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. MULTER. I would like to ask a question of the gentleman from Pennsylvania [Mr. SCOTT]. We all appreciate the intense interest that the gentleman from Pennsylvania [Mr. SCOTT] has had in this problem all through the years and his very sincere approach to it. We all appreciate how important it is that peace negotiations in a delicate situation such as this be carried on behind the scenes, but I would like to have the House advised about, and if it cannot be answeerd orally at least to have the record completed by supplying for the record, a single instance where the Secretary of State has said to the head of any of the Arab States that the United States as a part of our foreign policy guarantees the integrity of the State of Israel. I think that should be made clear—not to us—not to a press conference, but to the Arab States. Now, if we can supply that for the record, I think we will have moved forward a long way. Can that be supplied?

Mr. SCOTT. I would answer the gentleman by saying that, in effect, that is exactly what was accomplished by the tripartite declaration.

Mr. MULTER. That, too, I am sorry to say is not a declaration to the heads of the Arab States. Let us have a statement from the Secretary of State to the heads of these Arab States that this is it.

Mr. SCOTT. I think the gentleman also said that in August of 1955.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I want to add my tribute to the gentlewoman from New York for the opportunity that has been given here today to bring to the attention of all America the fact that this is not in any way a local problem or a problem which affects just a part of the population of our great country. This is a problem which too many Americans fail to realize is fundamental to the security of our own Nation and to the peace and security of the entire world.

First, I think that when the record is written there can be no question as to which side is right in this dispute. America has never been hesitant to move forward on the side of right.

But above all else, I think we should understand very clearly that the present situation is but one of the pawns in the great overall effort of Communist Russia to succeed in her plan of world conquest. If she can get rid of the State of Israel, and if she can wipe it out and have a free corridor into North Africa and into Asia they will have accomplished part of their plan. It is perhaps being accomplished by the help and the aid of the Arab nations. Certainly it is up to our Government to see that this does not happen. Certainly, not only for the humanitarian reasons that have been advanced today for the preservation of the rights of the people of Israel to remain a nation, but above all else, because the rest of the free world is looking to us for a plan of action which will safeguard liberty and freedom, and which can be destroyed if we let our weakest link snap, there must be a firm course of action now. So today, if we repeat the truths that have been recited over and over again, it is merely that the truth needs to be repeated in order that the world at large and all Americans may understand the true issues.

I thank the gentlewoman for giving me this opportunity.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague [Mr. KLEIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KLEIN. Mr. Speaker, we are all greatly indebted to the distinguished and lovely gentlewoman from New York [Mrs. KELLY], for bringing this matter to the attention of the Congress.

This problem is presently also receiving the attention of our Government in conjunction with the governments of France and Great Britain. It continues to be one of the most important matters before the United Nations as well.

Many of us are fearful that the recent conference between the President and the Prime Minister of Great Britain may have resulted in some high level decision to further appease the Arab nations at the expense of that tiny democracy, Israel. We must here raise our voices against any such decision. No amount of oil, which seems to be the factor most affecting our position in the Middle East, or for that matter, any monetary or other pecuniary consideration, temporary or otherwise, that we can obtain as a result of "selling out" Israel will in the long run be of benefit to us. The people of this country, as well as many throughout the world, are looking to our Government for world leadership. Israel, as has been said here many times, is our greatest bulwark against Communism in the Middle East. This has been demonstrated time and again whereas many of the Arab countries have been playing "footsie," first with the Nazis, and now with the Communists. They have demonstrated that in a time of emergency when we might need them most, they cannot be depended upon.

It is to be hoped that our Secretary of State and the Prime Ministers of the governments of France and England, which were signatories to the Tripartite Declaration of 1950 will at least live up to their obligations under that agreement.

Again I want to thank my colleague from New York [Mrs. KELLY] for this opportunity of presenting here what I believe to be the views of the majority of this Congress.

Mr. KEOGH. Mr. Speaker, I would like to compliment the gentlewoman from New York on her obviously studied, experienced, and considered presentation today. It is further proof of that which we from New York have known for a long time, that in our colleague on that great Committee on Foreign Affairs we have a Member upon whom we can rely and depend to state lucidly and tersely her position on any difficult subject. It is further justification for us to come more and more to lean and rely upon her judgment in this situation.

The gentlewoman has expressed views to which I can wholly and entirely subscribe. I therefore need not delay the House any longer, other than to say to you, Mr. Speaker, that I am sure that out of this discussion will undoubtedly come the action that seems to be needed.

Mrs. KELLY of New York. I want to take this time to thank the gentleman from New York [Mr. KEOGH] for his remarks. I only wish that I could have that same effect on the State Department with reference to Israel, but at least I tried.

Mr. KEOGH. If I still have a few seconds, I would say whether the gentlewoman has any effect upon the State Department is not as important as the effect we know she will have had after today upon all thinking Americans.

Mrs. KELLY of New York. I thank the gentleman.

I now yield to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Speaker, I would like to join with the other Members in expressing our appreciation to the gentlewoman from New York [Mrs. KELLY] for the great work she has done on this subject and for the fine work done by her committee in the Middle East. I know I express the opinion of many Members of the Congress in stating that we are indeed fortunate to have the gentlewoman from New York [Mrs. KELLY] play the guiding role she has in this field.

It seems a little presumptuous for a freshman Congressman to come before this great body to make suggestions as to what should be done on such a vital issue as the Middle East. However, I think that is typical of the void that exists because our State Department, who should be expert in this field, have

taken no position whatsoever. It seems to me clear that leadership must be had—and had soon—on this subject or we will lose our position in the Middle East through the very virtue that we have not exercised—that of leadership in this area.

So with the knowledge that this is a highly sensitive field I would like to put forth some suggestions that seem to me would be of some help in this troubled area.

It seems clear to me that the following steps would help resolve some of the problems in this area. Of course, it is conceded that there is a good deal of controversy and many problems to be solved, but some action must be forthcoming and forthcoming soon. I suggest that, first, under no circumstances should the United States sell arms to Egypt. If Egypt desires peace she has more arms than she needs. If Egypt wants war she has more arms than she deserves.

Second. United States should enter a mutual-security pact with all peace-loving nations of the Middle East. A pact which would not preclude the entrance of Israel into mutual defense against non-Middle East enemies and which would guarantee the borders of those countries.

Third. Impose economic sanctions on nations that breach the peace. That is, for example, unload our surplus cotton, for which all our taxpayers have paid their tax dollars to support, in Egyptian foreign markets at a low price, if Egypt should breach the peace in this area.

Fourth. Offer concrete help in order to develop Israel's oil resources to their fullest.

Fifth. Provide defensive arms needed by Israel to protect itself against any aggression.

Sixth. By educational methods and by the pressure of world opinion, try to bring to the consciousness of the Arab States that it is to their own self-interest that Israel survive. So that its men of learning, its doctors, its public health experts, its irrigation experts may be utilized by the people of the entire area. So that the whole of the Middle East may flower and peace again shine on the lands from which all mankind sprang.

In my opinion, Mr. Speaker, until these things are done it is only logical to expect that the prestige and influence of the United States will fall even lower in this most important and strategic area of the world.

Thank you, Mrs. KELLY, for allotting me this time.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I would like to commend the gentlewoman from New York for her leadership in this matter and to associate myself with her remarks.

I would like also to commend my friend from Massachusetts and to say that I particularly associate myself with the solutions which he has just set forth.

Mrs. KELLY of New York. I thank the gentleman.

Mr. ASHLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I am very anxious to associate myself with my colleagues and particularly with the gentlewoman from New York [Mrs. KELLY] and to say what a splendid and fine thing she has done today.

Surely, Mr. Speaker, there can be no doubt that the situation in the Near East is far different today than it was a year ago. American policy, if it is to be realistic, must face the fact that Soviet influence is now firmly established in Egypt—a highly volatile and nationalistic country under military rule which currently relies on the Communistic bloc not only for arms, but as the main market for exports, and as a source for economic aid and technical assistance.

If we are to be realistic we must recognize that nothing, now, can keep Russian embassies and emissaries out of the Near East, and that it is wisest to enlist them, as soon and as publicly as possible, in the ranks of those who do not want a second Israel war.

I think that it must be made unmistakably clear, Mr. Speaker, that the sale of arms to Israel—as proposed in the joint declaration signed by Republican and Democratic Members of this body alike—is only a short-range measure to preserve the tenuous peace which exists today more by chance than by design. The sale of arms to Israel, all of us agree, is absolutely consistent with the Tripartite agreement of 1950 which recognizes that the nations of the Near and Middle East must have arms for purposes of self-defense and the stability of the area. Only the conditions have changed. Arab nations which were relatively weak in 1950 today are growing stronger by the hour with the delivery of heavy weapons and jet aircraft from the Soviet Union. Surely there can be no question but that the balance of strength between Israel and her hostile neighbors has been dangerously upset. Nor can we dispute the fact that a tiny oasis of democracy, only 8,000 square miles in area and a mere population of 1,600,000, is surrounded by sworn enemies whose total population is 40 million and whose total territory is in access of 1 million square miles. If the Tripartite agreement was necessary in 1950, as we are all convinced that it was, then surely it is all the more essential today.

The void in United States policy just referred to by the learned and eminent gentleman from Massachusetts, Mr. MACDONALD, must be filled by thoughtful but positive action. The proposals which he set forth would do much to fill the ghastly vacuum which today is causing the entire world such anxiety.

At the risk of repeating myself, Mr. Speaker, let me again say that opportunities for peace are precious because they are only momentary; they must be taken by free people with courage and conviction.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Speaker, needless to say, I am profoundly grateful, and I know I speak for everybody within range of my voice, for this opportunity the gentlewoman from New York [Mrs. KELLY] has presented to all the Members of this House to express their views on the stark conflict that now exists in the Middle East.

The basic facts in North Africa and Asia Minor are bitter. The Arab league in the driver's seat with Egypt at the reins is against us, playing Russia's game. The Arab league opposes the Northern Tier Pact between Turkey, Iraq, Iran, and Pakistan; so does Russia. The United States supports this Northern Tier arrangement as a keystone in our defenses against Russia, yet the timid in our midst temporize.

Israel, the only democracy as we understand the term, in the Middle East, is on our side. To whom, in the name of common sense should our aid and sustenance go, if not to Israel? Should we comfort our enemies and leave our friend naked?

Apart from these stark reflections on the real politics of North Africa and Asia Minor with one eye on the Dark Age and medieval history of militant Islam and its modern counterpart, the Arab league, and the other eye on the heroic struggle of modern Israel for freedom and self-respect, what kind of man would I be if I looked the other way? I cast my lot with Israel and against the Arab league and to the Arab league, as far as I am concerned, we should give nothing, no economic aid, until they back down and show a willingness to play the game as a civilized western world understands the rules.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BOYLE].

Mr. BOYLE. Mr. Speaker, I, too, extend my appreciation to the gentlewoman from New York on her efforts in pointing up the explosive situation which obtains in the Middle East.

On April 27, 1955, in my salute to Israel on her seventh anniversary, I pointed out that the present administration has released arms to Iraq and the Arab nations while refusing arms to Israel since 1952. Today, we find the United States and the West still furnishing arms to the Arab nations, who are receiving arms from the Soviet Union as well now, and our Secretary of State still refuses to sell arms to Israel. My well-intentioned advice in that speech about a treaty arrangement with Israel has been ignored and refused.

Of course, all the emphasis possible must and has to be directed to the goal of peace. Nobody wants an arms race in the Middle East. But I certainly do not want to see Israel put in the position where she is helpless against her enemies. An arms race can be bad but it would be infinitely worse for democracy and for the world if the United States and the United Nations should permit the Arab States to overrun the beacon of democracy in the Middle East—Israel.

Israel, as we know, is a tiny struggling island of democracy surrounded by forces which threaten its very life and existence. These forces, the Arab nations, see in Israel a threat and living refutation of the systems of despotism and abso-

lutism to which most of these surrounding Arab nations, despite certain lip-service to the contrary, are clearly wedded and devoted.

And more than that, we now have the situation where these enemies of Israel are receiving aid not only from the West but also from the nation that is the greatest threat to our own security, namely the U. S. S. R. And our Secretary of State temporizes and continues to be afraid to sell arms to Israel because he "might start an arms race." The sooner our Secretary of State realizes and understands than an arms race has already been started and that Soviet Russia is running very hard in that arms race by arming the Arab nations against Israel the better off will be not only Israel and the United States, but the whole civilized world as well.

Nobody wants war and everybody will do everything possible to prevent a war from breaking out. But it would be even worse to allow the Arab nations to overrun Israel and as the Arab States say drive them into the sea.

It is not necessary to repeat and mention all of the privations and hardships that the people of Israel suffered at the hands of the Nazi before and during the last war. Let us not put them in the position where they might suffer even more of the same sort of treatment at the hands of the Arabs.

In my salute to Israel on April 27, 1955, I advised that—

> Our Government should not furnish any arms to the Arab States until and unless they sign treaties of peace with Israel and give indications that they will honor and be bound by the terms of such a treaty.

And that—

> Israel should be included in any defense arrangements for the Middle and Near East.

I wish to now repeat those words of advice to our Secretary of State.

Israel needs a security treaty with the United States and she now further needs defensive arms from the United States and the West with which she can deter an Arab attack which she fears is scheduled for this next summer. There are four reasons why Israel fears an attack this coming summer. They are:

First. Progressively increasing Arab hostility. The Syrian delegate to the United Nations has told the Security Council that Israel has no legal or political right to any of its 8,000 square miles of land.

Second. Unconditional Soviet support of the Arab position and Soviet penetration of the Middle East, threatening Israel's national existence and its democratic principles of life.

Third. "A massive infusion of deathly armaments" into Arab countries from both the Communist bloc and the West. This has fused British centurion tanks with soviet MIG jet fighters and bombers, submarines, and artillery, for only one purpose, "war against Israel."

Fourth. The lack of a security alliance with any other nation, causing Israel to feel she stands "alone in her peril."

As I said last April, our Government should make a determined effort to bring about direct negotiations between Israel and the Arab States so that peace between them can be effected. Formal treaties should be prepared within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties. But our Department of State must also remember that the Arab States are preparing to drive Israel into the sea. For this reason, and this reason alone, the United States and the West must furnish arms to Israel so the Israeli can protect themselves against attack by the Arabs. Accordingly, I join in making this further specific suggestion: that our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Speaker, I, too, want to commend the gentlewoman from New York for her able presentation today and for bringing this matter to the attention of the Congress.

Mr. Speaker, it is imperative that our Government take firm and decisive action in the Middle East. If the Arab States and Communist Russia are encouraged to believe that the democracies have abandoned Israel, or any country, they will attack as was done in South Korea. I have always believed that if Secretary of State Acheson had taken a firm stand against the North Korean Communists before June 26, 1950, there would not have been an attack on South Korea. A similar situation exists between Israel and the Arab States.

In the face of Egyptian-Soviet arms deals, other Arab States will be emboldened to attack Israel and other countries and, at the same time, follow the Egyptian lead into the Soviet orbit.

In order to prevent another South Korea, this is the time for the West to show clearly that it is ready to defend peace in the Middle East with firm and binding guaranties of support.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I want to commend the gentlewoman from New York, Mrs. EDNA KELLY, for her outstanding contribution in enlightening the Members of the House regarding the critical situation involving the nation of Israel.

At the time that President Truman recognized the infant nation, the people of the free world hoped that Israel would be a beachhead of democracy in the Middle East. We now find that the complex and intricate infiltration maneuverings of the Kremlin has been stirring up dissension among the neighbors of this small democracy, the Soviets are using the same blueprint, with but few changes, on the strategy, that they used when they subjected the now captive nations in Europe under their tyranny. It is high time that our country, the recognized leader of the free world, take decided steps to protect the democracy of Israel from the encroachments of its adjacent enemies who would destroy this small country if they did not fear the repercussions from the free nations of the world. I am alarmed at the actions of our State Department that it is not taking a more decided stand through our ally Great Britain in curtailing the shipment of arms and ammunition to the enemies of Israel. If this cannot be done, at least the free democracies should aid in every way to give Israel the needed arms and airpower to defend itself in case of attack.

Through my experience as chairman of the congressional Katyn Forest Massacre Investigating Committee in the 81st Congress and the Committee on Communist Aggression in the 82d Congress, I can readily see that Soviet communism is at work in the Near East using the same blueprint that it used during the last 20 years in creating suspicions and unrest in Central Europe. All the leaders of the captive nations who observed the Soviet strategy in those days, can easily identify the Kremlin maneuverings in stirring up dissension, bitterness and strife in the Middle East. This is part of the Communist strategy and tactics in its slow and ultimate desire for world control and domination. I firmly believe that the free countries, including our own, must now take a decided stand on the Israel crisis before the Communist propaganda and armament will incite Israel's enemies into a vicious attack upon this small democracy in the Middle East. Concrete steps taken now may avert general war in the Near East.

I am happy to be one of the 94 Members of Congress who signed the petition and which today has been presented to the Congress by our colleague, Congressman CELLER, of New York.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I have listened to the talks this afternoon and I have been moved deeply. Israel is threatened with annihilation, with being wiped from the face of the world. To save her, to prevent one of the great tragedies of all history, we must act now. Today is being raised the voice of the Congress.

Back of Israel lies here in our United States of America an ocean of sentiment and of emotion. Our Americans of the two most numerous religions have a sentimental historic interest in the area wherein has been established the State of Israel. We have seen this State established in a spirit in which our own country was established, by people who have come from oppression, from hardship, and who saw ahead the sun of a new day of hope. They made great sacrifices. They made a great start. They were men and women and children with a purpose and the hardihood and devotion to fulfill a mission. And in the enactment of their laws they followed so much our own pattern. Here in the United States those of the Jewish religion have been in the minority. In Israel they were in the majority, and one of the first enactments of Israel was to guarantee religious freedom, with no handicap upon any minority. So, in everything that Israel has done we have

seen a reflection of the things that were done in the building of this country.

Now Israel has been brought by the wicked designs of an alien theology to the point of great danger. Arms are being supplied her enemies for her destruction. It is not a matter of months, time for long negotiations and study in the closed offices of the State Department. It is a matter perhaps of days, certainly a matter of weeks or of a few months until it all will end in one of the great tragedies of history. Can we stand idle when all the enemies around Israel are being supplied with arms and the threat is out "Israel will be wiped from the face of the earth." That, I think, is why we have in the House of Representatives of the Congress of the United States are meeting today that all the world may know our demand for prompt action.

And, upon what are we basing our reason? We vote here in the Congress for large sums of money to defend our own country, and we say we are not engaged in a war of armaments. We are not in a race of armaments, what we seek is peace. But in building our own defense we say that to have peace we must have strength. So we would apply that same rule to Israel. We say that in order that there shall be peace in that area, where Israel is our friend, Israel shall have sufficient arms to match the arms that are given her enemies; not to wage war but to preserve the peace by destroying the imbalance that invites war.

My friends—and I am measuring my words—if Israel is permitted to fall, Israel, which is the prototype of our own country in that area, the cathedral of democracy in the Midle East, if Israel is permitted to fall because of our procrastination, because of our cautiousness, because of our lazy indifference, then, my friends, the day may not be far away when our own country will feel the impact because once from the heart of Americans has been lost the spark it may never be regained. What is that spark that carried our country through the years of its founding and through the perplexing problems of growing years? Is it not the spark of our lives and of our traditions that we will not see thrown down and kicked while he is down our brothers and go not to his succor? I hope and pray that never will that spark be lost to us.

Yes, we are striving now to hold high the spirit of these United States which is the spirit of all democracy and in which we find a reflection, brilliant as the rising sun, in our alley, our friend, and brother to our heart, Israel.

For Israel and to all the world we want peace. Peace in this area can be purchased only with strength. We will not stand idly by and permit to grow and expand an imbalance certain to end in war.

