West River were happy to see BERRY. He has done a good job for them.

We checked BERRY's record in the CONGRESSIONAL RECORD, and it is a record of accomplishment for the West River ever since his first term in Congress.

Perhaps you would like to review, as we did, the things BERRY has done.

BERRY BILLS INTO LAW

His bill requiring the Armed Forces to use only domestic wool in the purchase of any material containing wool has meant millions of dollars to the sheep industry during the 4 years BERRY's bill has been the law of the land.

His bill to validate the filing of mineral claims for uranium ore deposits in the lignite beds on public land opened up tremendous possibilities for northwestern South Dakota.

BERRY's bill for the Cheyenne River Indians established a new pattern for the Indian people, giving them a new freedom in handling their own affairs. For the Indians whose land will be inundated by water from Oahe Dam, BERRY's bill provides $3 million for the land plus $5.5 million for rehabilitating the displaced Indians.

BERRY also successfully sponsored a bill providing long-term leasing of Indian land for commercial and industrial purposes.

Another helpful law for the Indians was the BERRY law which authorizes the mortgaging of Indian trust property as the basis for financing Indian ranch units through regular commercial channels.

STRIKES FOR AGRICULTURE

For agriculture, still the West River's major industry, BERRY—in addition to the wool bill—cosponsored legislation which increased durum wheat production outside allotment quotas while durum is in short supply.

He cosponsored the bill which established the foot and mouth disease research laboratory on Plum Island—legislation of great significance to all stockgrowers.

BERRY also cosponsored legislation removing ASC acreage compliance requirements for eligibility to receive soil conservation payments.

OTHER ACCOMPLISHMENTS

And that's not all.

BERRY has consistently worked for the expansion and development of Ellsworth Air Force Base, Rushmore Memorial, our national parks, and veterans hospitals in the West River.

He assisted in securing the uranium mill at Edgemont, helped straighten out the mica buying mess at Custer, has been active in promoting the Missouri River development program. BERRY successfully led the fight in Congress for increased appropriations for coyote and rodent control and for increased appropriations to curb brucellosis in livestock.

BERRY has worked closely with REA associations, assisting them to speed up loans to expand their services in our rural areas. He is an active spokesman for Eisenhower's highway expansion program and works closely with the Indian Department in locating small industries on or near Indian reservations.

IMPORTANT COMMITTEE

There is an impressive list of bills, still pending in Congress, which BERRY introduced. All are of benefit to the people and the economy of the West River.

BERRY is the fourth ranking Republican member on the Interior and Insular Affairs Committee which has 27 members. Aside from agriculture, this committee deals with all legislation vitally affecting western South Dakota. The subcommittees on which BERRY serves handles legislation concerning public lands, irrigation and reclamation, mining, and Indian affairs.

While E. Y. BERRY is hired to work for all of us, it never hurts to tell an employee he is doing a good job.

Congressman BERRY, we in the West River appreciate your untiring efforts. You'll know how truly we appreciate your worth when the votes are tallied next June 5 and again in the November election.

SENATE

MONDAY, MAY 14, 1956

(Legislative day of Monday, May 7, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Caradine R. Hooton, general secretary, the Methodist Board of Temperance, Washington, D. C., offered the following prayer:

O Lord, our Heavenly Father, who through good mothers and by Thy blessed Son hath taught us that love never faileth, we beseech Thee graciously to bless all who give themselves to creative service of their fellow men.

While we here enact laws for the common good and devise measures for national security, may we surely remember that it is not by might nor by power, saith the Lord, but by Thy spirit that we safeguard the public welfare.

In the conflict between old world customs and the Word may we not become so fearful of foreign intrigue as of internal disintegration. In the age-old race between the right and the wrong, may these Thy chosen leaders so allow Christian conscience to prevail over pagan caution that wise statesmanship may outdistance weak diplomacy.

Give us courage, Lord, to transform fear into faith, handicaps into hardihood, and lust for power into love of people.

Thus let us prove our heavenly birth
In all we do and know,
And claim the kingdom of the earth
For Thee, and not Thy foe.

In the name of the Lord Jesus Christ we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 10, 1956, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Pursuant to the order of the Senate of May 10, 1956, the following report of a committee was submitted on May 11, 1956:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

H. R. 10875. A bill to enact the Agricultural Act of 1956; with amendments (Rept. No. 1966).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 10986) making appropriations for the Department of Defense for the fiscal year ending June 30, 1957, and for other purposes, in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, this is primary election week in the State of Oregon, and I am confronted with the same problem with which colleagues of mine are confronted from time to time, namely, the problem of deciding whether to stay here or to go home. Let me say good-naturedly that there is usually involved in that question the evaluation as to whether, if we do not go home, we may stay home permanently. So I am about to ask unanimous consent to be excused from further attendance on the sessions of the Senate this week.

Mr. President, I wish the RECORD to show the reason for my request. It is that I am going home not only to be able to vote come Friday next, but also to the best of my ability to seek to influence some votes between now and Friday next.

So that my constituents can read it, I wish to state for the RECORD that I have an understanding with the majority leadership of the Senate that every effort will be made to see to it that my vote will count in my absence, by obtaining live pairs for me on the issues which arise.

I regret very much, let me say for the RECORD to my distinguished friend, the Senator from New York [Mr. LEHMAN], that I shall not be here to participate in the debate on the Niagara power bill. But I have discussed it in times past. The Senator from New York knows that as he votes, so will I vote, by way of a live pair, because we have stood shoulder to shoulder in support of the Lehman proposals in connection with the Niagara power issue.

I also regret that I shall not be here to vote in case any controversy arises over any phase of the new farm bill. But here, again, I understand from the leadership that no serious controversy is anticipated. However, to the extent that any may develop, my record on the farm issue is likewise very clear; and with the cooperation of receiving a live pair, my vote on any controversy which may develop will be counted.

Therefore, Mr. President, I ask unanimous consent to be absent from the floor of the Senate from the close of business today until Monday next.

The PRESIDENT pro tempore. Without objection, leave is granted.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, and take up the nomination on the Executive Calendar under the heading "New Report."

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Two hundred and seventy-seven postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the nomination on the Executive Calendar under the heading "New Reports" will be stated.

FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Sam H. Bober to be a member of the Federal Farm Credit Board, Farm Credit Administration.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the nomination today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ANNOUNCEMENT OF JOINT MEETING OF THE TWO HOUSES ON THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce that on Thursday, May 17, at 12:30 p. m., there will be a joint meeting of the two Houses in the Chamber of the House of Representatives to hear an address by the President of the Republic of Indonesia, Dr. Sukarno.

EXECUTIVE COMMUNICATIONS, ETC.

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

IMPROVEMENT OF CAREER OPPORTUNITIES OF NURSES AND MEDICAL SPECIALISTS OF ARMED FORCES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to improve the career opportunities of nurses and medical specialists of the Army, Navy, and Air Force (with accompanying papers); to the Committee on Armed Services.

REPORT OF ATTORNEY GENERAL ON OPERATIONS OF DEFENSE PRODUCTION ACT

A letter from the Attorney General, transmitting, pursuant to law, his report on operations under section 708 (e) of the Defense Production Act of 1950, as amended, dated May 9, 1956 (with an accompanying report); to the Committee on Banking and Currency.

SFC. THOMAS F. CALLAHAN

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Sfc. Thomas F. Callahan (with an accompanying paper); to the Committee on the Judiciary.

PROCEDURE FOR ALTERING CERTAIN BRIDGES OVER NAVIGABLE WATERS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation relating to the procedure for altering certain bridges over navigable waters (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions calling upon the Attorney General of the United States to investigate and prosecute the violations of the civil rights of American citizens in the State of Mississippi

"Whereas it is apparent that numerous violations of the civil rights of American citizens have occurred in the State of Mississippi; among them (1) the unsolved murder of Rev. George W. Lee, of Belzoni, Miss., who was cut down by a shotgun blast from a speeding automobile to stop him from campaigning to register voters; (2) the unsolved murder of Lamar Smith of Brookhaven, Miss., killed on a lawn of the courthouse for having registered to vote after certain townsmen had warned him to the contrary; (3) the unsolved murder of Emmett Till of Chicago, Ill., and the refusal of a Leflore County, Miss., grand jury to indict for kidnaping those who had publicly admitted the abduction of said Emmett Till; and

"Whereas, it now appears that those responsible for these tragic crimes are not being brought to justice; and

"Whereas, it now appears and has been apparent that the local administration of justice in the State of Mississippi is either unable or unwilling to function; and

"Whereas it clearly appears that American citizens have been and continue to be denied in Mississippi the protection of civil rights guaranteed by the United States Constitution and amendments and laws enacted thereunder; and

"Whereas the general court has found the people of the Commonwealth to be shocked and horrified at these events and wishes to express the profound regret and sorrow of our citizens; therefore be it

"*Resolved*, That the General Court of Massachusetts urges the Attorney General of the United States to investigate the violations of the civil rights and the breakdown of local law enforcement in the State of Mississippi; and be it further

"*Resolved*, That the Attorney General of the United States invoke the Federal laws and the facilities of the United States Department of Justice to apprehend, indict, sentence and punish those responsible for these brutal crimes and those who have conspired to defeat the enforcement of law and the administration of justice in Mississippi; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the Attorney General of the United States, to the presiding officer of each branch of Congress, and to each of the Members thereof from this Commonwealth."

A telegram in the nature of a petition from William H. Mattax, of Tulsa, Okla., praying for the enactment of legislation to amend the Social Security Act relating to the lowering of the retirement age of those who reach the age of 60 years; to the Committee on Finance.

A resolution adopted by Miranda Grange 690, of Humboldt County, Calif., favoring the enactment of legislation to provide funds for the safeguarding against floods on the Mad and Eel Rivers, South Fork of Eel River, Redwood Creek, Klamath, Mattole, and Van Duzen Rivers, Calif.; to the Committee on Public Works.

A resolution adopted by the board of county commissioners, Allegheny County, Pa., expressing the gratitude of the people of that county for the long and faithful public services rendered by the late Senator Alben W. Barkley, of Kentucky; ordered to lie on the table.

PROHIBITION OF LIQUOR ADVERTISING IN INTERSTATE COMMERCE—PETITIONS

Mr. LANGER. Mr. President, I present, for appropriate reference, petitions signed by approximately 400 citizens of the United States, praying for the enactment of the so-called Langer bill, to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting on the radio or television. I ask unanimous consent that one of the petitions, without the signatures attached, may be printed in the RECORD.

There being no objection, the petitions were referred to the Committee on Interstate and Foreign Commerce, and one of the petitions, without the signatures attached, was ordered to be printed in the RECORD, as follows:

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the

powerful audio and visual suggestions of radio and television.

Mr. MAGNUSON. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a petition signed by Mary Owen and 42 other citizens of the State of Washington, praying for the enactment of Senate bill 923, relating to the prohibition of alcoholic beverage advertising in interstate commerce.

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

We, the undersigned, are depending on you, the Honorable WARREN G. MAGNUSON, United States Senator from the State of Washington, and chairman of Interstate and Foreign Commerce Committee, to push the Langer bill, S. 923, until it comes before the Senate for a vote.

(Signed by Mary Owen and 42 other citizens of the State of Washington.)

SIZE AND WEIGHT OF PARCEL-POST MAIL—LETTER AND RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter sent to me by the Pacific Northwest Apparel Manufacturers Association, under date of April 27, 1956, transmitting a resolution adopted by that association, favoring the enactment of House bill 9566, relating to the size and weight of parcel post mail matter.

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

PACIFIC NORTHWEST APPAREL MANUFACTURERS ASSOCIATION,
PORTLAND, OREG., *April 27, 1956.*

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

DEAR SENATOR MORSE: Attached hereto is a resolution passed by the Pacific Northwest Apparel Manufacturers Association. This association represents every major producer of sportswear and related apparel in the Pacific Northwest.

As you will note, the resolution deals with the attempt to eliminate the present discriminatory parcel-post size and weight limitations. This matter is of particular importance to business in the State of Oregon. We have many small communities served only by parcel post. We have many small industries whose shipments are in package size. The present restrictions result in additional cost to local businesses and in additional cost to the Post Office Department, to the benefit of no one.

We hope that we will have your support in this matter.

Sincerely yours,

W. F. LUBERSKY.

RESOLUTION IN SUPPORT OF H. R. 9566

Whereas the existence of an efficient, economical parcel-post system is essential to the pattern of life of our citizens and businesses in both rural and urban areas; and

Whereas the present discriminatory parcel-post size and weight limitations seriously disrupt the service once enjoyed by all at great and unnecessary cost and inconvenience; and

Whereas there is no nationwide substitute for parcel post that can and will serve all citizens regardless of address; and

Whereas the present size and weight limitations have been both a financial and an administrative burden to the Post Office Department: Be it hereby

Resolved, that the Pacific Northwest Apparel Manufacturers Association, representing 17 businesses in Portland and Seattle, favors immediate enactment of H. R. 9566 and restoration thereby of uniform parcel-post size and weight limits. It is respectfully requested that Senator WAYNE MORSE insert this resolution in the CONGRESSIONAL RECORD and that he request the chairman of the Post Office Committee to schedule hearings now on parcel-post size and weight so that the citizens of Seattle, Wash., and Portland, Oreg., may have relief from the present law before the current legislative session is concluded.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3412. A bill to extend the provisions of title XIII of the Civil Aeronautics Act of 1938, as amended, relating to war-risk insurance for an additional 5 years (Rept. No. 1998); and

H. R. 8810. A bill authorizing the Secretary of the Interior to construct, equip, maintain, and operate a new fish hatchery in the vicinity of Miles City, Mont. (Rept. No. 1969).

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

S. 3457. A bill to authorize the Secretary of the Treasury to convey certain property to the county of Pierce, State of Washington (Rept. No. 1970).

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

S. 2937. A bill to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service (Rept. No. 1968).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 510. A bill for the relief of Mary A. Mouskalis (Rept. No. 1992);

S. 806. A bill to amend sections 3182 and 3183 of title 18 of the United States Code so as to authorize the use of an information filed by a public prosecuting officer for making demands for fugitives from justice (Rept. No. 1993);

S. 875. A bill for the relief of Angel Maria Olaeta Goitia (Rept. No. 1994);

S. 1245. A bill for the relief of Agnes V. Walsh, the estate of Margaret T. Denehy, and David Walsh (Rept. No. 1972);

S. 1895. A bill for the relief of Anna Maria Fuller (Rept. No. 1973);

S. 2341. A bill for the relief of Gertrude Heindel (Rept. No. 1974);

S. 3011. A bill for the relief of Chan Lee Nui Sin (Rept. No. 1979);

S. 3058. A bill for the relief of Javier F. Kuong (Rept. No. 1981);

S. 3147. A bill for the relief of Elsie M. Kenney (Rept. No. 1982);

H. R. 1471. A bill for the relief of William J. Robertson (Rept. No. 1984);

H. R. 1878. A bill for the relief of Mrs. Gertrud Maria Schurhoff (Rept. No. 1985);

H. R. 5047. A bill to increase the compensation of trustees in bankruptcy (Rept. No. 1986);

H. R. 5652. A bill to provide for the relief of certain members of the Army and Air Force, and for other purposes (Rept. No. 1987);

H. R. 6623. A bill to amend the act of July 1, 1952, so as to obtain the consent of Congress to interstate compacts relating to mutual military aid in an emergency (Rept. No. 1988);

H. R. 8309. A bill for the relief of Col. Henry M. Zeller (Rept. No. 1989);

H. R. 9257. A bill to amend title 18 of the United States Code, so as to provide for the punishment of persons who assist in the attempted escape of persons in Federal custody (Rept. No. 1990); and

S. J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women (Rept. No. 1991).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2722. A bill for the relief of Fai Hoo (Rept. No. 1977);

S. 2930. A bill for the relief of Eladio Ledesma-Gutierrez (Rept. No. 1978); and

S. 3040. A bill for the relief of Gertrud Charlotte Samuelis (Rept. No. 1980).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 2352. A bill for the relief of Maj. Luther C. Cox (Rept. No. 1975);

S. 2690. A bill for the relief of William G. Jackson (Rept. No. 1976); and

S. 3410. A bill to amend title 28, United States Code, to provide for the payment of annuities to widows and dependent children of judges (Rept. No. 1983).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, with amendments:

S. 2226. A bill to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941 (Rept. No. 1971).

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

S. 1273. A bill to amend sections 1, 3, and 4 of the Foreign Agents Registration Act of 1938, as amended; without amendment (Rept. No. 1996).

By Mr. DANIEL, from the Committee on the Judiciary, without amendment:

S. 3760. A bill to provide for a more effective control of narcotic drugs, and for other related purposes (Rept. No. 1997).

Mr. DANIEL. Mr. President, I ask unanimous consent that the names of the Senator from Wisconsin [Mr. WILEY] and the Senator from Montana [Mr. MANSFIELD] be added as cosponsors of Senate bill 3760, entitled "Narcotic Control Act of 1956," the next time it is printed.

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

By Mr. CHAVEZ, from the Committee on Public Works:

S. J. Res. 166. Joint resolution to designate the dam and reservoir to be constructed on the lower Cumberland River, Ky., as Barkley Dam and Lake Barkley, respectively; without amendment (Rept. No. 1995).

AMENDMENT OF HOUSING ACT OF 1949, AS AMENDED, RELATING TO URBAN RENEWAL ASSISTANCE TO DISASTER AREAS

Mr. BUSH. Mr. President, from the Committee on Banking and Currency, I report favorably, an original bill to amend the Housing Act of 1949, as amended, to provide for urban renewal assistance to disaster areas, and I submit a report (No. 1967) thereon. I ask that the bill be printed and placed on the calendar.

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

The bill (S. 3844) to amend the Housing Act of 1949, as amended, to provide for urban renewal assistance to disaster areas, reported by Mr. BUSH, from the Committee on Banking and Currency, was received, read twice by its title, and placed on the calendar.

Mr. BUSH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a copy of a letter from the town of Farmington, Conn., which, I believe, will quite clearly set forth the need for this proposed legislation. I also ask unanimous consent to have printed in the RECORD, following the letter, a table having to do with urban renewal activities in flood areas and disaster projects.

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

TOWN OF FARMINGTON, CONN.,
March 15, 1956.

Senator PRESCOTT BUSH,
United States Senate,
Washington, D. C.

HON. SENATOR BUSH: I first wish to sincerely thank you for the fine work that you are doing in Washington for our communities in Connecticut who suffered so heavily by the devastating floods of this past year. I personally am grateful and I know the majority of the citizens in Farmington are also very pleased with the manner in which you have conducted your office during these trying times.

I have two problems which I would like to see if you may be of some assistance. First, as you are aware, the town of Farmington wishes to take up some of this flood devastated land and make it into park and recreational use under the Federal redevelopment law. Our application is now in the hands of the Housing and Home Finance Agency, to be processed so that we may proceed to accomplish our objective. In talking with the officials in their New York office, they now express doubt that we will qualify for the full aid. They are now saying that our area is predominantly opened and thereby does not qualify for the full two-thirds Federal participation. We maintain that this area is predominantly residential because that is what it was before the flood and also we are under the impression that President Eisenhower said that this redevelopment law should be made available to communities such as ours to control areas heavily hit by the flood waters.

Also during all of our preliminary discussions with officials of the New York office, we were led to believe that this area would be definitely considered as residential and thereby qualify for the full Federal participation. At the present time, we have approximately 70 families who are up in the air about relocation and also what will happen with their damaged property.

I wish to request of you that you intercede with the Housing and Home Finance Agency to see that our application will be quickly processed to receive the full amount of Federal participation.

Secondly, in regards to your Senate bill 2853, I believe it to be an excellent piece of legislation and will happily do anything possible to see that this legislation is passed favorably and in the very near future so that the flood control projects in our area may be completed.

Thank you for all of your past cooperation.

Sincerely,

STEPHEN A. FLIS,
Town Manager.

ALL DISASTER PROJECTS—HOUSING AND HOME FINANCE AGENCY, URBAN RENEWAL ADMINISTRATION, URBAN RENEWAL ACTIVITIES IN FLOOD AREAS

Urban renewal projects (title I of the Housing Act of 1949, as amended)

	Planning advances	Capital grant reservations
Applications approved: Total (14 projects)	$821,273	$12,670,695
California: Santa Cruz	80,180	600,000
Connecticut:		
Naugatuck (2 projects)	42,672	844,000
	27,604	261,333
Seymour (2 projects)	39,261	330,000
	49,761	300,000
Norwalk	62,720	2,356,241
Washington	20,000	256,000
Waterbury	60,348	666,000
Putnam	75,868	1,687,912
Winsted	29,600	360,000
Torrington	44,400	407,090
Stamford	143,859	2,300,000
Pennsylvania: Scranton (2 projects)	25,000	602,119
	120,000	1,700,000

Urban planning assistance projects (sec. 701 of the Housing Act of 1954)

	Status of application, approved—	Amount
Total		$236,989
Connecticut Development Commission:		
Conn. P-1—Planning assistance to 14 flood-affected small communities	Oct. 5, 1955	87,509
Conn. P-2—Regional planning in 2 river valleys (Farmington and Naugatuck)	Nov. 10, 1955	68,200
Conn. P-3—Regional planning in Quinebaug River Valley	Mar. 14, 1956	27,280
Oregon State Board of Higher Education:		
Oreg. P-1—Planning assistance for 3 small communities	Feb. 21, 1956	9,000
Oreg. P-2—Planning in Springfield-Eugene metropolitan area	May 14, 1956	11,500
Rhode Island Development Council:		
R. I. P-1—Regional planning of Rhode Island shore area	Nov. 19, 1954	16,000
R. I. P-2—Planning assistance to 7 small areas	Oct. 10, 1955	17,500

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BEALL (for himself and Mr. BIBLE):

S. 3838. A bill to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Virginia, to Maryland; to the Committee on the District of Columbia.

By Mr. POTTER:

S. 3839. A bill to provide for the duty-free entry of mosaics designed for the use of any corporation or association organized and operated exclusively for religious purposes; to the Committee on Finance.

By Mr. DIRKSEN:

S. 3840. A bill for the relief of the Vermont, Ipava, and Table Grove Unit School District No. 2, in the State of Illinois; to the Committee on Labor and Public Welfare.

By Mr. WATKINS:

S. 3841. A bill to provide for the relocation of the National Training School for Boys, and for other purposes; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 3842. A bill to amend the Labor Management Relations Act, 1947, as amended, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. McCLELLAN (by request):

S. 3843. A bill to adjust the application of section 322 of the so-called Economy Act of 1932 to premises leased for Government purposes; to the Committee on Government Operations.

By Mr. BUSH:

S. 3844. A bill to amend the Housing Act of 1949, as amended, to provide for urban renewal assistance to disaster areas; placed on the calendar.

(See the remarks of Mr. BUSH when he reported the above bill from the Committee on Banking and Currency, which appear under a separate heading.)

By Mr. LANGER:

S. 3845. A bill to authorize the Secretary of Agriculture to sell certain quantities of wheat and cotton to the Republic of India; to the Committee on Agriculture and Forestry.

S. 3846. A bill to provide additional compensation for employees of the postal service; to the Committee on Post Office and Civil Service.

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

By Mr. CASE of New Jersey:

S. 3847. A bill for the relief of Arthur L. Peirson, Inc.; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 3848. A bill to amend section 172 (d) of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. LANGER:

S. 3849. A bill to repeal all Federal retailers excise taxes, certain manufacturers excise taxes, and the excise taxes on facilities and services; to the Committee on Finance.

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

S. 3850. A bill to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster; to the Committee on Agriculture and Forestry.

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

By Mr. MORSE (for himself, Mr. NEUBERGER, Mr. MAGNUSON, Mr. YOUNG, Mr. JACKSON, and Mr. LANGER):

S. J. Res. 171. Joint resolution to direct the Interstate Commerce Commission to undertake an investigation of the shortage of railroad freight cars in order to determine a program for the purpose of eliminating such shortage; to the Committee on Interstate and Foreign Commerce.

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

RESOLUTIONS

The following resolutions were submitted, and referred as indicated:

By Mr. JENNER:

S. Res. 262. Resolution authorizing the printing of a revised edition of Senate Document No. 85 as a Senate document and providing for additional copies; to the Committee on Rules and Administration.

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

By Mr. LANGER:

S. Res. 263. Resolution extending greetings to the Bundestag of the West German Republic for the unveiling of a bust in honor of Carl Schurz; to the Committee on Foreign Relations.

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

By Mr. STENNIS:

S. Res. 264. Resolution relative to judicial service requirements of nominees to be Associate Justices of the Supreme Court; to the Committee on the Judiciary.

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

By Mr. JENNER:

S. Res. 265. Resolution favoring withdrawal of Soviet armed forces from Rumania and Hungary, pursuant to treaty obligations; to the Committee on Foreign Relations.

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

PRINTING OF ADDITIONAL COPIES OF PART 7 OF HEARINGS HELD BY SUBCOMMITTEE ON IMPROVEMENTS IN FEDERAL CRIMINAL CODE

Mr. DANIEL submitted the following resolution (S. Res. 266), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on the Judiciary, 1,200 additional copies of part 7 of the hearings held by the Subcommittee on Improvements in the Federal Criminal Code.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT, 1947, RELATING TO PRESSURE BY UNIONS ON BUSINESS TO UNIONIZE

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

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the Senator may proceed.

Mr. CURTIS. Mr. President, a number of small businesses in Nebraska are being forced out of business by the wrongful acts of a few union bosses. I refer to the practice of applying pressure on neutral employers to compel them to stop doing business with other business firms unless the other firm unionizes. Under present law it is an illegal secondary boycott if pressure is applied against employees; coercion of employers is not now covered.

I wish to call your attention to a letter of January 26, 1956, signed by John Bridge, executive chairman of the Motor Carrier Labor Advisory Council, of 56 East Walton Street, Chicago, Ill., directed to a trucking concern at Omaha, Nebr. The letter is as follows:

> Until further notice, I recommend that you discontinue freight interchange with the Nebraska carriers listed below in order to avoid unnecessary interruption of your service outside of the State of Nebraska: Heuton Transfer, Lyons Transfer, Abler Transfer, Ross Transfer.

These acts and other acts are not only directed against truckers, but against department stores and small businesses of all kinds.

Mr. President, the strengthening of the secondary boycott provisions of the Taft-Hartley law carried in the bill I am introducing today is in the interest of the employees, the employers, and the public. Great numbers of union members and the vast majority of union leaders disapprove of these wrongful acts intended to be reached by this legislation. These union members and leaders are to be commended for their desire to have these abuses eliminated and for their resentment of the actions of outside troublemakers.

In the State of Nebraska at this very moment a number of small-business men are being subjected to threats by the teamsters' union that unless they force their employees to join the teamsters, they will find that other firms will refuse to do business with them. This is the typical secondary boycott. These are not idle threats. One Nebraska trucking firm was put out of business within the past few weeks. His is a tragic story—the story of a mighty union abusing its monopoly power to put a 26-year-old company out of business and its 27 drivers out of work.

Coffey's Transfer Co., of Alma, Nebr., received a demand on August 22, 1955, that they compel their 27 drivers to join the teamsters. The union did not want to submit to a National Labor Relations Board election, and it employed all of the delaying tactics possible to postpone an election. When the election finally was held January 24—5 months after the organizing drive and its accompanying secondary boycotts began—not a single workman voted for the union.

Delays by the NLRB also contributed to the union's success in putting this firm out of business. Instead of seeking an injunction, when Coffey filed secondary boycott charges October 14, 1955, as the law requires, the Board's representatives gave the union an opportunity to sign an agreement promising to stop the secondary boycott. The union never kept its promise and the boycotts continued until Coffey was forced to close its doors February 28. Its 27 drivers and other employees had to look for new work.

Other trucking firms also were drawn into this dispute by the union. Employees of the Des Moines Transportation Co. in Minneapolis and Omaha were told to go on strike because Coffey was bringing freight to Des Moines in those cities.

In Norfolk, Nebr., at this very moment the Clark Bros. Transfer Co. is experiencing a secondary boycott that is strangling them out of business.

Their story is almost a carbon copy of the tactics used against Coffey. The attempt to force workmen into a union against their will, a refusal by the employer to comply with such an unfair demand, and the usual secondary boycott followup. The NLRB again attempted settlement instead of proceeding for an injunction, and again the union's promise to discontinue the secondary boycott was worthless. From a staff of 26 employees, 8 have been laid off because of the boycott. This small trucking company which has been serving Nebraska citizens for years is now facing a business death because the company maintains the principle of free collective bargaining and voluntary unionism.

These two examples are merely part of a statewide drive against small Nebraska trucking companies to use secondary boycotts to organize more drivers against their will.

But this is not just a State issue. This drive is directed from other areas. I have a copy of a letter dated January 26, 1956, from one John Bridge, executive chairman of the Motor Carrier Labor Advisory Council, Chicago, to the Bee Line Motor Freight Co. in Omaha, showing that the secondary boycott is an interstate conspiracy. The letter addressed to W. L. Pruner, president of Bee Line, reads:

> Until further notice, I recommend that you discontinue freight interchange with the Nebraska carriers listed below in order to avoid unnecessary interruption of your service outside of the State of Nebraska: Heuton Transfer, Lyons Transfer, Abler Transfer, Ross Transfer.

Next to violence, the secondary boycott is the most vicious weapon used by union bosses. The incidents in Nebraska are but a proverbial "drop in the bucket" when the overall situation is surveyed. Permit me to just hit a few high spots of current or recent secondary boycott activities in all parts of the United States.

In Massachusetts the teamsters have attempted to prevent shippers from using "piggyback" service on the New York, New Haven Railroad. They seek to restrain this type of service that has been given by the railroad for 18 years.

In Baltimore, the building trades unions are trying to compel contractors to agree to secondary boycotts in advance. By contract, they want general contractors to promise not to do business with a subcontractor whose employees are not members of the building trades union. To further monopolize the labor market they seek to make union subcontractors refuse to do work for nonunion general contractors. Secondary boycotts have been used to try to compel contractors to agree to such agreements.

The Daily Oklahoman of March 31 reports from Oklahoma City, and I quote:

> A teamsters, union plan to picket three large Oklahoma City grocery chains because they handle nonunion bread was revealed Friday.

Union men in Utah followed a cheese truck belonging to the Cache Valley Dairy Association of Smithfield, Utah, 2,300 miles to New York City to picket the truck on its delivery of cheese to the New York distributor. There was no labor dispute involved: the union was merely trying to compel the dairy to make its men join the union unwillingly.

In Los Angeles, carpenters refused to install doors made in Wisconsin and kitchen cabinets made in Iowa because they do not have a union label. Insisting on this restraint of trade, the union used a secondary boycott to force west coast firms to stop doing business with

the companies in Wisconsin and Iowa. In the Iowa case, the vast majority of the cabinetmaker's employees were union members.

In New York City a new weekly newspaper, the New York Sunday Graphic, was boycotted out of business before it could get out of the pressroom. Why? Because the editor did not obtain advance permission from a circulation union that he could go into business.

Also in New York, folks who owned Royal typewriters were picketed if they attempted to have the typewriters repaired while the union at Royal was on strike against the firm.

In Akron, Ohio, the Burt Manufacturing Co. has a certified union—men who are members of the AFL–CIO steelworkers. But the AFL–CIO sheet metal workers refuse to install Burt ventilators because they do not make the ventilators. Architects are intimidated that if they order Burt products there will be trouble on the job site.

The Benjamin Electric Co., of Des Plaines, Ill., reports that although 80 percent of its employees are union members, their products cannot be sold in St. Louis and several other cities because the company refuses to apply the union's label to their product. The company's merchandise is kept off the market by a threat of a secondary boycott.

In St. Louis, Swift & Co.'s products were kept from meat market counters because of a secondary boycott by the meatcutters' union. The union insisted that Swift salesmen join it.

In Newcastle County, Del., the construction of an airport was held up nearly 5 months because the county gave the electrical work to the lowest bidding contractor. It happened his employees chose to remain outside the International Brotherhood of Electrical Workers.

I introduce, for appropriate reference, a bill to amend the Labor Management Relations Act of 1947, as amended, and for other purposes. I ask unanimous consent that the bill, together with an explanation of the bill, prepared by me, may be printed in the RECORD.

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

The bill (S. 3842) to amend the Labor Management Relations Act, 1947, as amended, and for other purposes, introduced by Mr. CURTIS, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Labor Management Relations Act, 1947, as amended, is hereby further amended as follows:

(a) Section 8 (b) (4) of title I of such act is amended to read as follows:

"(4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer economic coercion of any type, by picketing or by any other means, where an object thereof is—

"(A) forcing or requiring any employer or self-employed person to join any labor or employer organization;

"(B) forcing or requiring an employer or other person to cease doing business with any other person;

"(C) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provision of section 9;

"(D) forcing or requiring any employer to interfere with his employees' right to join or refrain from joining a labor organization as set forth in section 7;

"(E) forcing or requiring employees to join or refuse to join a labor organization;

"(F) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act."

(b) Section 10 (1) of title I of such act is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (A), (B), (C), (D), (E), or (F) of section 8 (b), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred."

(c) Section 303 of title 3 of such act is amended to read as follows: "Whoever shall be injured in his business or property by reason of any act or acts which are made an unfair labor practice under section 8 (b) (4) of the National Labor Relations Act, as amended, may sue therefor in any district court of the United States subject to the limitations and provisions of section 301 of this act without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and cost of the suit."

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

EXPLANATORY STATEMENT BY SENATOR CURTIS

The following statement explains the purpose, background, and detail of S. 3842 which I have today introduced before the United States Senate:

I. PURPOSE OF THE BILL

The bill is designed as a substitute for the present language of section 8 (b) (4) of the Taft-Hartley Act. Its purpose is to make more effective the prohibition on secondary boycotts which Congress intended at the time of the passage of the original act in 1947.

In drafting the language, an effort has been made to simplify the wording so that the intent shall be clear and understandable. As with the present language of section 8 (b) (4), secondary boycotts are the primary concern, but certain primary activities directly related to secondary boycotts are also covered.

II. THE BACKGROUND OF THIS PROPOSAL

1. Status of secondary boycotts prior to passage of the Taft-Hartley Act

Even before the passage of the Taft-Hartley Act, secondary boycotts were generally regarded as unlawful. Numerous court decisions going back for many years had adopted this view. Writing in 1940, a recognized authority on labor law, Mr. Ludwig Teller, said:

"American judicial decision has come into general agreement that there is a distinction between a primary boycott and a secondary boycott, and, as shall be seen hereafter, that the primary boycott, if peacefully carried on, is legal, while the secondary boycott, illegal because involving the exercise of coercion upon innocent third persons not parties to the dispute." (Teller, Labor Disputes and Collective Bargaining, vol. I, p. 454.)

Federal statutory relief became necessary because of the difficulty of securing adequate relief in Federal and State courts * * * a situation brought about by the restrictions placed on the issuance of injunctions in labor disputes by the Norris-LaGuardia Act and similar statutes in many States. Thus an admitted evil—the secondary boycott—existed, but affected parties were unable, because of procedural restrictions, to get effective help.

2. Legislative history of section 8 (b) (4) of the Taft-Hartley Act

Prior to the passage of the Taft-Hartley Act, lengthy hearings were held by congressional committees on the need for a more balanced labor-relations statute. As the committee reports show, one of the most discussed evils was the secondary boycott. Testimony before both the Senate and House committees showed in minute detail the unfair and undesirable technique and purpose of secondary boycotts.

There is no question but that the Congress in passing section 8 (b) (4) sought to prohibit the use of secondary boycotts in industries subject to the provisions of the act. The point is almost too clear to require documentation. The conference report to the House of Representatives referred to section 8 (b) (4) (A), as follows:

"Under clause (A) [of 8 (b) (4)] strikes or boycotts, or attempts to induce or encourage such action were made unfair labor practices if the purpose was to force an employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of another, or to cease doing business with any other person. Thus it was made an unfair labor practice for a union to engage in a strike against employer A for the purpose of forcing that employer to cease doing business with employer B. Similarly it would not be lawful for a union to boycott employer A because employer A uses or otherwise deals in the goods of, or does business with, employer B" (H. Rept. No. 510, 80th Cong., 1st sess., 43).

Senator Taft, who was sponsor of the bill in the Senate, discussed on the floor of the Senate the secondary boycott section in the following terms:

"Under the provisions of the Norris-LaGuardia Act, it became impossible to stop a secondary boycott or any other kind of a strike, no matter how unlawful it may have been at common law. All this provision of the bill does is to reverse the effect of the law as to secondary boycotts. It has been set forth that there are good secondary boycotts and bad secondary boycotts. Our committee heard evidence for weeks and never succeeded in having anyone tell us any difference between different kinds of secondary boycotts. So we have so broadened the provision dealing with secondary boycotts as to make them an unfair labor practice" (93 CONGRESSIONAL RECORD 4198).

3. The language of section 8 (b) (4)

Although intended to prohibit secondary boycotts, the language of section 8 (b) (4) does not use the term. It was apparently

felt that, by describing the technique normally used, the matter could be more effectively handled. Consequently, it was made unlawful for a union or its agents to induce or encourage employees to refuse to perform work where an object is to force one employer to cease doing business with another. Within this phraseology certainly falls the majority of the situations which have traditionally been regarded as secondary boycotts. It did not, as subsequent experience has painfully shown, cover all. Moreover, this fact has led those who have sought to circumvent the act to use boycott methods which deviate sufficiently from the specified activity so as to be untouched by the sanctions of the act.

4. Board and court interpretations of section 8 (b) (4)

Congressional intent to prohibit secondary boycotts has not been carried out. Board and court interpretations have made serious inroads on the statutory framework. Inadvertent omissions in the original language have also contributed to the present situation. As a result, important loopholes now exist which, when carefully used by well-advised parties, can permit the very type of activity which Congress sought to prohibit.

Some of the so-called loopholes are listed below:

(1) Threats to Employers

The present language makes unlawful only the inducement of employees to refuse to perform work. The threat of a boycott directed to an employer or its agent goes unchallenged. Particularly where small businesses are concerned, the threat of a secondary boycott directed toward a company president or a plant manager can be even more effective than the inducement of his employees. Often, the company is in no position strategically to wait and see if the union means to or has the power to carry out its threat. This fact of life has been recognized by the unions, and threats to neutral employers have been used with telling effect.