In our joint statement calling upon our Government to permit Israel to purchase defensive arms in the United States, close to half of the Members of the House summarized the situation in the Middle East in these words:

> Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world.

Being party to an armaments race in the Middle East is a decision fraught with desperate possibilities. Unfortunately Russia seized the initiative. In arming the Arabs, as she is doing through her satellite Czechoslovakia, she has left us no alternative but to arm Israel.

Our own security as well as the security of the free world is now threatened by Communist penetration into the Arab States of the Middle East. Unless Israel is armed an imbalance of armed strength may tempt Egypt to wage war against Israel setting off a conflagration which could be world war III.

The Egyptian-Czech arms deal brings the cold war to the Middle East. The survival of Israel is menaced.

We cannot let Israel down. In abandoning her to the Arabs, an effect which at this point would result from failure to arm Israel would mean that the free countries of Europe and the Far East would be outflanked and our own security jeopardized.

The Arab countries are deceived into believing that Russia is honest and friendly. We know that the Soviet objective is to stymie United Nations action in order to maintain and increase the dangerous tensions existing in that area.

Israel has earned the right to national life. Established in fulfillment of the League of Nations mandate to facilitate the founding of a national home for the Jewish people Israel in little more than a decade has made a remarkable record. Jewish pioneers have restored fertility to the soil and redeemed a land from feudal squalor.

In the few years of national existence, Israel has opened her doors to 700,000 immigrants creating for them new homes and means of livelihood. In Israel equality of opportunity is no myth. Education is a major goal. The country gives the impression of dedicating itself to bringing up and educating its children.

A nation founded upon our own principles of democracy, Israel is dedicated to the betterment of man. Israel must not perish.

Mr. Speaker, I join with my colleagues in commending the brilliant and devoted Congresswoman from New York [Mrs. KELLY] for her masterful presentment today. No better presentment, with the driving power of eloquence combined with compelling sincerity, has been made in this body during the years it has been my honor and my privilege to be a Member. She has rendered a great service to her country, to Israel and to the world.

Mrs. KELLY of New York. I thank the gentleman from Illinois. I now yield to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Speaker, I wish to compliment the gentlewoman from New York. She has made a very wonderful and able presentation. She and the other gentlewomen of this House perform a tremendously great service, not to their country alone but to all of us. They inspire us all to exert the best that is in us, and their courage, their equanimity, and their adherence to righteous principles, strengthen the rest of us in a way that we can better meet and discharge the manifold and onerous problems which confront us. Walt Whitman stated this thought in a different way when he said:

> A man is a great thing upon the earth, and through eternity, but every jot of the greatness of man is unfolded out of women.

So I pay humble tribute to the gentlewoman. She is sincere. I am likewise sure that every Member participating in this discussion today has spoken in the utmost sincerity.

I am now going to take that which likely will be an unpopular position. Certainly it is a position which easily can be misunderstood. There may be some who will accuse me of making a speech for the Arabs. There may be others who will falsely accuse me of being anti-Jew or anti-Israel. But I would rather be falsely accused, and I would prefer that these things be said against me ill-advisedly than to think within myself that I sat idly by and said nothing and, by so doing, betrayed my own conscience and my own country. I am not pro-Israel or pro-Arab. I am pro-America.

I do not think that the answer is arms now. It is dangerous to think that we can solve the explosive situation presently existing in the Middle East by participating in an arms race at this moment. Mr. Speaker, this is not a matter which can be settled on the basis of emotions or passions. You and I know that everything pertaining to this subject cannot be brought out in an open debate, because there is much information that is highly classified and secret and which, therefore, cannot be divulged in an open discussion like this.

In October and November I visited the countries of Lebanon, Jordan, Syria, Egypt, Iraq, and Israel. I was part of a study mission which engaged in conversation with American officials in those countries. We visited the refugee camps in Jericho and Amman. We talked with Colonel Nasser of Egypt, with the king of Iraq, and with leaders in other Arab countries and Israel. We discussed economic, political, and military problems. On the basis of my observations, as a Member of the House Committee on Foreign Affairs visiting those countries, I am convinced that the answer is not arms now.

Stephen Decatur said, at the beginning of the 19th century:

> My country, may she always be right. But, right or wrong, my country.

I have no doubt that every Member who has spoken today places the well-being of his country first of all. I, too, place the interests of the United States and the welfare of my beloved country—and I hope no one will think me chauvinistic—but I, like you, place the interests and security of my own country above the interests and welfare of any other country or any combination of countries in the world. And speaking from that premise, and on the basis of facts gleaned from my visit to the troubled Middle East, I do not believe that the answer is arms now. Future developments could convince me that this

may be the ultimate solution, and I certainly would hold that the United States should not permit Israel to be wantonly overrun or destroyed. But I do think that for us to supply arms to Israel at this moment would only serve to compound the obstacles to peace in the Middle East. If we furnish arms to Israel, we encourage greater arms shipments to the Arab countries. This can only contribute to an ever-widening vicious circle and perhaps ultimately to the total destruction of Israel itself and to our own involvement in world war III.

I wish to thank the gentlewoman for granting me this time. I told her that my position would not be in accord with the position taken by others who have engaged in this discussion, although I am sure that our ultimate goal is the same. I assure you, Mr. Speaker, that I have participated only with extreme hesitancy. It is a matter which I would not debate openly with anyone, but I simply could not refrain from having the record show that there are other aspects to the matter which cannot be brought into our conversation here but which are certainly to be evaluated if our Government is to properly determine its course of action and the policies to be followed. I do not want the American people to believe for 1 minute that there is only one viewpoint on this question, nor do I want our own State Department to be pressured into following a course of action which, incidentally, may be politically expedient at the moment but which may not be in our own national self-interest.

The issue is larger than Israel. It is larger than the Arab countries. The issue could well be the peace of the whole world. The strategic waterways and the all-precious oil fields of the Middle East are in the balance and, in the titanic could war struggle presently being waged between East and West, we simply cannot afford to see these slip into the hands of the Communists by default.

May I say in conclusion that I believe that the Secretary of State understands the complexities and the potentialities of this problem. I have not always agreed with him on foreign policy. Actually I have usually disagreed, because, in the main, I think that our foreign policy lacks firmness. I have said upon more than one occasion that we are losing ground because our foreign policy is no longer anchored and founded on the bedrock of moral principles. To be assured of this we have only to review the position taken by our Government on the United Nations package deal so very recently. It is time to take a firm stand for principles, as I said in this House on January 26 and again on February 1. Nevertheless I do believe that the Secretary of State is honestly trying to find a workable solution to the dangerous Middle East enigma. If we can find a workable solution short of agitating and encouraging an arms race between two great peoples, I certainly think it to be in the best interests of all to do so.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield?

Mr. BYRD. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I congratulate the gentleman. I, too, visited some of those countries in 1953. I certainly agree with the gentleman from West Virginia that this is a two-sided question. The sending of arms at this particular time is not the answer. I wonder if all sides, including the Arab countries and Israel, could show good faith by being willing to abide by the established boundary lines set up by the United Nations. I doubt if you would get very much cooperation. I just personally believe that. We are responsible for the setup there. As the gentleman from New York [Mr. CELLER] said, they have about 5,000 square miles now, whereas a few years ago they had 4,000 square miles when this was originally set up. It seems to me, if we are going to take it upon ourselves to force the issue and straighten it out, we should call upon Israel and all the Arab countries to abide by the original setup or the partition until such time as the United Nations or this country, or whoever has the chance, may be able to solve this thing without plunging the whole world into war.

Mr. BYRD. I thank the gentleman for his comments.

Mrs. KELLY of New York. I thank the gentleman from West Virginia [Mr. BYRD]. I know there is no more sincere Member of the House than he. I know there are many who disagree with the speakers today. I hope that we will not always agree. That is our process of government, to bring out those things on which we disagree.

But I do want to say this: I cannot forgive Egypt for taking the arms from the Kremlin and at the same time coming to the United States and asking the United States for economic assistance in building the Aswan Dam. I served notice on the Secretary of State that when the proper time came I was going to oppose economic aid to Egypt unless Egypt agreed to sit down to a peace conference and settle the difficulties, political, economic, and military, with Israel.

I want to mention one thing at this point. There have been many accusations against the State of Israel because of some remarks that she is not willing to adjust borders. At this point I place in the RECORD a statement of Ambassador Eban in 1952, in which he discussed the territorial question:

> These frontiers can only be changed by a process of negotiation and agreement. The peace negotiation would enable the parties to exchange proposals on the manner in which the armistice frontiers might be mutually adjusted for a peace settlement.

I also insert a more recent remark by Mr. Sharett, the Foreign Minister of Israel, in which he expresses the same idea in these words:

> Israel has always declared her readiness, and is indeed anxious, to explore the possibility of certain mutual adjustments of the boundary line, but of unilateral territorial concessions on her part there can be no question.

On that I agree. They should sit down to a peace table and adjust their differences. Then, at that time, we can guarantee borders.

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, on behalf of my colleague, the gentleman from New York [Mr. DOLLINGER] I ask unanimous consent that he may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. EDMONDSON). Without objection, it is so ordered.

There was no objection.

Mr. DOLLINGER. Mr. Speaker, Secretary of State Dulles has once again turned down Israel's request to purchase arms; his reason this time is that we must wait until the new Anglo-American plan of Middle East peace has been tested.

In my opinion, there has been too much complacency and waiting. We have not been given the details of the Anglo-American plan agreed on in the Eisenhower-Eden conference and the length of the contemplated waiting period has not been indicated. It is hoped that the plan includes a firm and unequivocal stand by the United States that Israel is our ally, that we will support her in her efforts to remain free, that we will not permit her to be sacrificed in any way, that the situation requires no appeasement but rather that Israel deserves the right to exist as a democracy and to enjoy the peace for which she has always asked.

The crisis which exists in the Middle East has reached explosive and terrible proportions. The survival of Israel is in jeopardy. The cold war has crept to the Egyptian-Israel frontier, constituting a threat to the free world. Should a shooting war begin there, a world conflagration could ensue. We cannot accurately foretell at this point how many nations would be drawn into the conflict; we do not know whether or not the world itself would remain in existence should another world war be precipitated.

It is imperative that the United States use every means possible to bring a quick and decisive end to the threat of war in the Middle East. It is admitted that the solution is to promote an honorable peace settlement between the parties. I repeat—Israel has always wanted peace, but from the very day of the birth of the new State of Israel, she has lived in a constant state of fear and preparedness—fear of attack and preparedness for war. Egypt has consistently refused to recognize Israel and to negotiate for peace, and has sworn Israel's defeat and downfall.

The Egyptian-Czech arms deal, the weapons and technicians now pouring into the hands of Israel's enemies, and the lack of help to Israel, all place her in a vulnerable and tragic spot. The imbalance of arms which exists must be a great temptation to her enemies to accomplish what they have sworn to do—destroy Israel.

We sat back and permitted the crisis to be created; we watched the tensions grow, and now we are too slow to act. Our Nation must, without delay, act with other interested nations to the end that formal treaties within the framework of the United Nations are achieved which would guarantee the existing frontiers of

Israel and such Arab nations in the Middle East that want peace and are ready to enter into such treaties. Agreement to negotiate is a major problem and we must resolutely work toward the necessary agreement by the Arab nations to sit down at the peace table.

However, such agreement to negotiate is not within sight, while grave danger of a major outbreak of hostilities is a reality. The great imbalance of military power, the preponderance of military and manpower on the side of the Arab nations, are a menace to Israel's very existence. For this reason, our Government should permit Israel, without further delay, to purchase the arms which she has requested. Israel wants no arms race, but she does need help in order to be able to defend herself. By granting Israel's request and giving her all possible aid, we will create a stalemate in arms which will help to ward off any open conflict; we will defeat Russia's cold war aims in the Middle East and avert a new war.

Peace must be achieved. Statesmanship of the highest level is called for and we pray that the efforts of those upon whom the burden rests to push the necessary agreements will be successful, for the present threat to Israel is a threat to democracy and to the best interests of free nations everywhere.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. McCORMACK. Mr. Speaker, I have listened with a great deal of interest to the views expressed by various Members today. No one misunderstands the purity and the honesty of the motives of the gentleman from West Virginia [Mr. BYRD] even though at times we may disagree with the gentleman. There is not a small thought in his mind. The main question in my mind is what is good for the national interest of the United States. That is the primary question. It seems to me our national interest is more consistent with the national interest of Israel than it is with the national interest of Egypt. Egypt has identified its national interest with the national interest of the Kremlin and the Soviet Union. Certainly our national interest is more consistent with Israel than it is with Egypt, as I said before, and certainly our national interest is completely inconsistent with the national interest of the Soviet Union. All over the world we find what the Soviet Union is doing. They are in French North Africa with Communist arms being sent there by way of Egypt. Why, if France were to withdraw from NATO, in my opinion, they could make a deal tomorrow with the Kremlin to stop the Communist activities in French North Africa. One thing the Kremlin is trying to do is to destroy NATO. This last offer that they made of a 20-year peace with the United States, which the President wisely refused, and then the later offer to include the United States, France and Britain is for the purpose of undermining NATO. If the three nations made that agreement, then there would be no more need for NATO. A year from now they would start breaking their promises again. We know the history of broken promises in any agreement that has been made with the Soviet Union. Indonesia is not in healthy shape. The promises of the Kremlin have been broken in Southeast Asia. There are Communist guerrillas in pretty much control of two provinces of Laos and that is in violation of their agreements.

All over the world you will find Communist penetration, all for the purpose of bringing about their objective—world revolution and world domination. Of course the furnishing of arms alone is not the solution. But who brought about this imbalance? Certainly it was not Israel. I view Israel not as a nation of Jewish origin but like any other little nation of Irish people or any other little nation that might be over there, viewing it objectively and historically. Several thousand square miles; 1,600,000 people, including men, women, and children; surrounded by other countries numbering in the millions. Able to win now if they wanted to. If Israel wanted to move, they could win. They are the ones who are taking actions consistent with peace, trying to stop aggression, going into warfare; because everyone admits if Israel wanted to now they could win. But the question with Israel is, What about a year from now or 2 years from now; or of any other little nation over there? Their racial origin should be of no concern to us. We were the first nation to recognize the new nation of Israel. They are a real democracy. Their government is, in substance, the same as ours. It is the only democracy in that wide area of the world. So the imbalance of arms was not brought about by this little nation or by the United States. It was brought about by Egypt and the Soviet Union. We have to start doing a little reckoning of our own as to why they did it. Certainly it does not show much regard for the prestige and position of the United States when we see things like that happen. So that the question that addresses itself to me as an American—no matter what others' views may be, what is for the national interest of the United States. As I view the national interest of our country it is more consistent with that little nation over there than it is with Egypt, buying arms from the Soviet Union or Czechoslovakia, one of its satellites. Czechoslovakia would not sell any arms if the Kremlin did not permit it. Technically they say it is Czechoslovakia, but who dominates Czechoslovakia? Not the people, but the Government of Czechoslovakia does this at the orders of the Kremlin. Their word cannot be trusted. They are out to dominate the world, and they admit it. They put on a mask of a smile, but the mask of a smile has not changed the same minds that have contributed to sending millions to imprisonment and their death. We had better not be deceived by the mask of a smile. The same minds are there, intent upon world revolution and world domination. The quicker we get back to a policy of diplomatic firmness, where America's position is understood and respected, not disbelieved, not changing from day to day—the quicker we get back to firmness and to the basic policy of peace through strength, the quicker there will be respect for this great nation of ours.

So as I view this question, looking at it from the national interest of the United States, I say that the national interest of my country is more consistent with the national interest of Israel than it is with the Kremlin, selling arms to Egypt; more consistent with the national interest of Israel or Israel's national interest; more consistent with ours than it is with the national interest of Egypt or the Kremlin.

Now on the question of arms, I believe that the imbalance already caused by the Communists should be brought into balance but, if the representatives of the United States, Great Britain, and France, as a result of the meetings now going on, make firm statements that under no conditions will they permit this little nation to be destroyed or weakened, then there will be respect for the power, and dignity, and strength of those three nations. That is the kind of firm language that the Communists understand.

When we showed firmness in Iran they acted. They understand the language of firmness; they also quickly understand the language of weakness. The quicker we get back to being firm in the Middle East, and in southeast Asia, and other trouble spots of the world, the quicker we will get back to affirmative action. From the psychological angle we are on the defensive throughout the entire world. We had better get back to firmness and strength and get back to affirmative action not only in the Near East but in other parts of the world.

Mr. MADDEN. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, in confirming the statement made by the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], regarding the agreements which the Kremlin makes with other nations I may state that I was a member of the committee which investigated Communist aggression in the last Congress. During our hearing in New York ex-President Hoover testified before our committee. In answer to the question regarding Communist agreements and treaties he answered that between World War I and 1939, at the beginning of World War II, the Kremlin made 36 different agreements with the satellite countries, the countries that today are captive nations, but that when it came time in the judgment of the Kremlin to break those treaties, pacts, and agreements, the Kremlin disregarded, annulled, and figuratively threw those agreements in the wastebasket when they were ready to march and take over those captive European countries.

Further concerning the agreements and the treaties which the Kremlin made during the last 35 years—and this has a very important bearing on the overtures

the Kremlin is now making to our State Department regarding a 20-year truce—United States News and World Report several months ago, published an extended article with a breakdown of the number of agreements and treaties the Kremlin made with the free nations throughout the world. The magazine enumerated those agreements, pacts, and treaties. United States News and World Report stated that out of 52 agreements that the Kremlin made with the free democracies throughout the world during the last 35 years, 50 were discarded, broken, annulled, and thrown in the wastebasket when they saw fit to do away with those treaties, agreements, and pacts.

The only two agreements they kept out of the 52 with the free nations were: first the agreement to go into the Japanese war, to join the Allies against Japan, which was only a two weeks' participation on the part of the Kremlin; and the second was to maintain and give the free world a corridor into Berlin. We know that they even violated that agreement when we were compelled to resort to the air lift several years ago in order to feed the people of Berlin during the blockade.

So, as a matter of fact, out of 52 agreements with free nations the Kremlin really only kept one agreement and that was to go into war against the Japanese nation for 2 weeks at the rear end of World War II. I heartily endorse the statements just made by our majority leader, Mr. McCormack, of Massachusetts.

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Dingell] and the gentleman from New Jersey [Mr. Williams] may extend their 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. DINGELL. Mr. Speaker, on May 25, 1950, the United States of America, France, and the United Kingdom made what is known as Tripartite Declaration.

In that statement the three states expressed their concern over the peace and stability in the Middle East and the impact of arms shipments to that area which would inevitably lead to an arms race among the nations there.

Since that time all the powers involved have ignored the conditions in that area and indeed have almost ignored the existence of the declaration.

As we are all aware arms races are very often a last stage preliminary to actual armed conflict and they increase world tension by geometric progression.

We are all agreed that crying need exists for positive action in the area. America must boldly take the leadership in the Middle East as we must elsewhere. We are the only democratic Nation which has the strength and position of leadership in the free world which would enable strong positive action to avert a conflict which might result in the third world war.

American policy has been singularly vacillating and aimless in this time of stress, not only in the Middle East but elsewhere. At the same time the Russians and their satellites have acted vigorously.

The Soviet bloc has sent, according to recent newspaper releases, some 200 MIG-15 jet fighters, 50 Yushkin fast light bombers, 6 submarines, and large quantities of small arms, artillery, armor, and so forth to Egypt. I presume they have along a number of technicians to train Egyptians and operate some of the equipment itself. Britain, France, and even the United States have sent quantities of arms to Arab countries during recent months. Equally important is the fact that so-called surplus and demilitarized arms have been reconditioned and sent to Egypt and her Arab neighbors by Western European countries.

Two very disquieting things we read in the newspapers are that the Egyptians loudly boast that they will not rest until they have cut out the "Israeli cancer" from the "Arab heart," and they announce to the world how they have completed their first maneuvers with Soviet arms. Does this suggest peaceful intent?

These facts together with other things clearly reveal to us the need for positive action to prevent war. They make crystal clear the precise character of the Egyptian intentions.

As a prominent Israeli said:

> If Egypt desires peace she has more arms than she needs. If she desires war she has more arms than she deserves.

It is also interesting to note that Moslem countries like Pakistan, which have long clearly demonstrated their friendship for the United States and have alined themselves with us in the world struggle against Communist expansionism, are slighted by us in our rush to buy off and placate the Egyptians. Yet Egypt shows no friendship for America and no desire to settle the differences in the area peacefully.

I have heard that the British Government proposes to settle the matter by giving up a portion of Israel's territory to secure peace. This is indeed a return to the days of Chamberlain and his umbrella diplomacy which was to result in peace in our time.

The tragic history of Czechoslovakia and the war which followed reveal the folly and uselessness of such methods for the preservation of lasting peace. Such a policy is as likely to produce peace as for the United States to cede Brooklyn or Michigan's Upper Peninsula or for Britain to cede Scotland to the Arabs.

The last war shows that Egypt was at best a weak, indecisive, vacillating ally. At worst, Egypt came so close to selling out to Germany and the Axis Powers that the British had to run tanks into the very courtyard of Farouk's palace to prevent an actual betrayal. Subsequent dealings with Egypt in the postwar years have shown the orientation of that country continues the same. Some but not all the other Arab countries were no more reliable in that conflict.

It appears that Egypt dreams not only of becoming the dominant power among the Arab powers but of actually creating an Egyptian Empire from the Atlantic to India. To that end Egypt and Egyptian agents foment trouble all throughout that area among other things by inflammatory radio broadcasts into French Morocco, and by fomenting trouble in the Sudan they arouse the more peaceful states to a jihad or holy war. To this we contrast the behavior of our sister democracy, Israel, which has at all times shown herself a stout ally of the West. During World War II and during the troubled period following, she has urged no harsh methods nor stern repression against the Egyptians.

I say that the basis for action by the United States is adequately set forth in the tripartite declaration of May 25, 1955. The principles of that declaration have been ignored, not only by Britain and France but, to our shame, by our own Government.

Our State Department must urge on our friends, France and the United Kingdom, that we together proclaim to the world our continued aggressive espousal of the principles in the tripartite declaration and the three nations will govern our actions accordingly.

The three signatory powers must include in such a declaration that they will immediately take action to prevent country border violations by any country whatsoever.

On January 26, of this year, I made a statement in this Record, in which I urged that Egypt be given 48 hours to cease accepting Communist arms and to announce to the world their peaceful intentions. Because of our inaction since that time the situation has deteriorated to such a point that it appears that we must furnish to Israel the defensive arms she asks. I stress that Israel asks only that she be given defensive arms. As to why she must have them we need not speculate. Only 1,700,000 Israelis live in a land the size of our own State of New Jersey. They are surrounded by 40 million Arabs, who are openly and avowedly hostile.

Arab leaders have announced that they now hold Israel like a condemned prisoner on the deck awaiting but the executioner's blow.

We must recognize certain facts. Israel is a country which exists, a de facto country. She is recognized by most governments. We canont permit an existing country to be overthrown by implacable enemies from without.

Israel is the promised homeland of the Jews, for which they waited for centuries. It was Jewish before the coming of the Arabs and will continue to be so. For that we have the promise of the Almighty through his prophets.

What was previously a desert has become a land of green growing things, of industry, and of villages and cities. It has become desirable to the Arabs after being despoiled for years and having been an economic liability.

This has happened because of the industry and frugality of the Israelis. America must never let a people who love their land so much be overwhelmed.

The long-term problems can be worked out considering the needs of all the countries in the area. They may await deliberate action. The arms needs of Israel cannot wait.

Mr. WILLIAMS of New Jersey. Mr. Speaker, I want to commend the gentlewoman from New York [Mrs. KELLY], my distinguished and esteemed colleague with whom I have the pleasure of serving on the Committee of Foreign Affairs, for leading the discussion on one of the gravest problems the free world faces today.

I firmly believe that the people of this country feel we are without a firm policy and are drifting and indecisive in an area of our international relations that should call forth resoluteness on the part of the United States. It seems obvious to me that Israel, a free democratic nation realizing magnificent economic growth in a framework of freedom, is a friend that must be preserved.

The people of this Nation ask firm support for Israel in its present treacherous position. The people of this Nation realize that on our shoulders falls the mantle of leadership in working out a peaceful settlement of the tensions that exist in the Middle East. I commend my colleague [Mrs. KELLY] for her thoughtful proposals for solutions to the problems we face in the Middle East.

Mr. MULTER. Mr. Speaker, I will be very brief in my few remarks on this subject. I think all of my colleagues have done excellently in expressing their views to the House on this very important subject. I understand and respect those Members who have differed with the majority of the Members who have today indicated that one of the ways of solving the problem is to send arms now to Israel.

I would like to clarify the situation in several respects so that we will know precisely where we are going, and why. First, with specific reference to the remarks of the distinguished gentleman from West Virginia [Mr. BYRD] as to the things that are learned behind the scenes and must be kept off the record. I have had the opportunity to travel through the Middle East 3 times—in 1948, 1949, and 1955. I had the opportunity of visiting not only with people in Israel but with people in the Arab States. I had the opportunity of talking not only to the Israeli leaders but to the Arab leaders, both Christian and Moslem.

Upon my return after my last visit, which ended in November of 1955, I went to the distinguished chairman of the House Foreign Affairs Committee and said to him: I would like to attend before your committee and without emotion or statement of opinion recite to you some of the facts I learned while there. Then after hearing in executive session those facts which I learned from the Arabs as well as from the Israelis, from Moslems, Christians, and Jews, you then decide with your committee how much of that, if any, should be made public.

I want to assure you, particularly our distinguished colleague who said there are certain things that must be kept off the record because they are classified things that cannot be discussed in open debate—which causes him to say that this is no time to send arms to Israel, that I am awaiting the call of the chairman of that committee, and will respond any time he wants me. I will give him my testimony under oath if he wants it. I will give him facts, names, and dates. I am willing to sit by and let any other Member of this Congress or anyone outside of the Congress come before the committee and do the same thing. Let those facts be weighed side by side, and on my oath that I took each time that I came to this Congress after being elected, that I will support the Constitution of the United States, and with the same fervor that every Member here has that the interests of our country come first, I say you will have to agree with every Member who stood on this floor today and said that one of the solutions to this problem is to send arms to Israel now. That is only one of the solutions.

Let me indicate to you very briefly why. The little State of Lebanon to the north of Israel is smaller in geographical size than the State of Israel. It is smaller in population than the little State of Israel. With a population of about a million people it has a total army and police force of only 6,000 persons. It is said that the State of Israel can muster an army of 250,000. What is the situation? I was there in 1948 when most of that territory in Lebanon and Israel was barren, arid, and the people were starving.

In 1955 what is the situation? Little Lebanon is prospering. Little Israel is prospering. There is hardly an incident on the Lebanese border. Whenever there has been an invasion from the Lebanese border it has been traced not to the Lebanese but to the Syrians or the Egyptians, using the Lebanese border as a way of getting in and attacking Israel.

If those two little countries have been able to live side by side since the independence of Israel was declared in 1948, if they have been able with that tremendous imbalance in favor of Israel against Lebanon to live peacefully side by side and each prosper, how can anyone say that Israel needs arms today with which to wage a preventive or an aggressive war? They cannot do it logically.

Now, what is the situation across the border in Jordan or in Syria or in Egypt? Today, as it was in 1948 and for years before, the people are still living in mud huts, one-room shacks, and at night they gather their cattle, if they have any, or their goats or chickens into that little hut and sleep there together, because they dare not leave their animals outside. In Israel and in Lebanon, in both Moslem and Christian communities today, where there were these same kinds of mud huts in 1947 and 1948, you find modern structures, with the people living decently, improving their standards of living and asking for nothing except to be let alone so that they can live in peace. At the same time in Jordan, Syria, and Egypt they are still living as they did in the feudal days, with a few people at the top in control and refusing to allow the masses to improve their standard of living. Now, there is your basic trouble. You talk about refugee camps. There is hardly a refugee family within any of the camps in Jordan, Syria, or in Egypt that would not willingly move out if given the opportunity, and it does not take much. There the fault is that of the Jordanian Government, the Syrian Government, the Egyptian Government, and, I am sorry to say, of the British Government. If Britain would cooperate and permit these families to move out, you would have no refugee problem.

In addition to improving the balance of arms that is so necessary today as between Egypt and Israel, let me call your attention to this: Sending arms into Israel is not going to create an arms race. An arms race is on right now, and it is on between Britain, Communist Russia, and her satellite nations. They are both pouring arms into that area, into Egypt and into Syria. What our State Department ought to say to Great Britain is "If you are truly our ally, if you are truly our friend, then you stop this arms race; you stop feeding arms into that area, arms that can be used only for aggression." Jet planes, big tanks, and submarines are not being used and will not be used for internal security in Egypt or Syria or anywhere else. Ask yourselves "Where will these submarines be used that are being sent into Egypt and that are there now?" There is not an Egyptian that knows how to operate a submarine. They are in there with Czech and Russian technicians who will operate them. Yes; they are teaching the Egyptians how to use them.

Against whom do you think those submarines will be used?

Israel has no navy.

The only navy in the Mediterranean at the present time that I know of is the United States Sixth Fleet.

Against whom can those Russian submarines be used?

Submarines were never defense weapons but always weapons of offense. So, when you talk about an arms race, let us understand just what is going on there and let us understand that the sooner we, the United States, call a halt to this, the sooner we make our own country more secure and move another step forward toward the security of the entire world.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I have observed statements have been made that Israel could overrun those other countries if they so desired, and also that at the present time and in the past they probably were not in a position to defend themselves. If that be true, where did they get those arms, who supplied them, and how did they get the necessary equipment to be in a position to do just the things it is claimed they can do? The point I am trying to get across, if that be true, if we would not furnish arms to those Arab countries, knowing that condition to exist—and I am not accusing Israel that they would do such a thing—it is conceivable that those people could get arms from America to defend themselves against a situation like that, even though they be mistaken about their opinions that they were being overrun. That is the point that has me worried. Perhaps the problem that we have here is one that we helped to create through the United Nations, making

almost an impossible situation for Israel or anyone else over there so far as a peaceful solution is concerned.

I cannot see but what this country may have fallen short in the past in failing to face up to the situation. My personal opinion, which may not be worth much, would be that we should require all those countries to comply with the original boundaries and then go in there, take the initiative and say what should be done. If we do not do something, we are going to lose both sides and be in a worse condition than we have been since this controversy started.

Mr. MULTER. I shall give the gentleman a twofold answer to the question that is bothering him. The arms that Israel has, it purchased from France, Britain, and the United States under the condition that these countries would supervise their use at all times and have access to what they were getting; that is, as to their kind and what they would be used for, and so forth. When Egypt looked to us for arms, the United States said to Egypt, "You, too, may have arms, and we, the United States, will sell them to you. But if we do the same conditions must apply to you, Egypt, as were applied to Israel. We are going to give you arms for internal security and for defense, just as we gave arms to Iraq and Iran and Pakistan and Turkey. But we are going to have people there to supervise and to make sure that these arms are not used for aggression."

Instead of accepting that Egypt replied, "No conditions," and instead purchased arms from Russia. Russia imposed the condition, that she, Russia, send technicians with the arms. That is what has been done.

There is a further answer, and it is this. The United States can say, as it said to 42 other nations, "We offer you in good faith a security pact." When those nations made those security pacts with us we said to each of them, "In the event of aggression against you, we, the United States, will come to your aid."

A complete answer to any Arab state in this area or any state anywhere else is, "The United States will offer you a security pact," whether the country is Israel or whether it is an Arab state. If Israel enters such a pact, she relies on us to see that there is no aggression against her. If Egypt entered such a pact, she knows that we would not run out on her. If little Israel should attack Egypt, after Egypt had made such a security pact with us, there would be very little left of Israel.

Let me say this further—and there is no secret about this. This has been said before. There is not an Arab leader who does not admit that Israel would never wage a preventive or aggressive war against any of her neighbors because Israel knows that if she did she would immediately have world opinion turn against her and she could not survive. She might win the battle, but she would lose the war. Every Arab state knows that.

I have tried to answer the points that are bothering the gentleman. I cannot see how he can gainsay that logic. A security pact would guarantee each side against aggression. I do not want any anti-Arab feeling or any pro-Arab feeling. Nor do I want any anti-Israel or pro-Israel feeling. I do not want any "anti" feeling as to any of these people. I want us to be friends to all. I want the United States to go in and secure the friendship of all of them. But we must say to them, "We want you to be friends to one another."

Mr. WINSTEAD. If the gentleman will yield further, the point I am making is this. I do not know what the answer to this is. I know that we have a very complicated and very involved problem on our hands in this particular area. But is it not true that we are more or less largely responsible, as has been stated here, for this division over there, for setting up Israel?

Is it not true that all these Arab countries who were our friends before we took such an aggressive stand in that determination are now not our friends? Should we not reckon with that problem?

I have not given up the idea that we can maintain friendship with both sides if we would face up to the issue and stop playing with it, stop playing both sides against the middle, as we have in the case of so many other problems throughout the world. Should not all these countries, the Arab countries and Israel comply with the terms of the original boundaries until through the United Nations, we can get a determination of this question? I do not believe personally an arms race will solve that problem.

Mr. MULTER. The gentleman has just skirted one of the important difficulties in that area. If our American diplomats in that area instead of running away from the facts would stand up to every Arab who says to our American diplomats, "You, the United States, are responsible for little Israel, therefore you are more friendly to them and antagonistic to us Arab States"—instead of running away from that or acquiescing in it, they should stand up and say, "We, the United States, are as much responsible for the State of Jordan as for the State of Israel." There was no Jordan until there was this partition by the United Nations. There would have been no independent State of Lebanon if the United States had not stood up for the Wilsonian doctrine of self-determination. There would have been none of these little nations that have come into being since World War II, which today are free and independent and trying to live in the democratic way, except that the United States came forward and said, "We will help you."

We are trying to do the same thing there. The United States' foreign policy does not say to Egypt, "You are totalitarian," or to Syria, "You are totalitarian," or to Jordan, "You are totalitarian, controlled entirely by Britain," nor do we say to Lebanon, "You are not truly democratic." We say, "No matter what your internal government may be, we want to help you in peace." That is what we should continue to do.

The important thing to remember about boundaries in that area is that the 1949 armistice agreements were signed by Egypt, Syria, Jordan, Lebanon, and Israel and were approved by the United Nations and fixed the international boundaries as they now exist. They should not be changed without agreement of those countries. That is what the United States must now unequivocally guarantee.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to extend my remarks following Mrs. KELLY of New York.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, it is all right to have secrecy when public welfare is to be protected, but it is another matter when the people are denied their constitutional right to know what is going on in their Government.

For instance, a newspaper photographer is not free to enter a Federal building for purposes of making a picture—any picture—without first having special permission from the General Services custodian for Federal buildings and grounds in West Virginia. If the custodian is not available, if he is ill or at lunch, this ridiculous situation works a hardship on the photographer and denies the public its right to news. It curbs a free press.

It is somewhat astounding to learn special permission must be obtained before a newspaper cameraman can take a picture of taxpayers waiting in line to pay their income taxes. That sounds mighty foolish, but it's true.

Therefore, in the name of freedom of the press I speak out against Public Law 566, enacted by Congress in 1948, which says that "taking of photographs for commercial or publication purposes within property is prohibited unless prior permission is obtained." There should be modification of the law to incorporate common sense.

Mr. EBERHARTER. Mr. Speaker, I would like to call to the attention of the Members the fact that the Treasury Department in Decision No. 56-977, dated February 3, 1956, has clearly and finally put at rest allegations which have heretofore been leveled against the Swiss watch industry. These irresponsible charges over the past several years have caused serious damage to the fine trade relationship that has existed between the United States and Switzerland. It is very gratifying to see this matter resolved once and for all and I should like to insert in the CONGRESSIONAL RECORD the article on this subject which appeared in today's New York Journal of Commerce entitled "Treasury Rejects Charge Swiss Dodge Watch Duty."

ORGANIZATION FOR TRADE COOPERATION

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 1 hour.

Mr. BAILEY. Mr. Speaker, the Department of State has issued a grossly

misleading pamphlet entitled "Introducing Organization for Trade Cooperation."

In issuing this transparently disingenuous document the Department has turned huckster at public expense. It is using tax money collected from all the people to propagate one side of a highly controversial issue. This represents statism and the outright contempt of fair play so often characteristic of statism.

The use of publicly appropriated funds for such flagrant propaganda reflects an obtuseness and crudity of sensibility that does not belong in our Government and should be stamped out forthwith.

The misrepresentation of the OTC on the eve of legislation in Congress to approve or reject United States membership in the OTC not only represents executive lobbying but lobbying of a low order. The Department of State should be required to register as a lobbying organization and called upon to set forth the cost of issuing and distributing its pamphlet.

Even the form of the pamphlet makes it indistinguishable from the usual literature of privately financed pressure groups. In the contents there is little that is objective. What is said of the OTC—Organization for Trade Cooperation—forms a distorted account of the realities in the case, both by omission and by false emphasis. Many of the most despised tricks of hucksterism are present in the pamphlet. This should be beneath the dignity of our Government, and its pursuit will unquestionably debase the standing of any executive department that engages in such tactics.

If the OTC were designed to be as innocent a Little Red Ridinghood as the State Department's false description would have us believe, that Department would not waste 1 second of time on it, much less any of its appropriation. The State Department is not out to hunt rabbits with an air rifle in its attempt to launch the OTC. It is out for bear with high-powered weapons.

Unfortunately the Department has so far swallowed the despicable art of the totalitarians to deceive the people that it seems to have lost contact with straightforward methods of informing the public. The Department knows that the OTC is not designed to be a mere forum where members of GATT can meet and adjust their differences across the conference table.

In this presentation I have been aided materially by the comments of Mr. O. R. Strackbein, chairman of the Nationwide Committee of Industry, Agriculture, and Labor on Import-Export Policy.

What is concealed in the OTC and thoroughly covered up in the State Department pamphlet is the design to take the regulation of our foreign commerce out of the hands of Congress and lodge it first in the Department of State and then in the international trade organization called the Organization for Trade Cooperation.

The pamphlet is so concerned with disclaimers of OTC powers that it forgets that articles 1 and 3 of the OTC agreement make it clear that the new organization is to give full effect to the purposes and objectives of the General Agreement on Tariffs and Trade, which it would administer.

To say that the OTC would have no power is therefore sophistry or worse. Only the members of GATT acting together under OTC would have power. That is "a distinction without a difference."

Why, if OTC and GATT were to be mere agencies seeking to prevent impairment of the General Agreement, should OTC be provided with an assembly? Assemblies are provided for quite different purposes.

The State Department, for reasons of its own, fails in the pamphlet to point out that the OTC could become a specialized agency of the United Nations if the OTC assembly agreed to take such a step. That is provided in Article 11.

On the other hand, it quotes from the OTC agreement as follows:

> The Organization shall have no authority to amend the provisions of the General Agreement; no decision or other action of the Assembly or any subsidiary body of the Organization shall have the effect of imposing on a member any new obligation which the member has not specifically agreed to undertake.

What does this mean? It sounds most harmless. With respect to the United States it would mean that the OTC could impose no new obligation upon us unless we first agreed to such obligation. That should be most reassuring.

But the question of central importance is who would be we? Who would accept or reject any such new obligation on behalf of the United States?