(2) Hot Cargo Clauses

Early in the administration of the Taft-Hartley Act the Board issued a decision in the now famous Conway's Express case (Conway's Express (87 NLRB 130, enforced, 195 F. 2d. 906)) which, in effect, stated that a clause in a collective bargaining contract permitting unionized employees to refuse to handle goods labeled as unfair or "hot" by the union would serve as a valid defense to otherwise unlawful inducement of a secondary boycott. The Board's decision was upheld on appeal by the Second Circuit Court. Although the decision of the court may not necessarily be as complete an endorsement of the hot cargo clause as is generally thought, unions were quick to seize on the Conway decision as a convenient vehicle to circumvent the act. All that was needed was a clause in a collective bargaining contract permitting a secondary boycott. Given sufficient bargaining strength on the part of the union, the result was easy to foresee. Hot cargo clauses appeared all over the country. Secondary boycotts were conducted with impunity under the protective wing of such provisions.

A majority of the Board continued to follow the Conway doctrine until the McAlister case (McAlister Transfer, Inc., 110 NLRB No. 224) which was decided in 1954. At that time, changes in Board personnel resulted in a restudy of the matter In the McAlister decision, a majority of the Board adopted the view that hot cargo clauses could not be sustained as a valid defense against otherwise unlawful conduct unless the employer acquiesced in their observance. The present Board now follows the rule set forth in the McAlister case, with two Board members dissenting on the theory that the Conway decision is controlling, and a third Board member concurring specially with the majority opinion on the ground that the existence of such a provision should be regarded as illegal per se. See, for example, the Board's decision in Sand Door & Plywood Co. (113 NLRB No. 123).

It seems difficult to understand the Conway decision and the rationale behind it. In effect it espouses the principle that private parties can, by contract, set aside or circumvent an important matter of public policy embodied in a statute passed by the Congress. To my knowledge, no precedent exists for such circumvention. Even if the parties to a collective bargaining agreement containing such a clause were the only ones involved in congressional consideration of the secondary boycott problem, there still would be no justification for a contradiction of that policy once it had been clearly set forth. Here, of course, Congress was clearly considering interests going far beyond the primary employer and the union with which it is at the time doing business. Congress was seeking to protect neutral and third party employers, their employees, and perhaps most important, the community as a whole. Indeed, a major purpose of section 8 (b) (4) was to limit the area of industrial strife to those directly involved in the dispute. In this posture it is obvious that the hot cargo doctrine as set forth in the Conway case constitutes a flagrant attempt by an administrative agency to destroy a clear congressional mandate.

While the present Board has adopted a more reasonable view of the matter, the problem is so important that it should not be left to the opinions of appointees to administrative office. Congress must speak once and for all in regard to the matter.

(3) Refusal To Enter Employment

In certain industries where occasional or per-job employment is the rule, unions have found that a secondary boycott can be conducted, not by inducing employees to refuse to perform work—which is unlawful—but merely by refusing to let members accept work with an employer who is unfair. The technique is effective where the union controls most of the skilled help in the market and where employment is on a per-job basis. The present act does not, according to Board and court decisions, reach this type of tactic, and it was so held in *Joliet Contractors Association* (99 N. L. R. B. 139).

(4) Secondary Customer Boycott

The language of section 8 (b) (4) does not prohibit secondary customer boycotts. Thus, for example, a union can apparently picket the customer entrances of a retail store which is carrying a product manufactured by a company with which the union has a primary dispute. Similarly, a union can organize a consumer or customer boycott against a soft drink distributing company merely because that company advertises on a radio or television station with which the union has a primary dispute. These are examples of secondary customer or consumer boycotts where the secondary employer offers goods or services directly to the consuming public. Such a boycott is a potent form of economic pressure.

(5) Restricted Definitions of the Terms "Employer" and "Person"

For the general purposes of the application of the act, there are set forth in section 2 definitions of terms used in the act. Among the definitions included are those for the terms "employer," "employee," and "person." In applying the secondary boycott section of the act the Board has, in a number of cases, adhered strictly to these definitions, thus permitting otherwise unlawful conduct. For example, the *International Rice Milling Co., Inc.* (84 N. L. R. B. 360), the Board held that a railroad company was not an employer within the meaning of the act. Hence, its employees could be induced to refuse to perform work even though the objective was to force the railroad company to cease doing business with another person. The interpretation was reversed by the fifth circuit court in *The International Rice Milling Co., Inc.*, v. *NLRB* (F. 2d 21), but the court's opinion has apparently not been generally accepted. See *Sprys Electric Co.* (104 N. L. R. B. 1128), where otherwise unlawful inducement was permitted because a governmental agency was the organization involved in the interruption of business.

It is my opinion that the legislative history of the present act indicates an intent on the part of Congress to broadly apply the secondary boycott prohibition. As our Fifth Circuit Court has pointed out, the need for restricted definitions of certain key words, which undoubtedly exist in connection with the application of some other parts of the act, does not exist in applying the boycott provisions.

(6) Ambulatory Picketing

In an early decision of the Board (*Schultz Refrigerated Services, Inc.* (87 NLRB 92)) picketing of the trucks of a primary employer was permitted wherever those trucks stopped to pick up or deliver. Subsequent decisions in the past several years have restricted the application of the doctrine, but it should be settled once and for all. The theoretical basis of the doctrine lies in a legitimate desire to protect primary picketing at or near the premises of the primary employer. The trucks become an extension of the premises. Hence, the following of the trucks has been permitted. The reasoning overlooks the obvious fact that picketing away from the premises of the primary employer has quite plainly the principal objective of inducing employees of the secondary employer to refuse to perform work. Consequently, in my judgment, it should be regarded as unlawful.

The above listing is not intended to cover all the loopholes that exist in the present framework of boycott protection. There are others. The proposed language is intended to cover all the indicated loopholes, but it is not intended that the construction of the proposed wording be limited to those situations covered by existing interpretation plus the loopholes. Where there is economic pressure on an employer for one of the stated objectives, the activity is intended to be unlawful, whether it fits a presently contemplated situation or not.

III. A COMPARISON OF THE LANGUAGE OF S. 3842 AND SECTION 8 (B) (4) OF THE TAFT-HARTLEY ACT

In this section, the several parts of the proposed bill are discussed and compared with comparable wording in Section 8 (b) (4) of the Taft-Hartley Act.

1. Introductory wording:

The present act makes it an unfair labor practice for a labor organization or its agents—

"(4) to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any service, where an object thereof is * * *."

The comparable language in S. 3842 reads as follows:

"(4) to exert, attempt to exert, or threaten to exert, (regardless of the provisions in any collective bargaining or other contract) against an employer economic coercion of any type, by picketing or by any other means, where an object thereof is * * *."

The proposed wording is at once a simplification and an extension of the present statutory language. The Taft-Hartley wording in essence makes unlawful the inducement of employees to refuse to perform work. Experience has shown that there are

other and equally effective forms of economic coercion against the neutral or third party employer besides inducing his employees to refuse to perform work. If the objective of the section is to prevent economic pressure directed toward a neutral employer in order to force him to cease doing business with some other person, then it inevitably follows that all sorts of economic pressure should be prohibited. In other words, if the vice of the secondary boycott is economic pressure against a neutral, all types of economic pressure should be prohibited, not merely the type which is traditionally the most used, that is, a refusal to work by his employees. There is no logical half-way point in attacking this problem. Either all economic pressure against the secondary employer is prohibited, or none at all. Union activity designed to coerce a third party employer is no less a secondary boycott because it uses an approach which is not usual. Indeed the limitation of the prohibition to a particular technique encourages resort to other means.

The proposed language references "economic coercion of any type" against a third party employer. Admittedly, this is a comprehensive reference. It is intended to be. Nothing less than this is acceptable if secondary boycotts are to be prohibited. This was, of course, the intent of Congress in 1947. I believe that it is the intent of Congress today. Let us effectuate that intent.

Before discussing by way of illustration the types of economic coercion which are covered let it be said that the language does not, nor is it intended to, limit or interfere with the right to conduct a primary strike. There were those who challenged the present language of the act as prohibiting the picketing normally incidental to a primary strike on the theory that the picketing had the effect of inducing employees of third party suppliers not to cross the picketline. Whatever an overly literal reading of the present language may reveal it is obvious that Congress, in 1947, intended no such result. Nowhere in the legislative history of the act is there the slightest indication of such intent. Obviously, it is a result which is not to be lightly inferred.

The proposed language does not interfere with the right to conduct a primary strike, nor with the usual picketing that normally occurs at or near the situs of this primary dispute. The extension of such picketing or other forms of inducement to the premises of a secondary employer does, of course, raise an entirely different problem.

On the postive side the proposed language prohibits the type of inducement covered by the wording of the present act. It goes beyond this to include all types of economic pressure whether directly or indirectly applied. Illustrative of the types of economic pressure intended to be covered by the language are the following:

(1) Threats of economic coercion directed to owners, managers, and their representatives.

(2) Threats to induce or the actual inducement of customer or consumer boycotts of the product or services of a secondary employer.

(3) Threats to refuse or the actual refusal to accept employment with secondary employers.

(4) The inducement of employees to refuse to perform work.

The above listing is illustrative, and is not to be regarded as covering all types of economic pressure covered by the wording.

The parenthetical inclusion in the proposed language relates to the hot cargo clause problem. By this wording, it is intended that hot cargo clauses shall not serve as a defense to otherwise unlawful conduct. It is further the intent of the wording that no contract language shall in any way be construed so as to bind an employer to permit or acquiesce in an otherwise unlawful refusal on the part of his employees to perform work. The declared public policy of the United States against secondary boycotts cannot be modified by private contractual agreements. I might add that, in my judgment, the insistence by a union of the inclusion of such a clause in a collective bargaining contract should be regarded as a refusal to bargain in good faith.

The term "employer" as used in this section is not limited to the strict definition of the term as set forth in section 2 of the present act. It is specifically intended to cover any employer, whether or not he be subject to other provisions of the statute. Among others this would include railroad companies, State and Federal Governments, employers of farm labor, etc.

It may be argued by some that the comprehensive nature of the prohibition proposed makes it subject to constitutional challenge. Such an objection is unfounded. It was raised and disposed of by the courts in connection with the present language of section 8 (b) (4). (*International Brotherhood of Electrical Workers, Local 501* v. *NLRB* 341 U. S. 694.) There is no constitutional right to induce, or threaten to induce, even by peaceful means, acts which are unlawful. Congress has declared secondary boycotts to be unlawful. Their inducement, or threats thereof, is not privileged.

2. "(A) forcing or requiring any employer or self-employed person to join any labor or employer organization":

The language here relates to forcing or requiring an employer or self-employed person to join a union. The wording is the same as that contained in the first part of paragraph "(A)" of the present Taft-Hartley Act. Although the language has received relatively little application insofar as the present act is concerned, no one will dispute the wisdom of its inclusion. It is placed in a separate paragraph here for purposes of clarification only. No change in meaning or interpretation is intended.

3. "(B) forcing or requiring an employer or other person to cease doing business with any other person":

This is the heart of the proposed amendment, just as generally similar language is the heart of section 8 (b) (4) of the present act. The paragraph is essentially the same as the last part of section 8 (b) (4) (A) of the Taft-Hartley Act. The only change is the elimination of the enumeration in the present language. It is felt that the phrase "cease doing business with" covers the specific items now mentioned such as selling, using, handling, etc. The use of the single phrase "cease doing business with" which is contained in the present act, along with the enumeration, is not intended to imply a more restricted interpretation of the language. The simplification is proposed merely for the purpose of clarity so that the average person on reading the language will more readily understand just what is meant.

4. "(C) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provision of section 9":

The language here is exactly the same as that now contained in section 8 (b) (4) (B) of the Taft-Hartley Act. Existing interpretation of that section is regarded as satisfactory.

5. "(D) forcing or requiring any employer to interfere with his employees' right to join or refrain from joining a labor organization as set forth in section 7":

This language is not contained in section 8 (b) (4) of the Taft-Hartley Act. It is designed to prohibit the use of economic coercion for the purpose of forcing an employer to interfere with the right of his employees to join or refrain from joining a union. Among other things, the wording would prohibit what is now known as recognition picketing.

The cornerstone of the Wagner Act and the Taft-Hartley Act is contained in section 7. In the original law, the guaranty set forth in section 7 declared as a matter of public policy the right of employees to self-organization—the right to freely select their own bargaining representative. Added to this basic right in 1947 was the corollary right to refuse to participate in union activity. Taken together, these guaranties form the basis of our national labor policy. It is a sound basis. The cornerstone is well laid.

With this as a basis, it follows necessarily that neither a company nor a union should have the right to coerce an employee in the exercise of his right to join or refuse to join a labor organization. And from this it follows that an employer should be free from economic pressure or coercion designed to force him to interfere with the rights of an employee.

Section 9 of the present act generally follows the scheme set up in the Wagner Act whereby the selection of a bargaining agent can be made by secret ballot in an election conducted by the National Labor Relations Board. This is a procedure which gives meaning to the guaranty of an uncoerced choice. The thousands of elections conducted by the Board over the past 20 years indicate beyond question the efficacy of the balloting procedure.

Today, however, a serious inroad on the right of freedom of choice has been made. It is an inroad which is not covered by present statutory language. It is recognition picketing.

In the usual situation, recognition picketing takes places where an employer has refused a demand that the union be recognized as a majority bargaining agent and thereafter a picket line is set up at or near the employer's place of business. The only way that the employer can resolve the situation is to recognize the union, regardless of the wishes of his employees, and sign up with the union. For the employer to do so is to engage in an unfair labor practice. Yet the fault is not his. Economic pressure of the picket line in some cases forces him to make a choice between signing up with a union or going out of business. It is difficult to blame him when he takes the course of saving his business, even though it means violating the law.

The election machinery set up in the act should be used to determine majority status. Recognition picketing should be permitted only where the employer refuses to accept the choice of his employees in selecting a bargaining agent.

The overwhelming majority of State courts today have declared recognition picketing to be unlawful. These courts have realized the inconsistency between a guarantee of free choice and economic coercion which forces an employer to select a bargaining agent for his employee. Consequently, in most jurisdictions, such picketing can be enjoined. This fact does not, however, solve the problem at the Federal level. With the Supreme Court's decision in the Garner case, which emphasized the preemption by the Federal Government in certain important areas in labor-management relations, State jurisdiction in recognition picketing situations may well be now limited to those situations in which the National Labor Relations Board either does not have jurisdiction, or does not seek to exercise its jurisdiction (*Garner* v. *Teamsters, C. & H. Union* (346 U. S. 486)). A large segment of the American economy is therefore left open to this patently unfair and coercive device.

The recognition-picketing problem is included in this section of the act because it is closely allied to the secondary boycott issue. Studies have shown that a majority of secondary boycotts arise from situations in

which the union is trying to recognize the employees of the primary employer. Unsuccessful by direct appeal, the union seeks to pressure the employer into recognition by putting economic pressure on the secondary employer who does business with the primary employer. The language of the present act covers those situations in which the recognition is being forced through the use of pressure on a secondary employer. The proposed language would add a necessary element to the protection by prohibiting economic pressure directed toward the primary employer. While such pressure is normally in the form of picketing, the proposed wording covers all types of economic pressure which has as an object the forcing or requiring of an employer to interfere with the right of his employees to join or refrain from joining a labor organization.

There can be no question today of the constitutionality of a prohibition against recognition picketing. In *Building Services Union* v. *Gazzam* (339 U. S. 532), the United States Supreme Court upheld a lower court decision permitting an injunction against recognition picketing in the State of Washington. The public policy of that State condemned interference with the right of employees of that State to self-organization. The same treatment would undoubtedly be accorded a congressionally enunciated policy on the subject.

6. "(E) forcing or requiring employees to join or refuse to join a labor organization":

The proposed language is not found in the Taft-Hartley Act. Its purpose is to prohibit the use of economic coercion against an employer where an object is the forcing or requiring of employees to join or refuse to join a labor organization. Obviously this purpose is related to that discussed in proposed paragraph "(D)."

In picketing situations today, where the union is seeking to become the bargaining agent, there is the much-debated problem of recognition versus organizational picketing. In a few jurisdictions, particularly in New York, there is an effort to distinguish between the two types. Theoretically, this can be done. Recognition picketing involves a situation in which the union demands recognition from the employer and, failing to get it, puts up a picket line. Organizational picketing, on the other hand, embraces the situation where the union makes no demand on the employer for recognition but pickets allegedly for the purpose of organizing the employees. While a difference does exist in theory, it is open to question as to how much validity it may have in practice.

From the employer's point of view, in both cases the picket line is there. If the existence of the pickets reduces the number of customers as it often does, for example, in the case of a retail store, or induces the employees of a third-party employer to refuse to pick up or deliver at the premises of the picketed employer, the economic effect is the same. The loss is just as great whether the union has demanded recognition or whether it claims merely to be organizing the people. The solution for the employer, if he cannot stand the pressure, is to force his employees into the union and to sign up.

From the point of view of the employees of the picketed employer, the difference is also insubstantial. The economic coercion against the employer is just as real in one case as in the other. If, as a result, they feel they have to join the union, their freedom of choice is impaired, whether the picketing is said to be organizational or recognition in character.

From the union's point of view, the answer is obvious. If recognition picketing is prohibited and organizational picketing is permitted, all the union has to do is to make sure that it never overtly demands recognition and sticks to its claim that the picketing is organizational in character. The important weapon is the picket line. If it brings about the requisite degree of economic coercion, the employer and the employees will be forced to line up.

From a legislative point of view—whether it be Federal or State—the restriction on organizational picketing raises a difficult problem. To the extent that it is an appeal to employees for support, it should be protected. To the extent that it coerces by economic pressure employees into joining a union, it should be condemned. This dual character of organizational picketing is the source of considerable confusion. My own view is that, where all the facts of the case show the picketing to be coercive—that is, to have the effect of forcing or requiring employees to join a union—it should be prohibited. Such is the intent of the language here proposed.

It is not the intent of this language to impinge upon the legitimate efforts of unions to preach the benefits of organization to employees. I would not intrude upon this right if I could. To me it is both important and necessary. On the other hand, I would not permit the use of this right as a technique to coerce employees in the exercise of their right to select or reject a union. In my judgment, organizational picketing in most contexts goes beyond an appeal to reason and becomes an instrument of coercion. Where election machinery is available, and where the law prohibits employer interference with the right of employees to select their own bargaining agent, let unions sell the benefits of organization by appeals to reason, not by the use of economic force.

The specific language used refers to "forcing or requiring employees." In my judgment, these words have nothing to do with persuasion, exhortation, or the right of free speech. Where organizational picketing has the effect of forcing or requiring employees to join or not to join a union, it should be struck down. It is at that point no longer privileged as free speech.

While the language is most importantly directed toward picketing, it also is intended to include other types of economic coercion where an object is forcing or requiring employees to join or to refuse to join a labor organization.

In some quarters there may exist a belief that the proposed language runs afoul of the constitutional guaranty of free speech. I would not propose it, nor support it if it did. I am convinced that it does not. My conviction is supported by two significant court decisions, one by the Supreme Judicial Court of Maine and the other by the Wisconsin Supreme Court. In the Maine case (*Pappas* v. *Stacey* (116 Atl. (2d) 497)) a restaurant was picketed for the alleged purpose of organizing the employees. The issuance of an injunction was upheld on the grounds that the picketing violated a Maine statute guaranteeing freedom of self-organization. Overruled by the court was the union's contention that the injunction infringed on constitutional rights. The decision was appealed to the Supreme Court of the United States, and was there dismissed without opinion (*Pappas* v. *Stacey* (U. S. Sup. Ct., No. 336, Oct. 24, 1955)).

The Wisconsin case (*Vogt, Inc.* v. *Teamsters Local* (Wis. Sup. Ct. (1956), 37 LRRM 2535)) also involved a typical organizational picketing situation. In an initial decision (*Vogt, Inc.* v. *Teamsters Local* (270 Wis. 315)) the Court reversed on constitutional grounds a lower court decision granting an injunction. On reconsideration, the original decision was reversed and the lower court judgment was affirmed.

While the Supreme Court of the United States has not directly passed on the question, I believe that these recent decisions indicate the direction of judicial thinking in those areas where it is necessary to draw a line between free speech on the one hand, and the right of employees to self-organization on the other. When speech in a context of action becomes coercive, it can be prohibited.

7. "(F) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act":

The wording here is exactly the same as that contained in paragraph 8 (b) (4) (D) of the Taft-Hartley Act.

The above represents an effort to set forth in detail both the reasons for the proposed changes in present language, and the intended application of the wording suggested. Obviously, not all situations can be spelled out in advance. In 1947, Congress thought it was outlawing secondary boycotts. The objective has not been reached. It may be that, even with the language here proposed, loopholes will develop. It is my sincere belief that if those who are construing the language of this bill will recognize and accept the fundamental concept of the intent of Congress to do away with secondary boycotts the objective can be achieved.

ADDITIONAL COMPENSATION FOR EMPLOYEES OF POSTAL SERVICE

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to provide additional compensation for employees of the postal service. I ask unanimous consent that a statement, prepared by me, in connection with the bill, may be read by the clerk.

The PRESIDENT pro tempore. Without objection, the clerk will read the statement.

The Chief Clerk read as follows:

Mr. LANGER. Mr. President, today I am introducing a bill to increase the salary of all postal employees $600 per year, and all substitutes 30 cents per hour. We passed a bill last year increasing salaries, but in the case of the majority of postal workers the increase was far too small. The salary for postal workers has not kept up to the improved standard of living. We must consider giving these employees a standard of living in keeping with the standard enjoyed by all other American citizens. The Heller Budget for Wage Earners indicates that for a man, wife, and two children a modest budget is $5,465.74 per year. The top pay of a letter carrier or postal clerk after 25 years is merely $4,710.

There is little wonder that the Post Office is finding it difficult to recruit employees; there is little wonder that the Post Office is finding it hard to retain employees.

Two recent examples have been brought to my attention that illustrate clearly that standard of pay in the postal service is far below that in private industry.

One of our letter carriers has been in the postal service for over 16 years and is now in the second longevity step. This carrier has a son, who has just turned 21 years of age, and has been employed by the telephone company as a splicer for the past 3 years. The son has had no specialized training and has progressed in the telephone company at the normal rate of advancement; yet during the year just past the son, with only 3 years of service, received over $500 in salary more than the father with 16 years of service.

In another instance, the wife of one of our letter carriers who has not worked in any job since their marriage some 18 years ago, recently went to work for one of the large concerns on the west coast. In a period of less than 6 months in the job, for which no specialized training or knowledge was required, her take-home pay exceeded that of her husband. Not only was the wife's pay greater, but the letter carrier claimed exemption for the three members of the family for income-tax purposes, while the wife took no exemptions.

Despite recommendations that have been or will be received from the administrative branch of Government, we have our responsibility to our postal employees. We shall have shirked our duty unless we grant our postal employees pay raises commensurate with their training and their faithfulness, and with the American standard of living.

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

The bill (S. 3846) to provide additional compensation for employees of the postal service, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

INVESTIGATION OF RAILROAD FREIGHT-CAR SHORTAGE

Mr. MORSE. Mr. President, I shall not take the time of the Senate to read a statement which I have prepared on the annual railroad freight-car shortage, but I wish to say that I am greatly in debt to the distinguished Senator from Washington [Mr. MAGNUSON] for the magnificent job he has been doing as chairman of the Interstate Commerce Committee in trying to obtain some action on the part of the Interstate Commerce Commission and the railroads in regard to the freight-car shortage.

In order to buttress his work, I think we need to support it by the passage in the Senate of a joint resolution which I introduce on behalf of myself, my colleague, the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from North Dakota [Mr. YOUNG], the senior Senator from North Dakota [Mr. LANGER], the senior Senator from Washington [Mr. MAGNUSON], and the junior Senator from Washington [Mr. JACKSON].

I ask unanimous consent to have my statement in support of the joint resolution printed at this point as a part of my remarks, together with the text of the resolution itself, and I ask to have the resolution appropriately referred.

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

The joint resolution (S. J. Res. 171) to direct the Interstate Commerce Commission to undertake an investigation of the shortage of railroad freight cars in order to determine a program for the purpose of eliminating such shortage, introduced by Mr. MORSE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas annually serious freight-car shortages have occurred throughout the Nation; and

Whereas freight-car shortages in recent years have had increasingly adverse effects on the shipment and handling of many products, including lumber and grain and other farm commodities; and

Whereas the lack of freight cars for handling lumber, grain, farm commodities, and other products during peak shipping periods has caused great losses to farmers, workers, and businessmen, and has resulted in deterioration and spoilage and delays in the movement of a wide variety of products; and

Whereas American class I railroads between 1951 and 1955 have received enormous Federal income-tax benefits by way of rapid amortization of freight-car construction costs to assist in providing an adequate fleet of freight cars; and

Whereas despite such tax benefits the total fleet of freight cars continues to decline; and

Whereas there appears imminent a freight-car shortage of even more disastrous proportions this year; and

Whereas by law the Interstate Commerce Commission is required to submit to the Congress annual recommendations as to additional legislation relating to the regulation of commerce as may be deemed necessary: Now, therefore, be it

Resolved, etc., That the Interstate Commerce Commission shall immediately undertake, in consultation with shippers, railroads, and interested Federal and State agencies, a comprehensive investigation and study of the freight car shortage and shall report and recommend to the Congress by not later than 6 months from the date of enactment of this joint resolution, a comprehensive program to be undertaken by the Federal Government or the railroads, or both, to assure an adequate supply and proper distribution of freight cars within a reasonable time. Such investigation shall include, but not be limited to, the following subjects: (1) the establishment of a separate corporation to be financed by the railroads to supply an adequate pool of freight cars to serve the needs of the shipping public, (2) adequacy of funds available for hire of car service agents to enforce Interstate Commerce Commission orders, (3) adequacy of freight car construction and rebuilding facilities and programs in the United States and policies of the railroads with respect to such rebuilding and reconstruction.

SEC. 2. Such program as submitted to the Congress by the Interstate Commerce Commission shall include proposals for any legislation that may be required to obtain the necessary freight car supply; an estimate of the costs, if any, to the United States or to the railroads, or both, of carrying out such program; and any other matters that in the opinion of the Interstate Commerce Commission may be helpful to the Congress in its consideration of effective means to terminate the annual freight car shortages.

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

STATEMENT BY SENATOR MORSE

The present indications are that this year's boxcar shortage will be one of the most serious that has hit the shippers of this Nation in the entire history of the perennial car shortage problem. The situation on car supply is becoming tighter and is considerably worse than it was at this time last year. During the week ending May 5, 1956, we had a shortage of 6,994 freight cars and a surplus of only 4,891. For the comparable week in 1955 there was a daily average shortage of 5,010 freight cars as compared to an average daily surplus of 15,726. Parenthetically, I should point out that we should not be misled by the coexistence of an average daily shortage and average daily surplus of cars. The difficulty is that the surpluses occur in areas other than where the shortage arises so the surpluses do not help eliminate the shortages.

So far as the lumber industry in western Oregon is concerned, if the present trend continues the car shortage will result in one of the most serious economic disruptions that has ever occurred in this vital industry. The freight car shortage probably will reach a peak during or immediately after grain harvest and will bring into bold focus the serious economic results of too few freight cars and improper distribution of the cars that are now in use. It is my opinion that the time has come to call upon the Interstate Commerce Commission for a searching and intensive study of the entire car shortage problem to be followed by recommendations to the Congress for legislation which will once and for all alleviate these annual shortages in rail transportation facilities which would appear to be wholly unnecessary if there were proper planning and coordination on the part of the American railroads and the agencies of Government that are charged with the responsibility of seeing to it that interstate commerce shipments travel swiftly, efficiently, and without interruption. American shippers are entitled to the finest types of transportation during peacetime and in times of national emergency our Government is entitled to rapid and complete transportation facilities. As the situation now stands neither American shippers nor the Government can be assured of attaining either of these objectives. The time has come to do something affirmative about this problem and I propose that we start at the Interstate Commerce Commission level.

The Interstate Commerce Commission is an arm of the Congress established to handle varied problems relating to the Nation's railroad transportation system. I know of no agency that is better equipped to handle an investigation of the freight-car shortage matter than the ICC. After all, it has been in business prior to the turn of the century. It has accumulated a wealth of facts and experience in this field and is ideally equipped to make a penetrating analysis of this problem which has become such a sore spot in our rail transportation program. For that reason, Mr. President, I am offering at this time a joint resolution calling for an investigation and report by the Interstate Commerce Commission to remedy the freight-car situation. I sincerely hope that the Congress will take speedy action on this resolution because the matter has become one of our prime domestic problems which urgently calls for rapid action and solution.

At this time I should mention that Senator MAGNUSON, of the State of Washington, chairman of the Senate Interstate and Foreign Commerce Committee, has been of inestimable help to all of us in our search for a solution of the car-shortage problem. At the request of Senator NEUBERGER and myself, Chairman MAGNUSON scheduled hearings on

the boxcar shortage which brought to light many facts of great help to us in analyzing the situation. From Senator MAGNUSON and his committee there has been full cooperation in an endeavor to find ways to meet this shortage. He has given intensive study to this situation to get at the root of the trouble. The shippers throughout the Nation owe him a debt of gratitude for his efforts and I am sure that I express particularly the sentiments of lumber shippers in western Oregon when I pay the chairman this much-deserved praise.

It is my understanding that the subcommittee on Freight-Car Shortages, composed of Senator MAGNUSON, chairman, and Senators MONRONEY and SCHOEPPEL, will soon offer a report on S. 2770 on which hearings have recently been held. I shall look forward to this report because I am satisfied that it will be most informative and helpful.

On behalf of myself and Senators NEUBERGER, MAGNUSON, JACKSON, YOUNG, and LANGER, I have introduced, for appropriate reference, a joint resolution to direct the Interstate Commerce Commission to undertake an investigation of the shortage of railroad freight cars in order to determine a program for the purpose of eliminating such shortage.

PRINTING AS A SENATE DOCUMENT REVISED EDITION OF SENATE DOCUMENT 85, 84TH CONGRESS, ENTITLED "SOVIET POLITICAL TREATIES AND VIOLATIONS"

Mr. JENNER. Mr. President, the new leaders of Soviet Russia, in many public utterances since the death of Joseph Stalin, have proclaimed a desire for friendship with the nations of the free world.

It is again time to take cognizance of the record of the Soviet Union in its formal relationships with other nations—not the word-of-mouth promises but the official written pledges which the Kremlin has made since the imperialist regime was overthrown in 1917.

The Senate Internal Security Subcommittee has brought up to date a staff study of this record which was published in 1955. Its supply of the original document is nearly exhausted. Because of the newly aroused interest in the attitude of the Soviet leaders, I submit, for appropriate reference, a resolution providing that the study may be printed as a Senate document and as a revision of Senate Document No. 85, 84th Congress, 1st session, and that 12,500 additional copies be printed for the use of the Committee on the Judiciary.

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

The resolution (S. Res. 262) was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed as a Senate document a revised edition of Senate Document No. 85, current Congress, entitled "Soviet Political Treaties and Violations," and that 12,500 additional copies be printed for the use of the Committee on the Judiciary, United States Senate.

NATIONAL MINERALS POLICY—AMENDMENTS

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to the bill (S. 3764) expressing the sense of the Congress with respect to a sound national minerals policy, to prevent widespread unemployment in certain localities, and directing certain action in furtherance of such policy, which were referred to the Committee on Interior and Insular Affairs and ordered to be printed.

PROTECTION OF NATURAL RESOURCES—CHANGE OF REFERENCE

Mr. EASTLAND. Mr. President, at a recent meeting the Committee on the Judiciary authorized the chairman to request that the Committee on the Judiciary be discharged from further consideration of the joint resolution (S. J. Res. 139) to provide for the commemoration of the 50th anniversary of the First Conference of State Governors for the protection in the public interest of the natural resources of the United States.

On July 30, 1955, an identical joint resolution was introduced and referred to the Committee on Interior and Insular Affairs. When the present resolution, Senate Joint Resolution 139, was introduced on February 7, 1956, this measure was referred to the Committee on the Judiciary.

A study of Senate Joint Resolution 139 discloses that it primarily concerns the preservation of our natural resources.

Accordingly, Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 139, and that it be referred to the Committee on Interior and Insular Affairs.

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

AMENDMENT OF UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948—MOTION TO RECONSIDER VOTE

Mr. EASTLAND. Mr. President, on May 9, 1956, the bill (S. 3638) to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948, Public Law 402, 80th Congress, was reported from the Committee on Foreign Relations and passed the Senate on the following day, May 10, 1956.

Mr. President, I enter a motion to reconsider the vote by which S. 3638 was passed by the Senate.

The PRESIDENT pro tempore. The motion will be entered.

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

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

By Mr. THYE:

Address delivered by him before the Reserve Officers Association at St. Paul, Minn., on May 5, 1956.

By Mr. WILEY:

Address on the subject of disarmament, delivered by him at a luncheon of the Civic Conference on Disarmament, at Chicago, Ill.

By Mr. MORSE:

Address delivered by Senator KEFAUVER at 25th annual convention of the Young Democratic Clubs of Oregon, at Portland, Oreg., on April 21, 1956.

NOTICE OF HEARING ON NOMINATION OF CHARLES E. WHITTAKER TO BE UNITED STATES CIRCUIT JUDGE, EIGHTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of a subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 22, 1956, at 10:30 a. m., in room 424 Senate Office Building, on the following nomination: Charles E. Whittaker, of Missouri, to be United States circuit judge, eighth circuit, vice John Caskie Collet, deceased.

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

NOTICE OF HEARING ON H. R. 5284, A BILL FOR THE RELIEF OF KEITH A. BOTTERUD

Mr. WATKINS. Mr. President, on behalf of a subcommittee of the Committee on the Judiciary, notice is hereby given of a public hearing that will be held on Wednesday, May 16, 1956, at 10 a. m., in room 424 Senate Office Building, on H. R. 5284, a bill for the relief of Keith A. Botterud. At the indicated time and place those interested in the proposed legislation will be afforded an opportunity to be heard.

The subcommittee consists of the Senator from West Virginia [Mr. NEELY] chairman, the Senator from Wyoming [Mr. O'MAHONEY], and myself.

ORDER FOR RECESS TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

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

NIAGARA RIVER POWER DEVELOPMENT

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may be allowed to proceed for not more than 8 minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I shall be glad to suggest the absence of a quorum, if the Senator from Arizona so desires.

Mr. GOLDWATER. I prefer to proceed without that being done.

Mr. JOHNSON of Texas. Mr. President, I have no objection to the Senator's request.

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

Mr. GOLDWATER. Mr. President, it is my understanding that S. 1823, the Niagara power bill, will come up for consideration today. Because of my required absence from the city in the next few days, I wish to make a few remarks on that bill.

S. 1823 is another example of the extremes to which the Federal power advocates will go in an attempt to force their philosophy upon the American people. Their basic philosophy was expressed by President Harry Truman when he said, on May 12, 1950:

> I am sure we will continue to overcome the opposition just as we already have done in building Grand Coulee, just as the people already have done in Nebraska, in large parts of Washington and Oregon and in other sections of the country where they have decided to distribute power through public bodies and cooperatives. The benefits of public investment must be passed on to the people whose tax money is being used. Those benefits must not be diverted for private profit.

Aside from TVA, a recognized Federal power monopoly, existing agencies of the Federal Government have no constitutional or statutory rights to develop any water resources except those the primary functions of which are flood control, navigation, or reclamation. The Niagara development embraces none of these features. It is strictly and entirely a power development.

The first attempt of Federal power advocates was to have this development accomplished by the Army engineers, but they soon found that approach doomed to failure. So the next attempt, a second best in their minds, was Senate bill 1823, which would turn the development over to the New York State Power Authority, with certain Federal requisites.

Now we hear that Niagara is a resource of the State of New York and should be developed by the people of the State for the State. This is an attempt to appeal to those who believe in States rights, as I do. But under this bill is the power developed by the people of the State of New York for the people of that State? Does the bill permit the State of New York, under its authorized power authority, to develop the project in accordance with the laws of the State governing that authority? The answers to those questions are obvious. All one has to do is read the bill.

The bill not only tells the State of New York how to develop power at Niagara, but also tells the State where this power will be sold, and under what conditions. It even tells the State how to distribute the power to the extent of authorizing the construction of transmission lines duplicating those already in existence. Passage of this proposed legislation would result in the amazing and incongruous picture of the State of New York, after first putting up the money, and after doing all the work, then being forced to operate the project according to the dictates of the Federal Government, which seems increasingly inclined toward domination of the States.

The bill directs the Federal Power Commission to issue a license to the New York Power Authority for construction and operation of the Niagara project. The FPC is not permitted to use its own judgment or to consider the qualifications of other applicants in issuing the license.

The bill imposes upon the State agency a restrictive preference provision which denies any customer of an electric company the right to receive any of the power developed at Niagara except for that power which might be left over after needs of preference customers are satisfied. More than 5 million New York electric customers—97 percent of the total—who now get their power from private companies would be denied the right to share on an equal basis in the benefits of the Niagara development. Even worse, this preference provision is coupled with a further provision permitting withdrawal of even this leftover power should it be required by preference customers in the future.

The fact that these preference and withdrawal policies are in direct conflict with existing New York State laws has been entirely ignored. The New York law says that "such projects shall be considered primarily as for the benefit of the people of the State as a whole and particularly the domestic and rural customers."

Tied in with the preference provision is an authorization for construction of duplicating transmission lines "as necessary" to carry the power to so-called preference customers, wherever they might be. This provision would turn the State power agency into an interstate power distributor. Under its provisions, the State would be forced to serve privileged groups as far away as Ohio or Pennsylvania, even if it had to build transmission lines to do so, while thousands of New York citizens were left on the sidelines.

The proposed legislation takes away from the New York State Public Service Commission the power of supervising the service and the regulation of rates for the additional electricity which would be produced at the Niagara project.

Usually when attempting to promote public power, proponents backing this bill try to justify the need by showing shortages or underdeveloped areas, either real or imaginary, or expanding development in areas which are already predominantly supplied by public projects. None of these arguments will hold in this area. The State of New York is 100 percent electrified. Power now being developed at Niagara is being developed by private companies, and has been for 61 years. Engineering plans which will be used for the development of this additional power, whether it be done by Federal, State, or private companies, are the plans that the companies presently developing power at Niagara proposed in the early 1920's. Over 95 percent of electric power consumers in the State of New York are now purchasing their requirements from private companies. Rural cooperatives, which would become preference customers under this bill, have less than 5,000 customers out of more than 5,000,000 consumers in the State of New York.