Would it be Congress?

The answer is "No." It would not be Congress: It would be the State Department. It would be the delegate of that Department speaking for the United States who would act in the Assembly, uninstructed by Congress, thoroughly outside the influence of Congress, perhaps unheard of by Congress and in no way responsive to Congress. In fact, not one person in a million in this country would know what he might be up to. That would be the State Department's own secret.

This is the great bypass of Congress built into the OTC. It has in it a carefully designed pitfall, painstakingly camouflaged by trained hands. That is why the State Department is so strongly in quest for United States membership in the OTC. It could then forget about Congress and the annoyance of congressional elections. It could rise above the storms of democracy and go on its own way. In short the State Department, with congressional approval of the OTC, would have gained its objective of the past 10 years which is, so far as foreign trade regulation is concerned, to drop Congress into the bottom of the well, where the sound of its voice would be muffled and lost.

Is this a mere mirage of the imagination? Can the State Department really have such designs? Can that Department really entertain such a low opinion of Congress?

The record speaks for itself:

First. The State Department has agreed in GATT to the elimination of existing import quotas and to nonestablishment of new ones. This is a responsibility and power of Congress, imposed by the Constitution.

Second. The State Department has likewise agreed to the binding of many tariff rates at particular levels, against increase. This, again, is a function of Congress to be exercised at its will.

Third. The Department has agreed to maintain particular items on the free list. In other words, it has pledged the word of future sessions of Congress. By what right?

The question arises, Where is the voice of the people reflected in biennial elections to be registered? The answer is, Nowhere. At least, no place where anyone would listen. Thus has Congress already been rendered impotent in one of the most important fields of its constitutional authority. The purpose of the OTC is to nail down this impotence, but a reading of the pamphlet gives no hint of that.

The pat answer is that Congress is not really bound by these agreements; that it can still legislate as it sees fit.

Does the State Department say that to the nations with which it negotiates? If not, what kind of a record is the Department writing for this country?

Is it fair play for the State Department to place Congress in the position of legislating at the price of dishonoring the word of the United States in international agreements?

And if Congress did so, what are the names that this body representing the American electorate would be called? Would Congress not be described as irresponsible and lacking in any sense of honor? Would it not call down upon itself all the abuse that minds impatient of the restraints of democracy could generate?

The State Department has been clever, and no doubt its pamphlet on the OTC was devised to be very, very clever. But it may be that the grand design to make boobs out of Congress has been just a little too clever. The I. Q. of Congress may be several cuts above the level attributed to it by the State Department professionals.

THIRTY-EIGHTH ANNIVERSARY OF LITHUANIA'S INDEPENDENCE

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 15 minutes.

Mr. MADDEN. Mr. Speaker, on next Thursday, February 16, all freedom-loving Lithuanians and Americans of Lithuanian descent will commemorate the 38th anniversary of Lithuania's independence.

Lithuania is a nation that has existed for over eight centuries. During this time, its people have enjoyed liberty, freedom, and self-government for long intervals and has also been the victim of aggression and attack during which time independent government disappeared temporarily.

Back in the 14th century, Lithuania enjoyed one of its greatest periods of power and independence after its great

victory at Tannenberg. In the 16th century, Lithuania was compelled to fight a defensive war to maintain its defenses and freedom. Again in the 18th century, Lithuania was exposed to outside attack and brought under Russian domination. During the 120 years of Russian domination, the liberty-loving people of Lithuania revolted against the tyrants on five different occasions. Regardless of the brutalities and treatments inflicted on the Lithuanian people during these revolts of the 18th century, Lithuania continued its drive for freedom and national independence.

During World War I, the German armies overran the Lithuanians and remained there until the end of 1918. The Nazis failed to make Lithuania a German province. Lithuania's official proclamation of independence was issued on February 16, 1918, which was unanimously adopted by the Lithuanian Council and established Vilna as its capital. After the evacuation of the Germans, Soviet troops arrived at the borders of Lithuania. The Red army occupied Vilna in 1919. Again the Lithuanian patriots organized and instituted the Lithuanian army in a battle against the Reds and regained its freedom late in 1919. By a peace treaty, the Soviet Government recognized the sovereign rights of Lithuania over its people and territory.

Lithuania was admitted to the League of Nations on September 22, 1921, and became a full-fledged nation of international status. Lithuanian people instituted land reform, reestablished industry, set up transportation facilities, enacted social legislation, and expanded its educational institutions. No country made greater progress as a free and independent nation in so short a time as Lithuania did up to World War II.

I will not repeat the sordid history of the Soviet duplicity, infiltration, and aggression which again brought slavery and loss of independence to the Communist tyrants. The fight for freedom in Lithuania continues and will continue as long as the Soviet despots inflict their despotism on Lithuania. As long as Lithuania and the peoples of other Soviet captive countries continue their fight for freedom, self-government will surely be reestablished within their borders.

The United States as the world leader must marshal the free nations of the world to aid our captive nations in their fight for freedom.

The American Lithuanian Council at East Chicago, Ind., under the supervision of its president, Mr. Albert G. Vinick, will observe the Lithuanian's 38th Independence Day at St. Francis Hall at East Chicago on Sunday, February 12, 1956. The Lithuanian Council of greater New York will honor Lithuanian's Independence Day at Webster Hall on East 11th Street in New York on Sunday, February 19, 1956. I expect to be present at both these observances which will be only two of the hundreds of similar gatherings throughout the country commemorating this day and urging the people of all free countries, as well as those behind the Iron Curtain, to continue the fight for world freedom.

Mr. Speaker, I wish to incorporate with my remarks a proclamation issued on Lithuanian Independence by Gov. George N. Craig, of Indiana:

PROCLAMATION FOR REPUBLIC OF LITHUANIA DAY, FEBRUARY 16, 1956

Whereas the 16th day of February 1956, will mark the 38th anniversary of the declaration of independence by the people of the Republic of Lithuania; and

Whereas on that day the citizens of the State of Indiana who are of Lithuanian origin or descent will convene in various communities throughout the State to commemorate that occasion and to join their countrymen in the grief of a liberty-loving nation caused by the aggression and the acts of injustice of the Soviet Union which took over Lithuania by force of arms, usurped the sovereign and inalienable rights of the Lithuanian people and proceeded with the extermination of them by mass deportation, imprisonment, and execution; and

Whereas the Lithuanian people are strongly opposed to foreign occupation and oppression and are determined to restore their freedom and sovereignty which has been always recognized by the Government of the United States of America; and

Whereas because of their unmistakable attitude toward communism, which has been struggling for world domination, the Lithuanian people together with over a million Americans of Lithuanian descent represent an important force in the present fight of free nations against Communist aggression; and

Whereas the residents of the State of Indiana feel deep sympathy for the gallant people of Lithuania and of other countries, presently enslaved by the Kremlin imperialism;

Now, therefore, I, George N. Craig, Governor of the State of Indiana, do hereby proclaim Thursday, February 16, 1956, as Republic of Lithuania day in Indiana, urging appropriate observance of the occasion.

In testimony whereof, I have hereunto set my hand and caused to be affixed the great seal of the State of Indiana, at the capitol, in the city of Indianapolis, this 18th day of January 1956.

GEORGE N. CRAIG,
Governor of Indiana.
CRAWFORD F. PARKER,
Secretary of State.

THE PRESIDENTIAL MESSAGE ON IMMIGRATION POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, today the House received a special message from President Eisenhower on our immigration policy and in that message he made a series of recommendations for changes in the law as it now exists. As you Members of Congress know, there has been a great deal of discussion and controversy over our immigration laws during these past several years. A great number of recommendations have been advanced for changes in our basic immigration law in addition to those made by our President today.

The message of the President today calls for sweeping changes in our basic immigration policy. These recommendations call for a reexamination of our national origins system because the President has proposed a new criteria for determining the number of immigrants to be admitted annually and a new formula by which quota numbers will be allocated to various parts of the world. Other recommendations have been made, several of which have been under consideration by the House Committee on the Judiciary for a considerable period of time. Then there are some other recommendations which are completely new.

The President has called upon Congress to take immediate action on legislation which would enact into law his proposals, which obviously means he urges Congress to take action one way or the other during this session. As acting chairman of Subcommittee No. 1 of the Committee on the Judiciary which has special jurisdiction over immigration and nationality laws, I think that public hearings should be commenced as soon as possible on the recommendations advanced by the President as well as those recommendations which have been advanced hitherto by Members of Congress and others. I shall do my part to see that such public hearings are begun as soon as possible so that Congress will have the benefit of all important views on this subject.

The President's message appears to underline the need for a more elastic immigration policy than now exists. I say this because it was necessary to enact special legislation in 1948 to meet the problem of displaced persons who were the victims of World War II, and then again in 1953 Congress found it necessary to enact special legislation in the form of the Refugee Relief Act in order to help out with the many human problems caused by Communist tyranny and aggression in various parts of the world. The likelihood exists that so long as the conspiracy of communism exists in this world and continues its inhumanities and tyrannies against people, we will continue to have refugees who plead with us for religious and political asylum. Since the Refugee Relief Act expires at the end of this year, the possibility exists that Congress will be asked for more special legislation in succeeding sessions unless we are able to find a way of meeting such problems through our normal immigration laws. This, of course, emphasizes the importance of Congress getting all the facts and points of view with respect to the President's recommendations as well as those made previously by Members of Congress, so that Congress can take whatever action is necessary before this session has adjourned.

AN ADDRESS BY PRESIDENT EISENHOWER

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, during the past few weeks the Nation has been enduring the rather sorry performance of a former President trying to whip up the lagging spirits of his party with inflammatory speeches at money-raising dinners.

In his fuming and foaming, ex-President Truman shows little regard for fact. He continues to write his own version of history. He relies heavily on his newly developed psychic and intuitive powers to predict an awful fate for the Nation now enjoying peace and prosperity unprecedented under his administration.

In his intemperance, Truman continually sets new low records for personal attacks on the President and Vice President of the United States. For example, he continues to compound the myth that Vice President NIXON once called him a traitor. Despite a challenge to explore the Vice President's well-reported remarks, he has failed to come up with the time and place such a statement was alleged to have been made.

A week ago today in a speech before the New York State Democratic Committee, Truman again escaped the bonds of decency by quoting a sign posted at a meeting last month in St. Paul, Minn., which he claimed read:

In Ike we trusted,
Now we are busted.

He then went on to promise the Democrats would "give the American people a chance to vote for President and not a regency or part-time chairman of the board."

It ill behooves a former President to engage in personal attacks on his successor. Such remarks are especially unfitting for an ex-President who at the highest point of his steadily declining popularity in office, as revealed by national polls, never came within range of the continued high regard of the people of America for President Eisenhower.

I believe the record high public esteem enjoyed by President Eisenhower reflects to a great degree the sincerity, intelligence, and selfless dedication he brings to his work.

I recently made a grassroots tour of California and other trips to the Middle West and I am aware of the great surge of emotion and affection for President Eisenhower and the prayerful desire by most Americans that he will be able to continue the leadership that has brought us so many heartfelt gains. When the results of his forthcoming medical examination reveal him to be physically fit, I pray the Nation will let him know in a resounding fashion of their confidence in him and of their desire to see him continue to work for lasting peace.

Mr. Speaker, just as an obvious contrast exists between the present and past administration of the highest office of our land, I wish to contrast today the unseemly remarks of the former President on last Thursday with a brief speech made the same day by President Eisenhower at the annual prayer breakfast of the International Council of Christian Leadership at the Mayflower Hotel. Most of us heard President Eisenhower make this impromptu speech that morning. His obvious sincerity and alertness made a deep and favorable impression on all of us regardless of political backing. I include his remarks as a part of my remarks today:

Mr. Chairman and Mr. Hilton and my friends, it is a touching thing that Mr. Hilton has done in presenting to me this plaque and the desk and the chair where I wrote the little prayer that I used at the inauguration some 3 years and more ago.

That incident brought to me a great lesson. It seemed to me a perfectly natural thing to do. I was seeking some way to impress upon the audience at that moment that all of us realized a new Chief Executive was being inaugurated over a Nation that was founded on a religious faith.

Our founding documents so state. In explaining, you know, our Government and what we intended to do in the Declaration, our Founding Fathers held it was our Creator that gave us certain rights, and this Government was set up to sustain them.

So that seemed to me a perfectly natural thing to do, as an emphatic way of showing that I also realized it.

Now it was with some astonishment that I began to see this response—literally thousands of messages coming in, some of them from people who did not particularly think I was the man to occupy that place that day—still applauded that act.

And here is the lesson as I see it. I know very few men, I know very few people that tell me they are atheists or they are even agnostics, but we find among the laity a curious diffidence in merely stating the fact that they believe there is a God and He is more powerful than I and I am dependent upon Him. That is what the prayer did, and it was because a layman as I see it, did do so—and of course, in such a position—that this response came in.

Now I think that that prayer is somewhat related to these prayer breakfasts. We can stay in our quarters—we can pray. But by gathering occasionally—and I understand this whole celebration is a week long—the whole ceremony something of a week long—by announcing to the world that we come up as laymen and meet, making the same acknowledgments that are made in that prayer, we are doing exactly the same thing: We are telling people that this Nation is still a nation under God.

This is terrifically important today. There has been too much of the world that believes the United States to be completely materialistic, boastful, proud, and arrogant. It makes no difference how they have achieved it or how they have been misinformed in order to achieve such a feeling, but it is there. Traveler after traveler, poll after poll, have reported the same thing.

It is such meetings as this, continued, repeated, and brought home to them, that help to dispel this very great and dangerous delusion. It still is a Nation that is founded on the religious faith, with great concern for the sentiments of compassion and mercy that Mr. Hilton so eloquently spoke about. That is what we want others to think about when they think of the United States.

People have talked of the spirit of Geneva. The thing that the spirit of Geneva did accomplish, and at least so far has not been destroyed—one part of it that is valuable—is that people there, in watching that conference, gained a belief that the United States was truly trying to follow in the footsteps of the Prince of Peace, and to establish a just peace for the world.

That is a tremendous gain, in this day of fears, hysteria, and too great—sometimes too great a reliance on force.

Though we be strong, I believe, if I am not misquoting, even the Bible says, "When the strong man armed keepeth his palace, his goods are in peace." We intend to remain that strong, but let us always do it with the certainty that anyone who will come in integrity, observing the moral values that we know are imbedded in this great religious faith, that he will be received as a friend and taken with us down the road to the future in peace.

I had no intention of making a speech. As a matter of fact, I was promised I didn't have to—and I don't know how I got started. But thank you very much.

YALTA AND POTSDAM AGREEMENTS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I wish to call attention to one of the great tragedies and gross injustices in the wake of those agreements of Yalta and Potsdam, resulting in the present separation from Germany of East Prussia and the expulsion of its population of 2,519,000 people. The expulsion of the East Prussians, and of the 10 million other people of the eastern provinces of the Reich, was a violation of human rights, of international law, and of solemn covenants.

Section 2 of the Atlantic Charter states that the signatory powers "desire to see no territorial changes that do not accord with the freely expressed wishes of the people concerned." The Atlantic Charter was signed not only by the United States President and the British Prime Minister but also by the plenipotentiaries of many governments, including those of Poland and the Soviet Union.

On June 5, 1945, when the zones of occupation were arranged in Germany, the representatives of the four occupying powers, that is, of the United States, Great Britain, France, and the Soviet Union, in their official declaration expressly spoke of Germany within her boundaries as of December 31, 1937.

In their notes of March 25 and May 13, 1952, addressed to the Soviet Government on the question of a peace treaty with Germany, the governments of the three Western Powers have made it abundantly clear that the delimitation of Germany's eastern boundary shall be done at a future peace settlement, following a reunification.

The Government of the United States as well as the Governments of the United Kingdom and the French Republic should not leave the shadow of a doubt that East Prussia and the other German provinces east of the rivers Oder and Neisse are, according to international law, a part of Germany within her boundaries of December 31, 1937, that are today still under wartime Red Polish and Soviet administration. The Government of the United States should seize upon a proper moment to restate the legal position in no uncertain terms.

Two million East Prussian expellees eventually reached West Germany with nothing but their bare hands. It was the obvious scheme of the Kremlin rulers to turn this disappropriated mass of humanity into an advance guard of communism. Such plans fell completely flat. There are no Communist sympathizers to be found among the East Prussians. Their experiences with the Soviets can never be obliterated from their minds. Quietly, and without any hullaballoo, the

East Prussian expellees went to work and in a modest way reestablished themselves in the West German economy. They organized themselves into a fellowship, the Landsmannschaft Ostpreussen, headed by Dr. Alfred Gille, former mayor of Loetzen, now a respected member of the Bundestag—federal assembly—in Bonn.

They have sent to this country as their representative a man who is in an ideal way prepared to speak for them, since his background is a rather unique mixture of East Prussia and the United States. I refer to Dr. Richard Sallet, who is now in this city. He was born in East Prussia at the turn of the century of a family whose history in that country goes back to the original inhabitants, prior to the arrival of the Teutonic knights in 1226. This gives him an unchallengable right to speak for his fellow East Prussians.

When in the early part of the First World War, Russian armies twice invaded East Prussia, Dr. Sallet, then just 15 years of age, followed his brothers, volunteered for infantry service, fought the Russians, and held an officer's commission at the end of the war.

He came to this country in 1921 and assisted, later succeeded, his uncle in Minnesota in editing a weekly newspaper with a sizable circulation among the farmers of the Middle West. Five years as a country editor gave Dr. Sallet a grassroots education in American democracy—incidentally his intense historical interest then made him a life member of the Minnesota Historical Society—and it prompted him to study American government and history at Harvard College where he was graduated with the class of 1928.

He went back to East Prussia and, in 1930, obtained the degree of doctor of philosophy at Königsberg, the university made famous by one of the greatest of all philosophers, Immanuel Kant. Returning to this country, he was appointed to the faculty of Northwestern University, where his courses in the field of government were greatly appreciated.

Before returning, he had with the Soviet regime in Russia a most tragic experience, which left its mark on his thinking. At the time of Stalin's ruthless enforcement of collectivization of the peasant lands, he visited, by horse and buggy and camel, dozens of villages of Volga German peasants. Deeply moved by the cruelty of Soviet policy, he prepared, among Midwest farmers of Russian-German stock, a relief action, only to learn that the Communists had followed his trail through the Russian villages, arresting and carrying off to prison and death every peasant who had shown him hospitality.

The challenge which, in 1933, the Nazi regime in Berlin presented to American-German relations was clearly perceived by Dr. Sallett and stirred him to action. He decided to put his hands to the wheel and, during the following years, was attached to the German Embassy in Washington. Aware of the everwidening rift, and of his own inability to turn the tide, he felt compelled, one day in 1937, by taking up the receiver in the Embassy and calling Berlin over the trans-Atlantic telephone, to request the immediate stop to an anti-American outburst in the Berlin press. The outburst ended abruptly; so did the diplomatic chapter of his career. He did not ask for asylum in this country. Courageously he went back into the dictator's den, still thinking that he might be able to avert the catastrophe. It was of no avail. He was used in a technical capacity in the Berlin foreign office. But the leaders of the revolt against Hitler regarded him as one of the very few in his division whom they planned to appoint to an important post.

At the end of World War II, two young American Army officers, one a Harvard, the other a Northwestern graduate, escorted Dr. Sallet out of Soviet occupied territory and into the Western zones where he became engaged in the reopening of the universities of northwest Germany.

Close observation of foreign service institutions led Dr. Sallet to devote several years to research in this field, the result of which is a painstaking work on the diplomatic service of the three Western countries, France, Great Britain, and the United States, tracing foreign service institutions from the opening of the first French consulates in Egypt in 1251 to the lateral entry reforms in our Department of State in 1953. The book has been hailed as a piece of accomplished scholarship. He has since written a handbook on the United States for the official use of officer personnel of the West German defense forces.