To me, one of the most important things we have to consider in any undertaking is what the people want, not what some people in an all-powerful Federal Government might want to force on them. So it is important to consider what the people of the State of New York want. Through statements of civic, farm, and labor groups, the people of the State of New York have registered tremendous support for a continuation of the Niagara development by regulated private utilities. More than 200 such organizations within the State have supported that position. In recent polls by New York State Representatives in Congress in areas which would receive Niagara power, the people have expressed overwhelming support of private development. Of the daily and weekly newspapers in New York State expressing themselves editorially on the subject, 180 have supported private development, while only 4 favor State development.

Furthermore, the House of Representatives in 1953, by a vote of 262 to 120, supported private development, at which time 32 of 41 New York Representatives in the House voted in favor of the private development. It seems that the ones who do not want this bill are those who are going to use the power and pay for the development. Have we become so dictatorial in this all-powerful Federal Government that we must tell the people of any State what is best for them, what they have to take, and how they must use it, without concern for what they want?

Mr. President, we could spend days arguing the pros and cons of this bill; but it has one unique feature which I think there is a tendency to overlook, and that is that if the bill passes, the Federal Government, by Federal statute, will impose upon a State requirements which are in conflict with existing State statutes. This can easily establish a dangerous precedent, in direct violation of States rights, which can be carried forward in future legislation concerning other functions of States. So, instead of being a States rights bill, it is actually a further Federal encroachment upon States rights.

DEATH OF DAVID F. CONNERY, ADMINISTRATIVE ASSISTANT TO SENATOR McNAMARA

Mr. LEHMAN. Mr. President, I learned with very deep regret this morning of the death last night of David F. Connery, administrative assistant to our colleague the Senator from Michigan [Mr. McNAMARA].

I have had the opportunity of working closely with Dave Connery. He has worked closely with my staff, and with the staffs of many other Members of the Senate.

He was a sweet, gentle soul, beloved by all. He was hard working and very close to the Senator from Michigan, not only as an aide, but as a friend.

I wish to express my deep personal sympathy to Dave Connery's family, and to the Senator from Michigan.

DEVELOPMENT OF NORTH ATLANTIC TREATY ORGANIZATION

Mr. NEUBERGER. Mr. President, in recent days, we have seen a good deal of attention directed to the question of the future development of the North Atlantic Treaty Organization. Before leaving for the NATO Council meeting in Paris, the Secretary of State announced that the time has come for NATO to grow from a military alliance to "the totality of its meaning" as the expression of a community of political and economic interests among its member nations. At the Paris meeting, various suggestions for nonmilitary functions for the Atlantic community were put forward by different members and seriously discussed. For the first time, more than lipservice seems to have been given to the need for meaningful action under section II of the North Atlantic Treaty, the section which already in 1949 recognized and established nonmilitary objectives for the Atlantic community.

A special 3-man committee has been charged with the task of recommending to the 15-nation organization steps which might be taken toward defining and carrying out new nonmilitary functions. The membership of this special committee—the Foreign Ministers of Canada, Norway, and Italy—is cause for confidence that this task will be undertaken with the energy of real conviction. Mr. Pearson, of Canada, in particular, has long been an outspoken leader toward maintaining the momentum of the North Atlantic Treaty toward forming a solid political core for a free and democratic world.

SENATOR FROM GEORGIA TAKES OVER TASK

Finally, the great importance which the United States is beginning to ascribe to this task can be recognized from the announcement that one of the greatest of American statesmen in the field of world affairs, the senior Senator from Georgia, and chairman of the Senate Committee on Foreign Relations [Mr. GEORGE], is to become this country's special representative to the North Atlantic Treaty Organization.

These are encouraging developments, and they have been long overdue. For a long time all suggestions of political institutions for the Atlantic community have met with nothing but timidity and total absence of imagination on the part of the administration. But, Mr. President, in the light of recent events, this is a time to abandon timidity, and to use our imagination. Perhaps the administration, always apprehensive about the isolationist fringe, has been surprised by the widespread approval and support which have greeted its first modest venture into political, rather than military, internationalism. Personally, I believe the American public is away ahead of the administration. I have no doubt that the Nation would support President Eisenhower in any farseeing program he might propose for developing into a political and economic community the military alliance he headed as NATO commander under President Truman's administration.

ATLANTIC COMMUNITY NEEDS STRONG BACKING

When testifying before the Committee on Foreign Relations, on July 29 of last year, I reviewed some of the conditions which already then made it apparent that the emphasis of the Atlantic community had to shift from military to political and economic problems, both within itself and in its relations with the rest of the world. I ask unanimous consent to have a condensed version of my testimony, as reprinted in the October 1955 issue of the magazine, Freedom and Union, included in the RECORD at the end of my remarks.

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

(See exhibit A.)

Mr. NEUBERGER. Mr. President, although in the 9 months since I made that statement, many new events have emphasized the necessity for such a shift. I believe the six specific points of my recommendations at that time remain a good guide to the needed development of new functions.

I understand that, at the present time, our Government has suggested only a permanent council of high-level diplomatic representatives from NATO members to discuss and attempt to correlate various foreign-policy positions of their governments. Valuable as this may be, it will hardly do much to stimulate a sense of community among the people of the member nations themselves. The Atlantic community needs some public institution to represent these people, besides mere military and diplomatic committees.

WHY IS SUPPORT OF NATO JEOPARDIZED?

The pattern already exists in the form of our delegations to the United Nations. We also have permanent diplomatic representatives to the U. N.; but annually, our delegation to the General Assembly includes Members of the Congress and delegates drawn from public leaders outside the Government. I suggest today that an annual assembly of delegations formed on this pattern, to review the work of the Organization and to chart its course, might well be the next step for the Atlantic community.

In conclusion, Mr. President, I want to refer very briefly to one specific item of significance in this connection. At the very time when we are beginning to face up to the new challenge to Western unity, which is posed by the new, softer line of the Kremlin, the administration asked for only a very modest $300,000 for our contribution to the informational and educational work of NATO. The item was stricken from the budget by the House Appropriations Committee. I believe this is the very field in which a much bolder, better planned, and more dramatic program is called for. I hope, fervently, that funds for such a program will be restored by the Senate.

The future strength of the free Western democracies is not to be found in the secrecy of committees of professional soldiers and diplomats. It must grow from an informed popular understanding of our community of ideals, of institutions, and of social and economic progress in peace and freedom.

EXHIBIT A

EXCERPTS FROM STATEMENT BY SENATOR NEUBERGER BEFORE SENATE COMMITTEE ON FOREIGN RELATIONS ON JULY 29, 1955

[From Freedom and Union of October 1955]

EVENTS ARE DRIVING ATLANTIC DEMOCRACIES TO SEEK COMMON POLICIES, GREATER UNITY

Two events of the recent past point to the desirability of affirmative action on the resolution (S. Con. Res. 12).

One of these events is, of course, the conference among the four heads of state at Geneva. The other—less publicized and of less immediate impact, but also, I believe, of long-run significance—is the conference held in Paris of parliamentary delegations from the members of the North Atlantic Treaty Organization.

Our Government has treated the North Atlantic Treaty Organization as a military alliance, designed for military defense against military aggression by Soviet Russia. As a consequence, the very existence of NATO is always thought to be potentially at stake when, as at Geneva, the antagonists in the cold war meet to discuss lessening of tensions or new approaches to European security.

As long as NATO is thought to meet only the needs of military defense, it is vulnerable to every gesture of the Russian Government toward reducing Soviet military pressure in Europe. It permits the men in the Kremlin to jeopardize the essential unity of the West every time they decide to turn the record over and play the peace side for a while.

In its 6 years, NATO has been a historic success in its original role as a military shield for Western Europe. Yet I think it will be unable to fulfill even that original function unless it transcends its present limitations from the military to the political and economic field.

The central problem of Europe remains the future of Germany. Germany insists above all else on reunification, and it will achieve it in time. The German Federal Republic has joined NATO; but as long as NATO is only a military alliance, the Germans will regard it as merely a means to the end of reunification. The consequences of this limited view are suggested in a dispatch by Mr. M. S. Handler, datelined Bonn, July 23, in the New York Times of Sunday, July 24, which is entitled "Bonn Sees Geneva as Setback for German Reunification." The article concludes that if membership in the military alliance cannot soon achieve reunification, a future German government may break away from the entire policy of unity with the West so painstakingly built up by the 80-year-old Chancellor Adenauer.

Yet the possibility of a unified, rearmed Germany, free to engage in its traditional power politics, must be of the greatest concern not only to Western Europe but to the United States. Only the ties and guarantees of the North Atlantic Treaty made possible the rearmament of Western Germany. And only stronger, permanent, political ties within the West can make possible an acceptable solution to the problem of reunification.

I mention the problem of Germany only as the most immediate instance of the need of the Western democracies to speak with a single voice. The need also exists in relation to the Far East. And within the free world itself, there are many serious economic and social problems that call for united action.

It would be easy to multiply examples. But Senate Concurrent Resolution 12 does not seek immediate solutions to short-run problems; it should be judged in a wider historical context.

Oceans once meant security

Whether by this resolution or another, the development of greater unity among the de-

mocracies of the Atlantic basin is, in any case, being forced on us by the conditions of modern history.

Fifty years ago, our own Nation, secure between two great oceans, could concern itself exclusively with the domestic problems of the economic development of this continent. Fifty years ago, France and Great Britain could think of themselves as centers of great sovereign empires with rich possessions far across the globe, and their physical security depended only on the adjustment of a delicate balance of power within western Europe itself. The ascendancy of western institutions of political and economic freedom throughout the world was taken for granted.

Yet in the lifetime of most of us, the position of western democracy in the world has changed radically. It has been on the defensive—not only because of the recent encroachments of communism, but since the crises following World War I. Both world wars and the great world depression of the 1930's started among nations who shared western traditions and were, or had been, parliamentary democracies.

As a result, not only has the West been weakened economically, but the values and institutions which we prize most highly have been challenged both within the western countries and in the great new nations which are now rising to independence from centuries of colonial status.

Common threat to freedom

The American people have recognized that challenge, and we have cooperated in extraordinary steps to meet it since the war: The Marshall plan in Europe, point 4 in Asia and other underdeveloped areas, the mutual security program. Yet if democracy is to regain the initiative throughout the world, we must think, not of challenges to the United States, or to Great Britain, or to France, but of the great challenge to the freedom, the social progress and the humanitarian ideals that are the joint heritage of western civilization.

Let us remember that, even together, we constitute only a minor fraction of the Earth's population. Yet, if in this century the Atlantic Community can rise above the narrow national divisions that, for many centuries, have brought it only death and destruction, freedom and democracy—rather than communism—will again be the truly revolutionary force in the world.

Needless to say, adoption of Senate Concurrent Resolution 12 would not be acceptance of any concrete program of creating specific political institutions for the Atlantic Community. It is only an essential first step to initiate the exploration of such possible political institutions. Without trying to suggest an exhaustive list, I might just mention a few important areas of common concern, in which common political institutions might develop common policies by the entire Atlantic Community:

Six fields for Atlantic government

1. Foreign policies toward the rest of the world.

The dangers and burdens of our relations with Soviet Russia and China, which now loom so large, would dwindle to manageable proportions if the immense military and economic power of the Atlantic Community stood behind a single authoritative, responsible agency of foreign policy.

2. Shared responsibility toward non-self-governing and underdeveloped countries within the rest of the free world.

The Atlantic Community should develop new patterns for sharing, above the national level, responsibility for assisting the technical and economic growth of underdeveloped countries and for the political stewardship of its remaining non-self-governing territories. Such an imaginative new approach should be designed to dispel the suspicion and resentment which burden individual members of NATO because of their heritage and colonialism.

3. International trade and currency policies, both within the Atlantic Community and toward the rest of the world.

The problems of world trade and currency transfers exist—except for the case of Japan—almost wholly within the Atlantic Community itself. They should be treated as internal economic problems by institutions of that Community. Western Europe has in recent years initiated many steps toward economic integration. At the very least, I believe, the Organization for European Economic Cooperation should be expanded into an Organization for Atlantic Economic Cooperation, to include as full members all members of NATO.

4. Transportation, travel and communications within the Atlantic area.

For obvious reasons, shipping, air transport and other aspects of travel and communication within this area is an internal problem of the Atlantic Community and might well be treated as such.

I would add to that list two considerations that seem to me important elements of Western policy, whether pursued through joint or separate institutions:

5. Nothing we do ought to be, or need be, inconsistent with full and wholehearted participation in the worldwide community of the United Nations; and

6. The Atlantic Community must not become an exclusive club. Its institutions must remain open to new members—without regard to race, creed, or prior status—who can and will accept its standards of political and economic freedom and democracy. Only thus can it point to goals which can claim the confidence and support of the rest of the free world.

In conclusion, as I have said before, events are driving us to seek these common policies in any case. The question is only whether we shall seek them effectively—through common democratic institutions responsive to popular control, or haltingly—through a dozen foreign offices individually responsive only to the divisive pressures of domestic politics.

Article II of the North Atlantic Treaty already contemplates the extension of NATO functions from military to economic and social fields. We are indebted to our northern neighbors, the people of Canada—whose associations with the countries in both the Old and the New World help them bridge the Atlantic—for having long taken the lead toward making this extension a reality. And dispatches from the Paris meeting of NATO parliamentary delegations—which included Members of Congress—indicate that, partly on Canadian initiative, the participation of representatives from democratically elected legislatures will become an accepted part of NATO's political processes.

This is an important development, for the open discussions of an assembly of legislators will, far better than the deliberations of ambassadors, symbolize the basic moral and political unity of the people of the western democracies. It is a development which should be encouraged and speeded along, as proposed in Senate Concurrent Resolution 12.

I believe that, with bipartisan leadership from the President and the Congress, the American people are prepared to enter upon the exploration that Senate Concurrent Resolution 12 proposes. The very beginning of our tradition as a nation stands as a brilliant experiment in the science of government, and we have often developed new political tools to meet new problems in our 166 years as a Federal State. And the period of isolationism is past. Under the pressure of hostile forces, we are again coming to recognize that the Atlantic has been not only a moat but also a great highway for the exchange of cultural values, ideas, and institutions, as well as of material goods.

The great majority of Americans trace their origin to one or several of the nations of NATO. The several peoples of the Atlantic area share each other's music, art, and literature. By study or by family ties, many of us understand a little of the language of another of us. And we know we share ideals of individual freedom and dignity that we want to pass securely on to future generations.

To protect and promote those ideals, we should continue to explore every avenue to closer political ties within the Atlantic community.

PROPOSED RECOGNITION OF RED CHINA BY THE UNITED NATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Committee for One Million Watchdog on U. N., Red China," written by Pierre J. Huss and published in the Houston (Tex.) Chronicle of April 22, 1956; and an editorial entitled "United States Must Prepare Now To Slam U. N. Door on Red China," published in the same newspaper on April 24, 1956, relating to the proposed admission of Red China to the United Nations.

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

[From the Houston (Tex.) Chronicle of April 22, 1956]

COMMITTEE FOR ONE MILLION WATCHDOG ON U. N., RED CHINA

(By Pierre J. Huss)

A whispering campaign alleging that immediately after the American presidential elections next November, the Eisenhower administration will give way in the U. N. Assembly to Red China's entry into the global organization is being sharply counteracted by United States sources.

It is an open secret among U. N. diplomats that the Western Powers supported by a sizable majority of small countries have a gentlemen's agreement to keep the Chinese hot potato off the Assembly's agenda for another year. This is accomplished at each annual Assembly session by a majority vote stipulating that debate on the seating of Red China in place of Nationalist China be shelved for the duration of the session.

Highly qualified Washington sources have said that the basis for this gentlemen's agreement stems from the January meeting of President Eisenhower and British Prime Minister Sir Anthony Eden, with the French in on it through diplomatic channels.

It is a generally accepted fact that as long as the Western Powers, together with their scores of supporters among the 76 U. N. members, stand together against the ousting of Nationalist China, the assaults of the Communist bloc aided and abetted by India will be of no avail.

There is an effective watchdog organization on the job against any sneak and covert moves to slip Red China into U. N. either by the front or back door. That is the powerfully organized "Committee of One Million," whose officers and members read like a who's who in the diplomatic and industrial field from coast to coast.

The honorary chairman is Warren R. Austin, former Senator from Vermont and first United States Ambassador to U. N. In a written opinion as to why Red China cannot be permitted to shoot or sneak its way into U. N., Austin said:

"In this era when a divided world lives under the shadow of nuclear war, we believe

U. N. will stand or fall on its ability to promote and maintain a just and lasting peace.

"Our committee speaks for 1 million Americans of both our political parties. We believe that the admission of Red China would undermine the integrity, destroy the influence and paralyze the functions of the U. N. by giving a double permanent veto to Communist totalitarian powers on the security council.

"To so reward a government which was an open aggressor against U. N. itself would make a mockery of the organization as an agency to preserve peace, and break faith with the men who died in Korea. It would amount to inviting the unrepentant criminal to sit on the judge's bench."

[From the Houston (Tex.) Chronicle of April 24, 1956]

UNITED STATES MUST PREPARE NOW TO SLAM U. N. DOOR ON RED CHINA

In the current issue of the news letter issued periodically by the Committee of One Million, United States Senator WILLIAM F. KNOWLAND brings up an important suggestion for consideration by Americans before they go to the polls in this election year. He proposes that each candidate for President or any other Federal office on both Democratic and Republican tickets be required to assert himself in opposition to the recognition of Red China and to admission of the Peiping regime into the U. N.

As Senator KNOWLAND explains, we could not approve the admission of Red China to the U. N. without withdrawing our recognition from the legitimate government which is the Nationalist Government of Chiang Kai-shek on Formosa. This would mean repudiation of a government we have maintained friendly relations with for more than a quarter of a century, a government that staunchly supported us throughout our war with Japan and a government that has given constant and heroic resistance to the spread of communism.

On the other hand, such an act would dignify with diplomatic recognition the regime at Peiping which, under the leadership of Chou En-lai and Mao Tse-tung, has matched if not exceeded the barbarism and brutalities of Moscow. We know Red China was our enemy in Korea. We know Red China accounted for most of our 130,000 casualties in that war and we know that Red China still holds our civilians and military prisoners in violation of terms of the U. N. armistice negotiated to bring hostilities to an end in Korea. How, then, can we consider recognition of this government? How can we even consider the Red China regime a legitimate government? It is an oligarchy of military power holding 400,000-000 civilians in frightened captivity.

If we are to withdraw recognition from any nation let it not be from Nationalist China. Let it be rather from the Iron Curtain countries whose embassies in this country are packed with secret agents and spies. We have the ministries here of Poland, Czechoslovakia, Hungary, and Rumania all in addition to the Embassy of Soviet Russia. Let recognition of these be withdrawn, not Nationalist China.

The important thing for us to remember is that the U. N. delegations of these Iron Curtain countries, banking on the assistance of a considerable bloc of neutrals, will soon launch a new drive to seat Communist China in the U. N. To prevent this, our own officials must be sworn to use every effort to defeat the Red Chinese, even to the point of invoking the veto if necessary. This one defeat we must not permit ourselves to suffer. Only through our vigilance can we expect to win.

BAN BY SAUDI ARABIA ON AMERICAN SOLDIERS OF JEWISH FAITH

Mr. LEHMAN. Mr. President, on a number of occasions I have addressed the Senate regarding the ban by Saudi Arabia on American soldiers of the Jewish faith from serving at our base in that country. In my several statements I pointed out that the acceptance of this ban by our Government was, in my opinion, both morally and politically utterly wrong. I emphasized that the surrender of our sovereignty and our duty to protect the rights of all American citizens, regardless of religious faith, inevitably lowers our self-respect and the prestige of our country in the eyes of the world.

Therefore, Mr. President, some days ago I was amazed to note that President Eisenhower said, at a recent press conference:

I have never heard this, that American Jews cannot go into our airbases.

Obviously, Mr. President, the President of the United States has been badly informed in regard to this very important subject. However, he does know the facts now and I deeply hope that he will assert himself vigorously to uphold the dignity, the honor, and the moral principles of our country.

The distinguished and widely read columnist and author, Mr. Max Lerner, recently wrote an article entitled "The Saudi Arabian Ban," which appeared in the New York Post on Friday, May 11. I commend this article to the reading of all Members of Congress and the people of America generally. I ask unanimous consent to have it printed in the body of the RECORD at this point in my remarks.

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

A burdened President, who depends on staff briefings for his knowledge of important events, cannot be expected to know things that most intelligent newspaper readers know. Yet granted this, it was a jolt to read the passage in the President's press conference on the anti-Jewish ban by Saudi Arabia.

When the Post reporter asked about the Saudi Arabian policy of barring American Jews from the United States airbase there, Eisenhower said, "Now I have never heard this, that American Jews cannot go into our airbases." He was told of the Pentagon confirmation of the silent understanding between American and Saudi Arabian authorities that no Jews were to be sent as part of our military forces. At this he shifted ground, said he would have to talk to the State Department ("that is where I get my exact information"), and ended by defending on grounds of sovereignty the Saudi Arabian right to determine if an American is persona non grata and can't enter.

It was a confused and shameful performance on the part of the President. It accords wretchedly with his high professions of morality in the conduct of government and his often stated principle that the individual is the supreme value.

Maybe it is a cruel thing to subject the President's remarks to a close scrutiny and analysis. But a great deal is at stake in this issue, and it is important to know how the President really regards it.

First there is the objective question of whether Jews are or are not in fact excluded from the soldiers and technicians we send to the airbase. At first the President averred that he had never heard that they were, then he gave his theory of why the Saudi Arabians have a right to exclude them. If he did not know of the agreement, then why defend it? And if he did know of the agreement he defended, why did he at first deny that it applied to American Jews in the American Armed Forces?

I am tempted whimsically to ask to whom else such an agreement with Saudi Arabia could apply? Did the Saudi Arabians insist on excluding Seventh-Day Adventists? Or Presbyterians? Or perhaps Republicans? Or people born in Kansas? Or residents of Texas or Pennsylvania? Obviously if they have exacted an agreement from us for excluding certain people, it applies to Jews. And it would be better for the President to be honest and say so.

Disposing of the factual question we turn to that of whether our action can be justified.

The President did justify and defend it. "Certain of our agreements," he said, "accord to a nation where these bases are situated the right to determine if an American is persona non grata and can't enter." I can understand that a nation leasing an air base to another may stipulate its right to reject particular persons who might be sent. But in this case Saudi Arabia has put a ban on a whole ethnic category, not on particular individuals. By accepting that ban we in effect enter into complicity with Saudi Arabia. We accept for working purposes of national defense the Arab theory that Jews as Jews are either dangerous or inferior or both.

Can the President possibly have understood the implications of what he was thus saying?

I put the same question to him on his argument from sovereignty. "After all," says the President, "we don't get that territory on the same basis as you do an Embassy. We are not a sovereign there." You can see what the President is driving at. In the case of our Embassies our own laws apply, while in the case of the lease of an airbase we have first to "get the territory," hence the Saudi Arabians "do have some rights that you have got to accord them."

No one doubts it. Saudi Arabia has the right not to lease the airbase, and the right to get a certain payment and certain terms when it does lease it. But the real question is not whether Saudi Arabia is sovereign on its territory, but whether America is so unsovereign and abject as to accept degrading and humiliating Saudi Arabian conditions.

Let me restate it. The issue is not whether Saudi Arabia had the right to stipulate its anti-Jewish ban in its contract with America, but whether we were right to accept the wrong they imposed on American Jews.

Suppose that South Africa, with its laws of apartheid, were to give us an airbase with the stipulation that no American with colored blood is to be sent there as part of the Armed Forces. Suppose Catholic Spain were to stipulate that no Protestants were to be sent. Would the President have dared, either in conscience or opportunism, to accept such a tabu?

If the Secretary and the President will look at the history of our diplomacy they will find that we have never until now practiced this kind of abjectness. When the Tsar of all the Russians tried to infect us in diplomacy with the guilt of his anti-Semitism we threatened to break off diplomatic relations. Airbases come and go, but the American doctrine of the equality of all religions and of all ethnic groups under the law must outlast the accidents of defense because it alone makes defense possible and worth while.

There is much intellectual confusion in what President Eisenhower has said about Saudi Arabia and the Jews. But the greater danger is his moral confusion. When a man who bases himself primarily on morality lets

his moral base slip from him, what else is left?

I suggest respectfully to the President that the place to start, intellectually and morally, is with the doctrine of the equal rights of Americans inside our own country. The next step is to say that we will enter into no contract with another nation by which we will barter away those rights, whether for airbases or any other earthly power. From that point on, we can't get lost.

BROADENING OF MARKETS FOR AMERICAN WHEAT AND GRAIN PRODUCTS

Mr. NEUBERGER. Mr. President, disposal of mounting grain surpluses is a problem of great concern to American wheat farmers. They, more than any other group, foresee the dangers in a constant buildup of the amount of wheat produced in excess of market demand. Contrary to the impression given in some quarters, wheat ranchers are not sitting idly by as the surplus picture darkens. This was evidenced in recent weeks by reports from Osaka, Japan, where an International Trade Fair has been in progress.

In an effort to broaden the market for wheat and American grain products, the Oregon Wheat Growers League set up an effective display at the Osaka fair. A report on the exhibition indicates the success of this venture. The wheat exhibit was literally mobbed by crowds of Japanese. Some 100,000 sweet rolls, thousands of samples of new processed wheat food—developed especially for the far-eastern market—and other baked wheat goods were given away as samples. Public reaction to the efforts of the Oregon Wheat Growers League to expand the overseas market for wheat products is proof that many outlets are available for the wheat surplus.

The Oregon Wheat Growers League has been in the forefront in attempting to solve the surplus problem. Their forward-looking officers and members undertook the pioneering educational work in promotion of the domestic parity "two-price" plan for wheat, which was included in the farm bill recently vetoed by the President. It is regrettable that the domestic parity program probably will not be put into effect this year. I believe that it deserved a fair trial as a new approach to reducing surpluses and to taking the Government out of the grain-storage business.

The project undertaken by the Oregon Wheat Growers League is only a part of the program which it has planned for tapping new consumer markets for wheat. The league has signed a contract for an expenditure of $391,800 over a 2-year period for wheat-promotion activities in Japan. This organization of wheat producers is to be commended for the initiative it has shown in trying to solve the major economic problem facing its industry.

Mr. President, I ask consent to have printed in the RECORD a story from the Pendleton (Oreg.) East Oregonian of April 30, 1956, and another of May 5, 1956, reporting on the activities of the Oregon Wheat Growers League in relieving the pressure of surplus wheat by opening new market opportunities.

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

[From the East Oregonian, Pendleton, Oreg., of April 30, 1956]

THREE HUNDRED NINETY-ONE THOUSAND EIGHT HUNDRED DOLLAR PROMOTION PLAN SIGNED

Oregon Wheat League secretary, Richard K. Baum, said today a contract had been signed with the United States Department of Agriculture calling for an expenditure of $391,800 over a 2-year period for wheat promotion activities in Japan.

Baum, who returned from Washington, D. C., last weekend, said it was the largest contract for marketing development signed to date by the foreign agricultural service.

Baum said $28,000 would be contributed by the league to pay for salaries and facilities.

Baum said Department spokesmen thought the development important because they think "the approach we're using can be applied to other countries."

VISITED JAPAN

Baum and USDA representatives have made trips to Japan during the past 2 years to set up promotions aimed at introducing United States wheat to Japan consumers. Wheat market analyst Joe Spiruta is presently in Osaka supervising grain exhibits at the International Trade Fair.

The wheat league would be completely responsible for expenditures under the new contract, Baum said. He said the league planned to contract with two Japanese organizations to promote the consumption of wheat foods.

LEAVES FRIDAY

Baum will leave Friday for Tokyo to work with Spiruta in furthering projects lined up in previous visits, he said.

Japan has ranked as one of the chief importers of United States wheat, particularly grain from the Pacific Northwest. The nation imported more than 45 million bushels of wheat in the last calendar year, Baum said.

The $391,800 is the equivalent of Japanese yen income to United States gained through the sale of surplus commodities to the far-eastern nation.

[From the East Oregonian, Pendleton, Oreg., of May 5, 1956]

CONTROLLING TRADE FAIR CROWDS KEEPS WHEAT MAN ON HIS TOES

Wheat promotion efforts of the Oregon Wheat Growers League at the International Trade Fair in Osaka, Japan, turned out to be almost too successful, according to a report just received from Joe Spiruta, Pendleton, who was in charge of the project for the league.

The exhibit literally was mobbed by crowds of Japanese. The final day, in fact, more than 100 police had to be called to keep the thousands of people from completely overrunning the wheat exhibits in the American pavilion.

One of the big attractions, Spiruta wrote, was the distribution of free samples of wheat foods. Some 100,000 sweet rolls, countless thousands of samples of new processed wheat food, and recipe folders printed in Japanese were distributed during the 15-day fair.

Japanese also had their first experience with American prepared cake mixes at the baking demonstration kitchen in the league's exhibit. Spiruta reports the cake mixes made a big impression on the Japanese public, millers and bakers, as did the scones, sweet breads and other baked goods prepared in this booth.

In the Ala demonstration booth, a Japanese home economist and four assistants spent full time preparing and explaining dishes made from this new wheat food. Public reaction assures a booming market in Japan for Ala, provided government restrictions can be overcome, Spiruta said.

Huge 4- by 5-foot full color photographs of Oregon wheat harvesting scenes made the League's exhibit the most attractive feature of the American pavilion, Spiruta said. A model combine in action, and displays of Pacific Northwest grains also proved crowd pullers.

Spiruta said twice as many people were reached through the exhibit as had been expected, and told wheat growers it will pay off in more new customers for Oregon wheat. He added:

"I am more than ever convinced that Japan, with her ever-growing population, will continue to be one of the most important outlets for Oregon wheat—if we are willing to devote the necessary time and effort needed to teach these people the use of wheat foods in their diet. The important thing is to give them, especially children, opportunities to taste wheat foods."

The Oregon man added that an intangible but important result of the United States exhibits at the fair was showing the American way of life to the Japanese people.

"I know of no better way of counteracting communistic propaganda," Spiruta said. "Oregon growers can take some pride from the fact that while helping themselves they also were helping their country and the cause of freedom."

THE CHRISTIAN LEADER AND POLITICS

Mr. WILEY. Mr. President, in this morning's mail I was pleased to receive from Ellis H. Dana, executive vice president, Wisconsin Council of Churches, at Madison, Wis., a most interesting brief exposition of the responsibilities of a Christian leader as an active public-spirited member of the American electorate. I believe that he has set forth a series of points which will be well received by innumerable thinking Americans as they seek to apply their Christian creed into their day-to-day conduct, particularly in view of the challenge of the November 1956 election.

I send to the desk the text of the statement and ask unanimous consent that it be printed in the body of the RECORD.

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

THE CHRISTIAN LEADER AND POLITICS

(By Ellis H. Dana)

A most interesting brochure had just come to my desk entitled "Questions for Christians in 1956," which is sponsored and put out by 16 national Protestant denominations, about issues and obligations in the forthcoming presidential election.

Among other things, this timely leaflet underscores the following guide points (with which, as a church leader, I heartily concur) that Christians as citizens should:

1. Take part in political life, working in the party of their choice to improve its practices and fulfill its promises.

2. Help develop informed public opinion on important local, State, national, and international issues, using discussion, forums, radio-TV, and all the channels of communication toward that end.

3. Resist name calling, accusation without proof, appeals to prejudice, wild promises that cannot be fulfilled, and other demagogic methods sometimes used in political campaigns.

4. Judge candidates by their stand on important issues, past performance, and integrity rather than their appearance, mannerisms, campaign slogans, or even church affiliation.

5. Find out what groups and interests give support to each candidate and party, what they expect to gain by it, and what influence they would have upon the candidate if elected.

6. Register and vote and encourage others to do so. Christian citizens should study the issues, the candidates, the pressures.

Yes, and I agree with my friend Charles P. Taft of Cincinnati, a great Episcopalian lay leader, that, "It is high time that men of religion, both clerical and lay, should face up to their responsibilities in life, and politics is one of them."

Of course, when and how to do it in politics becomes the peculiar problem for each one of us and often, as religious leaders, we can learn much by first consulting with informed and friendly lay leaders who may have more real wisdom, as experts on the issue at stake, than we. Having done that, however, then, we should never be unnerved at the prospect, nor the clear challenge to speak out and take part publicly.

Indeed, I have always felt that a Christian leader, as a Christian citizen, has a grave yet double responsibility—first to the unique institution which he serves inherent in the consecrated position he holds as its representative head and then also, at the same time, to his community and country. Thus, in this dual capacity he must be absolutely fair to both—sensitive, considerate and prayerful about the opportunities he chooses and the methods he uses, so far as possible trying to be objective and unbiased.

But beyond that, as a fearless Christian citizen leader, he must then be willing to run the calculated risks of whatever participation he conscientiously feels should be undertaken for a cause, or for an issue—in fact, against the likely possibility of being publicly misinterpreted and unfairly castigated. Even unwarranted personal attacks should not deter us from fighting for moral and religious principles in order better to help vitalize the public conscience; but this should be done in humility and with a spirit of good will.

And what redblooded American as an individual Christian—be he professional leader or layman—wishes to be classed among those who are fainthearted and weak-kneed, especially in these critical days? No great community nor people has ever been lifted up by complacent and fearful leaders.

For American democracy has always depended—as it depends even more surely today—upon the educated leadership contributions publicly shared and risked by those with helpful insights from all our professions and vocations, that is, if our democracy is to go forward in representing our political best. This is, after all, merely advancing our Christian best as we approach the problems in our community and country.

Yes, the Christian always has had and always will have a very real stake in politics.

STATEHOOD FOR HAWAII AND ALASKA

Mr. NEUBERGER. Mr. President, the Territory of Alaska, long unfairly frustrated in its search for statehood, has finally taken the desperate step of deciding to elect two Senators and a Member of Congress to lobby in the Halls of Congress for admission to the Union.

I ask unanimous consent to include in the CONGRESSIONAL RECORD a fine article entitled "Alaska Seeks Statehood the Tennessee Way," from Freedom and Union for April 1956. The author of the article is George Lehleitner, an enlightened business leader of New Orleans, La., who has been a true good neighbor and friend of distant Alaska in working diligently to try to bring about statehood, not only for Alaska but also for Hawaii.

I also ask unanimous consent to include in the RECORD a column entitled "Practice Versus Preachment," by the distinguished commentator, Marquis W. Childs, from the Washington Post and Times Herald of May 1, 1956.

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

[From Freedom and Union for April 1956]

ALASKA SEEKS STATEHOOD THE TENNESSEE WAY

(By George Lehleitner)

Resigned to the fact that, like Hawaii, they will not attain Statehood this year, Alaskans are now looking beyond the election and pinning their hopes on the 85th Congress.

Successive disappointments, however, have convinced them that more than hope is necessary if their dream of admission as the 49th or 50th State of the Union is to be realized in the near future. Consequently, when the voters of the Territory ratify their brand-new "State Constitution" in the April 24 primary, they are also expected to adopt the "Tennessee Plan."

So-called because Tennessee was the first, but not the last, State to gain entry into the Union by means of it, the plan simply provides for the election of two Senators and a Representative who go to Washington along with the full-fledged Members of Congress. There they will use moral persuasion and anything else they can properly get away with in an intensive and sustained effort to have the status of the Territory elevated to that of a State.

These tactics paid off for Tennessee after her application for admission had at first been stymied because of North Carolina's claim to the Territory. The Tennesseans jumped the gun by sending their elected representatives to Washington in defiance of their eastern neighbor; having convinced the 4th Congress that North Carolina was wrong in seeking to invoke section 3 of article IV of the Constitution, the "Volunteer State" was finally admitted as the 16th State, on June 1, 1796. Six other territories, including California and Michigan, followed suit in later years, so the precedent is well established.

Discovered by Vitus Bering, a Dane, in 1741, Alaska belonged to Russia until purchased from her in 1867 by Secretary of State Seward for the sum of $7,200,000. Regarded as so poor a bargain that it was contemptuously referred to as "Seward's Folly," it has since contributed to United States wealth almost $4 billion worth of products.

Over half a million square miles in area (Texas will cease to be the largest State in the Union when, eventually, Alaska is admitted), the Territory is fabulously rich and produces, in addition to canned salmon and furs, many minerals of great value in modern industrial production. Among these are tin, platinum, tungsten, gypsum, coal, lead, antimony and marble, as well as silver and gold.

First organized as a Territory in 1912, it has a locally elected two-house Legislature and a Governor appointed by the President for a 4-year term. Its delegate to the House of Representatives—Democrat BOB BARTLETT—is allowed floor privileges but no vote. The Territory is heavily Democratic and its population of 160,000 has more than doubled since 1939.

Last November 8, 55 delegates from all parts of the Territory met in Fairbanks to draft the Alaska State Constitution. By February 4 the delegates—six of them women—had produced a streamlined 15-article Constitution based to a large extent upon that of New Jersey (as revised in 1947), and of Hawaii (1950). This the voters of Alaska will undoubtedly ratify by an overwhelming majority on April 24. Moreover, delegates to the Constitutional Convention, in January, voted to refer the Tennessee Plan to the people, and unanimously recommended its adoption, which is thus also virtually assured.

Feeling on the statehood question is very strong in the Territory. It is felt that in this day and age Congress has been strangely slow to see the tremendous international capital which could be made out of the granting of statehood to both Alaska and Hawaii. Two years ago it looked as though they were on the verge of gaining the long-sought prize. The Senate voted approval of a statehood bill for both Territories by 46–43. All but three of those favoring the bill were Democrats and all but two of those against were Republicans. Hopes were dashed, however, when it was allowed to die in the House, and BOB BARTLETT and his opposite number from Hawaii—Mrs. ELIZABETH FARRINGTON, a Republican—have sought in vain to have the question reopened. In the meantime, both continue in Washington as House Representatives without power to vote.

With the ratification of its Constitution, Alaska will be on a par with Hawaii, though the latter has not, as yet, considered adoption of the Tennessee plan. Observers at the convention were unanimous in their tributes to the political maturity and sense of dedication of the Alaskans. Democrats and Republicans alike refrained from playing politics with the Constitution question.

The Constitution provides for voting at 19, and for a joint legislature—the senate with 20 members and the House with 40 (voting together they can overrule the Governor's veto). Some hard thinking on recent invasions of civil liberties resulted in specific clauses designed to protect the basic rights of citizens who may be the subject of investigation. Other clauses reflect the concern of the delegates to protect the Territory's enormous natural resources against reckless exploitation.

The convention, in its closing session, lauded New Orleans businessman George Lehleitner and appointed him an honorary member. Lehleitner has striven for 10 years to secure passage of the statehood bill and is respected for outstanding work not only on behalf of Alaska but Hawaii also. When both of them are States he will get two statues, and deserve them.

While the Alaskans are confident that the day of their entry into the Union is not far off, there is no complacency. Narrow and selfish interests in Congress have thus far served to frustrate their aspirations. There are still some minor technical difficulties which can be advanced by those who remain opposed to admission. Even so, the prospects look brighter than for some time past. Alaska may not gain admission within 4 months of sending its 2 Senators and Congressman to Washington as did Tennessee. But it will try.

[From the Washington Post and Times Herald of May 1, 1956]

PRACTICE VERSUS PREACHMENT

(By Marquis Childs)

"The quick admission of Alaska and Hawaii to statehood will show the world that America practices what it preaches."—Dwight D. Eisenhower in a speech in Denver on September 16, 1950.

One of the conspicuous—and tragic— failures of the decade since the war's end is the failure to admit the Territories of Hawaii and Alaska as States of the Union. It amounts to a confession that the American system is incapable of further expansion.

There still might be a chance for the bill for statehood for the two Territories, pending from the last session of Congress, if the President wanted to get his administration behind it. In the campaign of 4 years ago and several times since, he has preached the

admission of Hawaii and Alaska. But practice has fallen far short of preachment.

In the elections recently held in Alaska, the voters, by a majority of 2 to 1, adopted a constitution anticipating approval of statehood.

By nearly as large a majority, they approved what is known as the Tennessee plan. Under this plan, which was used by Tennessee to force the issue of admission to the Union in 1796, Alaska will go through the motions of electing 2 Senators and 1 Representative as though it were a State.

When the 85th Congress convenes next January the two Alaskan Senators and the Alaskan Representative will be waiting on the doorstep demanding admission. They will not be seated, but their voices raised in a demand for statehood may at last be heard.

Michigan, Oregon, and California all used the Tennessee plan as a lever to overpower the forces that more than a century ago resisted the westward expansion of the Republic.

Something of the same division that tore the country apart over slavery works against the admission of both Hawaii and Alaska.

Hawaii is an outstanding example of the capacity of the races of West and East to live together in harmony. The courage and the stamina of the Nisei in World War II were legendary. These men of mixed inheritance proved in the heat of battle their loyalty to a country that had not yet granted them full citizenship.

Yet the suspicion of race lurks behind the conventional arguments against statehood, particularly among southern Democrats. The same suspicion works against the Eskimo in Alaska.

Among some members of the world's most exclusive club; namely, the Senate of the United States, there is implacable opposition to letting down the bars to foreigners.

Racial prejudice coincides with certain powerful economic interests to insure a roadblock big enough regardless of the actual voting strength in Senate and House on statehood, to hold it back. Southern Democrats and conservative Republicants in this instance, as in so many others, form a working coalition exercising a veto power. Although it is not at all fashionable to speak about it, this is the focus of the stalemate that prevails in so many areas.

Although they have no proof for it, many Alaskans firmly believe that President Eisenhower has been influenced against statehood for Alaska by his good friend and close associate, Gen. Lucius Clay.

Clay is chairman of the board of the Continental Can Co., which has close ties to the Alaska canned-salmon industry. If one can believe the story of resentful Alaskans, Clay persuaded the President that Alaska was not yet ready for statehood.

The fear of the salmon fishing industry is that if Alaska should become a State, the industry would be subject to restrictive regulations that would really be enforced.

In a fiery speech at Alaska's constitutional convention last November, Ernest Gruening, Governor of Alaska from 1939 to 1953, charged that Alaska was America's colony and subject to the same kind of colonial exploitation this country denounces when practiced by European powers.

As a result of discriminatory legislation, according to Gruening, Alaskans pay higher freight charges, higher wharfage and longshoring charges, and higher maritime charges than anywhere else.

This increases the cost of living above the national average which, in turn, restricts the population and helps to keep Alaska in the status of a colony.

"If there is a clearer and cruder example of colonialism anywhere," Gruening said of the Federal law covering Alaska shipping, "let it be produced. Here is a clear case where the Government of the United States—through its legislative branch which enacted the legislation, the executive branch, through the President, who signed it, and the judicial branch which, through its courts, upheld it—imposed a heavy financial burden on Alaskans exclusively for the advantage of private business interests in the 'mother country'."

In the case for statehood, a distinction has long been made between Alaska and Hawaii. The latter, it has been argued, is far more ready for statehood with a rapidly growing population, industry, and agriculture in striking contrast to Alaska with its unpopulated areas of forest and mountain.

A bill granting statehood to the two Territories has been bottled up in a subcommittee for many months. The chances for action at this session are virtually nil. But the hope that springs eternal is that in the new Congress next year, practice will finally catch up with preachment.

The PRESIDENT pro tempore. Is there further morning business?

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

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

The Chief Clerk proceeded to call the roll.

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

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

THE TARIFF ON WATCHES

Mr. BEALL. Mr. President, I have noted the article of May 11 in the New York Journal of Commerce entitled "Watch Tariff Reasoning Scored by Governor McKeldin." I believe the Governor's views to be of broad and timely interest to the Congress.

The article, which I request unanimous consent to have printed in the body of today's RECORD, refers to a recent letter sent by the distinguished Governor of the free State of Maryland, Theodore R. McKeldin, to President Dwight D. Eisenhower on the subject of our foreign trade policy and one particular aspect of it which has concerned him. This aspect is the watch tariff controversy which has stemmed from the July 1954 decision to increase the duties on Swiss watches by 50 percent. This is a matter in which I, too, have been quite concerned.

On November 16, 1954, Governor McKeldin addressed the National Foreign Trade Council in New York and called for a review of this 1954 tariff increase. In his recent letter to the President, which I also request be reprinted in the body of the RECORD, he makes an important and constructive suggestion that would permit a return to the lower tariff rate without adversely affecting the domestic watch industry. It is a positive suggestion that merits attention and support. I sincerely hope that it will be followed by the President.

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

WATCH TARIFF REASONING SCORED BY GOVERNOR MCKELDIN

(By Tom Connors)

WASHINGTON, May 10.—Gov. Theodore R. McKeldin of Maryland has taken his fight for repeal of the 1954 tariff increase on Swiss watches directly to President Eisenhower.

The Republican Governor, who late last year asked Treasury Secretary George M. Humphrey to seek withdrawal of the 50 percent duty hike, has written to Mr. Eisenhower, asking the President to give "your personal attention" to a review of the 1954 action.

NEW STUDY URGED

Governor McKeldin called particularly for a "searching examination" of the thesis put forward by Mr. Eisenhower 2 years ago—that the jeweled watch manufacturing industry was essential to defense—as justification for the boost in import duties.

He also warned that recent moves by the domestic watch industry to further increase import restrictions threaten to become a broad cloak for protectionism covering the whole of United States trade policy.

The Maryland chief executive, an early Eisenhower backer who is said to be close to the President, expressed complete accord with the stated trade views of the Federal administration.

IMPACT ON TOBACCO

The 1954 order, however was a disappointment to him, not only because it had adverse effects on Swiss purchases of Maryland tobacco, but because he fears the defense argument put forward might lead to narrow, insular thinking which could block the United States off from its overseas allies.

The defense argument was also rejected by the Governor on the grounds that the basic need of the industry today is less for skilled production workers than for developmental personnel, scientists and engineers capable of designing the complex machinery used in modern automatized plants.

This view, which the Governor said is held by many industrialists, runs counter to the watch industry doctrine which is based on primary importance of the assembly-line worker and his protection from imports.

The Governor suggested that if protection is ever necessary for a domestic industry, it should not come from indirect means such as tariffs and import quotas which hamper our trade relations.

DIRECT AID FAVORED

Instead, the Governor said he believed that direct assistance, as part of the cost of the defense budget, should be granted to such vital industries, in keeping with the recommendations of the Randall Commission. Such assistance would be "simpler, more economic and more effective," he said.

In calling for a reexamination of the watch argument, Governor McKeldin referred to the announcement recently that the Office of Defense Mobilization is studying new appeals from the watch industry for tariff protection.

ABSOLUTE QUOTA SOUGHT

Domestic producers are requesting an absolute quota on watch imports, plus establishment of a Government jeweled-watch stockpile program.

Besides the ODM restudy of the 1954 decision, the mobilization agency also is studying a possible policy shift toward deemphasis of protecting high-degree production skills in favor of design-engineering and managerial talent.

The Tariff Commission also is restudying its 1954 recommendations to the President for higher watch tariffs. This is in line with an Executive order directing periodic reviews. USTC's new recommendations will be in the President's hands by the end of July.

ANNAPOLIS, MD., *May 1, 1956.*

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: As you know, I have been in complete accord with your efforts to improve free world strength and security

through the expansion of mutually beneficial trade. I have, on the occasions when I was able, attempted to do what I could to advance the cause of your foreign trade policy. I shall endeavor in the future to offer firm and unwavering support to your enlightened program.

There is one aspect of our foreign trade policy in which I have become particularly interested. This is the relationship between our broad program of encouraging increased international trade and our efforts to maintain essential skills vital to the defense of the United States. My interest in this subject stemmed from the 1954 tariff increase on Swiss watch imports which, as you will recall, was based in large measure upon defense considerations. I cannot hide the fact that I was disappointed with that decision, not only because it was destined to have an adverse impact upon the sale of Maryland tobacco to the Swiss, who are our best cash customers in Europe, but also because I viewed the defense argument as possibly leading toward narrow, insular thinking which could block the United States off from its overseas allies.

In a speech I delivered to the National Foreign Trade Council last November 16, I expressed the hope that the watch tariff decision would be reviewed and that the duties would be restored to the level set in our 20-year-old trade agreement with Switzerland. I understand that the Tariff Commission is now engaged in such a review and that a decision is expected within the next 3 months.

I have noted in recent press announcements that a new study is also underway by the Office of Defense Mobilization, in accordance with section 7 of the Trade Agreements Extension Act of 1955, concerning the essentiality of the domestic watch industry to our national security. You will recall that, despite the sharply divergent views of your Defense Department, the 1954 decision to raise tariffs by 50 percent was based to a large extent on the consideration that the watch industry was essential to the national defense and that domestic production of watches should be sustained at a high level.

This aspect of the decision disturbed me for several reasons. First, it engendered a great deal of controversy both within and outside Government on the merits of the case. Many men, expert in their knowledge and sincere in their desire to do everything necessary to maintain our national security, questioned the validity of this finding of defense essentiality. For example, the view has been expressed by some eminent industrialists that the dynamic technology which is characteristic of American industry—of which automation is the most recent development—has changed the nature and degree of skills required in our industrial mobilization base. Where formerly the emphasis in precision manufacturing was on skilled production workers, the basic need today is for an adequate number of highly trained scientists and engineers capable of designing the complex machinery used in modern plants. At the same time, there is now a lesser degree of skill required for production-line workers, who can usually be quickly trained.

Second, I am fearful lest the defense argument become a broad cloak for protectionism. Since the watchcase is expected to be the first test under a section 7 proceeding, it seems to me that particular care must be taken because of its precedent-setting nature. In other words, should further protection be granted to the domestic watch manufacturers, it could lead to a deterioration in our trade relations with our friends and allies and, therefore, lead to that which we seek to avoid: the impairment of our national security.

Therefore, I express the earnest hope that the question of defense essentiality of the domestic watch manufacturers will be subjected to a searching examination in the light of these increasingly important considerations.

In conclusion, I am prompted to offer the following suggestion: Should it ever be deemed necessary to preserve the productive facilities of a domestic industry for reasons of national defense, direct means should be employed for that purpose rather than such indirect means as higher tariffs and import quotas. Such direct assistance, when granted, should be considered as a cost to the defense budget. It is simpler, more economic and more effective than the use of indirect devices that impair our international trade and our foreign-policy objectives.

This suggestion, as you know, is in keeping with the recommendations of the Randall Commission and is in accord with the views expressed by public groups who support your foreign-trade program. As this is a subject of such great importance to a policy in which I share your deep convictions, I trust it will merit your personal attention.

With highest regards and best wishes, I am

Sincerely,

THEODORE R. MCKELDIN,
Governor of Maryland.

FOREIGN POLICY DISCUSSIONS WITHIN THE AFL–CIO

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Inside Labor," written by Victor Riesel, on the subject of discussions and differences of opinion on foreign policy within the American Federation of Labor–CIO organization, between Mr. George Meany, president, and Mr. Walter Reuther.

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

INSIDE LABOR

(By Victor Riesel)

(EDITOR'S NOTE.—Victor Riesel, whose bravery during the painful period of hospitalization amazed everyone, continues to confound doctors, nurses, attendants, family members, and friends, with his magnificent acceptance of the fact of blindness. His spirit and morale are excellent. His interest in the column is—if that's possible—more intense. He's champing at the bit, eager to be back to his desk and already calling some of his contacts on the telephone. He's busy planning for the future—a future that portends not a letdown, but an intensification of his fight for decency in labor, politics, industry, and Government. Everyone is cautioning Riesel's family and staff that there must be a reaction and that it will be a severe one. We can only tell his millions of readers that as of this moment there is not the slightest indication of anything but a courageous, calm, almost philosophical acceptance of sightlessness.)

The brothers Reuther move in cycles. And the past weeks saw the resurgence of the tightly knit trio—Walter, Victor, and Roy—as they took on AFL–CIA President George Meany in a bitter fight that can literally shape the future of many a government abroad.

Immediate issue is India. But the implications of the ideological hassle between the leader of the conservative wing of labor and the trio of tacticians for the semi-Socialist segment of the AFL–CIO will be far-reaching indeed.

As America's mighty labor movement goes, so goes the powerful union forces in Europe and Asia. In many of those countries labor either controls the entire governmental apparatus or is the most influential section within cabinets. Decisions by these groups—shaped materially by the role of the United States unions—can make or break governments, change basic domestic and foreign policies, and vitally affect hundreds of millions of people. This, then is no mere casual debate going on between Meany and the three brothers.

The Reuthers themselves have served notice that this is no routine difference of opinion. Walter chose to pick up George Meany's challenge on foreign policy at a meeting of the AFL–CIO executive council in a bitter exchange of words that lasted for most of the session and reached vitriolic heights. This marks the first time that Meany has been taken on publicly by the leader of the old CIO unions.

Particularly interesting to informed observers was Walter's blunt statement that his brother, Victor, was authorized to speak for him when he's away and that what Victor said could be taken as what he thinks and would say. For Victor Reuther, long CIO's top man on international affairs, has been sparking the fight to get rid of George Meany's closest advisers on foreign policy.

Targets of the Reuthers are two men—Jay Lovestone, secretary of the Free Trade Union Committee, and Irving Brown, formerly the AFL's European representative, and more recently Meany's personal envoy to India. Meany dispatched Brown to the convention of the National Trade Union Congress, there to present the official views of American labor and take the sting out of some of Reuther's personal, off-the-cuff remarks which Meany felt misrepresented the position of United States unions.

Meany is a man who never ducks a fight. He took on John L. Lewis in the past. He took on the racket-ridden ILA. More recently he took on Dave Beck. And he didn't dodge the battle with Reuther.

The AFL–CIO president made it clear that he was totally anti-Communist and had no patience with a soft approach to Communist aggression, trade with Soviet nations or seating Red China in the U. N. This is the essence of the neutralist policy espoused by the Reuthers.

Meany feels that there is no such thing as neutralism in the battle against the global Soviet conspiracy. In his book, if you favor a soft position, you are neutral against us.

Reuther's public blasts at Meany will serve to promote some curious realinements of power within the merged labor federation. Many of the old-line craft unions—especially those in the construction trades—were somewhat leery of Meany's emergence as a strong leader. They were fearful of his insistence on concentrating more power in the national office. These were the elements which never quite took with total grace the expulsion of the ILA from the AFL—a move inspired by Meany.

These are the men, too, who will stand by the Teamsters in their fight to maintain strict lines of autonomy within the AFL–CIO. Prominent old-line unionists like Maurice Hutcheson, leader of the rapidly mushrooming Carpenters' Brotherhood, and Dick Gray, head of the Building Trades Department, have indicated that they will stand by Dave Beck in the battle over the ILA—which may yet be resolved by a formula that will bring the independent Longshoremen's Union back into the AFL–CIO.

They felt Meany was perhaps getting too close to Reuther for comfort. This battle will move them back behind Meany, who, in turn, will be forced to depend on them for support more and more as Reuther and the old CIO unions step up their attacks on him.

So, with labor's marriage less than 6 months old, feuds are "bustin' out all over." Walter and Victor Reuther are spearheading the fight on foreign policy. Kid brother Roy, who heads up the auto workers' political

action department, is carrying the ball on the political front as the Reuthers move for closer ties with the Democrats.

Keep your eyes on old man Valentine Reuther's three kids. They're up to something again.

SEVENTY THOUSAND DOLLARS IN A BROWN PAPER BAG

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a recent article written by Ray Tucker.

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

SEVENTY THOUSAND DOLLARS IN BROWN PAPER BAG—WHO PAID BILL FOR TRUMAN'S RADIO TIME?

(By Ray Tucker)

WASHINGTON.—Were two of Harry S. Truman's windup radio speeches in the 1948 campaign paid for by an admitted income-tax evader who was then seeking to escape prosecution at a time when T. Lamar Caudle, of tragi-comedy memory, headed the Tax Division of the Department of Justice? The cost was $70,000, and the bill had to be paid in advance, because the Democratic National Committee was "broke."

Federal authorities and the McClellan lobby committee may try to answer this question in a revival of the so-called Truman administration scandals on the eve of another presidential campaign. On the basis of an exposé by the St. Louis Post-Dispatch, Senator JOHN J. WILLIAMS, of Delaware, nemesis of crooked Internal Revenue Bureau officials in 1951 and 1952, has demanded action by Attorney General Brownell or the McClellan group.

The case has unusual political and historical interest, for Truman's slashing radio talks just before the election admittedly turned the tide against a seemingly victorious Thomas E. Dewey. In that year normally heavy Democratic contributors refused to give a nickel to Truman, who was hard put to pay for his whistle-stop campaign train or time on the air. But money flowed in from somewhere for his last week's Garrison finish.

It is a tangled tale of intrigue and political high finance as unwound by the aggressive Post-Dispatch and placed in the CONGRESSIONAL RECORD by angry Senator WILLIAMS.

Joseph Mitchell, owner of the Jefferson Loan Co., at St. Louis, came under investigation for income-tax evasion as early as 1947. He eventually pleaded guilty and served part of a 3-year sentence. But he managed to elude prosecution and conviction for 3 years through political influence.

In late October 1948 according to admissions by associates, Mitchell showed up at Democrat national headquarters here with the $70,000 in a brown paper bag. He denies having made the alleged contribution.

But S. Acey Carraway, then finance director of the national committee, has told of Mitchell's appearance with the money. Carraway says he rejected the offer when he learned from Caudle that the donor was suffering from income-tax pains.

Vernon Neubauer, then president of the Jefferson Loan Co., says that he heard Mitchell agree to make the $70,000 gift. Neubauer is now under sentence to prison on conviction of using the mails to defraud. Mitchell helped to get him convicted, because, he charges, he lost $1 million because of Neubauer's activities.

Carraway admits that he interceded with the Justice Department on Mitchell's behalf after receiving a $5,000 loan from Mitchell's firm on an unsecured note, to buy two farms in nearby Virginia. Only $100 has been repaid, although Carraway subsequently organized a $1 million firm that obtained lush contracts from the Navy.

In testimony before congressional committees, it was brought out that Caudle and Representative FRANK W. BOYKIN, of Alabama, intervened many times on behalf of Mitchell. Carraway, Caudle, and Mitchell frequently hunted and fished at the wealthy Boykin's place near Mobile.

Ironically, it was an assistant attorney general named John Mitchell, who obtained the St. Louis Mitchell's conviction in the face of these political obstacles. But because of his persistence and success, Caudle ordered that no more tax cases be assigned to him.

Caudle, who was a picturesque figure during the "mink coat" era—his wife got one—was eventually fired by Truman. He is now under indictment at St. Louis for conspiracy to defraud the Government in another tax case.

SAFETY RECORD OF THE COLUMBIA-GENEVA STEEL DIVISION IN UTAH

Mr. WATKINS. Mr. President, recently, on March 27, I had occasion to refer on the Senate floor to a national safety award to the Colur..bia-Geneva Steel Division in Utah. This was on the occasion of the National Safety Council declaring—for the fourth consecutive year—the above Utah plant to be the safest major steel plant in America.

From later correspondence with the Geneva plant's general superintendent, Mr. L. F. Black, I am happy to report this further development: Geneva employees as of April 26 have not suffered a disabling injury since November 17, 1955, that is, a period of more than 5 months.

This has resulted in a new alltime safety record of 5,118,488 injury-free man-hours of employment at the Geneva works.

Such a figure is more meaningful if we regard it in this light: It represents 100 men working 40 hours a week for 52 weeks a year for a period of 23.79 years without accident.

I should like also to report to the Congress that in view of the recognition accorded the Geneva works' management and employees by publication of their safety achievement in the CONGRESSIONAL RECORD the Safety Summary issued for March 1956 has been entitled the "Congressional Record Issue."

Such an achievement, in such employment as blast furnace and open-hearth operations and on such a major scale, is worthy of study and emulation by leaders in industrial management and employment everywhere. I commend to them the Geneva plan for safety.

INVESTIGATION BY POLISH GOVERNMENT OF THE KATYN FOREST MASSACRE

Mr. DOUGLAS. Mr. President, the able chairman of the Illinois division of the Polish American Congress, Mr. Roman C. Pucinski, has made a positive suggestion to Secretary of State John Foster Dulles that deserves the most serious consideration in connection with the rumored investigation by the Polish Government of the Katyn Forest massacre of 15,000 Polish officers.

Mr. Pucinski's proposal is that the technical data and evidence gathered by the select committee of the House in 1952 be offered to the Polish Government to test their willingness to bring out the true facts, to see if in the Communists' new rewriting of history they are in any respect willing to tell the truth.

Because of the importance of this issue and the widespread public interest in it, as well as for the information of Members who may wish to support this request, I ask unanimous consent that Mr. Pucinski's letter to Secretary Dulles be printed at this point in the RECORD.

I wish to say, Mr. President, that I have written a letter to Mr. Dulles urging that he conform to it.

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

COPY OF LETTER SENT TO SECRETARY OF STATE JOHN FOSTER DULLES ON APRIL 26, 1956, BY THE ILLINOIS DIVISION, POLISH AMERICAN CONGRESS

The Hon. JOHN FOSTER DULLES,
Secretary of State, State Department,
Washington, D. C.

DEAR MR. DULLES: Unconfirmed reports emanating out of Poland indicate the Warsaw Government has launched its own investigation of the Katyn Forest Massacre in which 15,000 Polish Army officers were murdered during world War II.

As you recall, a select committee of the United States House of Representatives conducted an extensive investigation of this crime in 1952 and, after assembling exhaustive evidence, concluded unequivocally that the Polish officers were murdered by the Soviet troops in the spring of 1940.

The record will show that the congressional committee's investigation was carried out within the strict provisions of the International Rules of Evidence and all of the testimony was taken under oath which should be ecceptable in any part of the world.

We, of the Illinois Division, Polish-American Congress, earnestly urge you take whatever steps are at your command to first determine whether the Warsaw Government actually has undertaken such a probe and then make available to the Warsaw Government all of the records and evidence produced by the United States congressional committee. The records of this committee, for which I served as chief investigator, now are stored in the National Archives Building and are readily available.

In order to test the sincerity of the Polish investigation, we suggest you also offer the Warsaw Government any technical assistance it may need from the United States committee's former staff.

You will recall that at the time of the congressional investigation, our committee had asked both the Polish and Soviet Governments to furnish us whatever evidence either government might have had bearing on this great international crime. Both these governments flatly rejected our invitation.

Our committee proved the Polish officers were executed on direct orders from Premier Joseph Stalin. We are fully aware the Warsaw Government may corroborate our findings and then place full blame on Stalin in keeping with the current Communist program of vilifying the late Premier. But the Polish investigation—despite any propaganda value to the Communists—can be helpful for many reasons. One such reason would be to corroborate testimony given before our committee that the present Soviet Ambassador to the United States, Georgi Zarubin, actually was commander of the

camp at Kozielsk from which the Polish officers were removed to their death in the Katyn Forest.

We urge you to give this matter your earliest attention.

Respectfully,

ROMAN C. PUCINSKI,
President.

ADMINISTRATION'S ATTITUDE REGARDING INTERNATIONAL LABOR ORGANIZATION ANTI-FORCED-LABOR CONVENTION

Mr. DOUGLAS. Mr. President, it would appear from the story in the New York Times for last Friday that the praise and congratulations given by the Senator from Illinois and the Senator from Minnesota to the administration on the Senate floor last Wednesday on the question of the ILO anti-forced-labor convention was premature.

Although President Eisenhower, in rather general terms, to be sure, supported the ILO convention in his press conference on Wednesday, the later report suggests that the State Department is backtracking and is willing to condemn only international commerce in slave-made goods.

I, therefore, wish to reserve any congratulations until I can discover whether the State Department can make up its mind to give this Government's wholehearted support to a convention which clearly condemns all use of forced labor for political and economic purposes.

The apparent legalistic teetering of this administration over whether to join in a convention outlawing one of the worst crimes against humanity is a sorry demonstration of our real devotion to freedom and opposition to tyranny. I hope that sober reflection may persuade this administration to follow the more constructive recommendations of its Secretary of Labor, James P. Mitchell, rather than the timid counsels of its legal pettifoggers.

Mr. President, I ask unanimous consent that the article which appeared in the New York Times on Friday, May 11, concerning this matter be printed at this point in the RECORD.

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

UNITED STATES VIEW IN DOUBT ON FORCED LABOR—BUT AGREEMENT ON POSITION AT CONFERENCE OF ILO NOW APPEARS LIKELY

WASHINGTON, May 10.—The Government's position on an anti-forced-labor convention in the International Labor Organization is not as clear cut as at first seemed.

What the State and Labor Departments have agreed on is a parliamentary and legal approach that does not satisfy anybody completely but apparently stands a good chance of acceptance by all involved—employer and worker delegates as well as the Government.

On Tuesday, James P. Mitchell, Secretary of Labor told what the Government's position would be. The State Department was noncommunicative at the time but later let it be known that it took an unhappy view of Mr. Mitchell's phraseology.

UNOFFICIAL EXPLANATION GIVEN

There was a better interdepartmental feeling today, but the State Department was still unwilling to say officially what the Government's position finally is. As unofficially explained it is this:

The United States will offer a convention condemning the use of forced labor for the production of goods that go into international commerce. This will clearly give an international aspect to the subject. It meets the State Department's objection that forced labor, as such, is a domestic matter for each country and not an appropriate subject for a treaty or international convention.

If the United States fails to confine the convention to the international commerce aspect, it will give nominal support to a broader convention with the expressed reservation that it will not deal with it as a treaty.

The broader form of convention that is now proposed would outlaw the use of forced labor for political and educational purposes and also for economic purposes.

The ILO conference opens on June 6 in Geneva. The anti-forced-labor convention will have only a first reading then. A vote on adoption will not come until a year hence.

LABOR DELEGATE CRITICAL

George P. Delaney, employee delegate, said of the Government's position:

"While it moves in the direction of trade-union objectives, by no means does it meet the moral or legal obligations of United States Government participation in the ILO."

The employer delegate is Cleveland H. Smith, Jr., president of the Steel Improvement & Forge Co., Cleveland. He and Mr. Delaney will have staffs of advisers.

The Government delegates will be David W. Wainhouse, Deputy Assistant Secretary of State for United Nations Affairs, and J. Ernest Wilkins, Assistant Secretary of Labor.

LIBERALIZATION BY HOUSE OF REPRESENTATIVES OF SOCIAL-SECURITY PROGRAM

Mr. DOUGLAS. Mr. President, the House of Representatives passed a good social-security bill. In addition to expanding the coverage of the act, over which there is little dispute, the House bill liberalized the social-security program in two important respects. First, the House bill provided for payments to insured persons 50 years of age or older who are permanently and totally disabled. This is a vital step forward in providing protection for those who lose their ability to earn a living. Second, the House bill provided for retirement benefits to be paid to women at age 62. This was in recognition of the fact that wives tend to be younger than their husbands, and that forcing the wife of a retired man to wait until she is 65 before drawing her pension often works a real hardship.

Mr. President, what is the attitude of the administration toward these important improvements in our social-security program? This administration opposed both of them. Like Mrs. Hobby before him, Mr. Folsom, too, deserves the label "Secretary of not-too-much Health, Education, and Welfare." He came up here as we all know and opposed as vigorously as he could both of the House improvements.

The President is very fond of saying that he is a liberal in matters affecting human beings and a conservative in money matters. That is a fine slogan, but its test is in the application. How often in the 3 years he has been in the White House, has the President found an issue which affects human beings, so that he could be liberal? Somehow, this administration always seems to find that the issue involves money rather than human beings, and so it winds up being conservative.

Mr. President, how could we find an issue which more deeply affects human beings than social security? Isn't the problem of how to live, which faces the family whose breadwinner is totally disabled, a human problem? This administration doesn't think so. It sees this problem as one involving money, not human beings.

Apparently the President has had his way with a majority of the Senate Finance Committee, which announced that it has knocked out the House provision for disability payments and that it has knocked out the provision for lowering the retirement age for women. A sop was thrown to the old folks by permitting widows to receive benefits at age 62.

Mr. President, most of the issues which come before us involve both human beings and money. I am proud to say that I try, and the Democratic Party tries, to consider the human problems first. We do not scratch around to see if we can find that a few pennies are involved so that we have an excuse for refusing to consider the human values. We make an effort to meet the human needs if that is at all possible.

There are very real human problems which are still not met by our social-security program. Under 20 years of Democratic administration much has been achieved, but there are still many needed improvements. First among these is the need for disability payments. I intend to support the amendment of the senior Senator from Georgia to provide payments to the permanently and totally disabled without respect to age.

I agree with him that the need is the same at whatever age the man becomes disabled.

Some time ago I introduced an amendment to provide for a flexible system of retirement, with higher benefits for postponed retirement, but permitting retirement for both women and men as early as 60 years of age. This plan permits earlier retirement for those who are in poor health, but not permanently and totally disabled. It permits earlier retirement for wives younger than their retired husbands and for widows who are not part of the labor force but who are dependent upon social security for their major income. On the other hand, it encourages that who are able to do so to continue working by increasing their benefits if retirement is postponed. Surely, it is desirable to encourage our older workers to continue to use their talents if they are able to do so. I have explained my amendment in a letter to the Washington Post, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

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

AMENDING SOCIAL SECURITY

I read with interest your editorial on Amending Social Security of April 8. In the article you supported the disability fea-

tures of the House bill but thought that there were good arguments against lowering the retirement age for women.

I have an amendment to the bill which I believe meets the objections your editorial and people in general have against lowering the retirement age for women. The amendment provides for a flexible retirement age with benefits scaled according to the age at which retirement begins. Benefits for retirement at age 65 remain the same as at present; but if retirement takes place earlier the benefit per month is reduced, and if retirement is postponed beyond age 65 there is an increase in the monthly benefit according to the following schedule:

Age at retirement	*Percent of present benefits at age 65*
60 [1]	70
61	76
62	82
63	88
64	94
65	100
66	104
67	108
68	112
69	116
70	120
71	124
72	128

[1] The earliest permitted.

(Under the present law full benefits accrue at age 72 without regard to continued employment.)

There are several advantages to my amendment. First, it would permit a man to retire and draw benefits for himself and for a younger wife who was not yet 65—fulfilling the same objective as reducing the retirement age for women to 62.

Second, it would permit persons in poor health, but not totally disabled, to retire before reaching age 65. It would not, however, promote this practice except where badly needed because of the reduced amounts.

Third, it would offer a positive inducement to persons who are able and willing to do so, to work beyond the age of 65 by providing larger pensions upon later retirement. The percentages have been worked out on an actuarial basis.

The cost to the system of adopting this amendment would be only slightly greater than the cost of reducing the retirement age for women to 62. That there is any cost at all is due to the fact that we have a system based on retirement at age 68½ and not based on retirement at age 65 as most people suppose. That is, the average age of retirement for recipients of retirement benefits under the Social Security Act is 68½, and the system saves the amount which would have been paid them between the ages of 65 and 68½.

I believe that the greater flexibility which my amendment would introduce into the Social Security system and the advantages to be obtained from it, make a worthy addition to the act, and I intend to continue to seek its adoption.

PAUL H. DOUGLAS,
United States Senator from Illinois.
WASHINGTON.

Mr. DOUGLAS. Mr. President, as was to be expected, the administration opposed my amendment along with the other proposed improvements in the Social Security Act. In a letter to the Finance Committee, Mr. Folsom argues at one point that "the reduced amounts to be paid under the amendment to persons who have been compelled to retire before age 65 might be inadequate for their maintenance." However, he proposes to give them nothing until they are 65. I am afraid I do not understand the kind of reasoning which concludes that a little is worse than nothing. But I fear that this is typical of the administration's lack of concern with human problems. The Senate must make sure that this type of thinking does not prevail.

CONSTRUCTION OF BRIDGES OVER POTOMAC RIVER

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1981, House bill 7228.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7228) to amend title II of the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes."

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

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

Mr. JOHNSON of Texas. Mr. President, I wish to ask the distinguished Senator from Nevada to give a brief explanation of the bill.

Mr. BIBLE. Mr. President, this particular bill authorizes the construction of a bridge across the Potomac River known as the Jones Point Bridge, the subject matter of which has been before the Congress for the past 4 or 5 years. All the interested parties are now in agreement. The bill has the unanimous approval of the Committee on the District of Columbia. The bill provides that the bridge shall be constructed by the Bureau of Public Roads of the Department of Commerce. The committee recommends favorable action upon the bill.

The PRESIDENT pro tempore. 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.

DESIGNATION OF PROPOSED BRIDGE OVER POTOMAC RIVER IN VICINITY OF JONES POINT, VA., AS "WOODROW WILSON MEMORIAL BRIDGE"

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1982, H. R. 8130.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8130) to designate the bridge to be constructed over the Potomac River in the vicinity of Jones Point, Va., as the "Woodrow Wilson Memorial Bridge."

Mr. BIBLE. Mr. President, I should like to make a brief explanation of the bill. The bill is a companion to the bill just passed, and designates the bridge proposed to be constructed in the vicinity of Jones Point, Va., as the "Woodrow Wilson Memorial Bridge."

The bill received the unanimous approval of the Committee on the District of Columbia, and the committee recommends favorable action on it by the Senate.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

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

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

The legislative clerk proceeded to call the roll.

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

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

EFFECTS OF FOREIGN TRADE ON MINNESOTA

Mr. HUMPHREY. Mr. President, a book has recently been published by the University of Minnesota Press which is the culmination of 2 years of hard and dedicated effort, and in which I have had a particular interest. The book is entitled "The Effect on Minnesota of a Liberalization of United States Foreign Trade Policy," and it is the report of the Business Executives' Research Committee, under the advice and editorship of Harlan M. Smith and Robert J. Holloway, and is sponsored by the University of Minnesota.

The Business Executives' Research Committee is a cooperative research team of selected Twin Cities business executives and university faculty members studying specific economic problems, operating under the auspices of the school of business administration of the University of Minnesota. This is a report on studies made by them during 1954–55 on foreign trade policy and its effects on Minnesota.

These studies do not attempt to support either the more liberal or the more protectionist side of the trade debate. They simply try to assess the effects of foreign trade by studying the economy of Minnesota, the involvement and dependence of various sections of the Minnesota economy on foreign trade, the vulnerability of the other sections of the Minnesota economy to foreign trade, the number of Minnesota workers affected each way, and other related factors.

The project originated in my office in 1954 in conversations conducted with Dr. Howard S. Piquet of the Legislative Reference Service of the Library of Congress. Dr. Piquet had already written Aid, Trade, and the Tariff, and had directed several studies of the impact of world trade on various congressional districts. One such study of Indiana's Eighth District had been published in popular form in Harper's magazine. I asked Dr. Piquet whether he could do a similar study for the entire State of Minnesota. He told me that he would like

very much to do it, but that the Legislative Reference Service was simply not equipped for the job.

As we explored the situation further, it became obvious that Minnesota would be an ideal State for such a pioneer study. Its variegated economy made it sufficiently interesting for analysis, and yet it was not so complex as to be unmanageable.

The more we considered the project, the more the possibility of a study under the auspices of the University of Minnesota seemed appropriate. Professors Holloway and Smith of the school of business administration at the university seemed especially well qualified to coordinate this study, and they in turn asked the university for a research grant for assistance. When the initial university grant appeared to be inadequate, many other leaders of business and the professions in the Twin Cities were contacted. Beginning in April 1954, my office was in continuous communication with various philanthropic, business, and community groups in Minnesota in an effort to procure the necessary additional financial assistance. Mr. John Cowles, president of the Minneapolis Star and Tribune; Mr. William P. Stevens, executive editor of the same newspaper; and Mr. C. B. Meech, manager of the international division of the Minneapolis Honeywell Regulator Co., were particularly helpful in cooperating with us during the initial stages. The search for additional financial support was eventually successful.

Dr. Holloway came to Washington in July 1954 to discuss this project with Dr. Piquet. Members of my staff worked with them in close consultation.

During the course of the winter of 1954 and 1955, the Business Executives' Research Committee and interested university faculty members conducted a series of meetings studying various aspects of the problem of tariffs and trade. An elaborate system of information gathering was devised, data from 400 Minnesota industries was reported to the faculty group, and the offices of other Minnesota Members of Congress were contacted. By May 1955 the study was in its last stages of discussion, and a preliminary report was in preparation. Unfortunately, at that time the project lost the talents of Dr. Holloway, who left on a teaching assignment in the Philippines in June. Under the competent editing of Prof. Harlan Smith, the project has been seen through to its completion and release last month.