In 1953 the expellees from east of the Oder and Neisse sent Dr. Sallet on a mission to the United States. At that time his aim was to call attention to the 300,000 expellees who were then still living in sub-normal conditions in transient camps. His conversations with Secretary of State Dulles, FOA Director Harold Stassen, Assistant Secretary of State Livingston Merchant and others resulted in a substantial grant to the West German Government to provide housing units for those expellees who were then still living in camps. A bill, introduced at that time by Representative Kersten, Republican, of Wisconsin, requested our Government to grant a $70 million loan for this same purpose.

This time Dr. Sallet has come to the United States as the representative of his East Prussian friends. The feeding, clothing, and housing of the expellees is no longer a pressing problem. They are all working hard and making progress in a modest way. But their aim is definitely to return to the soil of their native land.

The Government of the United States will be well advised to take full account of this aim.

Kremlin policy schemes to uproot humanity, to detach people from their homes, their family, their religion, to shift like cattle the thousands of workers and peasants, following the whims of Communist dictators.

These East Prussians are the very negation of Kremlin policy; they love their homeland, and they hold on to the title to their home, undismayed, undiscouraged, tenaciously.

Dr. Sallet has made the following statement on the position of the East Prussians:

MEMORANDUM ON EAST PRUSSIA

As a result of illegal machinations of Soviet Communist leaders the 2.5 million inhabitants of East Prussia have been expelled from their native land 10 years ago. Hundreds of thousands of these fled in terror ahead of the advancing Soviet forces, whose reputation for mass rape and wholesale murder had preceded them. One million nine hundred thousand East Prussians eventually reached West Germany and the Soviet occupied zone (central Germany) while more than 600,000, i. e., 24 percent, perished on the way. They were either killed or died of starvation and diseases, or committed suicide following outrages to their person.

Of the 75,000 who remained in the Red Polish-administered part, holding on to a meager life on the soil of their ancestors, most had no option but to accept Red Polish citizenship papers. Not more than a handful of German today survive in the Soviet-administered part of East Prussia, the Pregel Valley and Königsberg. The latter, since 1255 an important center of the Order of Knights of St. Mary's Hospital at Jerusalem, crusader and later defender of the faith at these eastern ramparts of Christendom, also is known as having comprised one of the early lodges in Germany of the Masonic Order. Before the last war, Königsberg was a thriving city with close to a half million inhabitants, the seat of a 400-year-old university, world-renowned through the philosopher, Immanuel Kant.

The East Prussians now living in the Federal Republic of West Germany and their kinsmen in the Soviet occupied zone (central Germany) are firmly resolved that title to their native home shall not be lost, and that some day their peaceful return to a free East Prussia will be realized. Occupation by the Soviets and their satellites does not change legal title to the land. It cannot do so. A hundred years of wrong will not add up to one single day of right.

And, citing the great English jurist, Sir Edward Coke, who once had staunchly set forth that his King's edict cannot change the law, "vigilantibus et non dormientibus jura subveniunt,"—the laws aid those who are vigilant, not those who sleep upon their rights. This is the position taken by the nearly 2 million East Prussians living in West Germany. Quite a few of these people are descendants, as are the people of the United States, of families who centuries ago had migrated because of devout religious beliefs, and had found East Prussia a haven of tolerance: Scottish and English Dissenters, French Huguenots, Dutch Mennonites, Austrian and Swiss Reformed. They will not abdicate their right to return to the homes founded by their ancestors.

For the time being, East Prussia seems to lie below the horizon, lost sight of in the darkness behind the Iron Curtain. However, wrongs have the peculiar, and salutary, tendency to be only of temporary nature, though the odds at first may overwhelmingly point the other way. Nazi persecution of Jews led to the doom of the Third Reich while a sovereign State of Israel is now an accepted member of the family of nations. Hitler's conquest of Poland and parts of Soviet Russia did not last. Soviet Russian and Red Polish occupation of East Prussia will not last. It is logical, therefore, and important to plan for the time when we shall face the problem of East Prussia, and to contribute our share that this land, through seven centuries a bulwark of Western civilization, shall again be within the orbit of a free world.

The importance to the West of a free East Prussia should not be overlooked. Relinquishing their hold of Königsberg may, or may not, mean to the Soviets more than the

recent withdrawal of their military forces from Porkkala in Finland. However, the beacon from a lighthouse in East Prussia would bring into view the intervening land up to the Iron Curtain. With the Baltic no longer a closed Soviet lake, it would strengthen the position of Sweden and thus be of advantage to all the Scandinavian countries.

It might prove of great future value if a few enlightened citizens of the United States—later perhaps to be joined by several thoughtful Europeans—should have the vision to take an active interest in, and recommend the study of, the problem of East Prussia. Having in mind the wider aspect of East European cooperation, these men could avail themselves of proper occasions to call the attention of statesmen of the Western World to the problem of a free East Prussia within a free Europe.

Though we do not cross a bridge until we come to it, it is worth noting that Soviet policy gains its points by surprise tactics. It may be wise, therefore, to plan ahead so that we are prepared to cross the bridge when we come to it.

OUR AGED DESERVE A BETTER LIFE

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, within the last few weeks some very cold, hard facts were published which must certainly command the attention of all of us. For they show very forcibly that one of the major problems before this Congress is that of finding means for providing a happier and more abundant life for the aged members of our national community.

Listen carefully to these figures. According to this report, issued by the Twentieth Century Fund on January 8, of this year, nearly three-fourths of Americans over age 65 have no income of their own or get less than $1,000 for an entire year. Here is the brief statistical summary of the pitifully small incomes upon which our senior citizens are trying to manage to live:

Over one-third—or 36 percent—have no income of their own whatever.

About 4 out of every 10—or 38 percent—have a yearly income of under $1,000.

About 1 in every 10—or 11 percent—have annual incomes of between $1,000 and $2,000.

And only 15 percent have income amounting to $2,000 or more for an entire year.

I quote these figures because I believe we must bear them constantly in mind. For the truth of the matter is that we have not faced up to our new responsibilities for the aged which have arisen, ironically enough, because of the very abundance which they have helped to produce during their working life.

We like to remind ourselves that one of the most incredible contributions of our last half-century of progress in this country is the fact that we have added 21 years to life expectancy in less than one full modern generation. That is about the same gain that was made in all the centuries from the time of Christ up to 1900.

We are equally proud of the fact that the miracles of modern production have substantially reduced the number of hours of work required to build a better life for our people. As someone put it recently, the average man at the turn of the century could expect to live 40 years and to work about 70 hours or more a week. In our time, on the other hand, we can expect to live for 70 years, and to work a 40-hour week.

We are justifiably proud of these developments.

But, Mr. Speaker, let us never allow ourselves to disregard the equally challenging figures I have just quoted, which show that one segment of our people have been forced by circumstances to bear the heaviest consequences of these great changes in our national life. I refer, of course, to the older men and women who, after a lifetime of productive endeavor, are now facing the new and distressing problems of maintaining themselves in the years of retirement.

I have long been concerned, as you know, with these problems. On numerous occasions, I have called for congressional action to explore the nature and extent of these problems in the belief that we must act more directly and more constructively at the national level—as well as in our States and our home communities—to insure that years of retirement may be happy and useful years, instead of periods of prolonged misery.

Fortunately for all of us, there is increasing evidence of a growing concern with the problems of the aged in our country. One of the most important publications of recent months, in my opinion, is the challenging study published by the Council of State Governments, entitled "The States and Their Older Citizens." This significant volume documents the story of the tragic consequences of lack of adequate income for too many Americans in the older age groups. Moreover, it emphasizes the fact that lack of adequate financial resources is just one of the problems they are facing. For, in the words of the report:

> The problem of old age has many other facets. They include unequal opportunity for employment; inferior housing; separation from family and friends; widowhood for more than one half of older women; inadequate medical care; lack of insurance against hospitalization; tremendous increase in placement in mental hospitals; loneliness; lack of social participation; underrepresentation in programs of prevention, rehabilitation, and education; and lack of personnel especially trained for helping older persons with their problems.

But, someone may say, how can we possibly find solutions for all of the complexity of problems named in this bill of particulars? Fortunately, most Americans do not accept this defeatist attitude. A single sentence from the conclusions in the report places the responsibility and sets the goals which most of us can subscribe to. It reads:

> These problems, in their totality, represent the failure of our economy, our Government, and our society to design a program which permits older citizens to contribute to our economy and to live healthful, useful, and happy lives in accordance with accepted American standards.

Moreover, as we look about us, we find that action in this direction is already beginning to appear on a variety of fronts. Here and there, throughout the country, action on the part of church groups, unions, individual communities, certain industries and—most challenging of all—on the part of the aged themselves is producing the kind of results which suggest the vital importance of a nationwide attack on these problems.

Faced with the problem of inferior housing and lack of adequate medical care, some communities in the country have instituted foster home care for elderly people who prefer to live with families or out-resident programs in which persons can find suitable living quarters near a center and can come to the center for meals, medical care, occupational therapy, and recreation. Some of our churches are establishing homes for the aged which feature small cottages constructed around a central building. Recently, for example, the Catholic archdiocese of Detroit converted a 700-room downtown hotel into a residential building for persons 65 and over where most patrons pay $110 to $150 a month for lodging, meals, recreation, and medical services.

Universities in all sections of the country have sponsored annual or occasional conferences on different aspects of the problems of aging. In scattered communities and in some industries we are beginning to see the establishment of courses in preparation for retirement, and individual counseling to assist people to plan wisely for their later years.

More and more aged men and women who have been consigned to institutions are being restored to productive lives through rehabilitation programs of geriatric centers associated with general and mental hospitals, and staffed by general practitioners, psychiatrists, social workers, nurses, and other persons experienced in working with the aging.

On the basis of accumulating evidence that most of our senior citizens do not want to retire, unless they are forced to do so, new emphasis is being placed upon the importance of creating new job opportunities for those older men and women who now find it difficult to find employment because of their age. In some States, sheltered workshops have been organized to meet the demand for re-employment by retired workers. In others, training and placement programs are beginning to appear as part of the job-placement procedure. Last year, you will recall, Congress appropriated some $160,000 to finance a number of special research studies on the older worker to cover six major areas: productivity and performance of older workers; the impact of pension costs on hiring policies; an analysis of collective bargaining provisions affecting the employment and retention of older workers; employment patterns, policies, and practices in seven major metropolitan areas; counseling and placement demonstrations for older workers in the same seven

areas; and the recruitment and training of mature men and women to meet labor shortages in such fields as teaching, white collar operations and health services.

These are hopeful signs. But all of us will recognize that they are the small beginnings to the better solution of very great problems. We need more information on all of the problems which face our older people, as a basis for better answers for the future. We need to know more about how adequately, and to what extent, present retirement policies are meeting the needs of our economy as well as the day-to-day needs, having to do with enough food, adequate shelter, and proper medical care for this group in our population.

In this, as in previous sessions of the Congress, I have introduced a bill which would establish a commission on old-age and retirement benefits, because I know our present knowledge in this area is excessively fragmentary. And as long as we have the incomplete story, we shall have conclusions based on half-truths and prejudice. Because adequate income for our aged people lies at the root of so many of their problems, I believe we must start with a complete knowledge of the character and amount of present old-age benefits in terms of their adequacy and in terms of the number of people who are affected.

At the same time, I am convinced that there are many other areas which would be equally fruitful areas for investigation. As the Council of State Governments has pointed out, the prevailing form of service to older persons today is custodial care in the traditional county home, nursing home, or in the chronic illness hospital or old people's home. As a result, the costs of existing services for the aging—largely in terms of custodial care—are excessively high, in spite of the fact that the care which older people are receiving is frequently inadequate. Yet we know that we have developed techniques of rehabilitation which have demonstrated their tremendous potentials in restoring men and women to a high degree of physical self care and mental capacity—facilities which, so far, have been used on behalf of our aged people to only a slight degree.

Finally, Mr. Speaker, I believe that we must be greatly concerned with the human as well as with the statistical story of what is happening to thousands of Americans who have reached their 65th birthday. It may well be that one of the most important contributions each one of us could make would be to bring our own thinking up to date in this regard. We know that the transition from a rural to an urban community has produced tremendous changes in the living conditions of older men and women, and has contributed to the loneliness and isolation which many of them experience. We know that it is usually not possible for the older members of the family to live in the homes of the married children. For too many of them the price of progress has been the loss of a reasonable self-sufficiency and an established role in the family life in their declining years.

Indifference and apathy have taken their toll.

Too often, according to most evidence, older people are made to feel that the public expects them to withdraw from activities and community life, resigning themselves to anonymity or to custodial care, rather than to active, productive and useful lives. This apathy on our part is, in the opinion of the Council of State Governments, a chief obstacle to be overcome because "a prime requisite is an extensive program of public education—one that will dispel popular myths about aging. Once the myths about aging and its inevitable helplessness are dispelled, the major roadblocks to constructive action for older citizens will have been removed."

In marked contrast, by the way, is the attitude of most members of the aged group about themselves. The majority of persons 65 and over do not think of themselves as old. Instead, they think of themselves as middle aged. In a recent study of 3,515 employees 63 and 64 years old, representing 265 industries, 68 percent of the median industrial group reported that they think of themselves as middle aged or younger. This finding confirms the results of an earlier study of 3,000 men and women, the majority of whom classified themselves as middle aged up to the age of 75.

As I have said, the scattered evidence which is now being accumulated must rest heavily upon our consciences and our sense of responsibility toward our senior citizens. I am encouraged by the action which has already taken place at community and State levels in various parts of the country, and through individual and group initiative. I am just as convinced that we are only beginning to understand all the potentialities which lie with further activity in this important area. I believe the Federal Government must assume a more active role in encouraging further development on a broad front, aimed at all of the problems which face our older people. I have expressed my concern in these matters repeatedly on the floor of this House and I promise you, Mr. Speaker, that I shall continue to do so until we have found more positive and more equitable solutions.

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. FEIGHAN, for 5 minutes today, and to revise and extend his remarks.

Mr. BAILEY, for 15 minutes, on tomorrow.

Mr. KEATING, for 15 minutes, on tomorrow.

Mr. MADDEN, for 15 minutes, today.

Mr. UDALL, for 40 minutes, on Tuesday next.

Mr. MUMMA, for 30 minutes, on February 20.

Mr. ANDREWS (at the request of Mr. WILLIAMS of Mississippi), for 60 minutes tomorrow.

Mr. BAILEY, for 1 hour on Wednesday next.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CELLER.

Mr. FORAND and to include a statement he gave before the Committee on Banking and Currency and discussion which followed.

Mr. CORBETT.

Mr. MADDEN and to include extraneous matter.

Mr. YATES to revise and extend the remarks he made in Committee of the Whole and to include extraneous matter and some computations and compilations.

Mr. VAN ZANDT and to include extraneous matter.

Mr. MCDONOUGH and to include extraneous matter.

Mr. THOMPSON of New Jersey in two instances and to include extraneous matter.

Mr. MACK of Washington.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles.

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

ADJOURNMENT

Mr. BYRD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Thursday, February 9, 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:

1497. A communication from the President of the United States, transmitting proposed supplemental appropriations and other authorizations for the fiscal year 1956, and for other purposes, in the amount of $565,560,965 for various agencies (H. Doc. No. 330); to the Committee on Appropriations and ordered to be printed.

1498. A letter from the Acting Secretary of the Interior, transmitting the report of the Department of the Interior on the Ainsworth unit, Nebraska, of the Missouri River Basin project, pursuant to the provision of section 2 of Public Law 612, 83d Congress (68 Stat. 757) (H. Doc. No. 331); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1499. A letter from the Assistant Secretary of the Interior, relative to stating that an adequate soil survey and land classification has been made of the lands in the Shafter-Wasco Irrigation District, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

1500. A letter from the Special Assistant to the Secretary of Labor, relative to correcting a typographical error which appears

in a letter from Secretary of Labor Mitchell dated February 6, 1956, which forwarded a draft of proposed legislation entitled "A bill to provide temporary disability insurance benefits for employees in the District of Columbia, and for other purposes." The figure of "$26.00" which appears on page 2 of this letter as the maximum amount of weekly benefits payable under the bill should read "$36.00"; to the Committee on the District of Columbia.

1501. A letter from the Chairman, United States Tariff Commission, transmitting the Eighth Annual Report of the United States Tariff Commission on the operation of the trade-agreements program, pursuant to section 3 of the Trade Agreements Extension Act of 1955, and Executive Order 10082 dated October 5, 1949; to the Committee on Ways and Means.

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. BROOKS of Louisiana: Committee on Armed Services. H. R. 2108. A bill to repeal certain laws relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force; without amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 2111. A bill to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official registers for their respective services; with amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 8107. A bill to amend the Armed Forces Reserve Act of 1952, as amended; without amendment (Rept. No. 1753). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 9166. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 9167. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. ASHLEY:

H. R. 9168. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. BUCKLEY:

H. R. 9169. A bill to amend subparagraph (c), paragraph I, part I, of Veterans Regulations No. 1 (a), as amended, to establish a presumption of service connection for chronic and tropical diseases becoming manifest within 3 years from separation from service; to the Committee on Veterans' Affairs.

By Mr. BYRD:

H. R. 9170. 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. CRETELLA:

H. R. 9171. A bill to amend and liberalize the provisions of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 9172. A bill to amend the Civil Service Act of January 16, 1883, so as to require that certain reports and other communications of the executive branch to Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GROSS:

H. R. 9173. A bill to amend the Civil Service Act of January 16, 1883, so as to require that certain reports and other communications of the executive branch to Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOLLINGER:

H. R. 9174. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRANAHAN:

H. R. 9175. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARDY:

H. R. 9176. A bill to amend Public Law 314, 78th Congress, to provide that retired reservists may waive receipt of a portion of their retired pay; to the Committee on Armed Services.

By Mr. HINSHAW:

H. R. 9177. A bill to amend section 405 (a), part IV, of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLMES:

H. R. 9178. A bill to amend the Internal Revenue Code of 1954 to extend the period for amortization of grain-storage facilities; to the Committee on Ways and Means.

By Mr. JENNINGS:

H. R. 9179. A bill to prohibit the use of real property owned by the United States for the production of agricultural commodities, including livestock, which are disposed of by sale; to the Committee on Agriculture.

By Mr. KEATING:

H. R. 9180. A bill to authorize the admission to the United States of certain aliens, and for other purposes; to the Committee on the Judiciary.

H. R. 9181. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H. R. 9182. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; to the Committee on the Judiciary.

H. R. 9183. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. KRUEGER:

H. R. 9184. A bill to provide for the acquisition of a site and the erection thereon of a Federal building in Williston, N. Dak.; to the Committee on Public Works.

By Mr. LOVRE:

H. R. 9185. A bill to amend the act of April 6, 1949, as amended, authorizing the Secretary of Agriculture to make disaster loans; to the Committee on Agriculture.

By Mr. MACK of Illinois:

H. R. 9186. A bill to authorize a 5-year program of grants for construction of medical educational and research facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. MOULDER:

H. R. 9187. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 9188. A bill to amend the Internal Revenue Code of 1954 with respect to contributions and gifts by corporations to or for the use of schools of engineering and related technical subjects; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H. R. 9189. A bill to amend the Immigration and Nationality Act to permit children adopted by United States citizens to be naturalized in certain cases without satisfying the residence and physical presence requirements; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 9190. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H. R. 9191. A bill to reduce the local contributions required for construction of the Navarro Mills Reservoir on Richland Creek, Tex., from 36 percent to 25 percent of the total cost of the project; to the Committee on Public Works.

By Mr. WATTS:

H. R. 9192. A bill to amend the Watershed Protection and Flood Prevention Act in order that a greater number of local organizations may qualify for assistance under the provisions of such act; to the Committee on Agriculture.