Mr. President, this 176-page study is a detailed and unique analysis of the impact of foreign trade on Minnesota. It is a mine of information for the people of our State, and its conclusions are important to the entire country in the context of the continuing debate on American foreign trade policy.

Included in the study is a careful description of the composition of the Business Executives' Research Committee, the technical organization of the study, a statistical examination of Minnesota exports and import competition, and an up-to-date evaluation of current American restrictions on imports processed in Minnesota, and of foreign restrictions on Minnesota exports. Over 100 pages are devoted to a breakdown of the probable effects of trade liberalization upon Minnesota industries and agriculture. The industrial analysis is divided industry by industry into various degrees of impact: high benefit, moderate benefit, low benefit, high injury, moderate injury, low injury, and no effect. To a lesser extent, an evaluation is also made of trade liberalization upon American agriculture.

In a 40-page section discussion of the implications of the study for our foreign-trade policy, the following general conclusions were reached:

First. Trade restrictions on imports of the kinds of products produced in Minnesota are essentially like those for the United States. There are some free items, some with a wide range of duty rates, and some restricted by quota arrangements.

Second. Over half of Minnesota's manufacturing employment is in industries which would be unaffected directly by trade liberalization; of the remainder, a larger part is in industries which would gain from liberalization than in industries which would lose.

Third. Minnesota agriculture appears to be more vulnerable to increased imports than is the case of industry insofar as United States farm commodity prices are maintained above world prices.

Fourth. Reductions of tariffs and quotas would not always result in a large increase in imports due to a number of factors which in some cases give the local producer a distinct advantage over the foreign competitor.

As a result of these conclusions, and in the light of certain economic principles specifically listed in the concluding section of the report, the Business Executives' Research Committee has made the following 11 recommendations:

1. The BERC recommends that full support be given the implementation of the legislation extending the reciprocal trade agreements program.

2. The BERC is convinced that a clear-cut policy of tariff liberalization will help strengthen the community of political and economic interest between our allies and ourselves, and increase their sense of solidarity with the United States.

3. The BERC recommends that, as one of the strongest economic powers in the world, we should take the lead in liberalizing trade opportunities, and that considered reciprocal concessions be vigorously bargained for, but not be a prerequisite to unilateral reductions on our part. Concessions requested of other nations need not necessarily be tariff concessions.

4. One exception BERC makes to a program designed to minimize the restrictiveness of tariffs is the maintenance and protection, in some form or other, of industries truly essential to national security militarily.

5. In implementing a policy of promoting increased trade among nations, elements such as quotas, the escape clause, the peril-point provision, and "buy American" legislation, should be deleted, or substantially modified since in their present form they are a serious obstacle to those seeking to develop market opportunities in the United States for foreign goods.

6. The BERC is convinced that tariff simplification, and the reduction or elimination of red tape in customs procedure, would be extremely valuable, and consistent with a liberalized trade policy.

7. It is recommended that tariff reduction be sufficient in amount to encourage a freer exchange of goods, thus enabling free nations to earn dollars with which to purchase goods from us, raising the standard of living of all.

8. We further recommend that tariff reductions be gradual, and so scheduled as to cause minimum temporary dislocation to United States labor.

9. In the creation of an atmosphere favorable to increased trade, we must give clear assurance that the direction of our future tariff changes will be downward, thus adding stability to our commercial policy.

10. An educational program should be instituted, preferably under nongovernmental sponsorship, to educate the American public on the subject of reciprocal tariffs.

11. We make no recommendation with respect to liberalization of trade restrictions on agricultural products except to point out that study should be given to the possibility of reconciling foreign trade policy and agricultural policy.

Mr. President, an article discussing the Minnesota study appeared in the April 9, 1956, Time magazine on page 37. I ask unanimous consent that the text of that article be printed at this point in my remarks.

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

DOGMA DOCUMENTED

Despite the high stakes involved—1955 United States commercial exports ($14.3 billion) and imports ($11.4 billion) were the largest in history—the perpetual debate on United States tariffs is seldom illuminated by any fresh statistical documentaton of the dogmatic claims of either low or high tariff men. Nearly 2 years ago the Minnesota Business Executives Research Committee, a study group sponsored by the University of Minnesota's School of Business Administration, decided that it was time to move the tariff controversy into the realm of local reality. Last week, after interviewing officials of about 400 Minnesota companies, the committee released an item-by-item survey of the probable effects on Minnesota's industry of a United States tariff reduction.

GAINS AND LOSSES

The committee discovered that many of the State's industries, such as iron ore mining and processing, the economic backbone of northern Minnesota, now have little or no tariff protection. Others, like the thriving apparel industry, specialize in products geared to ever-changing demands on the part of the United States consumer; because of their greater familiarity with the market, United States firms would continue to have an advantage over foreign competitors. All in all, tariff reduction would make little direct difference to 52 Minnesota industries employing 66 percent of the State's mining and manufacturing workers.

Another 26 Minnesota industries, accounting for 25 percent of the State's industrial labor, would directly benefit from liberalization of tariff laws. For instance, manufacturers of mining drills could, with tariffs off, sell more of them in the oil boom areas of central and western Canada.

Eleven industries, employing in 1947 about 7 percent of Minnesota's industrial labor, would be hurt by tariff reduction, the committee decided. Only three of the smallest of these would suffer serious damage. Some of the State's leather glove and belt manufacturers would be hard hit by foreign competition, and imports of cheap foreign china could cripple the production of pottery, one of the principal industries of Red Wing (population 10,645). Hardest hit of all would be Minnesota's four beet sugar refin-

eries; unrestricted admission of Cuban sugar would wipe out the uneconomic growth of sugar beets by Minnesota farmers.

WEIGHT OF EVIDENCE

The committee did not make as detailed a study of Minnesota agriculture as it had of industry. The report conceded that freer trade would probably hit Minnesota farmers harder than it would manufacturers. But, the committee concluded, the evidence was that "a general policy of gradual liberalization of United States trade policy seems likely to benefit Minnesota more in the long run than to harm it."

Mr. HUMPHREY. Mr. President, a careful analysis of the study has also been prepared by the authors, Professors Holloway and Smith. This article entitled "Minnesotans Look at Foreign Trade Policy" appears in the March 1956 issues of Business News Notes, a publication of the School of Business Administration at the University of Minnesota. I ask unanimous consent that the text of this article appear at this point in my remarks.

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

MINNESOTANS LOOK AT FOREIGN TRADE POLICY

(By Robert J. Holloway, associate professor of economics and marketing, and Harlan M. Smith, associate professor of economics)

THE PROBLEM

Is it desirable to increase United States imports? There seems to be no uniform opinion in the United States for during nearly every session of Congress the pros and cons of foreign trade are debated. There are volumes of testimony from protectionists and freetraders alike.

The Minnesota BERC sought a sound basis for consideration of foreign trade policy by citizens of the State. The group undertook to ascertain the probable effects of trade policy liberalization on Minnesota and its findings are summarized below. The specific conclusions are tentative and are subject to modification if more extensive evidence becomes available. Though the study was made from the standpoint of a single State, it recognizes that the problem of framing a wise foreign trade policy for the United States cannot be solved purely in terms of specific sectional economic interests.

PROCEDURE

The group began by delving into past and present and even future aspects of the problem. The heart of the project was an attempt to find the impact on individual industries in Minnesota likely to follow a reduction in United States trade restrictions in general and specifically a reduction of tariffs on the products of each industry considered. The approach was twofold. A statistical study attempted to depict Minnesota's trade position by showing the State's proportionate interest in imports and exports. A survey was also made to gather informed opinion from persons in the various industries. The League of Women Voters helped by interviewing several hundred business executives located throughout the State.

There is a high degree of conjecture in any estimates of the restrictiveness of tariffs and quotas or the likely impact of their liberalization. There is no way of knowing absolutely what will happen, but there are many factors within the situation of each individual industry which bear upon the likelihood of one result or another; an opinion based upon knowledge of these factors is better than an opinion which is less well-informed.

SELECTED FINDINGS

Minnesota's exports: An earlier university study showing the variety of exports of Minnesota manufacturers was confirmed by the BERC study. Though no statistical record of all Minnesota exports is available, an estimate of the importance of these exports can be made. By assuming that Minnesota's interest in exports is in proportion to its share of United States production and exports, one can get some idea of the importance of exports to the State and table 1, on this assumption, indicates the importance of exports to Minnesota in terms of employment.

TABLE 1.—*Employment in Minnesota dependent directly or indirectly on United States exports, 1947* [1]

Industry	Minnesota employment	Percent dependent on exports	Minnesota employment dependent on exports
Food (processed) and kindred products	46,565	6.0	2,794
Tobacco manufactures	22	12.1	3
Textile-mill products	2,569	14.5	373
Apparel	11,064	3.2	354
Lumber and wood products	4,239	6.9	292
Furniture and fixtures	3,182	2.5	80
Paper and allied products	8,958	9.6	860
Printing and publishing	18,143	6.0	109
Chemicals	2,416	13.1	316
Products of petroleum and coal	1,599	13.3	213
Rubber products	486	11.8	57
Leather and leather products	816	4.4	36
Stone, clay, and glass products	3,191	9.2	294
Iron and steel	6,141	16.6	1,019
Nonferrous metals	829	13.9	115
Plumbing and heating supplies	1,480	3.9	58
Fabricated structural metal products	3,687	5.1	188
Other fabricated metal products	4,972	11.5	572
Agricultural, mining, and construction machinery	10,407	19.6	2,040
Metalworking machinery	1,546	16.5	255
Other machinery except electrical	11,370	13.8	1,569
Motors and generators	1,915	16.4	314
Radios	767	9.4	72
Other electrical machinery	11,691	8.7	1,017
Motor vehicles	2,429	11.6	282
Other transportation equipment	603	11.7	71
Professional and scientific equipment	1,112	12.1	135
	162,199	-------	13,488

[1] 1947 is the latest year for which this kind of data can be obtained. Employment figures are derived from the 1947 United States Census of Manufactures when available, and otherwise estimated.

It perhaps comes as a surprise that the State is exporting so many kinds of products—food, paper, and paper products, machinery and other kinds of metal products, to name but a few. Minnesota's primary interest is not in exporting and not all producers have a common export interest, however.

Trade restrictions: Foreign trade exists despite many kinds of restrictions but it is not easy to evaluate the degree of restrictiveness. Common methods used include the use of the average tariff rate, the percentage of dutiable imports to free imports, and the volume of trade which comes in over a tariff wall. For many reasons these measures can be misleading. For example, United States tariffs are lower now than in the early 1930's, yet a higher percentage of imports entered the country duty-free in 1931–35 than in the post-World War II period.

Another common method is to compute the average tariff level by dividing total tariff revenue by the total value of dutiable imports. This average obscures the fact that the duties on some products or on the exports of some countries may be quite high even though rates on others are low. Prohibitive rates will not be reflected in the average at all.

The volume of trade over a tariff wall can also be misleading. An almost prohibitive tariff rate may look insignificant simply because it appears that little trade is affected. On the other hand, the complete absence of imports may not mean that the duty is the obstacle. The duty may be entirely irrelevant, and other things may be preventing imports. A large volume of trade, however, does not necessarily indicate as it might seem to, that the duty is not restrictive. Trade might still increase greatly if the duty were reduced.

The simplest measure is, of course, the ad valorem tariff or the ad valorem equivalent. Here the danger lies in the inevitable comparison of rates between commodities. Clearly, on any single commodity, the higher the ad valorem rate the more restrictive is the tariff. But a given percentage rate on one product may have quite different significance from that of the same percentage rate on another product. What we need to know with respect to any single product is the extent to which a given rate excludes the imports of that commodity.

A better way to get a reliable idea as to the restrictiveness of tariffs or quotas is to interview persons who have direct knowledge of the significance of any given level of quotas or tariff rates for their industry. In this connection, the BERC and the League of Women Voters interviewed businessmen in many industries. The complexity of the problem and the paucity of accurate information made the interview a difficult task.

TABLE 2

DEGREE OF RESTRICTIVENESS OF TARIFFS AND QUOTAS ON IMPORTS COMPETITIVE WITH PRODUCTS OF MINNESOTA AGRICULTURE AND INDUSTRY

High

Meat animals and products.
Oil-bearing crops.
Processed dairy products.
Grain mill products.
Sugar.
Vegetable oils.

Moderate

Food grains and feed crops.
Other agricultural (wool).
Wood containers and cooperage.
Paper and board mills.
Converted paper products.
Other leather products.
Pottery and related products.
Blast furnaces, steel works, and rolling mills.
Nonferrous foundries.
Hand tools and hardware.
Construction and mining machinery (diamond drills only).
Electrical appliances.
Toys and sporting goods.

Low

Stone, sand, clay, and abrasives.
Meat packing and wholesale poultry.
Miscellaneous food products.
Textiles and apparel.
Sawmills, planing and veneer mills.
Fabricated wood products.
Metal furniture.
Partitions, screens, shades, etc.
Soap and related products.
Paints and allied products.
Miscellaneous chemical industries.
Miscellaneous rubber products.
Leather tanning and finishing.
Footwear (excluding rubber).
Glass.
Abrasive products.
Other miscellaneous nonmetallic mineral products.
Metal stampings.
Lighting fixtures.
Miscellaneous fabricated metal products.

Metalworking machinery.
Special industry machinery.
General industrial machinery and equipment.
Commercial machines and equipment, not elsewhere classified.
Valves and fittings.
Motors and generators.
Radio and related products.
Storage batteries.
Truck trailers.
Railroad equipment.
Instruments, etc.
Optical, ophthalmic, and photo equipment.
Medical and dental instruments and supplies.
Miscellaneous manufactured products.

Negligible

Poultry and eggs.
Farm dairy products.
Plastic products.
Vegetables and fruits.
Iron ore mining.
Canning, preserving, and freezing.
Bakery products.
Alcoholic beverages.
Tobacco manufactures.
Logging.
Wood furniture.
Pulp mills.
Printing and publishing.
Drugs and medicines.
Fertilizers.
Animal oils.
Petroleum products.
Coke and products.
Paving and roofing materials.
Cement.
Structural clay products.
Concrete and plaster products.
Iron and steel foundries.
Tin cans and other tinware.
Heating equipment.
Construction and mining machinery (except diamond drills).
Internal combustion engines.
Farm machinery and equipment.
Boiler shop and fabricated metal products.
Refrigeration equipment.
Valves and fittings.
Machine shops.
Electrical control apparatus.
Electric lamps.
Communication equipment.
Motor vehicles.
Ships and boats.
Clocks.
Jewelry and silverware.

Table 2 gives, in effect, the estimated degree of protection provided individual Minnesota industries by United States trade restrictions. A low rating means that in the absence of the trade restrictions the volume of imports would not be substantially larger. A high rating means that a considerably larger volume of imports could be expected upon removal of present restrictions.

Many industries either have no protection or believe that such protection as exists is of negligible importance to them. The highest degree of restriction is found on the imports of some farm products, either before or after processing. Where the imports are severely restricted, the restriction is accomplished by quotas rather than by tariffs alone. The industries which have moderately restrictive tariffs on the imports of their products are not, in general, the large industries in Minnesota.

Restrictions are found the world over and a number of Minnesota industries find exporting difficult because of restrictions placed by other nations. Minnesota producers of so-called nonessential goods also face severe restrictions placed by countries with dollar shortages.

Impact of trade liberalization: Much of the BERC study was directed toward estimating the impact of trade liberalization upon Minnesota industries and agriculture. Certain economic gains and losses for the State can be anticipated if foreign trade policy is liberalized. Some Minnesota industries can expect to feel increased competition from imports; others can expect export opportunities to expand as foreign countries acquire more United States dollars, or reduce their restictions reciprocally. Some industries could also expect to gain in terms of an increased availability of imports for use in their productive processes.

The impact of any trade liberalization would be unevenly distributed among Minnesota industries. Agriculture would be affected differently than manufacturing and individual industries within each of these major segments would feel different effects.

The BERC data indicated that industries with approximately 25 percent of the manufacturing employment would probably we benefited, while industries with about 7 percent would likely be injured. The balance, employing about 66 percent, would probably show little or no net effect. Of the total, about 12 percent of employment might expect a high degree of benefit and less than 1 percent would expect serious loss.

TABLE 3.—*The net effect of trade liberalization upon Minnesota manufacturing employment by industry groups benefited* [1]

[Number employed, 1947]

HIGH

Industry:	*Number of employees*
Farm machinery and equipment	7,196
Electrical control apparatus	6,361
Plastic products	3,640
Construction and mining machinery	3,211
Motors and generators	1,915
General industrial machinery and equipment	1,590
Internal combustion engines	1,191
Total	25,104
Leather products except footwear	[2] 456
Pottery and related products	[2] 336
Sugar refining	[2] 303
Total	1,095

MODERATE

Industry:	
Refrigeration equipment	5,266
Advertising specialties	[2] 5,000
Heating equipment	[2] 1,172
Commercial machines and equipment, not elsewhere classified	[2] 995
Abrasive products	770
Miscellaneous electrial products	291
Medical and dental instruments and supplies	227
Total	13,721
Injured: Spinning, weaving, and dyeing	[2] 732

LOW

Industry:	
Canning, preserving, and freezing	[2] 4,021
Boiler shop and fabricated structural metal products	3,687
Electrical appliances	[2] 1,970
Special industry machinery	1,923
Radio and related products	767
Tin cans and other tinware	[2] 660
Miscellaneous rubber products	486
Optical and photo equipment	[2] 421

[1] Industries likely to be unaffected, or to experience about equally benefits and injury, are not shown in this table. Employment data primarily from the 1947 U. S. Census of Manufactures.

[2] Number of employees estimated for part or all of the industry.

TABLE 3.—*The net effect of trade liberalization upon Minnesota manufacturing employment by industry groups benefited*—Continued

Industry—Continued	*Number of employees*
Railroad equipment	[2] 370
Boats	[2] 245
Valves and fittings	183
Miscellaneous fabricated metal products	[2] 91
Total	14,824
Processed dairy products	6,143
Miscellaneous manufactured products	[2] 1,712
Hand tools and hardware	[2] 1,213
Stone, sand, clay, and abrasives	[2] 1,211
House furnishing and other nonapparel	[2] 1,139
Vegetable oils	907
Wood containers and cooperage	845
Total	13,170

[2] Number of employees estimated for part or all of the industry.

Table 3 shows the net effect of trade liberalization upon Minnesota's manufacturing employment for 1947. In order to conserve space, the not affected group is not included in the table. The not affected group included both those industries which would not feel any effect at all and those industries which would register approximately equal gains and losses.

Each important industry was studied by some BERC member. Digests of the industry studies are included in the complete BERC report but cannot be included here. The report on the farm-machinery industry, as an illustration, showed that no United States tariffs exist on products of the industry, that local industry has felt no serious import competition and does not anticipate serious foreign competition in the future. Even if foreign suppliers were to develop products of comparable quality, they would face the problems of having to establish in this country an adequate marketing organization and adequate service facilities. It became quite clear that the farm-machinery industry in Minnesota could only benefit from a liberalization of United States foreign trade policy which would enable them to increase their exports.

Sugar refining, on the other hand, is clearly an industry which could be seriously injured by trade liberalization. Quota restrictions on imports make possible the present level of the Minnesota industry. Free trade in sugar would probably eliminate the domestic industry entirely. A careful and complete evaluation of the effects of reducing restrictions on sugar imports must go beyond the fairly obvious losses to the State's sugar-beet industry from increased import competition and examine the effects on Minnesota of increased exports to Cuba and a lower price of sugar for Minnesotans.

The farm machinery and sugar cases were exceptions in that the conclusions could be drawn rather quickly and with considerable assurance of the accuracy of the conclusions. In most cases the answers were clouded with many complicating factors, bearing indirectly as well as directly upon the issues.

Some factors lessen the importance of the tariff as a restriction on trade and also work against the Minnesota exporter. For example, some Minnesota apparel manufacturers do not fear foreign competition because the styles made and sold locally are considerably different from any foreign product. On the other hand, the Minnesota apparel firm may find it difficult to get foreign acceptance for his styles. Thus some of the most important kinds of impediments to world trade have little to do with our foreign trade policy.

Manufacturers of an article with a high style element, or requiring an extensive marketing structure, or needing elaborate repair and service facilities will probably not worry very much about the level of the United States tariff, nor will the firm be concerned about its export potential. In some instances Minnesota firms have overcome some of these problems.

Agriculture: Agriculture is a very important segment of the Minnesota economy and in 1954 accounted for about 11.4 percent of personal income distributed in Minnesota as compared to only 5.3 percent nationally. The controversy over what is wise and desirable international commercial policy with respect to agriculture appears to be even greater than the controversy over what international commercial policy is best for industry. The agricultural picture is complicated by the price-support programs for grains and dairy products. The BERC felt that, although a complete analysis of trade policy with respect to agricultural products requires full consideration of farm policy, a few things could be said on the problem of trade liberalization without entering into the issues surrounding the price-support program.

Prior to any discussion of trade-policy effects, a few facts about the present Minnesota agricultural situation should be presented. First, the Minnesota farmer is primarily a seller of meat, dairy, and poultry products. In 1954, about 70 percent of his cash farm receipts came from these sources. Second, the larger part of farm cash income in this State comes from nonsupported commodities. Third, most of the grain produced in the State is used as feed and the market for animal products, is therefore, more important than the grain market for the Minnesota farmers.

The probable effects of trade-policy liberalization upon Minnesota agriculture are summarized in table 4.

TABLE 4

IMPACT OF TRADE POLICY LIBERALIZATION UPON PRIMARY AND PROCESSED AGRICULTURAL PRODUCTS

Primary products

Low benefit: Corn, soybeans, peas and canning corn.

Not affected: Hogs, poultry and eggs, fluid milk, tobacco, other vegetables and fruit.

Low injury: Cattle, feed barley.

Moderate injury: Oats, malting barley, rye, flax.

High injury: Wheat, sugar beets, wool.

Processed products

Low benefit: Lard, hides, evaporated milk, soybean oil, canned corn, canned peas.

Not affected: Fresh meat, canned meat, grease and tallow, poultry, fluid milk, flour, prepared animal feeds, alcoholic beverages, tobacco manufactures, canning (except corn and peas).

Low injury: Butter, cheese (Cheddar), woolens and worsteds, dried milk.

Moderate injury: Linseed oil.

High injury: Sugar.

The Minnesota farmer's ability to compete with foreign producers in our domestic market and in the foreign market, in the absence of price supports and import restriction, depends upon his comparative advantage in various farm products. There is not sufficient factual evidence with respect to specific products to prove what would result in terms of injury from imports or benefits from exports.

Any change in trade policy with respect to agriculture is likely to produce some change in the pattern of farm production. Trade restrictions which are advocated as a means of avoiding changes in the pattern of farm production may not in the end be of benefit to farmers. Each case must be examined on its merits.

The BERC study indicates that changes from the existing agricultural pattern would probably come in wool, sugar, and to a lesser extent in wheat. These three products appear to be most vulnerable to import competition. On the other hand, expansion might come in soybeans, lard, and eventually in dried milk. There might be minor gains in exports of corn and canning crops. For other primary and processed products, little or no effects from trade policy liberalization would be expected. These best guesses of the BERC, it should be reiterated, must be regarded as speculative. More study needs to be given this highly controversial problem, especially with regard to the reconciliation of the aims of farm programs and trade liberalization. In general, there is somewhat less scope at the present time for liberalizing import restrictions on agricultural products than on industrial products.

Conclusions and recommendations: In addition to findings with respect to the products of specific industries, some of which have been mentioned here, the BERC reached several broad conclusions:

1. United States imports of some of the kinds of products produced in Minnesota enter duty free, others have a wide range of duty rates, and some are restricted by quota arrangments.

2. Over half of Minnesota's manufacturing employment is in industries which would be unaffected directly by trade liberalization; more is in industries which would gain from liberalization than in industries which would lose.

3. Minnesota agriculture appears to be more vulnerable than industry to increased imports insofar as United States farm commodity prices are maintained above world prices.

4. Reductions of tariffs and quotas would not always result in a large increase in imports due to a number of factors which in some cases give the local producer a distinct advantage over the foreign competitor.

In addition to reaching these conclusions, the BERC made several recommendations with respect to United States foreign trade policy. The results of the study prompted recommendations for a continuation and extension of the reciprocal trade agreements program, and for other trade liberalization measures. It is the belief of the BERC that a clear-cut policy of tariff liberalization will help strengthen the community of political and economic interest between our allies and ourselves.

The trade policy liberalization recommendations by the BERC call for a gradual program designed to prevent serious dislocation to the economy of the State. Tariff reductions should be sufficient in amount to encourage a freer exchange of goods, thus enabling free nations to earn dollars with which to purchase goods from us. The BERC made no recommendation with respect to liberalization of trade restrictions on agricultural products except to point out that study should be given to the possibility of reconciling foreign trade policy and agricultural policy.

Mr. HUMPHREY. In conclusion, Mr. President, I want to commend this entire study most earnestly to my colleagues. I can think of no better source for an up-to-date and reliable analysis of the impact on a community of 3 million people of our present foreign trade policies. As one who has long been devoted to the principles of liberalized trade, I am delighted that the conclusions of this study bolster my own position and show that the interests of the State of Minnesota coincide with the interests of the United States as a whole in increasing and developing world trade.

Mr. President, I also ask unanimous consent to have a special letter to the editors, which I prepared for the week ending May 19, 1956, printed in the RECORD at this point in my remarks.

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

FOREIGN AID

As the Congress turns its attention this month to the vital question of world economic policy, it becomes ever more evident that the direction of our domestic and foreign economic policy will be perhaps decisive in the worldwide competition with communism. With the Soviet Union moving aggressively into the field of technical and economic aid, and making great efforts to expand its own economy, it behooves us to plan wisely.

MINNESOTA STUDY

An important document is fortunately now in the hands of foreign policymakers. It is a recently published book: The Effect on Minnesota of a Liberalization of United States Foreign Trade Policy—an intensive examination of the impact of foreign trade on our State. In the form of a report of the business executives' research committee—a cooperative research team of Twin Cities business executives and university faculty members—it covers studies made during 1954 and 1955. Published by the University of Minensota, it was edited by Profs. Harlan M. Smith and Robert J. Holloway of the university.

BEGINNING THE STUDY

This unusual project began 2 years ago in my office. I was discussing with Dr. Howard S. Piquet of the Library of Congress, an outstanding authority on world trade, his recently completed study of the impact of world trade on an Indiana congressional district. It occurred to me that a larger and more comprehensive study should be made of an entire State. Minnesota would be an ideal State for the study, with its varied economy and yet manageable size. Piquet agreed. From that day on I was to have the pleasure of working with many Minnesota leaders in business and education to find the necessary financial assistance for the proposed project. Among private, university, and corporate sources the funds were finally put together and the study begun. Eventually more than 400 Minnesota industries coordinated by the Business Executives' Research Committee of the university were to participate in the collection of data.

RESULTS

After 2 years of detailed study the report is complete. More than 162,000 Minnesotans are found to be employed in industry either directly or indirectly affected by United States exports. One-fourth of these workers would probably be benefited by freer trade, and more than 12 in a hundred would be benefited greatly. Only 7 percent of these workers would probably be adversely affected by a general liberalization of our foreign trade policy—and less than one in a hundred would expect serious loss.

NATIONAL PICTURE

You may be sure that the vital statistics and findings of this Minnesota study will be carefully considered. The facts are plain—that at least in one State the benefits of freer trade, with appropriate safeguards for vital industries, would far outweigh any losses due to greater imports. Again Minnesota leads the way. What Minnesota has been able to do may be followed by further studies of other sections of the Nation—the kind of factual data upon which a more constructive economic foreign policy can be built.

REBUTTAL OF CHARGES BY BERTRAND RUSSELL IN CONNECTION WITH ROSENBERG TRIAL AND SOBELL CASE

Mr. HUMPHREY. Mr. President, on April 23, I brought to the attention of the Senate my dismay over the unfounded charges by Bertrand Russell in connection with the Rosenberg trial and the Sobell case. My initial remarks may be found in the CONGRESSIONAL RECORD for that date on pages 6764–6767.

I am delighted to find that the Manchester Guardian, which first printed Lord Russell's attack on the FBI, carried an appropriate story on April 26, 1956, reporting my rebuttal to the original carges. I ask unanimous consent that the article I have just referred to, which was written by the Guardian's competent Washington correspondent, Max Freedman, be inserted at this point in my remarks.

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

SENATOR ATTACKS LORD RUSSELL—"RECKLESS LIBERTIES"

(From Max Freedman)

WASHINGTON, APRIL 25.—The Sobell case and the Rosenberg case, together with Lord Russell's charges against the Federal Bureau of Investigation, have now reached the floor of the Senate.

The issue was presented by Senator HUMPHREY, Democrat, of Minnesota, who began by placing on the CONGRESSIONAL RECORD the letter from Lord Russell to the Manchester Guardian in which he accused the FBI of using perjured testimony and following Nazi-like methods. Senator HUMPHREY declared:

"I am dismayed by the reckless liberties which Lord Russell has taken with the facts and with our Nation's great legal and judicial traditions. What is more important, I am deeply concerned that, because Lord Russell has in the past been an anti-Communist and an independent thinker, the outside world may take his allegations seriously. There is no necessity for me to defend the FBI against this attack. It can stand with honor and distinction upon its own customarily excellent record. I believe, however, that something should be said to demonstrate to our British friends that Lord Russell's comments are irresponsible and false."

ILL-INFORMED ATTACK

The Senator then placed in the CONGRESSIONAL RECORD the letter to the Manchester Guardian from Mr. Green, a former attorney with the Atomic Energy Commission, and Mr. Ferman, the assistant director of the American Civil Liberties Union. Senator HUMPHREY said that he was deeply disturbed that a man with Lord Russell's worldwide reputation should have contributed such a damaging and ill-informed attack on American justice. He went on:

"It is even more serious when so many persons have long recognized the many fine contributions to literature and the social sciences which Lord Russell has made. I say, in a most forgiving and understanding manner, that the purpose of my comments today is merely to correct the record and not to chastise or unduly to criticize. Nevertheless, I feel that in matters of such gravity as this it is important for Members of Congress and other persons to speak out and to defend what we know to be true, namely, that the due process of law was followed; and that these cases were appealed not only to the highest courts of the land but also to two Presidents of the United States. I know of no President who would in any way have permitted a violation of the rules of justice in the name of security if he had any evidence to indicate that a person was innocent."

In conclusion Senator HUMPHREY declared that the evidence was replete as to the guilt of the persons concerned, and that the courts of the United States, as well as two Presidents, had made it crystal clear that justice was done.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2057. An act for the relief of Edwin K. Stanton;

H. R. 2893. An act to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Graphic Arts Corporation of Ohio, of Toledo, Ohio;

H. R. 5535. An act for the relief of S. H. Prather, Mrs. Florence Prather Penman, and S. H. Prather, Jr.; and

H. R. 7164. An act for the relief of Lt. Michael Cullen.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6143) to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOPER, Mr. MILLS, Mr. GREGORY, Mr. REED of New York, and Mr. JENKINS were appointed managers on the part of the House at the conference.

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

H. R. 2603. An act to increase the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside; and

H. R. 10060. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953, as amended.

HOUSE BILLS REFERRED

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

H. R. 2603. An act to increase the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside; and

H. R. 10060. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953, as amended; to the Committee on the District of Columbia.

H. R. 10986. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1957, and for other purposes; to the Committee on Appropriations.

DEPENDENTS' MEDICAL CARE ACT

The Senate resumed the consideration of the bill (H. R. 9429) to provide medical care for dependents of members of the uniformed services, and for other purposes.

Mr. RUSSELL. Mr. President, the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], who is the ranking minority member of the Committee on Armed Services, and who has contributed mightily to the bill, has a statement to make. Since he has an appointment to be elsewhere, I shall waive my opening statement until he has an opportunity to make his statement.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Georgia, the chairman of the Committee on Armed Services. I wish to say that I join wholeheartedly in supporting the bill, and what few remarks I have to make will really be supplementary to the remarks the Senator from Georgia will make in going into detail on the bill. I wish to refer to one of the fundamental reasons why the bill should be passed and become a law at the earliest possible opportunity.

The point which I wish to stress particularly, almost exclusively in view of the detailed presentation which is to be made by the distinguished chairman of our commmittee, is simply this: The very highest priority must be given now, as never before, to the retaining of trained men in our Armed Forces and to the recruiting of young men who can in due course become equally trained and effective members of those forces.

The dependents' medical care bill is one item referred to specifically by the President in his special message to the Congress of January 1955 on personnel turnover in the military services. A more recent communication from the President, dated April 9, 1956, transmits a letter from the Secretary of Defense reviewing the serious nature of the personnel situation in the Armed Forces and outlining legislative proposals as a means of improving military career incentives.

In the earlier message, the President included striking illustrations of the investment in skilled manpower of the Armed Forces. It costs approximately $3,200 to put 1 man through the normal course of basic training. It costs an additional $2,000 to $5,000 to train a man in the typical technical skills which are essential in the military system of today. It costs $120,000 to train a jet pilot.

In this regard I was profoundly impressed, as were all who heard him, by General LeMay's recent public testimony to the effect that the principal problem faced by the United States Air Force is one of manpower, not of materiel. General LeMay made it strikingly clear that unless trained personnel, fully adequate in numbers and experienced in their skilled jobs, were made available in increasing numbers to the Air Force, no increase in the number of aircraft themselves would be of particular value from the standpoint of our Nation's security. The accent must, at this time, very clearly be upon men, not missiles; upon people, not planes. In saying this I do not minimize for one moment the great need for continued research, development, and progress in the field of guided missiles and in the production of the great B–52 bombers and more advanced type aircraft. I simply emphasize General

LeMay's statement that manpower must now be given top priority.

This bill, as I see it, will make a definite contribution toward stimulating both enlistments and recruitments in our armed services, and toward reducing the number of resignations from the services, which have in past months given us much concern.

Of course, it is almost impossible to trace an improvement in reenlistments or a reduction of resignations to any one legislative item. The dependents' medical care bill is one of several proposals which, taken together, are designed to make a military career more attractive generally. Already enacted are measures for increased pay, greater reenlistment allowances, more housing for dependents, and a career incentive measure for medical and dental officers.

Let me add that in the past year we have had some encouraging results regarding the rate of reenlistment. We want by every proper means to keep this momentum going, and to accelerate it if we can. The overall enlistment rate for regular personnel was 27.2 percent in the fiscal year 1955, and experience to date indicates that for the fiscal year 1956 this figure will increase to 42.8 percent. The reenlistment rate for those whose first enlistment was expiring was 15.7 percent for the fiscal year 1955, and it looks as if this figure will increase to 23 percent for the fiscal year 1956. This is encouraging, but we are simply making up somewhat for the tremendous drops in these rates which occurred prior to the fiscal year 1955. We cannot now afford to lose this important advantage that seems to be ours if, by the enactment into law of such measures as this, we can accelerate reenlistments and bring about a substantial reduction in resignations from the services.

From the economic standpoint it should be pointed out that the Department of Defense estimates that 949,000 persons will have their obligated tours of duty expire in the fiscal year 1957. Eight hundred and seventy-three thousand of these are enlisted men. Since it costs approximately $3,200 to give basic training to each replacement, if an additional 10 percent of the 873,000 could be induced to reenlist, an investment of almost $280 million would be preserved.

It is even more important, however, let me repeat, Mr. President, that highest priority be given to our trained men and to those who can and will become so if given sufficient encouragement and inducement.

This single bill is not in itself an answer to all our manpower problems, of course. It does, however, to my mind, represent a long step forward toward the attainment of our objective, namely, the completely adequate defense of the United States not alone in terms of weapons and materiel but, more important, in terms of the men and women ready, willing, and able to devote themselves without interruption of career to the building up of the Nation's security.

For those reasons, among others, I believe the bill should be enacted into law.

The chairman of the committee is thoroughly familiar with the provisions of the bill, and the committee has gone over the bill line by line.

After hearing the chairman of the committee explain the bill and the encouragement it will provide for continued service, particularly in the case of benefits to dependents, I am sure the Senate will pass the bill.

Mr. President, I thank the chairman of the committee for permitting me to speak at this time. I am confident that after he concludes his remarks it will be very clear why the committee unanimously supports the bill.

Mr. THYE. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I do not have the floor.

Mr. RUSSELL. Mr. President, I am glad to yield to the Senator from Minnesota.

Mr. THYE. I thank the Senator from Georgia.

Mr. President, I wish to commend the distinguished and able senior Senator from Massachusetts [Mr. SALTONSTALL], the senior Republican member of the Armed Services Committee, for his able presentation of the questions involved in the bill.

This subject has been of great concern to me, because from time to time I have observed that some of our ablest younger officers have left the armed services because of financial reasons. That has been particularly true in the case of officers with families. The provisions of the bill make me confident that, if it is enacted, we can expect reenlistments or continued service on the part of these men, who are so valuable to the armed services.

Therefore I wish to commend the Senator from Massachusetts for his strong support of the bill and his thorough explanation of its provisions.

Mr. SALTONSTALL. I thank the Senator from Minnesota for his remarks.

Personally, Mr. President, I agree with the views of the Senator from Minnesota regarding the effectiveness of the bill. It constitutes one of five steps which already have been taken or are in the process of being taken. There are several others yet to come.

We know how important it is to keep well-trained men in the armed services, and we know how seductive to them can be some of the aspects of private employment, particularly the high wages paid. Although we realize that it will never be possible for the armed services to maintain pay scales as high as those of private concerns, yet we believe that continued service in the Armed Forces will be greatly encouraged by making provision for increased additional benefits.

Mr. THYE. That statement by the Senator from Massachusetts is similar to the testimony Mr. Wilson gave last week before the committee.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Georgia for his courtesy in yielding.

Mr. RUSSELL. I have been glad to yield.

Mr. President, this bill is one of several pieces of proposed legislation suggested by the President of the United States and the Department of Defense to increase the so-called fringe benefits for the members of the armed services.

As stated by the administration spokesman, the primary objective of the bill is to undertake to reduce the tremendous turnover in military personnel.

The bill has an appeal to me which is over and beyond that purpose, because, Mr. President, enactment of this measure will eliminate a great inequity now existing between various members of the Armed Forces.

At the present time the dependents of those who are stationed overseas in the Armed Forces of the United States have available to them hospital and medical care of all kinds. Within the United States, the dependents, accompanying military personnel who are assigned to installations which have available hospital space and uniformed doctors likewise have complete medical and hospital care. The bill seeks to provide medical care for the estimated 40 percent of the dependents who do not have a military medical facility available to them. Glaring inequity has existed for many years, particularly in the cases of the lower enlisted grades of the armed services whose members cannot take their wives and children with them, sometimes for financial reasons and also because they cannot obtain living quarters for them near the post. Not only have those dependents been denied the companionship of the person who is in the Armed Forces, but they have been denied any medical care.

I doubt not that most Members of the Senate have received communications from dependents of members of the Armed Forces seeking assistance in the form of medical care which they seriously needed, and which they did not have the financial means to obtain. In some cases they were compelled to do without such care, because their sponsor, the one who was in the Armed Forces, was not able to have them near him, where medical care in the Armed Forces was available.

The bill would bring relief to the group which is now seriously disadvantaged in comparison to those dependents who can accompany their sponsors to stations where medical care from service facilities is available. It is heartening to me to know that the bill will eliminate this element of unfairness.

Mr. President, without question the most significant feature of the bill before the Senate is that it would authorize a contract to provide medical care from private physicians and in private hospitals for the spouses and children of members of the uniformed services who are on active duty. This represents a new departure in the field of dependent medical care. Indeed, it is almost revolutionary in its nature. For the first time it makes civilian medical care available to dependents who now are unable to secure such care from uniformed physicians and hospitals operated by the uniformed services. Such medical care as is now available to dependents is furnished by uniformed physicians and in hospitals operated by the uniformed services. At this point let me say that

the term "uniformed services" includes the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, and the commissioned corps of the Public Health Service and the Coast and Geodetic Survey.

The civilian medical care that this bill proposes to authorize would be provided under a medical service, health insurance, or health plan. Under the medical-service concept, which is usually associated with the Blue Cross and Blue Shield organizations, members of these organizations pay monthly premiums for the privilege of availing themselves, when needed, of medical services and hospitalization to the extent provided in a contractual agreement. The organization itself secures agreements from physicians and hospitals to provide specific services and facilities in exchange for definite fees and charges.

The health insurance approach is, as the term implies, an insurance policy underwritten by insurance companies. The insured person pays a premium to the insurance underwriters. The policy specifies monetary benefits of definite sums in the event of need for medical care and hospitalization of the types covered by the policy. While these insurance benefits can be assigned to the hospital or the physician providing the services, the compensation of the physicians and hospitals flows directly from the person insured and the fees and charges do not necessarily correspond to the money benefits paid under the policy.

A third method that is possible of utilization under the bill is a group-health plan. Group-health plans generally provide medical service through physicians and clinics serviced by physicians who participate, and hospitalization is furnished through contracts with local hospitals.

The growth of systems involving prepayment of medical expenses in this country within recent years is impressive. There now are 70 Blue Shield plans in the United States and its Territories, with approximately 33 million people being covered. There are 86 Blue Cross plans covering more than 51 million Americans. Premiums paid to the companies comprising the American Life Convention and the Life Insurance Association of America, 2 organizations whose companies underwrite 85 percent of the group accident and health insurance in the United States, were in excess of $1 billion in 1955. These figures are mentioned merely to furnish some indication of the magnitude of existing programs for prepayment of medical and hospital expenses. Despite the extent of these programs, the scope of the medical care contemplated by the pending bill is somewhat different from any medical service program or health insurance operation now in effect. It appears that the plan of administration must be specially organized to carry out the medical care program involved in this bill.

The authority to enter into a civilian contract for the medical care of spouses and children is broad enough to permit utilization of any of these plans. Thus the Secretary of Defense, through negotiations with representatives who could administer each of the plans, would determine which method could provide the most satisfactory services for the least expenditure of Government funds.

The plan that would be entered into would cover all the spouses and children of active-duty personnel. The cost to the person receiving the care is limited to the first $25 of hospital expenses, or the prevailing subsistence rates in service hospitals multiplied by the number of days hospitalized, whichever is greater. The bill as received by the committee provided for payment of only the first $25 of hospital expenses.

A person receiving hospitalization in a service facility is required to pay a subsistence charge, now $1.75, for each day of hospitalization. Thus, the ultimate cost for long periods of hospitalization would have been somewhat greater in service facilities. In an attempt to eliminate considerations of cost from the election of civilian or military facilities, the committee adopted the alternate feature of deductibility mentioned above. Of course, a person receiving civilian hospitalization for any period of time must pay the first $25 of hospital expenses, and to this extent civilian hospitalization will prove more expensive than service hospitalization for short periods. However, the $25 deductible feature was adopted initially as a deterrent to prevent abuse and is, I believe, in accordance with recommendations of the Moulton Commission, a private group appointed by the Secretary of Defense to make a comprehensive study of dependent medical care, that there should be some restraint on excessive demands for medical attention. Still another reason for committee adoption of this alternate feature of deductibility is the realization that a person not requiring hospitalization would incur a cost of at least $1.75 per day for subsistence. Leaving the deductible feature at only the first $25 of hospital expenses would, in some cases, have had the effect of placing a dependent who required hospitalization in a better financial position than a contemporary who was not ill.

The civilian contract may provide the following maximums: First, hospitalization in semiprivate accommodations up to 365 days; second, medical and surgical care incident to a period of hospitalization; third, complete obstetrical and maternity service, including prenatal and postnatal care; fourth, required services of a physician or surgeon prior to and following hospitalization for a bodily injury or for a surgical operation; and fifth, diagnostic tests and procedures. Thus it will be seen that the authorization is fairly comprehensive, the principal item not included and which is available from service facilities being outpatient care. Inclusion of outpatient care generally would pose even more formidable problems of administration and costs. This program admittedly is experimental and it seems wise to begin on a cautious basis.

This brings us to the consideration of the so-called freedom of choice provision that is contained in subsection 201 (b) of the bill. This subsection provides that the dependents for whom civilian care will be contracted may elect to receive medical care in service facilities or in private facilities, except that the Secretaries concerned may limit this privilege of election where spouses and children are residing with members in areas where adequate service medical facilities are available for dependents. Many private physicians and hospitals apprehend that the power to limit choice would cause the construction of new service hospitals and the induction of more physicians to provide dependent medical care. The view of the Department of Defense is that unlimited free choice could result in an unjustifiable and an uneconomical failure to use existing capacities at service hospitals. Career medical personnel of the services also desire the opportunity for a diversified practice afforded by treatment of dependents. Members on active duty presumably are healthy and their treatment offers limited diversification. This subsection has been left virtually intact by the committee in the realization that an expansion of service facilities or an increased requirement for service physicians solely to provide dependent medical care could not be accomplished without congressional approval. The committee is not disposed to assume that the present Secretary of Defense, or some future one, would flagrantly abuse the power to limit free choice.

The new authority for Government payment for civilian care should benefit private physicians and hospitals, if not by increasing volume, then certainly by assuring payment for services rendered, and it is difficult to foresee that the power to restrict free choice will substantially diminish this benefit.

The cost of this new civilian contract authority is estimated at between $50 and $55 million for the first year of operation. This estimate is arrived at by making an assumption of the number of eligible dependents and a further assumption that physicians and hospitals will agree to abide by a maximum fee schedule. By setting up a proportion involving ratios of the medical care provided outside the United States to the number of dependents overseas, where almost all medical care is provided in service facilities, and the medical care provided within the United States to the number of dependents here, it has been calculated that 40 percent of the eligible spouses and children of members of the uniformed services do not now receive medical care in service facilities within the United States. Since there are some 2.1 million spouses and children in this country, this means that almost 840,000 eligible dependents do not now receive care in service facilities. This does not mean that all 840,000 were turned away from service facilities, since undoubtedly many of them lived in remote areas or did not require medical care. The incidence of illness and hospitalization expected to occur among the 840,000 spouses and children is the basis for estimating the first-year cost at the figures I gave, to wit, from $50 to $55 million.

It should be made abundantly clear that the cost to the Government will be in the nature of a cost-plus arrangement, although that term has come to have an unpleasant connotation. Be-

cause of the many uncertainties, the medical service and health insurance organizations could hardly underwrite the program on a risk basis initially. Even so, this arrangement may inure to the financial benefit of the Government. What the contract probably will involve is payment by an intermediary, acting as fiscal agent for the Government, of the actual costs of medical and hospital care, with the fiscal agent receiving a fee or charge for administering the plan. Assuming that the cost of administration is reasonable, and the figure of 5 percent has been mentioned, the Government could finance this type of program cheaper than if the payments or premiums had to include elements attributable to risk and to reserves.

The bill provides for a review and adjustment of payments within 4 months after the end of the first year in which the plan operates, and for a report to the Armed Services Committees within 90 days of this review and adjustment. These reports would serve to inform the Congress on the reliability of the cost estimates and the amount attributable to the cost of administration.

As referred to the committee, the bill contained permissive authority for the Secretary of Defense to enter into a civilian medical-care plan for dependents other than spouses and children of active-duty personnel—parents and parents-in-law—for retired members and their dependents, and for dependent survivors of deceased personnel. The cost estimates for providing civilian medical care to persons in these categories were somewhat high in relation to the numbers involved because of the relatively higher ages of the retired members and dependents who would have been eligible. The committee deleted this permissive authority in the thought that a new program such as this should be started on a limited basis. If it proves workable and reasonable in cost as applied to the spouses and children of active-duty personnel, consideration may be given at a later time to an extension of the program. This is surely not the last occasion for congressional interest in the dependent medical-care program and the committee was not inclined to grant at this time every authority that may conceivably be desirable at some time in the future, as a result of experience gained from the operation of the plan.

Having discussed the principal new authority that this bill would grant, I now turn to the types of medical care that can be provided, and the persons eligible to receive this care, in medical facilities of the uniformed services. Today, the military departments furnish medical care to dependents under authority of different laws. These statutory provisions are incomplete and, as a result, there are differences among the services in the type of dependent medical care provided and in the dependents who are eligible to receive this care. Dependents of members of the Coast Guard when it is operating as a service in the Treasury can secure medical treatment only in facilities of the Public Health Service. The second major objective of the bill is to apply to all the services a common standard of dependent eligibility and the types of medical care authorized for dependents. The results of unification of the Armed Forces, first attempted in 1947, have been disappointing to many of us, but this would be another step in that direction.

Beyond the objective of achieving uniformity among the services, the bill also contemplates interchangeability of the medical facilities of the Armed Forces and of the Public Health Service.

Eligibility for care of dependents in service facilities would be established for wives and unmarried legitimate children under the age of 21. Also included are children over 21 who are incapable of self-support because of a physical or mental incapacity prior to reaching this age, and children under the age of 23 who are full-time students. The children and the unremarried widows of deceased personnel would be eligible for care in service facilities. Comparable definitions are provided for dependents of women members of the services, except that a husband must be dependent on the member for over one-half of his support, and the unremarried widower of a deceased female member would be eligible only if he were dependent upon her at the time of her death for over one-half of his support because of a mental incapacity.

Parents and parents-in-law have been excluded by the committee from the definition of eligible dependents. All the services now extend care to parents who are in fact dependent on the member for more than one-half of their support. The Army and the Air Force include parents-in-law who are dependent on the member for more than one-half of their support, but the Navy does not. If parents are to be made eligible, it is difficult not to include parents-in-law, stepparents, and persons who stand in loco parentis to the member. In the realization that 95 percent of the dependents of active duty personnel are spouses and children, the committee has excluded parents from eligibility rather than to venture into these indistinct and questionable areas.

For dependents to be eligible, the member must be on active duty or active duty for training under orders that do not specify a period of 30 days or less. The eligibility of dependents would terminate when the member is released to inactive duty. Dependents of persons who died while a member of a uniformed service, retired members, including those retired under title III of Public Law 810, 80th Congress, and their dependents, and dependents of persons who died while retired members would be eligible for medical care in service facilities. This eligibility, I should emphasize, depends upon the availability of the necessary space, facilities, and capabilities of the medical staff.

Service hospitalization is prohibited for domiciliary care and for elective medical and surgical treatments. Hospitalization for chronic diseases and for nervous and mental disorders would be authorized only in special cases of hardship for not to exceed 12 months. There is a general exclusion of the furnishing of prosthetic devices, hearing aids, orthopedic footwear, and spectacles, but exceptions may be made and these articles furnished at Government cost to persons outside the continental limits of the United States and at remote stations within the United States where adequate civilian facilities are not available. Home calls and ambulance service could be provided only in exceptional circumstances. Dental care for dependents is prohibited except in emergencies, as a necessary adjunct to medical or surgical treatment, and outside the United States or in remote areas within the United States where adequate civilian dental services are not available.

The limitations and exclusions I have just mentioned differ from current practice in that the Army and the Air Force provide dental care to dependents generally when this does not interfere with the dental care of persons on active duty, while for practical purposes the Navy provides no dental care for dependents. Another difference is that the Navy does not provide dependent care for nervous and mental disorders, nor does it provide domiciliary care, while the Army and the Air Force are not prohibited from furnishing such care when the necessary facilities are available. Still another change is that dependents of Navy and Marine Corps personnel would for the first time be eligible for treatment of contagious diseases.

One of the significant committee changes relates to the eligibility of persons retired under title III, Public Law 810, 80th Congress, and their dependents for medical care from service facilities. This eligibility now exists in the Navy, but not in the Army or the Air Force. Considering the emphasis that is being placed on vitalizing the Reserve forces, the committee was reluctant to acquiesce in what the Reservists considered an invidious exclusion. Admittedly, this is an area in which it is hard to reach an equitable solution, since reservists retired under title III will have periods of active duty ranging from none to almost 20 years.

Eliminated from the bill was a provision designed to place persons retired after having served on active duty for at least 30 years in a preferential status regarding their continued care in facilities of the uniformed services. The committee was not unsympathetic to the wishes of retired personnel to be hospitalized in facilities of the uniformed services instead of being transferred to other Federal hospitals under the control of the Veterans' Administration. However, there was a reluctance to nullify existing Executive orders requiring persons retired for physical disability who require hospitalization for blindness, tuberculosis, and psychiatric disorders to be treated in facilities of the Veterans' Administration. The committee was advised that the Veterans' Administration has special facilities for the treatment of these diseases and the Executive orders on the subject seem not to be unreasonable.

The bill contains provisions requiring transfers of funds between departments when members, retired members, or dependents, receive medical or dental care from facilities of a uniformed service

that is different from the one of which the member, or the sponsor of the dependent receiving care, belongs. The reimbursement is to be at rates established by the Bureau of the Budget to reflect the average cost of providing the care.

Retired enlisted personnel of all the services would be provided subsistence without charge when hospitalized in service medical facilities. Retired enlisted personnel of the Navy and the Marine Corps now receive a subsistence allowance when they are hospitalized in a Federal facility. This allowance is set off against the subsistence charge made against these retired persons when they are hospitalized. Retired enlisted personnel of the Army and the Air Force do not receive a subsistence allowance when hospitalized. To achieve uniformity, the bill provides that retired enlisted personnel of all services shall not be charged for subsistence when hospitalized in a service medical facility and repeals the existing law that grants subsistence allowances to retired personnel of the Navy and the Marine Corps when hospitalized.

Thus far, I have dealt more with what the bill would do than with the reasons for its enactment. Only last month, the President transmitted to the Congress a letter from the Secretary of Defense outlining major legislative proposals designed to improve military career incentives. Enactment of these measures was urged to stop expensive turnover of manpower in the Armed Forces. This bill is one referred to specifically in the President's message. Included in the letter from the Secretary of Defense are statistics disclosing the extent of fringe benefits now being offered by private industry. The statement is made that of industrial workers covered by some type of company sponsored health insurance plan, 70 percent of the covered workers are also offered health insurance for their dependents, and that for 38 percent of these, the employers assume the full cost for dependent coverage.

Mr. President, I am certain it is unnecessary for me to elaborate upon the importance of Congress taking every step possible to eliminate the great waste which is brought about by the excessive turnover of military personnel. A cynic might comment, however, that if the savings which it was estimated would accrue from the bills passed by Congress in recent years had actually accrued, the Department of Defense would practically be operating at a profit, because bill after bill has been introduced with the statement that the turnover of personnel would be reduced and thus there would be saved millions of dollars which it was necessary to spend in training replacements. Congress has enacted nearly every one of those bills, but the Military Establishment is not yet paying any dividends in the way of financial profit.

Seriously, it is practically impossible to establish a cause-to-effect relationship between the enactment of any one measure and a diminution of personnel losses. However, we are gratified to observe that within recent months reenlistments have increased. The Department of Defense officials attribute a part, at least, of the credit to the career incentive measures passed by Congress within recent years. I fervently hope that the passage of the bill will not only eliminate the inequities which have heretofore existed in furnishing medical care to the dependents of members of the Armed Forces, but that it will make a real contribution toward maintaining a more stable personnel structure.

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

Mr. RUSSELL. I yield.

Mr. STENNIS. Mr President, I commend the Senator from Georgia for his excellent presentation of the bill and also for his work as chairman of the committee on the preparation of the bill. The bill has far-reaching consequences. It will set many precedents. It is of major importance, of course, to the members of the Armed Forces themselves.

I think there is one thought which the chairman shares with all members of the committee, namely, that a large amount of discretion is vested in the Secretary of Defense and the Secretary of Health, Education, and Welfare. As a member of the Committee on Armed Services, I should like to ask the Senator from Georgia if he does not agree with me that it is necessary to have a large amount of discretion vested in some Government agency in order to have the program operate successfully.

In the exercise of such discretion, does not the Senator feel that the utmost care, deliberation, painstaking attention, and sound judgment will be necessary in order to have the bill operate within the framework of what was intended by the committee in reporting it?

Mr. RUSSELL. As the Senator from Mississippi has well stated, this is one of the most unusual experiments to be conducted by the Government which has ever come to my attention, and I have been a Member of the Senate since the "100 days" of the Roosevelt administration in 1933. It is an entirely new venture into this field. It is, in effect, the Government undertaking to apply something similar to the Blue Cross and the Blue Shield to the dependents of persons in the Armed Forces.

It was impossible for the committee to write a detailed bill, which would have effectuated the purposes we had in mind, when there has been so little experience on which to predicate action. Therefore, it is absolutely necessary to vest very broad discretion in the Secretary of Defense.

As the Senator from Mississippi well knows, the committee undertook to elicit from the spokesman of the Department of Defense statements as to how it was proposed to exercise this discretion. The committee had to leave the matter of the administration of the plan very largely to the discretion of the Secretary of Defense, but we provided that periodic reports were to be made to the Congress.

The committee intends to keep in close touch with the operation of the program, so as to make certain that it is in no way abused and that it really accomplishes the purpose we have in mind, namely, the making available of medical care to the 40 percent of the dependents of those serving in the Armed Forces who are not now receiving it from service facilities.

Mr. STENNIS. I thank the Senator from Georgia for his additional remarks. I agree with him that we must emphasize the very grave responsibility which the Secretary of Defense and the Secretary of Health, Education, and Welfare carry under the operation of the bill.

It is my opinion that within the bill there is the framework of what could lead to the socializing of the great medical profession. I emphasize "could lead" to that. I do not believe the bill is intended to, or if soundly administered will, lead to that, or that the bill is a step in that direction. Nevertheless, it creates, as I see it, some possibilities which could be used as a leap in the direction of socialized medicine.

Mr. RUSSELL. If the proposed law is administered as it has been outlined to us it will be, it cannot lead to socialized medicine any more than the Blue Cross or the Blue Shield do; but I must say there are some elements of discretion which if improperly exercised might point in that direction.

Mr. STENNIS. That tends again to emphasize the importance of the sound, judicious use of the discretion vested in the two Secretaries.

Mr. RUSSELL. And it also emphasizes the responsibility of the Committees on Armed Services to keep in touch with the program, to make certain that no such thing occurs.

Mr. STENNIS. Yes; that is true, too. I thank the Senator from Georgia for yielding.

Mr. LANGER. Mr. President, I wish to commend the distinguished Senator from Georgia for the very excellent speech he has made in support of the bill. I agree with him wholeheartedly. I think it will be very fine for the Armed Forces to have this kind of measure passed.

Mr. RUSSELL. I thank the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The committee amendment will be stated.

The amendment of the Committee on Armed Services was to strike out all after the enacting clause, and insert:

That this act may be cited as the "Dependents' Medical Care Act."

TITLE I

SEC. 101. The purpose of this act is to create and maintain high morale throughout the uniformed services by providing an improved and uniform program of medical care for members of the uniformed services and their dependents.

SEC. 102. (a) As used in this act—

(1) The term "uniformed services" means the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Commissioned Corps of the Coast and Geodetic Survey, and the Commissioned Corps of the Public Health Service.

(2) The term "member of a uniformed service" means a person appointed, enlisted, inducted or called, ordered, or conscripted in a uniformed service who is serving on active duty or active duty for training pursuant to a call or order that does not specify a period of 30 days or less.

(3) The term "retired member of a uniformed service" means a member or former member of a uniformed service who is entitled to retired, retirement, or retainer pay or equivalent pay as a result of service in a uniformed service.

(4) The term "dependent" means any person who bears to a member or retired member of a uniformed service, or to a person who died while a member or retired member of a uniformed service, any of the following relationships—

(A) the lawful wife;

(B) the unremarried widow;

(C) the lawful husband, if he is in fact dependent on the member or retired member for over one-half of his support;

(D) the unremarried widower, if he was in fact dependent upon the member or retired member at the time of her death for over one-half of his support because of a mental or physical incapacity;

(E) an unmarried legitimate child (including an adopted child or stepchild), if such child has not passed his 21st birthday; or

(F) an unmarried legitimate child (including an adopted child or stepchild) who (i) has passed his 21st birthday, if the child is incapable of self-support because of a mental or physical incapacity that existed prior to his reaching the age of 21 and is, or was at the time of the member's or retired member's death, in fact dependent on him for over one-half of his support, or (ii) has not passed his 23d birthday and is enrolled in a full-time course of study in an institution of higher learning as approved by the Secretary of Defense or the Secretary of Health, Education, and Welfare and is, or was at the time of the member's or the retired member's death, in fact dependent on him for over one-half of his support.

(b) Except as otherwise provided in this act, the Secretary of Defense shall administer this act for the Army, Navy, Air Force, and Marine Corps and for the Coast Guard when it is operating as a service in the Navy, and the Secretary of Health, Education, and Welfare shall administer it for the Coast and Geodetic Survey and the Public Health Service, and for the Coast Guard when it is not operating as a service in the Navy.

SEC. 103. (a) Whenever requested, medical care shall be given dependents of members of a uniformed service, and dependents of persons who died while a member of a uniformed service, in medical facilities of the uniformed services subject to the availability of space, facilities, and the capabilities of the medical staff. Any determination made by the medical officer or contract surgeon in charge, or his designee, as to availability of space, facilities, and the capabilities of the medical staff, shall be conclusive. The medical care of such dependents provided for in medical facilities of the uniformed services shall in no way interfere with the primary mission of those facilities.

(b) In order to provide more effective utilization of medical facilities of the uniformed services, the Secretary of Defense and the Secretary of Health, Education, and Welfare shall jointly prescribe regulations to insure that dependents entitled to medical care in a medical facility of a uniformed service under the provisions of this act shall not be denied equal opportunity for medical care because of the service affiliation of the service member.

(c) The Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall establish fair charges for inpatient medical care given dependents in the facilities of the uniformed services, which charges shall be the same for all dependents.

(d) As a restraint on excessive demands for medical care under this section, uniform minimal charges may be imposed for outpatient care but such charges shall be limited to such amounts, if any, as may be established by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare, under a special finding that such charges are necessary.

(e) Any amounts that are received in payment for subsistence and medical care rendered dependents in facilities of the uniformed services shall be deposited to the credit of the appropriation supporting the maintenance and operation of the facilities furnishing the care.

(f) Medical care under this section shall be limited to the following:

(1) Diagnosis;

(2) Treatment of acute medical and surgical conditions;

(3) Treatment of contagious diseases;

(4) Immunization; and

(5) Maternity and infant care.

(g) (1) Hospitalization under this section is not authorized dependents for domiciliary care or elective medical and surgical treatments.

(2) Hospitalization under this section is not authorized dependents with nervous and mental disorders or chronic diseases, except that the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, by regulation, may provide in special cases for hospitalization of not to exceed 12 months for dependents with such disorders or such diseases.

(h) Dependents shall not be provided under this section—

(1) prosthetic devices, hearing aids, orthopedic footwear, and spectacles, except that outside the continental limits of the United States and at remote stations within the continental limits of the United States where adequate civilian facilities are not available, those items, if available, from Government stocks, may be provided to dependents at prices representing invoice cost to the Government;

(2) ambulance service, except in acute emergency;

(3) home calls, except in special cases where it is determined by the medical officer or contract surgeon in charge, or his designee, to be medically necessary;

(4) dental care, except—

(A) emergency care to relieve pain and suffering but not to include any permanent restorative work or dental prosthesis;

(B) care as a necessary adjunct to medical or surgical treatment; and

(C) outside the continental limits of the United States and in remote areas within the continental limits of the United States where adequate civilian dental facilities are not available.

TITLE II

SEC. 201. (a) In order to assure the availability of medical care for the spouses and children who are dependents of members of the uniformed services, the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall contract for medical care for such persons, pursuant to the provisions of this title, under such insurance, medical service, or health plan or plans as he deems appropriate, which plan or plans shall not include more than the following:

(1) Hospitalization in semiprivate accommodations up to 365 days for each admission, including all necessary services and supplies furnished by the hospital during inpatient confinement;

(2) Medical and surgical care incident to a period of hospitalization;

(3) Complete obstetrical and maternity service, including prenatal and postnatal care;

(4) Required services of a physician or surgeon prior to and following hospitalization for a bodily injury or for a surgical operation;

(5) Diagnostic tests and procedures, including laboratory and X-ray examinations, accomplished or recommended by a physician incident to hospitalization.

For each admission the plan shall also provide for payment by the patient of hospital expenses incurred under paragraph (1) hereof either (1) $25 or (2) the charge established pursuant to section 103 (c) of this Act multiplied by the number of days hospitalized, whichever is the greater.

(b) The dependents covered under this section may elect to receive medical care under the terms of this act in either the facilities of a uniformed service under the conditions specified in title I of this act or in the facilities provided for under such insurance, medical service, or health plan or plans as may be provided by the authority contained in this section, except that the right to such election may be limited under regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, for such dependents residing in areas where the member concerned is assigned and where adequate medical facilities of a uniformed service are available for such dependents.

SEC. 202. Any insurance, medical service, or health plan or plans which may be entered into by the Secretary of Defense with respect to medical care under the provisions of this act shall contain a provision for a review, and, if necessary, an adjustment of payments by the Secretary of Defense or Secretary of Health, Education, and Welfare not later than 120 days after the first year the plan or plans have been in effect and each year thereafter. Within 90 days after each such review, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and of the House of Representatives a report covering the payments made during the year reviewed, including any adjustment thereof.

SEC. 203. In order to effectuate the purposes of this title, the Secretary of Defense is authorized to establish insurance, medical service, and health plan advisory committees to advise, consult, and make recommendations to the Secretary of Defense, provided that the Secretary issues regulations setting forth the scope, procedures, and activities of such committees. These committees shall consist of the Secretary of Defense or his designee, who shall be chairman, and such other persons as the Secretary may appoint. Their members shall be, to the extent possible, representative of insurance, medical service, and health plan or plans, and shall serve without compensation but may be allowed transportation and per diem in lieu of subsistence and other expenses.

SEC. 204. The scope of medical care provided under this title shall not exceed the maximum care provided under title I.

TITLE III

SEC. 301. (a) Medical and dental care in any medical facility of the uniformed services shall, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished to all persons on active duty or active duty for training in the uniformed services.

(b) Medical and dental care in any medical facility of the uniformed services may, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished upon request and subject to the availability of space, facilities, and capabilities of the medical staff, to retired members of the uniformed services.

(c) Medical care in any medical facility of the uniformed services may, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished upon request and subject to the availability of space, facilities, and capabilities of the medical staff, to dependents of retired members of the uniformed services and dependents of persons who died while a retired member of a uniformed service, except that any such care furnished such dependents shall be limited to the care authorized dependents of members of the uniformed services under title I of this act.

(d) When a person receives inpatient medical or dental care pursuant to the provisions of this act in a facility of a uniformed service that is not the service of which he is a member or retired member, or that is not

the service of the member or retired member upon whom he is dependent, the appropriation supporting the maintenance and operation of the medical facility furnishing the medical care shall be reimbursed at rates established by the Bureau of the Budget to reflect the average cost of providing such care.

SEC. 302. Commissioned officers and warrant officers, active and retired, shall pay an amount equal to the portion of the charge established under section 103 (c) of this act that is attributable to subsistence when hospitalized in a medical facility of a uniformed service. Retired enlisted personnel, including members of the Fleet Reserve and the Fleet Marine Corps Reserve, shall not be charged for subsistence when hospitalized in a medical facility of a uniformed service.

SEC. 303. Where a person who is covered under an insurance, medical service, or health plan or plans, as provided in this act, requires hospitalization beyond the period of time provided under such plan or plans, if such hospitalization is authorized in medical facilities of a uniformed service, such person may be transferred to a medical facility of a uniformed service for the continuation of such hospitalization. Where movement to such medical facility is not feasible, the expenses for such additional hospitalization required by such person in a civilian facility are authorized to be paid, subject to such regulations as the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare, may prescribe.

SEC. 304. All determinations made under this act by the Secretary of Defense or the Secretary of Health, Education, and Welfare with respect to dependency shall be conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. Such determinations may at any time be reconsidered or modified on the basis of new evidence or for other good cause.

SEC. 305. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 306. The following laws and parts of laws are hereby repealed:

(1) So much of the act of July 5, 1884 (ch. 217, 23 Stat. 107), as is contained in the proviso under the heading "Medical Departments";

(2) The act of May 10, 1943 (ch. 95, 57 Stat. 80), except section 4 of such act, and except that part of section 5 which relates to persons outside the naval service mentioned in section 4 of such act;

(3) Section 326 (b) of the Public Health Service Act, except as it relates to dependent members of families of ships' officers and members of crews of vessels of the Coast and Geodetic Survey;

(4) Section 710 (a) of the act of July 1, 1944 (ch. 373, 58 Stat 714), as amended;

(5) Public Law 108, approved June 20, 1949, to the extent it authorizes hospital benefits for dependents of members of the Reserve components of the Armed Forces;

(6) Section 207 of the act of June 25, 1938 (52 Stat. 1180).

SEC. 307. This act shall become effective 6 months after enactment.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

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

The bill (H. R. 9429) was read the third and passed.

FIFTIETH ANNIVERSARY OF THE DEATH OF CARL SCHURZ

Mr. LANGER. Mr. President, I ask unanimous consent, because of a temporary affliction to my eyes, that a speech I have prepared be read by the clerk.

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

The Chief Clerk read as follows:

Mr. LANGER. Mr. President, I wish to call attention to the fact today, the 14th of May, that half a century has passed since the death of Carl Schurz, who became an outstanding citizen of the United States.

At the time of President Grant's administration he was a Member of the Senate and as such a member of the Foreign Relations Committee. Therefore, it seems altogether fitting and proper that today he should be honored in this Chamber. The life of Carl Schurz has been a source of inspiration to many Americans and, I may add, he has been a hero to me since early boyhood.

Let us, for a moment, look back over the wide range of his life, his youth in Germany and the courageous part he took in the struggle for political freedom and unity of the people over there. Let us then visualize his amazing career in this country. From an unknown immigrant he rose, within 5 years, to be the unanimous choice of his party for the office of lieutenant governor of Wisconsin, losing the election by only a small margin of votes.

Today, we also remember him as an American Minister to Spain, as a major general of the Union Army and commander of the XI Corps in the Battle of Gettysburg, as a United States Senator from Missouri, as President Hayes' Secretary of the Interior, as an eminent editor and author, a sturdily independent, public-spirited citizen, and an outstanding political leader.

In the whole history of this Nation, there was perhaps no other man of foreign birth so perfectly welded into the life and fabric of his adopted country who played an equally important role.

Some of Carl Schurz' keen observations, though written many decades ago, are as timely today as if they were made just now. He was probably one of the first, in 1858, to perceive the greatness of Abraham Lincoln. In October 1864, when Lincoln's administration was severely criticized, and his reelection at the polls by no means certain, Carl Schurz wrote these words:

I will make a prophecy which may perhaps sound strange at this moment. In 50 years, perhaps much sooner, Lincoln's name will stand written upon the honor roll of the American Republic next to that of Washington, and there it will remain for all time. The children of those who now disparage him will bless him.

Carl Schurz was not born an English-speaking person. He did not learn our language in school, but acquired the knowledge of it in manhood. Yet he became a master of it as he made American political ideals his own ideals. Some passages of his speech, On True Americanism, delivered in 1859, nearly a century ago, still have a timely note when we think of the unfortunate peoples now enslaved by the Kremlin dictators and their satellite henchmen:

America and Americanism—

Schurz spoke of his early experiences in Germany—

appeared to me as the last depositories of the hopes of all true friends of humanity. I say this to show you what America is to the thousands of thinking men in the Old World, who, depressed by the saddest experience, cling with their last remnant of confidence in human nature, to the last spot on earth where man is free to follow the road to attainable perfection, and where he acts on his own responsibility.

Schurz then proceeded to speak of the various elements making up the fabric of our Nation:

The Anglo-Saxon establishes and maintains his ascendancy, but without absolutely absorbing the other national elements. They modify each other, and their peculiar characteristics are to be blended together by the all-assimilating power of freedom. This is the origin of the American nationality, which did not spring from 1 family, 1 tribe, 1 country, but incorporates the vigorous elements of all civilized nations on earth.

The Anglo-Saxon, the leader in the practical movement, with his spirit of independence, of daring enterprise and of indomitable perseverance; the German, the original leader of the movement of ideas, with his spirit of inquiry and his quiet and thoughtful application; the Celt with the impulsive vivacity of his race; the Frenchman, the Scandinavian, the Scot, the Hollander, the Spaniard, and the Italian—all these peaceably congregating and mingling together. Thus was founded the great colony of free humanity, which has the world for its mother country.

Schurz ended his ringing appeal for true Americanism—let the makers of Yalta and Potsdam take notice—with these words:

It is a matter of historical experience, that nothing that is wrong in principle can be right in practice. People are apt to delude themselves on that point; but the ultimate result will always prove the truth of the maxim.

The logic of things and events cannot be turned and twisted by artificial arrangements and delusive settlements; it will go its own way with the steady step of fate.

Thus we mean to answer the anxious question of downtrodden humanity: "Has man the faculty to be free and to govern himself?" The answer is a triumphant "Aye," thundering into the ears of despots of the Old World that "a man is a man for all that"; proclaiming to the oppressed that they are held in subjection under false pretenses; cheering the hearts of the despondent friends of man with consolation and renewed confidence. This is true Americanism, clasping mankind to its great heart. Under its banner we march; let the world follow.

In order fully to appreciate these words, it should be realized that the speaker, Carl Schurz, was then an American citizen of not yet 2 years standing. He was addressing in Boston's time-honored Faneuil Hall an audience of distinguished New Englanders, among whom were Henry Wadsworth Longfel-

low and Oliver Wendell Holmes. It was to them that he expounded the meaning of true Americanism.

The life of Carl Schurz thus proves to all the world that this truly is a land of opportunity. This is a land of political opportunity, not for those who preserve their alien identity, and would wish to scheme for aliens' aims, but for those who fully merge themselves into their adopted country and wholeheartedly dedicate themselves to the noble ideals guiding the course of this Nation of ours to an ever-greater role in the affairs of mankind.

Mr. President, I ask, furthermore, unanimous consent to have printed in the RECORD as a part of my remarks the English version of an article in commemoration of Carl Schurz, which has just been published in the Bonn weekly journal, Das Parlament. The article may indicate how closely the Germans are in unison with us in acclaiming the record of a great political figure. The author, Dr. Richard Sallet, is a known scholar and outstanding student of American-German relations.

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

CARL SCHURZ, CHAMPION OF FREEDOM AND JUSTICE IN GERMANY AND THE UNITED STATES

(By Richard Sallet,[1] member of the Steuben-Schurz-Gesellschaft)

Born, March 2, 1829, Liblar near Bonn; died, May 14, 1906, New York City. In commemoration of the 50th anniversary of the death of the American statesman.

There is a long line of distinguished Americans of German birth, such as Peter Minnewit, who in 1626 bought Manhattan Island for $24, and in 1638 established the Swedish colony in what is now Delaware, or John Peter Zenger, the New York printer, who in 1735 fought the first successful battle for the freedom of the press, continuing with Theodore Frelinghuysen, Henry Melchior Muhlenberg, Baron von Steuben, John Jacob Astor, Francis Lieber, Ottmar Mergenthaler, and many others. None of them, however, played as prominent a role in American public life as Carl Schurz. The happy nature of a son of the Rhineland may have facilitated his auspicious start in the United States; but it was the intense urge for individual and political freedom—an urge which should be emulated by Germans of today—which rapidly led him into politics in America as naturally as a duck takes to the pond.

In his famous speech on True Americanism, delivered in April 1859 in Boston's traditional Faneuil Hall, Schurz tells a touching incident, how as a small boy in his native village of Liblar he had watched in the dawn of a morning the covered wagon train of an emigrant family wending its way along the ancient Roman military road to Cologne. They were part of that wave of German emigrants to America among whom we remember Gustave Koerner, later to become lieutenant governor of Illinois. Then and there it was, Schurz told his audience, that the United States for the first time entered his mind, when he overheard one of the bystanders characterize it as "the country where a man can be himself."

His brief career in Germany came to an abrupt and dramatic end. After an elementary education in his father's village school in Liblar he attended classes in the neighboring town of Bruehl and, then, the gymnasium in Cologne after which he was admitted to Bonn University. Here the rebellion of 1848 drew him into politics with an irresistible force. At the first students' meeting he showed early oratorical talent. With his teacher, Gottfried Kinkel, a young assistant professor, he stood on the stairways of Bonn's city hall unfurling the black-red-gold flag of a Germany united in freedom. But the people did not respond to his call for a levy in mass and young Schurz, a few months later, had to "skip town." He joined insurgent troops in the defense of Rastatt, Baden, and when this last stronghold of the revolutionaries fell, he escaped to Switzerland. Kinkel, his teacher, was arrested and imprisoned in Spandau. In the autumn of 1850, Schurz secretly returned to Germany and, in a most daring coup, got Kinkel out of prison and safely to Britain.