By Mr. ADDONIZIO:

H. J. Res. 523. 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. RHODES of Arizona:

H. J. Res. 524. Joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H. J. Res. 525. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the 1st conference of State governors for the protection in the public interest of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. Con. Res. 211. Concurrent resolution expressing the sense of Congress with respect to the creation of a commission on the Arab refugee problem within the United Nations; to the Committee on Foreign Affairs.

By Mr. BYRD:

H. Con. Res. 212. Concurrent resolution providing that the United States mission to the United Nations shall take such steps as might be necessary to have each day's session in the United Nations opened with a prayer; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIDSON:

H. R. 9193. A bill for the relief of Mrs. Josephine Bajada; to the Committee on the Judiciary.

H. R. 9194. A bill for the relief of John T. Lipset; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 9195. A bill for the relief of Wickham Courtney Anderson; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 9196. A bill for the relief of Evangelos Christos Mirtsopoulos; to the Committee on the Judiciary.

H. R. 9197. A bill for the relief of Lucienne Canicio Smith; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 9198. A bill for the relief of Aly Wassil; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 9199. A bill for the relief of Sagrario Gonzalez Arrivillaga Yanguas; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 9200. A bill for the relief of Mrs. Maria Guadalupe Aguilar-Buenrostro de Montano; to the Committee on the Judiciary.

By Mr. RUTHERFORD:

H. R. 9201. A bill to provide for the conveyance of certain property of the United States to Harvey V. Lashus; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey:

H. R. 9202. A bill for the relief of Joseph (Josef) Ams; 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:

501. By Mr. BUSH: Petition of the American Legion, Department of Pennsylvania, urging enactment into law of H. R. 7886; to the Committee on Veterans' Affairs.

502. By Mr. ROOSEVELT: Petition of the officers of the 26th Congressional District Council, California, of Townsend Membership, in favor of the adoption of H. R. 4471 and H. R. 4472 as amendments to the Social Security Act in place of old-age and survivors insurance and old-age assistance; to the Committee on Ways and Means.

503. By Mr. SMITH of Wisconsin: Resolutions adopted at annual meeting of the Racine Milk Producers Cooperative Association on January 16, 1956; one resolution pertaining to the support program, and the other to the soil-bank program; to the Committee on Agriculture.

504. Also, resolution unanimously adopted at a mass meeting of Americans of Lithuanian descent of the city of Racine, Wis., held under the auspices of the local branch of the Lithuanian-American Council, Inc., on February 5, 1956, to commemorate the 38th anniversary of the Declaration of Independence of Lithuania; to the Committee on Foreign Affairs.

505. By the SPEAKER: Petition of the secretary, Lithuanian-American Council, Inc., Racine, Wis., petitioning consideration of their resolution with reference to asking for bipartisan leadership and cooperation in the field of national defense and foreign policy, etc.; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Railroad Retirement Act Should Be Amended To Increase Benefits and Permit Optional Retirement at Age 60 or With 30 Years' Service, With the Annuity To Be Computed on the 5 Years of Highest Earnings

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. VAN ZANDT. Mr. Speaker, recently a subcommittee of the House Committee on Interstate and Foreign Commerce, of which our colleague OREN HARRIS, of Arkansas, is chairman, held hearings on 53 bills designed to amend the Railroad Retirement Act.

After taking testimony from the sponsors of the bills, the hearings were recessed temporarily and when resumed representatives of railroad management, railroad labor organizations, and agencies of Government will be heard.

At the conclusion of the hearings, the subcommittee will make recommendations to the full committee which is expected to perfect a bill for House action during the early summer.

As a sponsor of several bills pending before the House Committee on Interstate and Foreign Commerce, it was my privilege to appear before the committee on January 24, at which time I testified on behalf of my bills to increase benefits for annuitants, pensioners, and widows, and permit optional retirement at age 60 or after 30 years' service, with the annuity to be computed on the 5 years of highest earnings.

The legislation which I have introduced over a period of years represents the wishes of the active and retired railroad employees and their families in my congressional district.

It is in their interest and at their request that I have been making a determined effort for the past several years to have full consideration given to my bills to amend the Railroad Retirement Act.

My statement before the subcommittee of the House Committee on Interstate and Foreign Commerce follows:

Mr. Chairman, once again I am grateful to you and the members of this committee for according me the privilege of appearing before you to explain the bills I have introduced to amend the Railroad Retirement Act.

As all of you know, I represent a large group of active and retired railroad employees and at their request and in their interest I introduced proposed amendments to the Railroad Retirement Act.

Before discussing these amendments I should like to convey to you the attitude of the active and retired railroad employees of my district, as I talked to many of them last fall during the congressional recess.

Not only did I find a lot of dissatisfaction—and may I repeat dissatisfaction—among the retired people because of the failure of Congress to increase benefits, but I also found a general feeling among active railroaders that the Railroad Retirement Act should be revised for the purpose of providing more adequate benefits at the time of retirement.

Mr. Chairman, the basis of the majority of complaints stems from the action of Congress last summer in approving an increase in spouse benefits. The widow and widower are the chief critics of what they call discriminatory action on the part of the Congress.

Frankly, I found it very difficult to answer a widow whose average monthly benefit check is in the neighborhood of $40 when she asked me if I could exist on the scale of benefits paid those in her category.

In addition to the criticism that I received from the widow and widower on my visits to my congressional district last fall, I encountered a concerted and organized drive by actively employed railroaders—especially those in the Altoona, Pa., area where the largest railroad shops in the world are located—in support of amendments to permit retirement after 30 or 35 years of service, or at age 60, with the retirement annuity being computed on the 5 years of highest earnings and not less than one-half of the individual's monthly compensation.

In addition to the personal contacts I had with active railroaders in regard to the new formula of computing annuities, I have received postcards and petitions that contain in excess of 5,000 signatures in support of the proposed change in formula. Mr. Chairman, it is my understanding that this committee has received similar communications urging approval of these proposed amendments.

In all my statements regarding the possibility of liberalizing the Railroad Retirement Act and increasing benefits, I have stressed the absolute necessity of maintaining the stability of the retirement fund and keeping it in a solvent condition to guarantee the payments of present and future benefits with the highest degree of certainty.

Regardless of the repeated admonition that the solvency of the retirement fund is of paramount consideration, there is an honest difference of opinion in disputing the assertion that benefits cannot be increased without a corresponding increase in payroll taxes.

I called attention to this difference of opinion during the last session of Congress when I pleaded for an across-the-board increase in railroad retirement benefits.

In this connection, the views I voiced the past 2 years that my constituents felt an increase in benefits would not impair the financial stability of the retirement fund are worthy of your close examination.

While there is always room for an honest difference of opinion, in view of the widespread insistence that the Railroad Retirement Act be liberalized and benefits increased, I am certain that this committee will review the entire subject and hold adequate hearings at an early date so that final action can be taken on proposed amendments before the 84th Congress adjourns next summer.

Mr. Chairman, I have pending before this committee 14 bills designed to amend the Railroad Retirement Act, and I should like at this time to briefly describe them:

H. R. 856, which provides full annuities at compensation of half salary or wages based on the 5 years of highest earnings, for individuals who have completed 35 years of service or have attained the age of 60.

H. R. 857 repealing the prohibition against the payment of dual benefits to widows which I introduced January 1955 was incorporated in the committee bill H. R. 4744, which became law last year and is now known as the 1955 amendments to the Railroad Retirement Act.

H. R. 858 provides retirement on a full annuity at age 60 or after 30 years of service and that such annuity for any month shall not be less than one-half of the individual's average monthly compensation for the 5 years of highest earnings.

H. R. 859 provides for an across-the-board increase of 25 percent in the annuities and pensions payable to retired railroad employees or their survivors. This bill has been revised since its introduction because of changes made in the Railroad Retirement Act by the 1955 amendments. The bill superseding H. R. 859 is H. R. 7984, which I introduced January 1956.

H. R. 2443 provides that an annuitant may be eligible for his retirement annuity even though he renders compensated service for an employer other than railroads by whom he was last employed before his annuity became effective. This bill covers the situation where a retired employee is denied the opportunity to serve as a clerical employee of a church, civic, fraternal, or social organization.

In regard to the series of bills which I have introduced during the present session of Congress, they are as follows:

H. R. 7982 provides that the present dual benefit restrictions on spouses' annuities shall be eliminated. If this bill becomes a law some 6,000 spouses who have earned social-security benefits in their own right will be entitled to receive such benefits without having the amount deducted from their railroad retirement benefits as is being done at the present time.

H. R. 7984 supersedes H. R. 859 and provides for a 25 percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows, or other survivors. This bill is a revision of H. R. 859 and is necessary because of changes made by the 1955 amendments to the Railroad Retirement Act.

H. R. 7990 provides a 10-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows, or other survivors.

H. R. 7988 provides a 15-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows or other survivors.

H. R. 7986 provides a 20-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows or other survivors.

H. R. 7983 is a bill designed to provide a 25-percent increase in widows' annuities.

H. R. 7989 provides a 10-percent increase in widows' annuities.

H. R. 7987 provides a 15-percent increase in widows' annuities.

H. R. 7985 provides a 20-percent increase in widows' annuities.

Mr. Chairman, it is my understanding that the opportunity to appear before this committee is a means of affording members of Congress a chance to explain as briefly as possible the bills they have pending before this committee with respect to amending the Railroad Retirement Act.

Mr. Chairman, in accordance with information you furnished me I am pleased that you plan to hold public hearings at a later date at which time I hope it will be possible to have a more general and detailed discussion of the proposed legislation.

I wish to thank you, Mr. Chairman, and members of the committee for the opportunity to present the views of my constituents who reside in a heavily populated railroad district.

I have translated the wishes of my constituents into legislative amendments and I assure you that I appreciate your intention to consider these proposed amendments to the Railroad Retirement Act.

Issues Facing the Nation

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 8, 1956

Mr. MURRAY. Mr. President, the coming election raises some monumental issues which must be determined by the voters. Their decision in large measure rests upon the record made by the respective political parties and the men who carry their banners in every contest. That decision depends, as well, upon the statement of the issues, and the public's grasp of the problems encountered and the answers given.

Because the senior Senator from Washington [Mr. MAGNUSON], put so simply and so well many of the issues facing the Nation, I request unanimous consent to place in the CONGRESSIONAL RECORD the message he delivered to legislative delegates of the CIO steelworkers, at their January 18 meeting in Washington, D. C.

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

I am pleased and honored to be here at your invitation to discuss some of our mutual problems. I always feel at home with a group like this, because I have worked with labor throughout my 25 years of public life.

In a way, our problems are similar.

When I entered politics as a State legislator back in 1933, we were in the depths of the depression. We were fighting for great social reforms.

For example, I piloted through the legislature a bill abolishing the poorhouse in my State. I participated in drafting one of the first old-age assistance laws in the Nation. Many of its provisions became a model for the national statute.

We were fighting to save people's homes—we were fighting for FHA—for federally insured bank deposits—for the Wagner Act—for a square deal for the people—for a square deal for the farmer.

We were successful—over the constant opposition of the Republican Party and their financial backers.

Since that time a whole new generation of young people have become eligible to vote—are participating in the political life of the country. They take for granted many of the things we fought and bled for.

The problem of a man in political life is to reach these people—to make them understand that the things they now enjoy did not just happen.

It took leadership—statesmanship—and the willingness to put your political neck on the block. These things did not just happen—they happened because we believed in them and fought for them.

In labor, too, you have had problems. Many of the rank and file simply take for granted the present-day wage scales, working conditions, and the protection written into law.

Because these things are in existence—are enjoyed by the rank and file—they are apathetic. Their attitude is—they will always be there.

You and I know that is not true. It is a continual fight to maintain the gains labor has won—it is a continual fight to make further progress.

For example, in my State this fall, there will be a "right to work initiative" on the ballot. "Right to work" is a misnomer—it is a slogan dreamed up by the Madison Avenue advertising boys. It has public appeal—but you and I know it would set labor back for 30 years.

We will defeat that initiative—but it is going to take work—and you people here must somehow make the rank and file realize what they have at stake.

The same people who have sponsored these right-to-work measures across the country are in large part the people who financed the Republican Party. They have been clever—they have organized the drive around the local front—but behind that front stand the boys with the money bags, who have never been for labor.

I don't like to inject politics into a meeting like this, but I feel you want me to speak to you frankly—and I must say, in all sincerity, we are dealing with a big-business administration.

The executive branch of this Government is riddled with corporate executives—from the Cabinet on down. Now, there is nothing wrong with the corporate executive—but I raise the question whether just one segment of our economic community should have such a dominant voice in policies and programs that affect all the people.

Suppose we Democrats win the election in 1956—and I am convinced that we will. Then suppose that we proceeded to set up an all-labor Cabinet.

Suppose we make John L. Lewis Secretary of Labor, that we make Dave Beck Secretary of Commerce, that we appoint Walter Reuther—and I have just the job for him—Secretary of Health, Education, and Welfare, and so on down the line.

Can you hear the screams that would go up? People would say we were crazy. Labor itself would not stand for such a program—labor would not let itself be put in that position.

Yet in reverse, that is exactly what this administration has done. They have made it a big-business Cabinet and big-business Government—and those who are not corporate executives are either lame ducks or retired generals.

Our Government is too one-sided and the effects of that are beginning to show up on the economic scene and I think—in the long run—it spells economic trouble.

There are three great economic groups in this country—the farmer, the wage earner, and our corporate or business structure.

For sustained prosperity—for economic stability—these three great segments must move along together. Each must obtain its balanced and equitable share of the Nation's income.

Now what has happened since this administration took over?

The farmers' income has been cut by over $6 billion. Corporate income—business income—has gone up about $6½ billion.

The wage earner is just treading water. His wages have gone up a little, but prices have gone up a little and he is just about where he was in January of 1953—maybe a little worse off because his wages don't buy quite as much.

The farmer is in trouble—and he represents a great reservoir of purchasing power in our Nation. The income—the money—through profit, is piling up at the corporate end of the scale.

We Democrats always operated on the principle that if the wage earners and the farmers have purchasing power, business will do all right.

Farmers' and the wage earners' dollars are spent for a thousand different things and that spending keeps the wheels of the business community turning.

The Republicans and their backers have always operated on the trickle-down theory. I just don't believe it will work.

Unless we can get these three great economic groups moving back on the road together, we are heading for real trouble—in my opinion.

Just a word now about some of these terrible New Deal laws we heard so much about in the 1952 campaign.

I defy anyone in this room to point to a single New Deal law—social security, FHA, unemployment insurance—that this administration has changed.

No; they don't change the law—they don't make a frontal attack. They whittle at these gains by subterfuge and backdoor methods.

The favorite technique is to appoint a man to administer the law who does not believe in it.

You know what they have done to pack the Labor Relations Board—what they have done to the Federal Power Commission—what they have done to the Federal Trade Commission. They picked a man to be Chairman of the Federal Trade Commission who had spent 25 years of his life fighting with the Federal Trade Commission as the legal representative of some of the biggest firms in the country cited for violations.

You do not have to change the law. You can get an administrator who does not believe in it.

I think labor has a terrific stake in the coming election.

The Madison Avenue boys can dream up slick slogans—but slogans are no substitute for performance—and in this administration there is a veritable chasm between what they say and what they do.

No Republican administration—to my knowledge—ever helped the trade union movement. On the contrary—they have subtly sabotaged it. They may play you for votes but they don't believe in what you are trying to do for the average man.

They believe in the specific privileged few—at your expense.

It has been a pleasure to be with you tonight. My final admonition is to be vigilant—be militant—and give your people the facts.

Flood Protection Needed

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, one of the most urgent and important matters before the House of Representatives during this session is the matter of flood insurance. During the last year the need for some such program has become ever more apparent. Many of us right here in the House have had first hand experiences with the tragedy which major floods can bring to the areas which we represent. A program for some measure of protection is urgently needed.

The bill which I have introduced would establish a Federal Flood Insurance Administration which could issue policies at rates within the capacity of property owners to pay. The amount of coverage authorized would be up to $10,000 on 1- to 4-family residences, including contents, and up to $100,000 on any other single piece of real or personal property. Private insurance companies, which are presently unable to offer flood insurance at a reasonable rate, would be assisted by Federal reinsurance to provide coverage for loss in excess of the limits of the Federal program. The program would be financed through premium receipts, salvage transactions, and borrowing from the United States Treasury, up to a limit of $1.5 billion. No insurance would be offered under the provisions of the bill to cover risks which are insurable on reasonable terms through private or other public sources.

The past year has been the most expensive year on record in the matter of flood damage, but it must not go down in history like the previous most expensive year, 1951. That was a year which prompted Congress to stir a bit under the consciousness of a national problem, but it failed to take effective action. The private-insurance companies state most emphatically that they cannot do the job. It is up to Congress to act, and the time is now. Legislation to bring about a Federal flood-insurance program of the people at home. This is clearly shown by an editorial which appeared on February 1, 1956, in the Trentonian, one of the leading newspapers in my district. I should like to include it here as a part of my remarks:

[From the Trenton (N. J. Trentonian of February 1, 1956]

PROTECTION NEEDED

A New York engineering firm's prediction that New Jersey, Pennsylvania and other Northeastern States must anticipate rains and storm tides considerably worse than those created last August by Hurricanes Connie and Diane underlines the need for immediate action on both flood relief and flood prevention.

On the basis of the engineers' prediction of greater disasters, the American Insurance Association reiterates that no form of private insurance against flood damage is feasible.

Therefore, it must be concluded that the only possibility of flood insurance lies with the Federal Government. Congressman FRANK THOMPSON said in his weekly report on this page yesterday that many measures have been introduced in Congress, one of them cosponsored by himself and New York's Senator LEHMAN, and that they have been assured high priority in the legislative mill.

It is interesting to note that THOMPSON sees no tendency in Congress to insist on the passage of any one measure as introduced. This could mean that the legislation which eventually reaches the floor will embody the good points of most if not all of the proposed bills.

While insurance of some sort naturally takes priority, it goes without saying that flood prevention will, in the long run, be much more important than relief from losses incurred. Support for dams on the upper Delaware is growing rapidly, and perhaps New Jersey and Pennsylvania can look forward to the day when the river's newly discovered flood potential can be appreciably mitigated. Again, it appears that the Federal Government must lead the way toward that end.

Federal Disaster Insurance

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. FORAND. Mr. Speaker, under leave already granted me by the House I include herewith a statement I made at the February 1, 1956, hearings of the House Banking and Currency Committee, urging prompt enactment of legislation providing for a Federal disaster program.

The statement and the discussion I had with the committee follows:

Mr. Chairman and gentlemen of the committee, unless you have lived through a flood or a hurricane you cannot appreciate what an ordeal it is.

You read about it and see pictures of it and your sympathies are aroused, but to use the vernacular, "you ain't seen nothing."

Gentlemen, I tell you from personal experience, it's a nightmare. Your morale goes to bits and your spirit leaves you. You feel for the moment that the end of the world has come.

That, in a few words, is what happened to us in Rhode Island last August and again in October. It had also happened on several occasions in the past. In 1954 the southern part of the State was hit badly. In 1955 it was the northern part.

I have here a booklet which records the 1954 hurricane disaster, and a sheet of pictures on the 1955 flood. I ask you to study these. They will move you, I am sure. Fortunately, we of New England are a hardy type of people. We soon regain our composure and set out to reestablish our homes and our businesses, hoping that, without too much delay, the Federal Government, the only agency able to do so, will take the necessary measures to control flood damage in the future and establish a program of Federal disaster insurance, at reasonable rates—and when I say "reasonable rates," I mean ranging anywhere from 50 cents to $1 a thousand. I say that because I feel that the Federal Government itself is the only agency that can help in this case, and with full realization that it would be a cost to the Federal Government, a cost to the taxpayers. But, after all, the taxpayers are now footing the bill to a great degree when the Federal Government steps in to give relief in this type of case.