There and in France, Schurz earned a livelihood working as a newspaper correspondent. However, he was unable to adapt himself to refugee life there. Doubtful of an early political change in Germany, he decided to migrate to America and, in 1852, landed in New York. The former student of classic languages acquired his first knowledge of English from a classic piece of English political literature, the Letters of Junius, which he translated and retranslated checking his style. Thus, he himself became a master of this language. Frederic Bancroft, who edited the six volumes of speeches, correspondence, and political papers of Carl Schurz, called him "our American Burke," and stated that his mastery of English has perhaps never been and may never be surpassed by any German beginning to learn it after reaching manhood.

When in March 1854, Schurz for the first time visited the Nation's Capital, he was able to discuss with several Members of Congress the political affairs of Europe and America. Again it became evident that politics was his field. "When I come in touch with this atmosphere of political activity, I feel the old fire of 1848 running through my veins as fresh and young as ever," he wrote his wife. "I feel that the true vocation of my life lies where my endeavor will reach out to universal problems." One of those Congressmen meeting him again on the following day remarked: "Sir, you have a fair opening before you. You will have a future in this country. I talked about you with my friends and we came to the conclusion that, if you settle in one of the new States, we will meet you in a few years in this city, and then we shall listen to you in the Halls of Congress as you now listen to us."

Schurz heeded the advice and moved to Wisconsin, which had been admitted to statehood 6 years before, settling in the village of Watertown. His clear perception of American life is shown in one of his very first letters written from America: "If there should not be any brighter prospects, I shall at once go into a legal career. Lawyers are the regular politicians of the people." In 1858, he opened a law office in Milwaukee.

From the very first day, Schurz clearly saw his future in the United States and dedicated himself wholeheartedly to the country of his choice. This was in contrast to Francis Lieber, Frederick Kapp and others who for many years could not rid themselves of the idea of returning to the old country. Kapp abandoned a highly prosperous New York law practice, returned to Germany and was elected to the Reichstag.[2] "I love America," Schurz wrote in 1855 to Kinkel, "I am vitally interested in the things about me—they no longer seem strange. I find that the question of liberty is in its essence the same everywhere, however different its form * * * My interest in the political contests of this country is so strong, so spontaneous, that I am profoundly stirred. More self-control is required for me to keep aloof than to participate in them." Schurz never went into any venture in a half-hearted way; after carefully making up his mind he would then stand up and be counted.

The time of 1856, just a century ago, was eventful for both Carl Schurz and his wife, Margarethe Meyer Schurz. This year marks the 100th anniversary of the opening by Mrs. Schurz of the first American kindergarten in Watertown, Wis. Today, in the United States alone, tens of thousands of kindergarten classes are attended by the majority of American children of kindergarten age. The word has since been adopted by English-speaking people everywhere. Carl Schurz himself had been campaigning in 1856 for the presidential candidate of the newly founded Republican Party with such striking success that in the following year the Republican State convention unanimously nominated him for lieutenant governor. He lost the election by an eyelash, 107 votes, and this 5 years after landing as an immigrant in America. His speeches were widely printed and commented upon. Even in Minnesota, then the frontier of white man's settlement, his name became known in almost every log cabin, and sturdy pioneers came from far afield to listen to that tremendous Dutchman. Literary giants like Longfellow and Holmes were impressed by the careful and accurate diction with which he expounded his thoughts in English.

In 1860, Schurz headed the Wisconsin delegation to the Republican National Convention, participated in drafting the platform, and cooperated in nominating Abraham Lincoln. "You are an awful fellow. I understand your power now," said Lincoln to him when he listened to one of his speeches. After the Presidential inauguration, Lincoln appointed Schurz, 32 years of age at the time, to be American minister at Madrid. But the tour of duty in diplomacy was an intermezzo. A strong sense of responsibility for his adopted country drew him to the battlelines of the raging Civil War. One curious incident might be mentioned here: His Excellency the Honorable Carl Schurz, Envoy Extraordinary and Minister Plenipotentiary of the United States near the Court of Her Royal Majesty the Queen of Spain, chose to return from Madrid via Hamburg. However, the warrant for his arrest still being in the files of many police stations in Prussia, the Berlin Minister for the Interior, Count Schwerin, found it necessary to issue urgent instructions that no objection should be raised to the passage of "the Schurz." (The most noble count did not concede to the American diplomat as much as the humble appellation of "Mr.")

Carl Schurz was appointed brigadier general and went to the front. He was eventually promoted major general, then the highest attainable United States Army rank, and in 1863 commanded with distinction the XI Corps in the Battle of Gettysburg. After the war he settled down in Washington and became correspondent for the New York Tribune. The general's sword decorated a wall of his study while the children played with spurs and riding whip. A year later he edited the Detroit Post, and sometime

[1] Dr. Sallet has been following, in the United States, the career of Carl Schurz for many years and knew some of his friends and disciples. He was graduated from Harvard, received a doctorate from Königsberg, taught government at Northwestern University, had later been in the German Foreign Service, and is the author of several volumes dealing with diplomacy, history, and geography.

[2] His name is today remembered in Germany chiefly through his New York born son who, in 1921, headed an ill-starred putsch against the Reich government.

thereafter joined his friend, Dr. Emil Praetorius, in publishing and editing the Westliche Post, a German-language daily in St. Louis. The career of newspaperman with which Schurz at one time or another was connected throughout his life found a temporary end in 1869. So successful had he been campaigning, in the preceding presidential election, for his old commander in chief, Ulysses S. Grant, that the Missouri Legislature after only 2 years of residence in that State elected him to the Senate in Washington.

The office of United States Senator is the highest distinction which the American people can by elective choice confer upon a foreign-born naturalized citizen. When on March 4, 1869, the 40-year-old Carl Schurz took his seat in the Senate Chamber he may well have remembered the words of that Congressman at his first visit to the Nation's Capital 15 short years ago. Schurz was appointed to the Senate Foreign Relations Committee headed at the time by his friend, Senator Charles Sumner. Though Schurz had been in 1868 a temporary chairman of the Republican National Convention which nominated General Grant it did not mean that he was now willing to follow automatically the President's policies. Quite to the contrary; during his 6 years in the Senate, Schurz persistently fought the principal legislative measures of the Grant administration. When at the next presidential election in 1872 the Republicans renominated Grant, Schurz and other progressives organized a Liberal Republican Party and nominated as their candidate Horace Greeley.[3]

In the Hayes-Tilden campaign of 1876 Schurz supported the Republican candidate. After his election Hayes invited Schurz to join his cabinet as Secretary of the Interior. It was in this office that he achieved an outstanding record. Schurz brought about an improvement in the condition of the colored population; he saw to it that restitution was made for the wrong done the Ponca Indians of Dakota and that an end was put to exploitation of the Indian population; that the great forest reserve was protected against exhaustion and first steps were taken toward the exemplary American forestry service of today. He also laid the basis for the national parks which as preserves of nature are now being admired the world over; and he brought about, in his Department of the Interior, a civil-service reform that became a model reform for all Federal offices. (In later years he presided over the Civil Service Reform League.) Though Schurz achieved this record as a Cabinet member in a Republican administration it is characteristic of his thoroughly independent thinking that in the presidential campaigns of 1884, 1888, and 1892 he threw the whole weight of his influence in the balance for the Democratic candidate, Grover Cleveland, whose fight for integrity in administration has been his mark in history.

Returning to private life and the newspaper profession Schurz for several years was editor in chief and copublisher of the New York Post and for 6 years an editorial writer for Harper's Weekly. For 4 years he represented as general agent the Hamburg-American Line. He also distinguished himself as an author. In the biographical series on American statesmen, Houghton, Mifflin & Co. in 1887 published his two volumes on the Life of Henry Clay.[4] In its edition of June 1891, the Atlantic Monthly published his 30-page essay on Abraham Lincoln, a review of the big Lincoln biography of J. G. Nicolay and John Hay.[5] This book review, separately printed, went through numerous editions—the latest in 1920 with a foreword by Calvin Coolidge, the later President—and is still considered by American historians to be the best essay on Lincoln.

In the presidential campaign of 1896, Schurz once more favored the Republican candidate, William McKinley, and warned against unsafe currency plans of the Democratic candidate, William J. Bryan. When McKinley was elected plans were soon afoot to have Schurz join his Cabinet. It was at this point that Schurz gave an example of his uncompromising sincerity in public life—a principal note of his character: In a public letter he requested that under no circumstances be he considered for a place in the Cabinet. The writer suggests to project this occurrence upon our own West German political institutions to realize how far we are from having reached this high level.[6] When in 1900 McKinley was renominated, Schurz this time came out in favor of the Democratic candidate, Bryan, because conscience demanded that he oppose the imperialistic trend of his own party; he remained true to his ideal. Opposing the rising imperialistic trend, a chapter in American history which ended about the first decade of this century, filled a major part of his later years. While a Senator Schurz had successfully opposed Grant's intention to annex Santo Domingo and had later on fought every attempt—more correctly; temptation—to extend the domain of the United States over Cuba and other Central American countries. Adding tropical lands with a racially different population he regarded as dangerous to his ideal of freedom.

His political maxim was a sentence taken from the famous utterance of Stephen Decatur, "Our country, right or wrong!"—which Schurz had amended in his own characteristic way: "If right to be kept right; if wrong to be set right." Verily, this is a truly democratic way of thinking. Shortly before his death Schurz urged the then young Governor of Wisconsin, Robert M. La Follette, a sturdy independent, to go to the Senate in Washington. The latter has in some respects been a disciple of Schurz.

Viewing, in retrospect, the long career of this one-time rebel of 1848, the question may be raised: Does Carl Schurz still have a message for the present-day generation? The writer would draw the attention to three aspects of his life. Firstly, his conduct as a citizen. Schurz was an exemplary politician in the best meaning of that word. Never would he for political advantage compromise his principles of right and justice, but would rather choose to go the thorny path of opposition. Secondly, and this may be especially appropriate after 10 years of United States occupation rule in Germany, his opinion of the American people merits the attention of every interested German. In a letter to a fraternity brother of student days in Bonn he wrote: "Here in the United States you see humanity as it is with all its obvious shortcomings and all its hidden virtues. The former should not frighten you away from the effort to realize the latter. Only thus will you understand one another."

His views about the purpose of the German element in the United States is most noteworthy. How much confusion and tragic damage would have been averted had people in later years paid close attention to it: "The so-called mission of Germandom in America of which some people make so many words can consist only of a modification by the German way of the American way of thinking, while the two nationalities merge." On the position of the United States in a future world Schurz wrote in 1863 to this same fraternity brother these prophetic words: "In this Nation, the sum, the amalgam of all civilized nations there is a Titanic strength which will draw humanity forward like a giant locomotive. Old Europe is going to feel its power."

And, lastly, his observations on the relationship between the United States and Germany: About 100 years ago, not yet 3 years after his landing in New York, we read in a letter of the 26-year-old to his teacher and friend, Gottfried Kinkel: "It is my belief that the future interests of America and Germany are closely interwoven. The two countries will be natural allies. * * * However different the two nations may be in character, they will have the same opponents, and that will compel them to have a corresponding foreign policy. American influence in Europe will be based on Germany, and Germany's world position will depend essentially on the success of America. Germany is the only power in Europe whose interests will not conflict with those of America, and America is the only power in the civilized world that would not be jealous of a strong, united Germany * * * the Germans will become convinced of it as soon as they consider a national foreign policy." The letter, dated March 25, 1855, could almost have been written a century later.

Since the Venezuelan crisis had, like a sudden lightening in the dark, thrown American-German relations into sharp relief, the elderly Schurz contemplated about it on various occasions. On February 5, 1903, at a time when the reorientation of American policy toward Europe was in process, he answered an inquiry about the possibility of a war against Germany: "A war between the United States and Germany would be so awful, so incalculable a calamity that only the most absolute and evident necessity could serve as an excuse for it. * * * In fact, there is no real question of difference between the two countries important enough to disturb their ancient friendship. A war between them would therefore not only be criminal, but idiotic."

While at the conference of the Great Powers in Algeciras the United States was about to take position against Germany, Carl Schurz in one of his very last letters, dated April 8, 1906, wrote: "It is a matter of course that every proper effort to guard against any disturbance of the existing peaceable and friendly relations between the United States and Germany has my sincerest and warmest sympathy. The friendship between the United States and Germany is as old as this Republic itself. It has remained unbroken because it was demanded by all considerations of interest, of civilization and of international good will. And it is as much so today as ever before. There is between the two nations not the slightest occasion for discord. To provoke such a discord without the most imperative cause would be a crime as well as an absurdity. I am well aware that here as well as abroad voices are sometimes heard which represent as probable such a discord and even an armed conflict between the two nations. I do not hesitate to say that whoever wishes a war without the most commanding necessity belongs to an era of barbarism but not to the civilized society of this century."

In spite of the reassuring words to the addressee there is in this letter an underlying note of apprehension—so well justified since the Venezuelan affair—that the two nations were parting ways and that a critical period lay ahead for American-German relations which, a half century before, the

[3] Horace Greeley found among the German element many admirers. The father of the later Reich bank president, then living in the United States, named his son in honor of the great American editor, Hjalmar Horace Greeley Schacht.

[4] Henry Clay is the great-granduncle of Gen. Lucius DuBignon Clay, lately head of the American Military Government in Germany.

[5] The two former private secretaries to the martyred President. John Hay became later well-known as Secretary of State.

[6] A few years before, a group of New York German-Americans, having learned of the difficult financial situation of Carl Schurz, subscribed to a fund of $100,000; but Schurz protested and refused to accept the gift.

young immigrant had so uncannily forecast. Five weeks later, Schurz fought his ultimate battle. "It is so easy to die," were his last spoken words.

Fifty years have passed since. They were filled with mounting political enmity, two bloody wars, crushing defeats of Germany, endless misery, and now a new beginning. And, again, "voices are sometimes heard" arguing that the relations between the two nations may once more become problematical. Are we to share the last worries of the great man? After a few brief years of pursuing a common goal, are we again moving toward a critical phase? This writer shares, and opts for, the conception of young Carl Schurz in March, 1855.

Mr. LANGER. Mr. President, today, in the city of Bonn, West Germany, a bust of our American statesman, Carl Schurz, is being unveiled on the grounds of the university. Bonn had been the scene of his first political activities when, in the turbulent year of 1848, he had been a student at its university. The bust of Carl Schurz is to remind young Germans of this and coming generations of their obligation to live up to his inspiring example.

Mr. President, I ask unanimous consent to submit a resolution by conveying friendly greetings to the Bundestag of the West German Federal Republic upon the unveiling of this monument in honor of Carl Schurz, and I ask that it be appropriately referred.

The PRESIDING OFFICER. Without objection, the resolution will be received and appropriately referred.

The resolution (S. Res. 263) was referred to the Committee on Foreign Relations, as follows:

Resolved, That the Senate hereby conveys friendly greetings to the Bundestag of the West German Federal Republic on the occasion of the unveiling of a bust on the campus of the University of Bonn in honor of Carl Schurz.

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

Mr. LANGER. I yield to the Senator from New York.

Mr. LEHMAN. I wish to associate myself with the remarks of the distinguished senior Senator from North Dakota. I knew Carl Schurz as a boy and a young man. He was an intimate friend of my father, and I went to school with some of his sons. He was a man who had won the respect of the American people, both because of his service in the war, as a leader of the military forces, and also as a man of peace, who helped to build up the growing country and played a great role in bringing prosperity, security, and peace to our Nation.

I am very glad, indeed, that the senior Senator from North Dakota has given expression to his admiration, in which I share, for this man and has recommended the observance of the 50th anniversary of his death.

Mr. LANGER. I thank the junior Senator from New York.

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

Mr. LANGER. Mr. President, I have the floor. I shall not yield for that purpose.

ANALYSIS OF THE MIDDLE EAST SITUATION

Mr. MORSE. Mr. President, at this point will the Senator from North Dakota yield to me?

Mr. LANGER. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I thank the Senator from North Dakota; this is another example of the very great courtesy he always extends, not only to the Senator from Oregon, but to all his colleagues in the Senate. I would not request the Senator from North Dakota to yield to me at this time, except for the fact that I have some Senate business off the floor to which I must proceed at once.

Mr. President, I have the habit of accumulating in my office material which periodically I seek to introduce into the RECORD. At this time I shall request consent to have several such items printed in the RECORD.

Mr. President, I have received a very penetrating and keen analysis of the Middle East situation, by a constituent of mine, Mr. Fred E. Taylor, who lives at Lincoln Beach, Oreg. He has traveled extensively in the Middle East, and he has written me a letter setting forth his observations. I wish to say I believe they constitute one of the best discussions of the Middle East problems that I have read in recent months. He is critical of American foreign policy in the Middle East and, certainly, there is much about our foreign policy in the Middle East that should be criticized. I happen to hold to the point of view that in the Middle East we are selling freedom short, and it is going to plague us, as will be seen when the history of this particular period is written.

I ask unanimous consent to have Mr. Taylor's letter printed at this point in the body of the RECORD, in connection with my remarks. His letter gives an analysis which I hope each Senator will read.

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

LINCOLN BEACH, OREG.,
April 10, 1956.

Senator WAYNE MORSE,
United States Senate Offices,
Washington, D. C.

DEAR SENATOR MORSE: This letter is the substance of one sent the President's office in which I expressed my personal confusion and the deep concern of myself and many others over our policy in that portion of the globe long known as "a low pressure area of international storms," the Near and Middle East.

We cannot understand the spirit that would nurture potential democracies and friendly nations as we do on one hand and on the other seemingly disregard the one bastion of free people in that section of the world. In recent years I visited over 21 different countries. This does not qualify me as an authority, however, my study of these lands, extending over many years, together with my visit tags Israel as one of the relatively few countries where you actually see democracy at work—where even their bitter enemies, the Arabs, are given the right to vote and hold office, and they do. At the end of October 1955, there were 198,000 non-Jews (mostly Arabs) in Israel out of its population of 1,774,000.

On the other hand I talked to many in isolated places where, particularly the British were subsidizing and training Arab forces to fight Israel, much to the disgust and distrust of some of the British officers. The chickens are now coming home to roost. We delighted in our visit to the Arab lands and learned to think much of these sons of Ishmael, who have willingly, and according to the will of Allah, lived under centuries of oppressive rule, but I deeply regret our position of courting their feudal lords for their grimy oil dollars. Certainly our position is not morally sound and I doubt its economic stability over a long-term period.

I suggest that there are far more people than you may think who are much disturbed with the position we hold but who, like myself, hesitate to join the critics of any administration because of the tiresome and inconsistent bickering of political leaders. I say this as a registered Democrat for 40 years. This is my first personal letter to our national leaders in my 61 years of life, or to the newspapers, and trust my letter is clear enough as to not distort my motives.

No doubt the President and the Secretary of State have taken into consideration many important matters before making such serious decisions—no doubt among them are:

1. The Balfour declaration and its repudiation by the white paper.

2. The assassination of millions of Jews in Europe as the world looked on.

3. The Jewish return to what seemed to be the only place of reasonable refuge, Palestine.

4. The Arabs were more than willing to sell their properties in Palestine at blood-sucking prices of six times their values until the ambitious Jew changed the very face of the land—then he became jealous even though he was, by association with the new prosperity, in a much improved state. In their own sections the Arab continues to live in his traditional way—living standards of 2000 B. C.

5. The suffering Arabs excluded from Palestine were deluded by their Arab masters and forced into a position where they now suffer from what, in other similar cases, we dismiss so easily as "the fortunes of war." I have in my possession photostatic copies of official British documents which report that the Jews implored the Arabs during their exodus in 1948 to not leave their homes or their properties.

6. The number originally excluded or who left Palestine of their own choice is far less than that so carelessly published today by the Arabs who, in this case, do not show the traditional hatred of census taking, which heretofore included only the able-bodied men of fighting strength. Naturally, the increase since the exodus is great. What have the Arab leaders done for their unfortunate brothers?

7. The drums of the Arab leaders still beat the never-ending refrain, "We will never make peace with the Jews." "We shall never rest until they are driven into the sea and exterminated." Need we name names and dates?

8. I know that you are also aware of the thousands of "unauthorized attacks" on the part of the Arabs who deny any responsibility for these vicious raids on Israel villages and homes. You also know of the overwhelming proofs that these raids are actually planned by Arab authorities and that unbelievable human tolerance and restraint has been shown by Israel authorities. We also know that some of the relatively few retaliatory raids on the part of the Jews have been both official and unofficial, but just how much can a human twig be bent before breaking?

9. We also know that you are aware that Israel is an isolated island surrounded by a sea of enemies on a land area of 1,692,423 square miles against that of only 8,084 square miles in Israel. The 43,905,000 in the Arab League of Nations have ample room for their

traditional roaming propensities, while the 1,500,000 Jews in Israel must live by scientific and intensive use of their lands. Who would deny this people a small parcel of land which is traditionally theirs and legally theirs by right of purchase and defensive conquest after having been driven out of their own homes from country to country during the centuries, merely because they are guilty of being Jews? Where is our boasted tolerance of all races, colors and creeds? Of course, I may not like some of the Jewish traits but I doubt if he is enthusiastic about some of mine.

Would our Nation, with its reputation for humane policies then say (as reported in the papers): "We are committed to a balance in power among these nations." "We can't give them arms unless we give arms to the Arabs also." "We don't want to start an arms race." Would we be guilty of the annihilation of the little nation of Israel by allowing other nations to arm the huge Arab nations and let Israel rot on the vine as we seem to be doing? Certainly the army of 250,000 (one-sixth of its total population) ascribed to Israel cannot be taken too seriously when we consider their precarious position and the 43,000,000 hostile Arabs surrounding them. We could furnish "too little too late," to a seriously outnumbered nation.

Although this may not be subscribed to by either the Jew, the Arab or the Gentile, as a whole, it would not be amiss if our leaders would recall that the Bible has something to say about these problems and if they would follow its record of the Jew and the Arab. There are still a few people who believe that their future states are found in that record. Need I quote the portions? Do you not value the scholarly appraisal of the once desolate land of Palestine and its Arab-Jewish problem by our noted government soils authority, Walter Clay Lowdermilk, in his "Palestine—Land of Promise," or Justice William O. Douglas' "Lifting the Yoke of Feudalism."

I am sure you realize the concern we have for what may be a too modern approach to this age-old Arab-Jewish problem or its over simplification. Many people do not realize that the Arab, as an Oriental, actually thinks and acts contrary to an Occidental. I doubt if Nasser considers himself inconsistent, at least not according to Oriental standards. A neutral authority on Orientalisms is hard to find but he would be invaluable at a time like this. Ben Gurion and others who have dealt successfully with the Arabs by daily contact for so long really understand the Arabs and can get along with them providing there is no outside interference or exploitation by their feudal leaders. I wish that space would allow some illustrations.

In dealing with this deep-rooted problem of ancient origin, I hope our leaders will make a reappraisal of their stand and endeavor to reach a reasonable but firm solution. Temporary measures will surely result in continued tragedies for new generations.

Sincerely,

FRED E. TAYLOR.

GREAT LAKES BULK CARGO VESSELS

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1896, Senate bill 3108.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3108) to encourage the construction of modern Great Lakes bulk cargo vessels.

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

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

THE COMMUNIST CONSPIRACY AGAINST PRIVATE PROPERTY

Mr. LANGER. Mr. President, I send to the desk the text of a speech I wish to make; and because of the temporary affliction to my eyes, I ask unanimous consent that the speech be read by the clerk.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Is there objection to the request of the Senator from North Dakota? The Chair hears none, and the clerk will read as requested.

The Chief Clerk read as follows:

Mr. LANGER. Mr. President, on February 1, I presented to the Senate a detailed account of the operations of the Moscow directed Communist conspiracy to undermine the principle of the sanctity of private property throughout the world, and especially in the United States, by promulgating legislation confiscating the private property in the United States of civilians of the countries with which we were formerly at war. All directed by and carried out by traitor Harry Dexter White, top Communist agent, his associates, and fellow travelers.

One of the purposes of that speech was to call attention to a flagrant violation of one of our basic principles which we heretofore had always observed, and also to demand justice for the victims of this outrage resulting from this Communist conspiracy. Another was to tear away the misunderstanding, confusion, and lies deliberately fostered by the Communists to make the world believe that two American Presidents, Franklin D. Roosevelt and Harry S. Truman, had with full knowledge abandoned American principles of the inviolability of private property against confiscation and instead had adopted basic Communist policy that there is nothing sacred about private property.

RELUCTANCE OF THE PRESS TO PUBLISH THE FACTS

I had hoped the subject concerning so vital a matter as justice and honor, both to President Roosevelt and President Truman and the victims of this conspiracy, that it would receive the widest attention in the press. I was disappointed in part. The chief comments from the major press services dwelt principally on the fact that the speech was read for me and was 80,000 words long. It seems appropriate therefore that I explain why it was read and why this occurs now.

The Lord has visited me with an affliction upon my sight. I am told that it is temporary, but even so, now I find it difficult to read in the conditions under which a speech is made. I have been told to spare my eyes as much as possible and I therefore ask your kind indulgence in that, on extended talks, my statements must be read for me by another.

I find, however, that the limitations of physical sight have served to sharpen the more important sight which must be had to see what is important and what must be done if principle and justice are to survive in the world. Hence, my present physical affliction may well be a blessing which the Lord has given me.

RESPONSE FROM CITIZENS

In view of the limited attention which the press and particularly the press in the eastern part of the United States saw fit to give to my remarks made on February 1, I have been amazed at the response to my speech. I have received many letters from distinguished Americans who are gravely concerned with these departures from American principles that I described. I have been commended by men who have been at the forefront in exposing and fighting the Communist conspiracy not only for years but for decades—Republicans and Democrats alike—who never believed that any President of the United States would deliberately and with full knowledge become a part of the Communist conspiracy by deliberately promoting spies and traitors—a charge which every American must not only reject but must deeply regret.

I have had countless more letters from these solid Americans who see confiscation of private property, the taking of estates, trusts, copyrights, patents, bank accounts, real property, shares in private businesses, as morally wrong and who resent any action which makes their government a party to wrong doing. I have even received some letters from abroad from people who appreciate that it is adherence to moral principle that is the difference between the free world and the Communist world of slavery. I received not one letter from anyone who disagreed with my statement that the basic difference between governments of the free world and Communist controlled governments lies principally in one thing, namely, that in the free world the governments are dedicated to the principle of the inviolability of private property rights as the foundation stone of personal freedom and their governments are designed to create and protect equality of opportunity and a better life for all under the free enterprise system. Communist governments are dedicated to the destruction of all private property rights, and consequently, all freedom, for Karl Marx, Engels, Lenin, and Stalin all taught that communism cannot succeed nor could the Communist Party dictatorship continue to hold power as long as the means of production are owned by individuals, and now Khrushchev preaches the same doctrine.

To all these people, students, professors, judges, diplomats, Congressmen, Senators, businessmen, and citizens who have responded to my speech, I give my deep and heartfelt thanks. My voice may be a voice coming out of the darkness, it may be a voice that is not repeated on broadcasts, but I have in these countless letters the proof that the truth I sought to spread does get through.

WITNESSES ARE COMING FORWARD WITH THE FACTS

I am deeply moved by the number of truly patriotic men and women, in and out of Government service, some associated with these confiscated businesses run by the Office of Alien Property, De-

partment of Justice, who since my speech on February 1 have come forward to supply the remaining few links that are missing in this worldwide conspiracy and who confirmed all I said in that speech. I said patriotic men and women because as the subcommittee of the Senate Judiciary Committee in its report on Interlocking Subversion in Government Departments just released says in its foreword on page VI:

> Witnesses are few, and often loath to defy the physical and ideological victimization with which the Communists deal with so-called informers.

I quote further:

> Hence it is necessary to piece together every fragment of information with the most painstaking care in order to arrive at a conception of the nature of the enemy's apparatus in our midst.

I say to these men and women who have not yet come forward to have no fear but to come forward and tell me, or any Senator, Republican or Democrat of either the Senate Subcommittee Investigating Interlocking Subversion in Government Departments or the Senate Subcommittee Investigating the Communist Confiscation Policy under the Trading With the Enemy Act, what they know, and I assure them their disclosures will be held in confidence.

I FIRST EXPOSED HARRY DEXTER WHITE

The report of the Subcommittee of the Senate Judiciary Investigating Subversion in Government Departments confirms everything I said about that master conspirator, Harry Dexter White, and names his closest associates who took part in this confiscation program. May I recall that more than 2 years before the Attorney General, Mr. Herbert Brownell, exposed Harry Dexter White in a speech at Chicago on November 6, 1953, I had charged that Harry Dexter White was the top Communist agent in the United States, in speeches I made on this Senate floor which appeared in the CONGRESSIONAL RECORD on January 29, 1951, and again on February 5, 1951.

Yes, my speech of February 1 was 80,000 words long, but for the first time the entire conspiracy was laid bare, fully documented and fully proven.

It took 80,000 words to present the facts in chronological order from the time of the birth of the Communist policy in Moscow, based upon the teachings of Marx and Lenin to drive from the minds of men that there is anything sacred about private property until its final fruition, namely, confiscation, brought about by the lies, trickery, and deceit of traitors. And these lies involved two Presidents of the United States—Franklin D. Roosevelt and Harry S. Truman. Now it is proven that these two Presidents were betrayed by friends and neighbors in whom they had every right to have confidence. Ever since the end of World War II the Communists and fellow travelers and even some capitalist pirates who want to hold onto these stolen properties for their own gain, have made it appear that President Roosevelt inaugurated and President Truman carried out Moscow's policy for destroying private property rights throughout the world, thus laying the foundation for the spread of communism throughout the world as we have witnessed.

THE FRAUDULENT DOCUMENT IN THE BOOK GERMANY IS OUR PROBLEM

In my speech of February 1, I said that Communist conspirator, Harry Dexter White and his Communist associates and fellow travelers deceived the American people and President Truman into believing that President Roosevelt and Winston Churchill had actually approved the confiscation of all German private assets throughout the world when they initialed a document at the second Quebec Conference on September 11, 1944. I charged that the photostatic reproduction of the Morgenthau plan as it appeared in Morgenthau's book Germany Is Our Problem which was admittedly written by Harry Dexter White and which was published only a few months after President Roosevelt's death, was fraudulent because it included paragraph E providing for the confiscation of all German private assets throughout the world, and that this fraudulent reproduction implied that that document was signed by Winston Churchill and President Roosevelt with that provision in it. I charged that Winston Churchill and President Roosevelt never signed a document providing for worldwide confiscation of private property of German civilians but that the Communists deliberately made it look as if they did.

Fortunately, in the release of the second Yalta papers in December of 1955, there was included an unusual document. I say unusual since it did not refer to Yalta at all, but referred to the Second Quebec Conference. This document was the memo made by Harry Dexter White for his chief, Henry Morgenthau, telling of their meeting immediately after the Second Quebec Conference with Secretary Cordell Hull and Secretary Stimson, at which Mr. John J. McCloy, who was then Assistant Secretary of War was present.

In order to prove this deceit and fraud perpetrated upon a President of the United States, I said in that speech that I was going to write a letter to Mr. McCloy and ask him for an explanation. I felt that he, being chairman of the board of a large banking institution in the United States and who after serving as Secretary of War became High Commissioner for Germany, would certainly have protested against such a confiscation clause had it been in that document. I now have a reply from Mr. McCloy and I want to put it in the RECORD so that all the people will know that President Roosevelt at no time approved the confiscation policy. Here is Mr. McCloy's reply to my letter. It reads as follows:

MARCH 27, 1956.

MY DEAR SENATOR LANGER: I have just had an opportunity to read your letter to me dated February 13. The letter came after I had left for a somewhat extended tour of the Middle East, from which I have very recently returned. I have also read with interest your references to me contained in the speech that you made to the Senate on February 1, which references are contained on page 1795 of the CONGRESSIONAL RECORD which you were good enough to send to me.

Unfortunately, I do not have ready access to many of the records which were made at the time of the meeting to which you refer. My personal records are scattered about and so I would have to reply to you at the present time purely from memory. My recollection of the meeting in Mr. Hull's office to which you refer is, however, very vivid. I also recall very well the paper which was initialed by Mr. Roosevelt and Mr. Churchill and the manner in which it was presented to the group by Mr. Morgenthau.

This paper set out the general principles under which Germany was to be administered after the expected victory was accomplished. There had been considerable discussion regarding the principles of our policy respecting defeated Germany. The discussions took place in the War Department, the State Department, and, to some extent, in the Treasury Department. If my recollection serves me right, the War Department was the first one to initiate any draft directives on this subject as it was presumably their responsibility to administer defeated Germany. However, the State Department proceeded to draw up some principles under which Germany was to be governed and the Treasury Department did likewise. Both of these proposals shocked Mr. Stimson, the proposal of Mr. Hull only a little less than that of Mr. Morgenthau. For Mr. Stimson's reaction to the Hull and the Morgenthau proposals and my part in it all, I would refer you to Mr. Stimson's book entitled "On Active Service in Peace and War." If you will refer to page 568 of this book you will there find a discussion of the so-called Morgenthau plan. It is an entirely accurate account so far as I can now recall.

Mr. Morgenthau had apparently pressed upon Mr. Roosevelt and Mr. Churchill at Quebec an endorsement of his views as to how conquered Germany should be administered. On his return to Washington he brought with him the initialed memorandum which you referred to in your speech. He laid it before Mr. Hull and Mr. Stimson in the former's office in the State Department. I was present in Mr. Hull's office when the document was presented. I have no record to confirm it but I believe I recall that Mr. White was also present at this meeting. I say this because Mr. White was usually present at meetings which Mr. Morgenthau attended dealing with the administration of Germany. The initialed agreement between Mr. Roosevelt and Mr. Churchill is set forth in full at the bottom of page 576 and the top of page 577 of Mr. Stimson's book. I saw the original and it conformed to the copy in the Stimson book.

I took part in the drafting of all the memoranda which Mr. Stimson submitted to his colleagues in protest to the so-called Morgenthau plan as well as to the original Hull plan.

As you will see from the initialed agreement as it is set forth on pages 576–577 of Mr. Stimson's book, there is no reference made to the confiscation of German assets throughout the world. Though I think the original initialed memorandum has disappeared, there is no doubt that the reproduction of it in Mr. Stimson's book is complete and accurate. I believe that a number of photostatic copies still remain in existence.

I believe the foregoing gives you the essential data that you are seeking in regard to the initialed agreement and to Mr. Stimson's and my connection with it. The record, I think, is quite clear that Mr. Stimson and I, from the beginning, were in strong disagreement with the so-called Morgenthau plan, particularly as it was reflected in the agreement between Mr. Roosevelt and Mr. Churchill which was initialed in Quebec; but it contained no reference to German assets

throughout the world. If there is any further information that you seek and I am in a position to supply, I shall be glad to do so.

Sincerely,

JOHN J. MCCLOY.

Mr. McCloy also sent a letter to the Voluntary Citizens Committee for the return of all confiscated German and Japanese private properties, and I want to read it. It reads:

DEAR MR. FINUCANE: I have your letters of February 6 and 24 in regard to the statements made by Senator LANGER on the floor of the Senate in regard to initialed agreement of Mr. Roosevelt and Mr. Churchill respecting the policies to be applied to Germany in the postwar period. I received a letter from Senator LANGER asking me to state what I know of this memorandum and I have replied in the form attached.

As you will see from my reply to Senator LANGER, the initialed document which was presented to the meeting in Mr. Hull's office was as set out in Mr. Stimson's book. I think Mr. Morgenthau had the original copy with him and displayed it to us. He also had some photostatic copies. The agreement, as he presented it to us, had nothing to say about the confiscation of German assets throughout the world, nor did I ever hear it suggested that Mr. Roosevelt or Mr. Churchill advocated such a policy. Subsequently, I heard that some attempt was made to find the original initialed copy but it could not be located. I always had a feeling that someone in the White House—not Mr. Roosevelt—had destroyed it after all the criticism of the policy had appeared in the newspapers. I am certain the original was initialed in the handwriting of Mr. Roosevelt and Mr. Churchill, both of whose handwriting I was familiar with. There were also several photostatic copies about. The text of the initialed statement was just as it appeared in Mr. Stimson's book—no more, no less.

Sincerely,

JOHN J. MCCLOY.

Note what Mr. McCloy says:

The original document which he saw which was initialed by Roosevelt and Churchill at Quebec did not contain a provision to confiscate German private assets throughout the world.

I am indeed happy that I, as a Republican, have contributed in a small measure to clearing the good name of our Democratic President, Franklin D. Roosevelt in this matter and I thank Mr. McCloy for his cooperation. My only regret is that Mr. McCloy did not come forward long ago and tell us the facts. He should have done so. Although Mr. McCloy in his letter is not clear as to whether or not Harry Dexter White was there, we now have Harry Dexter White's own memorandum proving that he was present at that meeting.

Note further what Mr. McCloy said. He said that the original document was destroyed by someone in the White House, not President Roosevelt.

Mr. McCloy also addressed a letter to the Senator from South Carolina [Mr. JOHNSTON], chairman of the Subcommittee of the Senate Judiciary Investigating the Operations of the Communist Conspiracy Under the Trading With the Enemy Act. Mr. McCloy's letter to Senator JOHNSTON is dated April 17, 1956, and I wish to read Mr. McCloy's letter. It is as follows:

APRIL 17, 1956.

MY DEAR SENATOR: I have your letter of April 13 and I am very pleased to take this opportunity to state my viewpoint on the matter of vesting former enemy assets and particularly to make clear some of the statements which have been made in connection with a recent letter I wrote to Senator LANGER in regard to some inquiries which he addressed to me respecting the memorandum initialed by Messrs. Roosevelt and Churchill at Quebec.

Taking the latter subject first, I enclose a copy of my letter to Senator LANGER, which I understand has already appeared in the CONGRESSIONAL RECORD. In that letter I was simply replying to the suggestion that a reference of some sort to the seizure of enemy assets had been contained in the Quebec memorandum but had subsequently been suppressed. My letter denied that suggestion. However, I really believe that the contents of that memorandum, as well as the contents of my letter, have no real relevancy to the question of the vesting of former enemy assets. Whatever the motivation for the action which resulted in the seizure of enemy assets may have been, they were seized in accordance with a custom that is as old as the hills in case of wars. In short, I am quite clear that neither the seizure nor the possibility of return was an incident of the so-called Morgenthau plan.