I hope that the rates will be reasonable and within the means of those who may in the future be the victims of natural disasters so that they may be compensated to a degree for their losses and be enabled to rehabilitate their homes and their businesses rather than have to seek public relief.

Private insurance companies will not issue policies against flood or other water damage. It is, therefore, the responsibility of the Federal Government to do it, in view of the fact that natural disasters know no geographical lines.

When I speak of natural disasters, I mean floods, hurricanes, earthquakes, dust storms, tornadoes, cyclones, and so forth, the type of catastrophe that the President proclaims to be a disaster and orders that the facilities of the Government be used to bring relief.

On January 3, I introduced the bill H. R. 7897, to provide for Federal disaster insurance and reinsurance.

It represents a great deal of study and an effort to be practical in approaching a subject which I consider most important and most urgent. And here I want to pay tribute, as Mr. Dodd did, to the legislative counsel's office, because they went out of their way to try to put into legislative language the ideas that I advanced.

My bill is intended to have broad appeal and thus bring in a larger amount of premiums to sustain the fund that if the coverage were restricted to one particular type of disaster, such as a flood or a hurricane.

Disasters of different types strike different parts of the country and for that reason I feel that all the potential victims of disasters are entitled to, and should be given, an opportunity to purchase this type of insurance.

In brief, the bill provides insurance coverage against natural disasters, as defined in the bill itself, for industrial and commercial buildings, homes and household effects.

Household effects, as you will note in section 3 (11) on page 6 of the bill, is defined to mean furniture, furnishings, and equipment necessary and appropriate for the operation of a household. It does not include objects of art nor antiques, nor negotiable papers or bonds, or the like.

No one may obtain insurance or reinsurance under the provisions of this bill except to the extent of his insurable interest, nor if such insurance is available to him from other sources at reasonable rates.

The potential liability of the United States is limited to not to exceed $500 million at any one time, except that on July 1, 1957, and on July 1, 1958, the President may, in his discretion, increase it by another $500 million.

The bill provides that the Administrator of the Small Business Administration shall administer the program. From time to time he is to determine the aggregate amount of such insurance outstanding in each geographical area of the United States and take into account the needs for such insurance in each area.

He shall establish premium rates at the lowest practicable level, taking into consideration the risks involved, and the desirability of providing such insurance at reasonable rates shall be uniform throughout the United States.

Insurance contracts written on household effects are limited to $3,000, with the first $50 of damage deductible.

On real estate the payment of claims would be in full for the first $15,000 and 50 percent of the excess over the first $15,000, with a deductible clause of $100, but the maximum claim allowance on a single item of real estate would not exceed $250,000.

Through an oversight there is nothing in this bill providing insurance coverage of inventories.

I respectfully urge your committee to include inventories in any bill you report out on this subject.

To cite an example of the need of disaster insurance coverage of inventories, let us take the city of Woonsocket, in my district.

Woonsocket has a population slightly in excess of 50,000 with 120 industrial firms providing employment for 11,000 workers.

In the 1955 floods 34 of these firms, employing over 6,000 workers, more than half of the city's work force, were victims of flood damage.

The losses to these firms ranged from a few thousand dollars to a maximum of $750,000.

The aggregate damage to industrial firms—including real estate, machinery, and inventories—was estimated at $4,500,000.

Commercial losses, while more widespread and involving a far larger number of individual firms were lower in dollar value but equally devastating. Nearly 200 commercial firms, many of them small owner-operated businesses and a great majority comprising retail stores, were reduced to almost total loss.

In many instances, accumulations of a lifetime of hard work were entirely wiped out. Losses to these businessmen ranged from a few hundred dollars to well in excess of $100,000 in a few instances. While no exact figures are available, these losses are estimated to aggregate in excess of $2 million.

These amounts do not seem large when we think of the billions in our national budget but I assure you gentlemen that in view of the serious economic situation that has existed in Woonsocket for the past few years, due to the depressed condition of the textile industry, the loss of some $6 to $7 million of property in this area is a most severe loss.

Disaster insurance to communities of this type is really a must if we are to avoid ghost towns.

Getting back to the bill—

The Administrator would issue regulations relative to adjustment and payment of claims.

He would be authorized by contract or otherwise to utilize the facilities, services, information and agencies of private insurers.

If a claim were disallowed the claimant would have a year to institute action in the United States District Court for the district where the property is located or in the Court of Claims.

A Disaster Insurance Fund would be established in the Treasury of the United States, into which would be deposited all premiums and appropriated funds and interest on these funds.

Claims would be paid out of the Disaster Insurance Fund in accordance with awards by or under authority of the Administrator.

Administrative expenses would not come out of the fund but would be paid out of appropriations for that purpose.

The Administrator would appoint an advisory committee of not less than three experts in the field of insurance to advise him with respect to the execution of his functions under this act.

The Administrator would report to the Congress each year, in February, on the operation of the act and recommend legislation needed to improve it.

Persons making fraudulent claims would be liable to a fine of not more than $10,000 or imprisonment of not more than 5 years, or both.

The authority, responsibility, or function of the Administrator would not be affected by the termination of the Small Business Act. He would continue as the Administrator of the Federal disaster insurance program.

That, Mr. Chairman, is my statement.

The CHAIRMAN. Mr. Forand, I know how interested you are in obtaining some help for your people who are in distress, and I think we all share that desire, but don't you think it would be absolutely essential, when we go back and tell our people that we have some help for them, to let them know just exactly what they would have to pay for this insurance?

Mr. FORAND. Very definitely, Mr. Chairman.

The CHAIRMAN. That is one of the main questions. I don't think we can sell them the insurance unless they know what they are going to pay.

Now, the administration witnesses have appeared, and they have introduced a bill, and they say that they cannot tell us the amount people would have to pay for this insurance, that it is purely problematical now. However, they did make 2 surveys, in 2 communities, and the cost in those 2 communities—which I suppose were typical communities—ranged from $115 to $620 per thousand. Now, the insured would have to pay from $69 to $372 per thousand dollars for insurance. What do you think about that?

Mr. FORAND. Mr. Chairman, I personally think the sponsors of that type of legislation are thinking of self-sustaining programs. I take a very different view. I believe this program should be sponsored and paid for by the Federal Government, in participation with the people who are going to be insured, and it is for that reason that I suggested that we fix the rates arbitrarily, between the brackets of 50 cents a thousand to $1 per thousand, realizing that the Federal Government may eventually have to pay out some money, and for that reason I suggest the appropriation of $500 million to start with.

We must realize that each year we have a disaster fund that we in the Congress vote to the President. That disaster fund becomes exhausted, and we vote additional money. Why would it not be wiser, instead of having to continually make appropriations for that purpose, to set up a definite amount of money, $500 million to start with, sell the insurance contracts at the rate where we realize we may be losing money, make it 50 cents to a dollar a thousand, but bearing in mind always the thought that if you have a low rate it is going to appeal to more people. And if you have a wide base, such as I suggest here, you will operate practically on the same basis that the war risk insurance operated on. You will recall we were selling war risk insurance for about $10, and working through the insurance brokers and agencies, each one would receive a dollar for writing a policy contract for the Government.

That program made money. I don't have the figures here, but with your permission I should like to insert them in the record, showing that the war-risk insurance that we had in World War II actually made money for the Government, and unless we have a broad base—and that is the principal reason why I include all these natural disasters—unless you have a broad base the Government will have to foot the major portion of the bill, but through this suggestion it is my thought that people will be hungry to purchase that type of insurance, particularly those who have been the victims of disasters. The premiums collected would lower the cost of the program to the Government.

Mr. MULTER. Mr. Forand, the figures on war-damage insurance, premiums collected, amounted to this: We collected about 250 times as much in premiums as we paid out. That is because we had no damage.

Mr. FORAND. I agree with you a hundred percent, but the appeal was there. Now, the damage has been done in these cases, and I believe there will be more appeal. There will be more appeal to the people to try to purchase this type of insurance.

The war-risk-insurance figures referred to above are as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., September 26, 1955.

Hon. AIME J. FORAND,
House of Representatives,
Washington, D. C.

DEAR MR. FORAND: In response to your questions on war-risk insurance, the following information is submitted:

1. How much was collected by the Government in premiums for war-risk insurance during World War II?

The Maritime Administration reports that total premiums collected by the Government during World War II for war-risk insurance amounted to $544 million.

2. When was the war-risk agency dissolved?

General administration of war-risk insurance was handled by the Wartime Insurance Committee which was established under the Maritime Commission on December 19, 1941. By Executive order of February 7, 1942, the Wartime Insurance Committee was transferred to the War Shipping Administration. On April 7, 1942, the Administrator of the War Shipping Administration appointed a Director of Wartime Insurance who took over the responsibility for administration of war-risk insurance. By the act of July 8, 1946, the War Shipping Administration was terminated and its functions were transferred to the Maritime Commission on September 1, 1946. By this act, all unobligated funds remaining in the marine and war risk insurance fund on December 31, 1946, were to be covered into the miscellaneous receipts of the Treasury.

3-4. How much money was left on hand at the time of dissolution? What became of this money?

The Treasury Department reports that the remaining balance of $57,751,884.92 in the marine and war risk insurance fund was carried into the surplus fund of the Treasury on June 30, 1948.

Sincerely yours,

ERNEST S. GRIFFITH,
Director.

The CHAIRMAN. I believe I made a misstatement when I cited what the cost would be. That was not per thousand dollars. That was $69 for $10,000 and $372 for $10,000. That was the range. Not per thousand dollars. I would like to make that correct.

Are there any questions?

We are very glad to have your views, Mr. Forand, and we want your assistance.

Mr. FORAND. Mr. Chairman, I am deeply appreciative of the fact that this committee has allowed me to appear, and I also appreciate the fact that each and every member of this committee is sincerely interested in this subject. We all realize it is a difficult problem to solve, but it is one that must be solved, otherwise our people are going to be wiped out completely in several places, and the Lord knows that our public welfare rolls are swelling too fast as it is. We don't want to add to that.

The CHAIRMAN. I know what it will do. In my section it keeps coming.

Mr. FORAND. You have had it.

The CHAIRMAN. We have had it. It has made slums of cities, destroyed property, and if we can give them some relief it will not only relieve them of the effects of disaster, but will also relieve their minds from the apprehension of floods that are coming.

Mr. FORAND. I believe, Mr. Chairman, there is one thing we must realize, and that is this is a type of program that cannot be made self-sustaining, and that the Federal Government will have to appropriate money if we are going to render this type of service.

Mr. MULTER. Mr. Chairman, I have a question.

Mr. FORAND, before you go, and I think the other Members of Congress here ought to know some of the difficulties we are meeting in considering these problems. Most of us who are concerned with the problem have tended to put in bills of one type. All of us were agreed that that was the approach to this type of problem. Of course, the easy answers, let us cure the situation by proper flood control, and so forth. But that is a long-term program, which is going to cost a lot of money, and eventually it will have to be done. But some of us are beginning to feel that this is not the right approach, and I am one of those who introduced a comprehensive disaster-insurance bill. Your bill points it up. Let me indicate to you why.

You recall the national life insurance we had. We found it was costing more to administer the program than we were paying out. Not only premiums collected, but actual administration of the program cost more than we were actually paying out in liabilities. So we decided instead of having all that administration we would give each man a policy, and the Government would make the payment. We were saving money by doing that. We may have the same situation here.

In the case of the crop-insurance program, in the first 7 years we lost $71 million. It is still not a self-sustaining program. In the last few years we have lost $2 million. And that is limited to loss, and to areas, and on a selected basis, and insuring only certain crops and only to the good farmer. In other words, if a farmer has a history of not being able to do a good farming job he cannot get the insurance.

Mr. NICHOLSON. Will you yield?

Mr. MULTER. I yield.

Mr. NICHOLSON. You are talking about flood control, long range and everything, but Representative Forand and I don't have those troubles. Our trouble is from hurricanes and salt water. That is where our trouble comes from. It is not flood control because our rivers apparently take off all the water and dump it into the Atlantic Ocean.

Mr. FORAND. Unfortunately, last August we did have floods.

Mr. NICHOLSON. Well, we had them in Massachusetts, but we also had tidal waves and that is what we are interested in.

The CHAIRMAN. When these disasters occur America has always responded to the necessity of her people. We have aided not only our own people but we have sent immense sums to assist other nations. And I think we will have to take part of the responsibility if we are going to get any relief.

I feel as you do, Mr. Forand, on the subject. It has to be in some form.

Mr. FORAND. It is a realistic approach, I consider, and that realistic approach is the fact that the Federal Government will have to bear the greatest burden. We are doing it indirectly anyway, so why not let these people feel that they are paying a part of the risk, paying for a premium on insurance for a possible risk, and if you broaden your base by including the several disasters throughout the country, of one type or another, I think the appeal for the purchase of this insurance will be very great.

Mr. MULTER. Have you any idea what it would cost per year to administer this program?

Mr. FORAND. I have not.

Mr. MULTER. Will you tell us your thinking as to why you selected the Small Business Administration to administer this program rather than an independent agency or some other agency?

Mr. FORAND. It would be a separate agency. The Administrator of the Small Business Administration is also the administrator of disaster loans under the present system. That is why he was selected.

But if you have noticed, there is a clause in this bill providing that even if the Small Business Administration is wiped out at any time this would be a continuing program, and the Administrator would continue his functions as the administrator of the disaster insurance program.

Mr. MULTER. But I am wondering why you pick an agency that has had no insurance experience as against an agency which has had insurance experience; for instance, the Housing and Home Finance Agency, which has had tremendous insurance experience. They are taking policies all the time, and are adjusting policy losses, and have an insurance department as part of the Agency now. The Small Business Administration is a lending agency, even under the disaster loan program.

Mr. FORAND. That is correct.

Mr. MULTER. Why should we give it to that kind of an agency rather than another agency? If you give it to them they will have to set up a new bureau. Either set up an independent agency or give it to an agency of Government that has had experience in the field.

Mr. FORAND. I am not wedded to this idea, but I felt that when I came before you I should have something concrete to offer. Anything that the committee does to carry out the principles underlying my proposal would be very acceptable and very agreeable.

Mr. MULTER. I am in agreement with you that if you can sell this insurance at a dollar a thousand, you are going to have a lot of takers in the disaster areas. I doubt if you will get any takers if it is on a voluntary basis in the areas which have not yet been visited by floods. As testimony indicates, the fellow on top of the hill is not going to take any flood insurance, but the man down at the bottom of the hill is going to have to pay a high rate.

Mr. FORAND. The fellow at the top of the hill may be struck by a hurricane.

Mr. MULTER. That insurance is presently available to him.

Mr. FORAND. To a very limited degree. I happen to be an insurance broker, and I can tell you that, if you read the fine print in your policy, you will find you don't have the coverage you think you have.

Mr. MULTER. Because in Rhode Island you are in what is now the hurricane area. But you could have gotten that insurance very cheaply 20 years ago, because the area had not been visited by hurricanes. The same as New York. In those days the companies were giving it to us for 10 cents per $100.

Mr. FORAND. That may be true. But don't forget the publicity in the newspapers and over the radio and television have stirred up thinking in the minds of the people in every section of the country.

Mr. MULTER. Let us consider one other phase of your program as you have outlined it, having in mind that you would fix a uniform rate of $1 per thousand, with a maximum liability of $500 million. On that basis you can collect $500,000 a year in premiums. The direct damage only as a result of just the August 1955 floods, in the New England area, was well over half a billion dollars.

Mr. FORAND. True; just direct damage.

Mr. MULTER. Direct and indirect, $1,600,000,000, just as a result of that flood.

Mr. FORAND. But how much money did the Federal Government spend by way of relief work, and is it still spending, as a result of that? Charge that amount against the losses that would be paid under these policies and I think you will find that you have reduced the cost of the insurance program by quite a margin.

Mr. MULTER. As you compare what happened there, just taking one flood, any one of the floods we have had in the last 12 months, as against this kind of a program, I think it would be much smarter for us to say to the people, "In the event of a loss come in and prove your damage, the Government will pay it to you," instead of setting up an insurance program and getting not even the cost of administration of the program out of it. We would only be fooling the people.

Mr. FORAND. Well, Mr. MULTER, I don't care how you do it. I want relief for the people. That is the important thing. And I know that is what you are trying to work out.

Mr. MULTER. We would like to give it to you.

Mr. FORAND. Thank you very much.

The CHAIRMAN. We are glad to have your views, Mr. FORAND. We will consider them in executive session.

Mr. FORAND. Thank you very much.

Opinion Poll Results

EXTENSION OF REMARKS

OF

HON. ROBERT J. CORBETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. CORBETT. Mr. Speaker, during my years of service in the House of Representatives, beginning in 1939, I have regularly conducted polls in my congressional district of public thinking on vital national issues. These polls have been in the form of a printed questionnaire, requiring simply yes and no answers, mailed to registered voters in my district, regardless of their political affiliation.

Response to these questionnaires have always been excellent. The tabulated results, which virtually constitute a referendum of the district, have proved of enormous value to myself and, I hope, to my colleagues in the Congress.

My congressional district is probably as representative and contains as many varied interest groups as any in the Nation. It has a high concentration of labor, white-collar workers, small business, large industries and some of the finest farmlands found anywhere. Many nationality groups reside therein and the Negro population is considerable. The district includes a thickly populated section of Pittsburgh and many large and small residential towns in northern Allegheny County and extends to important rural areas.

The percentage tabulation of the answers on this latest poll are included below without comment. I trust they will prove as interesting and informative to all who study them as they are to me.

POLL RESULTS

1. Is a tax cut more appealing to you than a balanced budget? Yes, 15 percent; no, 83 percent; no opinion, 2 percent.

2. If a budget surplus is apparent, would you prefer a tax cut to debt reduction? Yes, 29 percent; no, 68 percent; no opinion, 3 percent.

3. Should the United States resist with arms Communist aggression anywhere the people attacked desire help? Yes, 52 percent; no, 38 percent; no opinion, 10 percent.

4. Should the $25 billion interstate highway program be financed with a combination of increased use taxes and bonds? Yes, 67 percent; no, 22 percent; no opinion, 11 percent.

5. Would you object to paying 4 cents, instead of 3 cents postage, for nonlocal first-class mail (ordinary letter)? Yes, 26 percent; no, 73 percent; no opinion, 1 percent.

6. Do you think we are moving with satisfactory rapidity to establish full civil rights for everyone? Yes, 80 percent; no, 15 percent; no opinion, 5 percent.

7. Do you think we are going too far, too fast with the reclamation and irrigation program? Yes, 25 percent; no, 59 percent; no opinion, 16 percent.

8. Do you believe that the proposed $4½ billion foreign-aid program should be cut 25 percent or more? Yes, 77 percent; no, 16 percent; no opinion, 7 percent.

9. Should the Government encourage and guarantee private health insurance programs? Yes, 47 percent; no, 47 percent; no opinion, 6 percent.

10. Do you agree that the administration's farm-price-support program is an improvement over previous programs? Yes, 70 percent; no, 15 percent; no opinion, 15 percent.

11. Eisenhower says our defense preparations are adequate. Do you agree? Yes, 68 percent; no, 19 percent; no opinion, 13 percent.

12. Do you believe that Eisenhower can and should stand for reelection? Yes, 64 percent; no, 22 percent; no opinion, 14 percent.

Frank Sinatra Plans Worldwide Entertainment Tour for Charity

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. McDONOUGH. Mr. Speaker, the House Committee on Education and Labor is currently considering legislation to provide for the interchange between the United States and other countries of creative and performing artists in the field of art, drama, music, and the dance. This program has been proposed to meet the challenge of communism and to promote goodwill and understanding between the United States and other nations of the world by a greater exchange of cultural ideas which reflect national character and custom.

This is, in my opinion, an excellent proposal for improving international relations and is, to some extent, an extension of the overseas tour program in which many American artists in the entertainment field have already participated.

I have been apprised of the fact that Frank Sinatra, perhaps the most popular entertainer in the world today, currently is in contact with our State Department in arranging a forthcoming worldwide tour of charity performances, the first ever undertaken on such a scale by any top-name American entertainment figure. In this highly commendable project, Mr. Sinatra would take several weeks out of his very busy professional career to tour the world late this year in a series of benefit appearances, with all proceeds going to a major charity in each country visited. If this tour, which Mr. Sinatra proposed, materializes, he will indeed become a great good will ambassador for our Nation.

It is worthy of remark how frequently Mr. Sinatra and his fellow artists in the realm of show business offer their time and talents to public-spirited enterprises, and how infrequently the general public learns of their unselfish generosity.

Frank Sinatra, long an international favorite, is motivated in this undertaking by his determination to show the rest of the world what can happen in America to a boy born in humble surroundings. To this project he is contributing more than his time, talent, and prestige. The time which he will take out of his busy and lucrative work schedule in order to make this tour, which he himself proposed, will mean thousands of dollars out of his own pocket. However, he believes that the benefits that could accrue to the United States in terms of good will and improved world relations as result of this tour cannot be measured in dollars.

The sincerity with which artists like Frank Sinatra bring their services to good causes is amply demonstrated by the fact that they are busy at it the year around. Within just the past few months, for instance, Mr. Sinatra has actively campaigned for and aided such projects as the American Heart Fund, the sale of Bonds for Israel, the Peanuts for Polio, and other phases of this year's March of Dimes, and other worthy causes, not to mention numerous personal appearances in behalf of charitable benefits. Within the past few weeks he took the time to appear in a special short subject sponsored by the National Conference of Christians and Jews and shown in the theaters of the Nation as part of Brotherhood Week.

Frank Sinatra's activity in these fields is the more remarkable when considered in the light of the tremendous demands and obligations exacted by such a successful professional career.

Recently this actor and singer added to his already full schedule the new responsibility of motion-picture production. His new company, Kent Productions, Inc., has just completed its initial motion-picture production, a film titled "Johnny Concho," for the United Artists Co. In addition, he is about to add musical conducting to his professional activities with an album for Capitol Records which will feature not Mr. Sinatra's famous singing voice, but rather his conducting the original compositions of a group of great but underrated people, the composers in Hollywood, whose works contribute so much to present-day motion-picture enjoyment. And, in addition to all these activities, Mr. Sinatra still takes time to respond generously to worthwhile and public-spirited undertakings.

Mr. Sinatra has long been a true crusader for a better world. The Academy of Motion Picture Arts and Sciences has given him a special award in recognition of his film The House I Live In, a short subject devoted to furthering tolerance and a better understanding between peoples. In another recent instance he was selected as star of the year by the Interstate Circuit, one of the Nation's largest theater chains, a tribute citing the fact that he never rejects a request from any meritorious cause.

Having done so much for good purpose here in America, Mr. Sinatra now seeks, through his proposed tour, to aid worthwhile causes in other countries as well.

The fine citizenship and unselfish spirit manifest by Frank Sinatra and by many other outstanding figures in the entertainment world are indeed deserving of the sincerest commendation, as well as the warm appreciation of the people of the United States.

In the motion picture and recording industries, Mr. Frank Sinatra today is

considered tops at the box-office. With his great contributions to aid in worthy causes, he should also be considered a top humanitarian and a great American.

Foreign Trade and Antitrust Laws

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. CELLER. Mr. Speaker, some members of the American community engaged in business overseas recently have been making an intensive effort to exempt in varying degrees foreign trade from compliance with antitrust principles. I am disturbed by any movement to curtail antitrust enforcement because I have maintained a firm belief in the benefits derived by the United States from its historical policy of maintaining both domestic and foreign trade free from artificial restraints.

The theme underlying demands for special antitrust privileges in the foreign field essentially is that American business is hampered or obstructed by strict application of our antitrust laws to trade and investments abroad. Numerous proposals have been advanced to remedy this condition. If accepted, these proposals would necessitate reversal of a primary policy of Congress embodied in numerous pieces of legislation and the overruling of a long series of key judicial decisions.

The recommendation of the American Chamber of Commerce in London, for example, would exempt from the antitrust laws acts performed outside the territorial limits of the United States. To accept this extreme proposal would upset a multitude of court decisions going back to 1911 when the Dupont powder trust, combining German, Britain and American explosives manufacturers, was held illegal.

Special treatment for foreign trade under the antitrust laws is urged because customs and laws abroad relating to business differ from those of the United States. This contention also has been examined and rejected by the courts. In the National Lead case against international titanium cartel in 1947, the court reviewed opposing European and United States philosophies and pointed out:

> The major premise of the Sherman Act is that the suppression of competition in international trade is in and of itself a public injury; or at any rate, that such suppression is a greater price than we want to pay for the benefits it sometimes secures. * * * The economic theory underlying the Sherman Act is that, in the long run, competition is a more effective prod to production and a more trustworthy regulator of prices than even an enlightened combination.

Indeed, the Sherman Act does represent a policy of a high order. It is now commonplace to speak of it, in the words of Chief Justice Hughes, as "a charter of economic freedom." Inherent in the statute are values of deep significance to economic and political democracy.

By prohibiting monopolies and restraints of trade, the Sherman Act undertook to provide one thing only, freedom. It does not have the negative purpose of regulating competition. Its single aim was to prevent artificial aggregations of economic power in private hands, by which others could be foreclosed from the free pursuit of callings which are the common right of all. To that end the statute sought to provide freedom of access to lawful callings, freedom of those in the market to exercise and develop their powers and freedom of consumers to choose among products and sellers.

These are the values to be weighed, when you consider conforming with customs and laws of other countries. A reinterpretation of the antitrust laws to permit American concerns to increase their foreign business by combination with their competitors would subordinate our basic policies to the policies of the foreign countries and would hamper the long continued efforts of the United States to encourage foreign nations in realizing the benefits from more competitive economic conditions.

Such interpretation would set the stage for a gradual fusion of the private enterprise system of the United States with the systems abroad, still largely feudal in basic values, in which cartels and cartel members are often instruments of government policy, and territories are divided in terms of national boundaries. Activities and investments abroad by American companies cannot be hermetically sealed off from their activities at home. There is a continuous and inseparable interrelationship and circulation of the capital, credit, technology and knowledge in world commerce. Participation by American firms in restrictive combinations abroad would produce a resulting comixture of the two systems which in the long run would dilute and weaken our own system of free private enterprise.

Although the extra territorial application of the antitrust laws to combinations restraining our domestic or foreign commerce has been clear since the Dupont powder case in 1911, the antitrust program against international cartels has been most active in the period following World War II. Most of the cartel cases have been in this period.

Enforcement of the antitrust laws in these cases to strike down restrictive international arrangements uniformly has had multiform benefits to the economy of the United States. From one industry to another can be found a lowering of prices, a broadening of markets and a growth of productive capacity.

Gains in size and strength have followed for those outside the combination and for the participants who come to enjoy a new birth of freedom. When in retrospect it is possible to see only improvement and growth following anticartel enforcement, it would be a strange kind of reasoning which would look ahead with expectation of deterioration.

Moreover, the presence of this very active program to enforce the antitrust laws against international cartels does not appear to have resulted in any harm to United States overseas operations.

Since 1946 direct investments by United States corporations have jumped from $8 billion to $17.7 billion. In 1954, alone, direct investments increased $1.4 billion.

Since 1946, profits on United States overseas operations of all kinds have nearly tripled, going from slightly over $1 billion in 1946 to $2.8 billion in 1954. In 1954, United States corporations earned profits of $2.3 billion on their direct investment of $17.7 billion, a 13-percent return. This profit is equal to 14 percent of the earnings after taxes of all United States corporations.

These statistics demonstrate the very active antitrust program since the war has not resulted in injury to our overseas commerce.

Another justification for special exemptions for overseas operations is that antitrust enforcement conflicts with and undermines the Government programs designed to assist friendly foreign nations by stimulating investments abroad. The above statistics demonstrate that it is both commercially feasible and that American companies have been able to make profitable investments abroad within the restrictions of the antitrust laws. Rapidly expanding volume of American investment abroad, shown by these statistics, discounts claims that our foreign assistance programs have been harmed by conflicts with our antitrust policies.

Further, the agencies of the Government responsible for implementing the foreign policies of the United States have advised that application of competitive principles to their programs has not resulted in any impairment to their programs. The Department of Defense, for example, advised the Attorney General's Committee:

> We find that in certain cases, adherence to the principles contained in the antitrust laws has inconvenienced and perhaps to some extent delayed Defense Department procurement activities abroad, particularly in areas where cartel arrangements are the rule rather than the exception. However, it is believed that the long-term benefit to be derived from opposing combinations in restraint of trade, a policy now expressed in the Mutual Security Act, counterbalances any advantages which this Department might derive from a less stringent application of antitrust principles to our foreign procurement.

Similarly the State Department summarized its views on relationship of the antitrust laws to promotion of foreign private investments as follows:

> The Department is keenly interested in encouraging American foreign investment. At the same time, it is recognized that investment surrounded by restrictions illegal under the antitrust laws would generally lack the benefits normally expected to flow from United States overseas investment and would be likely to create barriers to the accomplishment of other United States policy objectives. For example, one result could be the creation of restraints on the availability from foreign areas of raw materials important to United States industry. In addition, a United States policy of permitting foreign investment on this basis would

hamper our efforts to encourage foreign countries in developing more competitive economic conditions since it would tend to give support to foreign justifications of cartels as instruments of internal and international trade.

In its administration of the Government's investment guaranty program, the Foreign Operations Administration has advised:

We do not feel that the application of the antitrust laws to foreign commerce has operated to the detriment of the FOA program in any significant way, and it may have contributed to these objectives in many instances.

Representation of FOA could cite only seven cases which had arisen in its guaranty program involving substantial conflicts between proposed technology licensing arrangements and the antitrust laws. In four of these cases the investor was able to modify his licensing agreements and qualify for guaranty assistance. In three instances, the applicant refused for various reasons, to alter the agreements proposed and so was not granted assistance. In these instances FOA did not know whether the proposed arrangements nevertheless were consummated.

It is clear that antitrust has been no substantial bar to Government programs designed to stimulate technical assistance and investments in foreign countries. In any event, to the extent that foreign investments cannot be made except by permitting territorial allocation and price-fixing arrangements now illegal, it is my firm view that the antitrust law should prevail.

Instead of weakening the principles of antitrust applicability to foreign commerce by permitting American firms to enter restrictive arrangements it would seem to be the better course to eliminate the few areas in which American firms now are permitted to combine. Repeal of the Webb-Pomerene exemptions, for example, would be an affirmative step in persuading other countries to abandon similar restrictive practices. That act is a clear negation of antitrust philosophy and was enacted as purely a defensive measure to counteract the economic power of European buying cartels. Times have changed, such protections are no longer necessary.

Further, intensive support should be given by our Government to establish international procedures to cope with restrictions on international trade. Our antitrust laws, in themselves, are not sufficient to eliminate restraints by foreign conspiracies upon the foreign and interstate commerce of the United States. Since many of the participants in such conspiracies are foreign, our courts cannot proceed against all of the parties involved. Some kind of international control of this problem seems to be the only way to protect the American economy against the damage caused by foreign cartel arrangements. Moreover, international control would be much more advantageous to American industry than the present unilateral antitrust enforcement against their foreign operations.

The remedy for this situation is not to admit that United States commerce is to continue to be artificially restrained. To protect our own economy we must lead other countries to recognize the value of antitrust and apply its principles to international commerce.

Cartels foster an economy of scarcity. A free economy provides abundance. Abundance is a powerful weapon for combating the appeal of totalitarianism to impoverished and discontented peoples. Modern competitive man must indeed become cooperative if he is to survive, but cooperation cannot be achieved by the powerlessness which monopoly and restriction inevitably produce. Cartel agreements do more than apply self-imposed restraints; they restrict those outside the group, both consumers and competitiors. As to these, the cartel is not a form of cooperation, but of oppression. Only measures chosen pursuant to law to promote the interest of all, by insuring freedom from monopolistic power, can provide the conditions for cooperation.

The Boy Scout Movement

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. MACK of Washington. Mr. Speaker, this week marks the 46th anniversary of the Boy Scouts of America.

Within the brief period of one generation, 46 years, the Boy Scouts of America has grown from a handful to a membership of 2,765,000 boys and nearly 1 million leaders. Nor has this growth ended. Last year the scouting movement in this country added 280,462 additional members. No organization could have grown so great so fast unless it offered something very worthwhile to American living and culture.

Boy Scouting does offer much of great and enduring value to the youth of America and for the well-being and happiness of our country and its people.

The equalities of character which every Boy Scout is pledged to seek to develop within himself are those of self reliance, courage, reverance for God, helpfulness to others, good health, mental alertness, and moral straightness. All of these are qualities that make for that good citizenship upon which good government depends.

The greatest and most important resource that this Nation possesses is its boys and girls. Upon the development of a nation's youth, more than upon anything else, depends the nation's future. The Boy Scout movement, since it develops boys into better citizens, builds wisely and well for a better, stronger and happier America. May the Boy Scout movement continue to grow and prosper because it serves all that is noblest and best in our national life.

Campaign Expenditures

EXTENSION OF REMARKS

OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. MADDEN. Mr. Speaker, I was indeed alarmed to read in this morning's paper an article by Drew Pearson wherein he enumerated the fabulous sums of money contributed by the Rockefeller, Pew, Mellon, Du Pont, and other families toward the Republican 1952 campaign. He elaborated in this article how various members of the family circumvented the true intent of the Corrupt Practices Act by the parents and children, cousins, uncles, and aunts all contributing sums of money in order to break down the total amount to avoid the intent of the election law dealing with unreasonable contributions.

I think it is highly necessary for the House to establish a special committee in the 1956 campaign as a watch-dog committee to prevent evasion of the Corrupt Practices Act and avoid the repetition of the millions that were spent by the Republican Party in 1952 and other campaigns. The chairman of the senatorial Campaign Committee, Senator GOLDWATER, and several other leading Republican politicians have been cleverly sending out misleading propaganda alerting the American people against large expenditures from labor organizations.

Let us get the record straight regarding the relative contributions of labor organizations as compared with the Republican Party's financial sponsors. In 1954 the Republican Party received from 738 individuals and families, a sum equal to the total voluntary contributions from 18 million members of organized labor. This amount was $1,434,000. In other words, for every voluntary contribution from a labor-union member of $1, the Republican Party received $1,943 from each of 738 wealthy contributors.

In the 1950 campaign in Ohio, the Hennings investigating committee revealed that the Republican political groups, organizations, and clubs supporting Senator Taft, spent $1,800,000. It was also revealed in the Hennings committee report through the testimony of Ohio senatorial candidate Joe Ferguson and others, that groups made up of Republic Steel, Timken Roller Bearing, NAM, American Medical Association, and so forth, spent approximately $1,200,000 in cleverly written newspaper, magazine, billboard, television, and other forms of advertising for the Republican Party in Ohio. This sum, coupled with the above, placed the cost of the Ohio Republican campaign in 1950 at approximately $3 million. Compare this with the $220,000 voluntary contributions spent in Ohio by all branches of organized labor during the 1950 campaign.

From reports in the newspapers and over radio and television, the American voters have cause to fear as to what

might happen in 1956, if the special interest groups follow the same policy of election expenditures as in 1950, 1952, and 1954. No greater cloud hovers over the American system of free elections and representative Government than the fact that money is beginning to play such an important part in the elections of Presidents, Congressmen, governors, and other State officials. I read where Chairman Hall, of the Republican National Committee, has already admitted that $2 million worth of television time has already been signed. Five million dollars in addition has been raised by the Salute to Eisenhower meetings. There has not been revealed the added millions that will be derived from sources which brought about the great Republican campaign expenditures of 1950 and 1952. As of now, the Democratic Party has been unable to even talk to broadcasting companies regarding television and radio time because of a barren campaign budget.

I know the farmers of Indiana and America are very anxious to get the true facts as to why the Republican campaign promises of 1952 were completely reversed and they received the rural bankruptcy plan of Benson in 1953 and 1954. Apparently in the fall campaign the only television and radio time the Democratic Party will have available to inform the farmers of the true facts involved will be during the 6 a. m. milking hour. On the other hand, the only factual information labor can receive over television and radio as to why the Eisenhower promises of 1952 were not carried out will be the broadcasts at the 4 a. m. change of shift in factories throughout America. National Democratic Chairman Butler's plan to equally divide radio-television time would be a great step forward in enabling the American voter to decide this election on factual information in the true record of both parties. It is highly necessary that to preserve this free republic the Congress take steps to prevent buying of elections through tremendous campaign funds. The American people must know the true facts and issues in this coming campaign and unfortunately, it costs millions to bring this information to the people. The public is entitled to know what is going on in their Government and one of the unfortunate ways to prevent this information from going into the precincts are the fabulous campaign expenditures provided by special privilege groups to buy up radio, television, newspaper, magazine, and all other forms of advertising mediums.

Congress should take steps and take steps now to prevent money from being the deciding factor in the presidential and congressional elections of 1956.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 9, 1956

The House met at 12 o'clock noon.

Rev. C. K. Gebhart, president, the Southwest Ohio Synod Evangelical and Reformed Church, Hamilton, Ohio, offered the following prayer:

Almighty and eternal God, who art the Creator of all things, and yet the Heavenly Father of all people, we humbly bow before Thee, in thankfulness and petition, as the deliberations of this day begin.

For all those who have served our country in the past, we give Thee our thanks. For those who serve it in this hour, we ask Thy blessing. Pour out from heaven a special portion of Thy courage, wisdom, light, and guidance unto those who serve it within these hallowed walls of this Congress.

May we as officials in government, as humble citizens at home, not be as reeds shaken in the winds of doubt and confusion, but help us, O God, that in Thy strength we shall be as a house built upon the rock of Thy eternal word. Guide us into all useful living, that the record of our life span may contain these words, "Well done, thou good and faithful servant."

In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 6857. An act to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; and

H. R. 7156. An act to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2889. An act to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah; and

H. R. 8320. An act 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 message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7030. An act to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MARTIN of Pennsylvania, and Mr. BENNETT to be the conferees on the part of the Senate.

AMENDING SECTION 208 (B) OF THE TECHNICAL CHANGES ACT OF 1953

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2667, an act to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.), with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 8, insert:

"SEC. 2. Section 2053 of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for expenses, indebtedness, and taxes) is hereby amended by redesignating subsection (d) to be subsection (e) and by adding after subsection (c) a new subsection as follows:

"'(d) Certain State death taxes:

"'(1) General rule: Notwithstanding the provisions of subsection (c) (1) (B) of this section, for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of any estate, succession, legacy, or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106 (a) (2). The election shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

"'(2) Condition for allowance of deduction: No deduction shall be allowed under paragraph (1) for a State death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided for in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106 (a) (2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106 (a) (2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106 (a) (2) are required to pay.

"'(3) Effect of deduction on credit for State death taxes: See section 2011 (e) for the effect of a deduction taken under this subsection on the credit for State death taxes.'"

After line 8, insert:

"SEC. 3. Section 2011 of the Internal Revenue Code of 1954 is amended by adding after subsection (d) a new subsection as follows:

"'(e) Limitation in cases involving deduction under section 2053 (d): In any case where a deduction is allowed under section 2053 (d) for an estate, succession, legacy, or inheritance tax imposed upon a transfer for public, charitable, or religious uses described in section 2055 or 2106 (a) (2), the allowance