As to the general principle of the return of former enemy assets, I have always felt that, assuming the claims of American private citizens were adequately taken care of, our policy should always be directed toward the return of seized private property. I recognize that certain transcendent national policies or security considerations may be involved which would contravene in certain cases the full recognition of this policy, but these contraventions should be the exception rather than the rule. I have not examined the provisions of the various bills now before Congress but to the extent that they do operate to recognize this principle I would be in favor of them.

I hesitate to express my views, particularly in relation to German assets, by reason of the fact that I was somewhat recently a Government official dealing with the rehabilitation of Western Germany. I am aware of some complexities in regard to the German situation as to which I would be hesitant to testify without a fuller knowledge of all considerations that might apply to particular pieces of the proposed legislation. But quite apart from my interest in Germany and my former position as United States High Commissioner to that country, I do feel that the principle that I have stated above is a sound one and ought to be recognized by the United States.

Sincerely,

JOHN J. MCCLOY.

Note what Mr. McCloy says in his letter to the Senator from South Carolina [Mr. JOHNSTON]:

In short, I am quite clear that neither the seizure nor the possibility of return (referring to these confiscated German and Japanese private property) was an incident of the so-called Morgenthau plan.

I am afraid Mr. McCloy still does not know the facts, but I am happy that at this late date he agrees with the general principle of the return of former enemy assets. I say at this late date. He should have taken a position long ago, for while he was High Commissioner in Germany this is what he did. Under date of March 29, 1956, there appeared a long, 3-column story about Krupp global interests in the Wall Street Journal, and as a part of that story I wish to quote the following about Mr. McCloy:

On July 31, 1948, after 3 years in jail awaiting trial, Alfred Krupp stood before a court at Nuremberg and heard 3 American judges sentence him to "forfeiture of all your property, both real and personal." He was also given a prison term that was supposed to run until April 1957.

But in 1951, John McCloy, then United States High Commissioner for Germany (now chairman of the Chase Manhattan Bank) ordered Herr Alfred Krupp's release. And he canceled seizure of the industrial empire on the ground that confiscation of private property conflicts with American ideals of justice.

That is the quotation from the Wall Street Journal.

Mr. President, I am sure that if Mr. McCloy, along with other bankers and financiers throughout our great country, men who should always defend the private enterprise system, the right to own private property, had come before our committee, and said he was just as interested in taking care of the little people in Germany as he was in taking care of Alfred Krupp, we would not be in the situation we are in today.

I say that Mr. McCloy was right when he ordered the return of all the real and personal property belonging to Mr. Alfred Krupp.

I hope that this administration will now have his assistance and his cooperation and the cooperation of his associates in bringing about a complete return of these still confiscated private properties belonging to the "little" citizens in Western Germany.

Let us remember that McCloy was appointed High Commissioner to Germany by President Truman. I am sure Mr. McCloy's decision to return all the real and personal property belonging to Alfred Krupp had the approval of President Truman or he would never have done it. This is further proof that President Truman was against the confiscation policy.

ROOSEVELT WAS AGAINST THE CONFISCATION POLICY

If there are still some people who would like to confuse the matter further and who would like to blame President Roosevelt for adopting basic Communist policy, may I recall to them the speech President Roosevelt made from the White House to the American people less than 1 month after the Second Quebec Conference. That speech was broadcast nationally on October 5, 1944, and I quote from that speech which is reprinted in Vital Speeches, the issue of October 15, 1944. In that speech President Roosevelt confirmed his belief in the inviolability of private property for he said:

I have never sought and I do not welcome the support of any person or group committed to communism or fascism, or any other foreign ideology which would undermine the American system of free competitive enterprise and private property.

I am sure that President Roosevelt did not refer to private property rights in the United States only. I am sure that President Roosevelt knew the basic difference between Communist-controlled governments and governments of the free world, and I am confident that he was not going to impose upon the German and Japanese people Communist principles by promulgating a Communist scheme to confiscate their private property.

CHRISTIAN LEADERS WARNING UNHEEDED

That Christian leaders throughout the world, during that period, knew what was going on, is established beyond a question of a doubt when 10 days before the Quebec Conference, where Harry Dexter White tried to put through the Communist program for the complete destruction of private property rights throughout the world, the Holy Father, Pope Pius XII, in a broadcast from Vatican City entitled "Rights of Private Property," made on September 1, 1944, stated as follows:

Leo XIII in his encyclical "Rerum Novarium" laid down the principle that a legitimate economic and social order should rest on the indisputable foundation of the right to private property.

Christian conscience cannot admit as right a social order that denies the principles or renders impossible and useless in practice the natural right to ownership of commodities and means of production.

Are we to submit to the dictatorship of a political group that as a ruling class, will control the means of production?

Future social and economic policy organizing activity of the state, of local bodies, of professional organizations, will not be able to achieve their lofty aims in continuing the fruitfulness of the social life and normal returns of a national economy unless they respect and protect the vital functions of private property in its personal and total value.

I repeat what Pope Pius XII said:

Protect the vital function of private property in the personal and total value.

Talking about the end of the war, he said:

The problem of the future aspect of the social order will be the subject of keen strife between the various tendencies.

He says further that in this struggle:

The Christian social idea has the arduous but noble task of bringing forward and demonstrating to those who follow other doctrines in theory and in practice, that in this sphere, so important to the peaceful development of human relationships, the postulates of true equity and Christian principles can be closely joined, guaranteeing salvation and well being to all who can give up their prejudices and passions and listen to the preaching of truth.

In my limited way, and in all humility, I hope that what I say today will contribute to the winning of this struggle of the true Christian social idea by demonstrating the complete falsehood of the doctrine of confiscation anywhere in the world or that there is nothing sacred about private property as the Communists teach, and as some capitalist pirates practice, regarding other people's private property.

STEP BY STEP THE CONSPIRACY IS UNFOLDED

I have shown in my speech of February 1 that President Truman totally rejected the theory of confiscation of private property of German and Japanese civilians located in this country. I have documented the conspiracy and have shown that Harry Dexter White and his crowd forced the Office of Alien Property and the State Department to join with them in a message to President Truman asking for authority to recommend to Congress the passing of legislation to permanently eliminate existing German and Japanese private property rights in the United States with no provision for any return or compensation directly or indirectly and I showed that President Truman rejected this request. I charged that they would never have had to force the Office of Alien Property or the State Department to join with them in that memo to President Truman had either President Roosevelt or President Truman ever approved such a policy.

I shall return for a moment to the message Pope Pius XII sent to the world on September 1, 1944:

The Christian social idea has the arduous but noble task of bringing forward and demonstrating to those who follow other doctrines in theory and in practice, that in this sphere, so important to the peaceful development of human relationships, the postulates of true equity and Christian principles can be closely joined, guaranteeing salvation and well-being to all who can give up their prejudices and passions and listen to the preaching of truth.

In the performance of the responsibilities arising out of this obligation to make the truth known, I began on February 1, before this distinguished body of Senators, each of whom is under a solemn oath to be a champion of law and justice, the presentation of the facts whereby the greatest and most vicious faction in the world today undertook, and so far has undertaken successfully, to make the Government of the United States an instrument for the destruction of individual rights rather than the steadfast and constant defender of them.

No sane and literate man today can deny that freedom and communism are irreconcilably opposed.

We Americans believe that man is born free and of right should remain free. We who believe in the Declaration of Independence believe also that man's right to be free was conferred upon him by God, and that the true function of government is to protect this and the other rights with which man is endowed by his Creator.

Whether we examine the matter philosophically or from the viewpoint of human experience, we must inevitably conclude that the right to freedom cannot stand unless it is accompanied and supported by the right to property, just as the right to property is meaningless unless men are free. There is no instance in recorded history to the contrary.

In propositions of this basic nature, we are concerned with fundamentals which permit of no deviation. Either private property is wholly inviolate or private property is not inviolate. Just as the person who harms no man in all the world except the man he kills becomes a murderer, and the man who steals only one purse becomes a thief, the sanctity of private property must be completely observed or the right to property is violated.

WHAT THE COMMUNISTS THINK OF PRIVATE PROPERTY RIGHTS

The opposite of freedom is communism. Whether we cite Marx in the Communist Manifesto of 1848:

The abolition of bourgeois individuality, bourgeois independence, and bourgeois freedom is undoubtedly aimed at. In a word you reproach us with intending to do away with your property. Precisely so; that is just what we intend.

Or Stalin in 1929 and 1940:

The last hope of the capitalists of all countries who dream of restoring capitalism in the U. S. S. R.—the sacred principle of private property—is collapsing and vanishing.

Or Stepanyan in 1946:

War between people will disappear only when this private ownership and the antagonistic classes are destroyed forever.

Or Khrushchev in 1955:

The days of capitalism in the world are approaching their end. Our system will win.

The answer is the same: The cardinal aim of the Communists is the destruction of the institution of private property.

I am sure James Madison would have termed any group in the United States united in a common program to achieve this stated purpose of communism a faction of the greatest danger to the rights of the individual and to the common good.

When such a faction badly admits to a philosophy which approves deceit, trickery, and lies, I have no doubt that James Madison and his colleagues of the Federalist papers would have characterized such a faction as a menace which no man who cherishes freedom can ignore without peril to his freedom.

William Henry Chamberlin in his introduction to Blueprint for World Conquest, a collection of the Communist plans for the conquest of the world by communism, only repeats in the terms of today what the authors of the Federalist papers said in 1787:

With this precedent (of Hitler) in mind, it would be unwise to brush aside as trivial or unimportant the amazing blueprint of world conquest through internal propaganda, division, subversion, and treason which is unfolded in such minute detail (by the Communists). It would be more sensible to reflect on how large a part of the Communist dream of world conquest is already a reality.

These are the two worlds—the world of freedom and the world of communism. They truly are as far apart as the poles. There is truly no way for them to come together except by capitulation. If freedom is worth while, we will not capitulate.

On February 1, I presented to the Senate a documented account of the program and operations of the Communist faction to undermine the principle of the inviolability of private property in the United States.

I showed that this program of confiscation originated in Moscow.

I showed that the plan to carry it out was developed and executed under the guidance and direction of a group of Communists and fellow travelers in Government offices who have since been revealed in their true light by the several subversive activity committees.

I showed how this group of Communists and fellow travelers, through the skillful use of the well-known Communist practices of treachery, deceit, and lies, and a Democratic administration and a Republican Congress, were made the unwitting dupes to carry out this

program directed at the destruction of the institution of private property, the institution which is both the cornerstone of economic activity in a free-enterprise society and an essential support of the right to be free.

I showed how this group of Communists and fellow travelers, through lies and trickery, made the people believe that President Roosevelt and President Truman had abandoned basic American principles.

I showed how this group of Communists and fellow travelers, by their agility and dexterity, maneuvered and infiltrated themselves into positions of responsibility in our Government so that they could and did use the prestige and power of the United States to cause other nations to adopt policies of confiscation. Fortunately, one by one these nations have seen the error of such action and have taken steps to make amends. It is high time that we do like wise.

CANADA JOINS THE OTHER NATIONS WHICH HAVE RETURNED THESE CONFISCATED PROPERTIES

I am pleased to hear that since my speech of February 1, our great and friendly neighbor, Canada, which was also the victim of Communist conspiracy—for Canada also had its problems with Communist traitors—has now joined the long list of allied countries which have already returned to basic principles and returned the confiscated properties, and has decided to return all these private properties to their German and Japanese owners.

It is high time that we do likewise.

I showed how this Communist-inspired assault on this great basic principle of morality and of our society was introduced on the theory that only the private property of enemy aliens would be confiscated. Wartime passion, the spirit of vengeance, the legitimate desire for recompense for those suffering from the brutality of World War II, were skillfully played up, while principle, tradition, and the fact that the penalty was imposed on individuals who were not responsible for the atrocities of their dictator masters was played down, if not ignored altogether.

I showed that once the principle of the inviolability of private property was undermined, it mushroomed and extended itself, under the Trading With the Enemy Act, even to confiscating the property of Americans and the citizens of friendly neutral nations.

THE PRIMARY OBJECTIVE OF THE COMMUNIST CONSPIRACY

What I said on February 1, I trust made clear that the primary objective of this Communist faction and their Moscow masters was to prove to the world that the principle of the inviolability of private property was disintegrating, not only in one country after another taken over by the Communists, but all over the world. This was the main objective. Of course, the Communists wanted the property for themselves, but this was secondary. The first objective was to keep the property from its rightful owners. For 15 years they have been successful. They have been successful because the Government of the United States has been their instrument which has prevented the return of this property to its owners. There is more reason for laughter in the Kremlin. Even the ghost of Stalin may be smiling, for if property is not secure in the United States, where in the world can a man go and hold his property inviolate?

The fact is that American citizens and the citizens of friendly neutral nations have had their property confiscated under the Trading With the Enemy Act without at any time having a hearing on the justice or correctness of the seizure of their property. I believe this is a fact which will shock every American who believes that every man is entitled to his day in court. Nevertheless, this fact is a true fact, and it exists by reason of action of the Government of the United States. It has happened here. It happened under the Trading With the Enemy Act. It has profoundly shocked me. It profoundly shocked our great and good friend, the late Senator Robert A. Taft. The letter in which Senator Taft expressed his intense and deep indignation over such practices by a government "dedicated to doing justice" will be studied with profit as long as there are men concerned with justice among men.

I repeat what I have just said, "Of course, the Communists wanted this profit for themselves." I mean just that. They actually tried to get it even in the United States. As an example of brazenness, effrontery, and audacity, it is unexcelled.

James Madison, in the 10th of the series of papers which are the greatest contribution to the literature of government an American has yet given to the world, asserts that the dangerous vice of faction is the greatest danger which popular government faces. By faction Madison meant any group of people, whether a majority or a minority, united and actuated in some common impulse of passion or interest adverse to the rights of others or to the common good. The instability, injustice, and confusion that factions introduce into the public councils, he adds, are the mortal diseases of popular governments. Because liberty of the individual, however, is, and must remain the purpose of our Government, Madison concedes we cannot eliminate the cause of factions, for freedom is too precious to have it curtailed merely because some who are free use their liberty to abuse others. The best alternative, and the alternative which was adopted by our forefathers, is a system to control the effects of factions.

The alternative adopted rests on the profound conviction that there is a sense of justice and of right in the American people which ultimately will triumph over passion, prejudice, corruption, and greed. It proceeds on the basis that if the American people are given the truth, they will cause decisions to be made which are right and just. Therefore, it is essential to this alternative that there be a means to bring the truth to the people so that they can soberly and calmly determine the way of justice. Accordingly, under this alternative, in order to make it effective, there is imposed on those who know the truth, and who are concerned with justice, the obligation to speak up so that the people may know and may act.

I mentioned that since my speech of February 1, more and more people are coming forward with the facts, and I shall tell them to the American people.

AMERICAN CITIZENS RIGHTS VIOLATED

It will be recalled that on February 1, I pointed out that even American citizens were threatened, intimidated, and dispossessed of their property by the traitors in the Treasury Department under Harry Dexter White. I told the story of Mr. Ernst Halbach, an American citizen, and his associates, all of whom were American citizens and who owned General Dyestuffs Corp., which had a contract with General Aniline & Film. I told how the record now establishes that Harry Dexter White sent his agents into that company and seized it, on the theory that these Americans were cloaks for the Nazis. I showed how Treasury agents under Harry Dexter White called on Mrs. Halbach alone in her home, where she was dying of cancer, and intimidated her through threats, to the point where Mr. Halbach was forced to sell his stock to the Government at a price way below its real value. I showed that Mr. Crowley, Alien Property Custodian, testified before our committee that Mr. Halbach was a patriotic man, and that all this was a mistake; and I showed that Mr. Halbach sued the Government to get back his stock that was vested. I showed how the Government could not prove that Mr. Halbach was a cloak for the Nazis, and then forced Mr. Halbach and his two daughters, who also were born in this country, and whose husbands were serving their country in the Army, to settle for a sum of money much less than the stock was worth, and paid them out of the funds actually in the treasury of General Dyestuff Corp.

Mr. Halbach and other American citizens settled in early 1945; so that result was that the United States Government then owned all the stock in General Dyestuff Corp. It had already vested over 90 percent of the stock of General Aniline & Film with which General Dyestuff had an exclusive distribution contract.

Mr. Edward M. Shaffer, an investigator appointed by Mr. Leo Crowley, Alien Property Custodian, to investigate this corporation, testified as follows:

> Mr. SHAFFER. I will summarize it. I believe that the United States Government made a mistake in vesting the stock of Mr. Halbach * * * the year 1939 saw the mark of the complete break, in my opinion, from the former association by personnel, and I mean Dietrich Schmitz and General Aniline Film & Dyestuff into a completely new and wholesome set of owners, namely, Halbach, Swenson, Dr. St. George, people of that nature * * * I believe it was in error to have designated these gentlemen as nationals of an alien enemy country and then proceed to seize their stock. I still feel that way. (Hearing before a subcommittee of the Committee on the Judiciary, United States Senate, 83d Cong., 1st sess., proposing amendments to the Trading With the Enemy Act of 1917, 1953, p. 340).

Judge John Burns, former counsel to the Securities and Exchange Commission, at the request of Mr. Crowley, also

investigated this matter. Judge Burns testified as follows before the hearings referred to above:

Shortly after that, maybe 2 months from that, Mr. Crowley sent for me and said that he had vested the stock of General Dyestuffs, but he was somewhat concerned about the propriety of it, and he would like to have me go in as general counsel. My particular task in addition to acting as lawyer for the company was to make a very careful investigation and report to him as to whether or not I found any basis which would tend to prove that Mr. Halbach was either a nonnational, under the wording of the statute, or that his holding was a cloak for alien interests. So I took up that assignment, and together with my partner, Mr. Rich, we made a very careful investigation, looking into practically all the files that seemed relevant. We talked to the employees, talked to Mr. Halbach and his associates, and tried to get as many leads as we could from Government sources to explore them to find out what possibly might be the basis of any charge against the owners of the dyestuff stock * * *

To sum up, I reported to Mr. Crowley after this investigation that I could not find the slightest basis which would justify his action in vesting the stock of General Dyestuff. I recommended, out of a consideration of simple honesty and fairness to the American citizen, that Mr. Crowley should return the property. Thereafter I talked with him and he indicated very definitely general sympathy toward Mr. Halbach and accepted my reporting apparently without questioning.

Later on, when Mr. Crowley went on some other Government assignment, I talked to his successor and made the same point; that I felt, in view of what I had come to know, that the retention by the Government of this property in the light of all those circumstances, particularly while the Government was continuing Mr. Halbach in the primary responsible position as operator, and while he was serving his country as the expert on dyestuffs for the War Production Board, that the deprival of his property under those circumstances was highly immoral. I did not see any legal basis upon which it would be supported. That is about all I have to say.

Mr. Halbach, president of General Dyestuff Corp. and in charge of its operations, not only continued in a management capacity for years after the seizure and vesting, but also served as consultant to the War Production Board during the war. Commendations for efficient and effective service were given him for his work. Thus, on September 7, 1945, Gen. Brehon Somervell, commanding general of the Army Service Forces, wrote Mr. Halbach:

You and your associates and employees must have a deep sense of satisfaction as you look back upon your accomplishments on the war production front * * * now that the war is won, I want to express to you the gratitude and appreciation of the Army Service Forces for the magnificent achievements of your organization.

On December 20, 1945, Brig. Gen. Georges P. Doriot, Director of the Planning Division of the Office of the Quartermaster General, said in a letter to Mr. Halbach:

This office wishes to express its appreciation and commendation to you and the personnel of your company for the many contributions afforded the Quartermaster Corps during the past few years. We are particularly grateful for the time you have given personally to the consideration of our problems * * *.

Mr. Crowley testified as follows concerning Mr. Halbach's character and patriotism:

During my course as Alien Property Custodian, I got to know Mr. Halbach very well. You people that were here during the war know there was a lot of emotion, which there always is, during a war, and Mr. Halbach was accused of being a cloak for the Germans and being anti this and anti that. We had an investigation made of Mr. Halbach. I think the FBI did one for me. I know the military did. And I had Mr. Shaffer make an investigation for me. As Judge Burns told you, he made an investigation. And we found no evidence anywhere, where anyone could cause any criticism to be made against Mr. Halbach's integrity or against his patriotism.

Ultimately, however, Mr. Halbach was discharged from his position with the corporation by the Alien Property Custodian. The circumstances leading up to this event are described in a memorandum dated March 9, 1945, which appears as exhibit M in part 2 of the hearings of the subcommittee, at pages 857 and 858. The pertinent parts of this memorandum appear as follows:

EXHIBIT M, MEMORANDUM FOR THE FILES, MARCH 9, 1945

Re: Conference with representatives of Alien Property Custodian and Department of Justice concerning vesting on March 8, 1945.

Present: For Alien Property Custodian: Messrs. McNamara, Creighton, and Cutler.

For Department of Justice: Messrs. Jones and Parker.

For Treasury: Messrs. Coe, Aarons, Alk, Arnold, Day, Friedman, Glasser, Richards, Saxon, Mrs. Gold.

In leading the discussions, Mr. Coe followed, in general, the agenda and answers circulated on March 1 by Alk and Arnold.

* * * * *

Mr. Coe said that the Treasury was troubled by the fact that Halbach had not been discharged by General Dyestuffs. He indicated that the retention of such a person in a concern under the jurisdiction of the custodian appears to indicate an inconsistency between the domestic policy followed by this government and that which it was urging abroad with respect to the discharge of German fronts. Mr. McNamara responded that the difficulty is a conflict between the policy of the Government concerning blocked nationals and the business judgment of the General Dyestuffs directors who find Halbach a valuable employee. Halbach's resignation has been submitted and the custodian has informed the board that he must leave the employ of the company but a vote on the matter has been postponed for a month. Mr. Jones then inquired whether cleaning out suspect personnel is not at least as vital a matter as the termination of German and Japanese property interests. The Treasury representatives agreed heartily and Mr. Coe asked whether there were other cases than that of Halbach to be cleared up. Messrs. McNamara and Cutler took the position that the Halbach matter is a "peculiar case."

A comparison of the date of the memorandum last quoted and the dates of the commendations previously mentioned is significant. This significance increases if reference is made to the report of the Subcommittee of the Committee of the Judiciary on Interlocking Subversion in Government, dated July 20, 1953, beginning at page 6, which discusses Harold Glasser and Virginius Frank Coe.

Those who read my speech of February 1, know that I established that Glasser and Coe were right-hand men of Harry Dexter White to carrry out this conspiracy to confiscate private property of all German and Japanese citizens throughout the world and to carry out the most essential part of the Communist program to drive from the minds of men that there is anything sacred about private property.

I suggest that every American citizen study not only this release of July 20, 1953, by the Subcommittee of the Judiciary investigating subversion in Government, but also the latest documentation on Harry Dexter White and his associates, released only a few weeks ago by the same committee.

V. Frank Coe was a close friend of Harry Dexter White, and one of his right-hand men in the Treasury Department. I named him as already a leader in this Communist conspiracy in 1951. Since that time he has appeared before congressional committees, and has refused to answer any questions. He has become a fifth amendment Communist. He was also a friend of Harold Glasser. Ex-Communist agent Elizabeth Bentley testified long ago that Harold Glasser was a member of the Perlo group; and later we discovered that Alger Hiss, of the State Department, had taken Harold Glasser and 2 or 3 others and turned them over to direct control of Soviet representatives in this country. The Communist apparatus of the Treasury Department that infiltrated every other department of the Government was so large that it will take considerable time to bring out the facts of each one's part in the conspiracy. I have only touched a few up to this time but I promise that I shall expose the parts that all of the leaders played in this program at a later date.

Now I wonder and I am sure everyone wonders why these things happened to American citizens. Not until after my speech of February 1 was I provided with facts which give us some of the answers. And I say the facts are amazing. I should say shocking. Here they are:

RUSSIANS WANTED TO TAKE OVER

We have now discovered that at the same time in early 1945 when the Treasury Department and the Office of Alien Property, Department of Justice, were trying to force Mr. Halbach and other American stockholders out and settle their suit—the same time the Harry Dexter White crowd was forcing the Office of Alien Property and the State Department to join with them in a message to President Truman, as I detailed in my speech of February 1, in which they asked for Presidential approval of their plan to recommend to Congress a program aimed at the permanent confiscation of German and Japanese private properties in the United States which President Truman refused to give them—that at the same time, the Russians in the United States under direction of their Embassy here in Washington were actually trying to take over General Aniline & Film.

Mr. Louis Johnson was ordered to entertain Russian agents who wanted to take over this American corporation.

It has come to light that early in 1945, someone in Washington connected with the seized General Aniline & Film Co., which latter company the Swiss, from the day it was seized until today, have claimed to be Swiss owned, ordered Louis Johnson, who at the time was a Government man appointed president of the General Dyestuffs Corp., to prepare for the arrival in New York of a dozen Russians who wanted to look over General Aniline & Film plants and eventually take them over or make some kind of a deal to get General Aniline & Film processes, if not the outright plants and equipment.

Finally, we know that this meeting took place regardless of the protests of Louis Johnson. Mr. Johnson gave a luncheon for the Russians at the University Club in New York. More than 12 people were at that luncheon; and after the luncheon the Russians took off to inspect each plant of General & Film. Nothing came of the Russians' plans, thanks to Louis Johnson and a few others. Now I know that Mr. Johnson, who later became Secretary of Defense, kept a diary in which he recorded the events of each day that he was in Government service. I think it is time for Mr. Johnson to come forward and tell us all about that luncheon, what preceded it, what followed it, and who the men were in the Treasury Department and Office of Alien Property who ordered him to give this luncheon. I am going to write Mr. Johnson a letter as I did to Mr. McCloy, and when I get his reply I will put it into the RECORD. I am also going to write a letter to Mr. James E. Markham, who was Alien Property Custodian at the time and who, I understand, was first asked to make these arrangements for the Russian visitors but who refused. Mr. Markham should tell us what happened. I am going to write a letter to Mr. Dallas Townsend, asking him to make available all the records in his Office of Alien Property to the Subcommittee of the Senate Judiciary investigating this matter.

The Communist conspiracy becomes clearer as we dig deeper. Obviously Mr. Halbach and the other Americans who owned stock in General Dyestuffs, which corporation in turn had an exclusive sales contract with General Aniline & Film for its products, had to be removed, if the Russians were either to get General Aniline and its equipment or its technical know-how or products. It is the duty of Mr. Brownell, as Attorney General, to give the committee investigating the operations of the Trading With the Enemy Act the facts on this matter. His Office of Alien Property still refuses to give out any information regarding General Aniline & Film and the reason given is that the Swiss are suing for a return and that such information might be detrimental to the Government's case, which claims the Swiss were cloaks for the Germans, but I do not believe the American people can ever be made to believe that giving them the facts surrounding this Communist conspiracy could hurt the Government. Furthermore, if it should be detrimental to the Government, and these things are true, I am sure the American people, in utter disgust, would repudiate the conduct of its officials as a shameful betrayal of a trust.

TERROR METHODS TO INTIMIDATE AMERICAN CITIZENS

More has come to light since my speech of February 1. It will be recalled I quoted from the hearings held by the Subcommittee of the Senate Judiciary investigating the operations of the Trading With the Enemy Act and the part played by Harry Dexter White and his fellow travelers in bringing about permanent confiscation of these private properties. I quote from the hearings held on April 1, 1953 as follows:

Mr. HALBACH. My wife, as you all know, was desperately ill and the newspaper notoriety and the beating that she got and she knew that I was getting, weighed terribly heavy on her and my daughter and myself and her brother, who is one of the trustees, were very anxious to relieve her of that stigma and the effect of that on her because she was an intensely and rabidly loyal American.

The testimony continues:

The CHAIRMAN. As a matter of fact, your wife had cancer and these Federal men kept bothering her?

Mr. HALBACH. Federal agents came out. I came home one night and I could hardly believe it. I saw her face was scarlet and I said "what on earth is the matter with you?" She told me that these two agents from the Treasury had been there and questioned her about me and my connection and trying to intimate that I was German or something to that effect. I never could get it out of her. She was so upset and so bewildered by it all that I never could find out, except I knew these two men had been there.

Not until after my speech of February 1, did we discover that, one hour before Mr. Halbach appeared before the committee on April 1, 1953 to tell the committee the entire story, the United States Government, Office of Alien Property, Department of Justice, through General Aniline & Film, had just then sued him in the Federal Court of New Jersey for $6¼ million. He was notified of the suit by long-distance telephone. Terrorized as he was, after having been stripped of almost everything he owned, he was now being intimidated as a witness appearing before a congressional committee. I was a member of that committee and Mr. Halbach was a scared witness. He did not tell me, nor did he tell any other Senators taking part in the hearing, what had happened, except to say that an action to enjoin him from taking any employees of General Aniline & Film into his new business, just established, had been made, nor did any persons from the Office of Alien Property, Department of Justice, or their employees and appointees to General Aniline & Film who crowded the hearing room, even utter one word about this suit for $6¼ million. Had the members of the committee known all that had happened that day, I am certain that contempt citations would have been voted unanimously. This happened in a Republican Administration under a Republican Attorney General.

What was the suit about? It claimed that Mr. Halbach had opened his own little factory to make dyestuffs, and that he was taking experts from the Government—confiscated and operated General Aniline & Film. Now we have found out that Mr. Halbach's personal finances at that time were at the lowest point in his life. He had spent all of his savings in defending his good name and reputation; and here we have the preposterous situation of the United States Government suing him for $6¼ million. We have also found out that Mr. Halbach's little new division of his Verona Chemical Co., with 12 employees, did less than $15,000 business in dyes in the month of March 1953.

Why was this suit brought? Obviously, to close Mr. Halbach's mouth so that he would be afraid to tell the committee investigating the operations of the Communists just what had happened.

What happened to the suit? It was later quietly dismissed. By whom? General Aniline & Film controlled by the Government of the United States, Office of Alien Property, Department of Justice, who told their appointees in General Aniline & Film to dismiss the suit. There was no publicity in connection with the dismissal of the suit, as it was done in the judge's chambers.

I do not want to leave the impression that my friend, Dallas Townsend, who is now Director of the Office of Alien Property, had anything to do with the filing of the suit on April 1, 1953, against Mr. Halbach, because Mr. Townsend was not appointed until after May 19, 1953; but I must warn my friend, Dallas Townsent, that he too, like President Rooseselt and President Truman, may become the victim of his friends and neighbors, in whom he has apparently so much confidence, and those who have set out to hold onto these business plums for their personal gain regardless of what their conduct does to our foreign relations.

THE RELATIONSHIP BETWEEN UNPRINCIPLED CAPITALISTS AND COMMUNISTS

There is a definite affinity between capitalist piracy and communism. The two are closely related. Bishop Fulton J. Sheen, in his work entitled "Communism and the Conscience of the West," says, on page 79:

Monopolistic capitalism concentrates wealth in the hands of a few capitalists and communism in the hands of a few bureaucrats, and both end in the proletarianization of the masses.

I say that is why we will always find an alliance between unprincipled immoral capitalists who will take the property of others as their own and Communists, who will take the property of others to further their scheme of state ownership of the means of production, which reduces men to slavery, and makes it possible for a small minority under a dictatorship to remain in power.

So it should not come as a surprise to anyone that some American capitalists who hope to profit still more will join with the Communists to defeat a return to basic American principles of justice and honor.

I appeal to the President of the United States to give direction now to his subordinate cabinet officers to put an end to these conditions and to return to basic American principles, and return all the confiscated properties in full.

WE MUST HAVE A WORLDWIDE MAGNA CARTA OF PRIVATE PROPERTY RIGHTS

I appeal to the President to lead the free nations of the world in creating a worldwide Magna Carta of private property rights. I do this because I believe in principles, and I further believe that we shall never be able to take from the backs of the American taxpayer the burden of the never ending foreign aid programs until such time as private capital, and the savings of all the people in the free world, are secure against confiscation when invested under a free enterprise system in underdeveloped countries in order to raise the standard of living of the people so vital to the peaceful development of those nations and our own security. Such investments can be secure only under a Magna Carta. I submit to the President of the United States that he is correct when he says that we must help the underdeveloped countries, but I disagree with the contention that this must be done solely at the taxpayer's expense. Of course, so long as the great United States fails to rectify the wrongs of the past, so long will this burden remain on the American taxpayer, and there cannot be such a Magna Carta. Government handouts, with all the bureaucracy that goes with them, is not the answer, for then we compete only with the Communists in creating government-controlled businesses in these underdeveloped nations. The development of these countries will come either under a system of communism or under the free-enterprise system, the capital for which must, for the most part, come voluntarily from the people of the free world. To bring that about we must first return to basic principles. To create such a Magna Carta we must first correct the wrongs of the past.

I am happy that in many countries of the free world, expressions along that line, the results of a great deal of sound thinking, are finally seeping through. Only 2 weeks ago, Ambassador Henry Cabot Lodge, upon returning to his United Nations post after a tour of the Midde East and Africa, said:

> Those who have studied Communist tactics in Europe and China know very well that the Soviet Union never extends economic aid without there being very dangerous strings attached and that the purpose is always infiltration of personnel with a view to eventually taking the country over.
>
> To neutralize it successfully does not mean to appropriate more money. But it may mean conducting our economic activities in a different way.

I agree with Mr. Lodge about Communist tactics, but I say that unless we return to the principle of the inviolability of private property, all we do will be in vain. Let me call attention to a speech made by an eminent economist. He believes that through cooperation of the peoples of the free world these problems can be solved. He is no stranger to the United States, although he is a citizen of the Federal Republic of Germany, our partner in the defense of the free world. He is Mr. Hermann J. Abs, who addressed the Society to Promote the Protection of Foreign Investments in Cologne, Germany, on March 27, 1956. The title of his address is "Free Enterprise and International Protection of Private Interests—Precondition for a Sound World Economy." I ask unanimous consent that his remarks be added as an appendage to my address.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

(The legislative clerk resumed reading Mr. LANGER'S statement, as follows:)

Mr. LANGER. I appeal to President Eisenhower to put an end to the confusion, and lead the way back to basic American principles.

The press gave much publicity throughout the country to what Ambassador Lodge said when he returned from his tour of the Middle East and Africa. Strangely enough, however, the American press was silent when important statements were made in West Germany less than 3 weeks ago. I am sure that if the Congress of the United States had, during this month, ratified a new treaty of friendship with the Federal Republic of Germany, it would not only have been printed in the press in the United States, but in all the newspapers in West Germany.

How does it happen, however, that on April 12, 1956, the Federal Republic of Germany ratified the new Treaty of Friendship, Trade and Shipping with the United States, and although the news was published throughout Germany and the United Press, although the Associated Press and the International News Service, in fact all of the press services in Germany, carried the story and put it on their cables to their New York offices, their cable offices in New York did not put one word on their wires to the newspapers in the United States on the ratification of this important treaty? I wonder whether this was because members of all the political parties making up the West German Government rose before the vote on this treaty and protested against the continued confiscation of the private property of their citizens in the United States? Only last week a former general manager of the Associated Press protested against the Government censorship which is still going on. Is this a case of Government censorship, the withholding of vital information that the American people are entitled to know, or do we still have a conspiracy of silence in the United States to drive from the minds of men that there is anything sacred about private property? The West German people are our partners, our friends, and yet we continue to hold onto their private property which everyone knows now was brought about by Communist traitors in our Government.

It is high time that the American people begin to realize that every nation of the free world has been and continues to be infiltrated by Communist agents and spies. We will find them in a Democratic administration and in a Republican administration. That is the way the Communists work.

The administration continues to withhold more than 50,000 words of documentation of the Yalta Conference. They have not, as yet, released any of the documentation of the second Quebec Conference which preceeded the Yalta Conference and the Potsdam Conference which followed. I demand that these papers be made available. I am positive they will show further that President Roosevelt and President Truman at no time supported a confiscation policy, the taking of the private property of German civilians throughout the entire world, but were unalterably opposed to it. I demand that these papers be produced.

I appeal to President Eisenhower to put an end to this confusion and lead the way back to basic American principles.

I submit that to return these properties only in part, as the administration has suggested to Congress, as a matter of grace, would be a ratification of Communist principle, alien to our historical American position. Only Communist-controlled governments claim the right to confiscate private property of persons and corporations without full compensation.

To return some of these properties in part as a matter of grace would ratify a Communist promulgated plot and basic Communist principles.

I know the Communists have created great confusion in the Office of Alien Property, Department of State, and there are many knotty problems, relating to full return, but I ask President Dwight D. Eisenhower not to listen to those who advocate compromise but to heed the words of Benjamin Franklin, who, when faced with a very knotty problem and when advised to compromise, said:

> We will stick with principles and the knots will untie themselves.

EXHIBIT 1

FREE ENTERPRISE AND INTERNATIONAL PROTECTION OF PRIVATE INTERESTS—PRECONDITION FOR A SOUND WORLD ECONOMY

(Address of Herman J. Abs, in Cologne, on March 27, 1956, upon incorporation of the Gesellschaft zur Förderung des Schutzes von Auslandsinvestitionen e. V. (Society To Promote the Protection of Foreign Investment))

The "German miracle," accepted slogan for postwar economic recovery in Western Germany which many of us must confess to have helped popularize, has lately evoked both justified and unjustified foreign demands upon the Federal Republic and the West German economy. Similarly, the Federal Minister of Finance's bulging till is an inducement for taxpayers and other interested parties to scramble for what they claim as their rightful shares of the overflow, as long as the going is good. This proves once again that wealth is not without its sacrifices, certain contributions toward the common welfare being rightfully demanded from those who can afford to part with some of their affluence.

German economic recovery is undeniable and not exclusively owed to the untiring labors of our people. Many favorable factors have been equally effective, last but not least the decisive material and moral assistance given to us during the first postwar years by our former enemies, particularly the

United States of America. Yet, all these efforts and aids would have been in vain—on this point I think all Germans agree—if the previous directed or controlled economy had not incidentally been replaced by a practically free market economy, i. e., if the brakes had not been removed which for years had repressed the natural impulsion of private initiative and free enterprise.

On this occasion it must be stressed once more that, as far as Western Germany is concerned, the bold decision to break with the past is owed in the first place to the Federal Minister of Economics who has spoken before me. Without being pretentious I may say that this new policy, even internationally, has contributed much toward hollowing out the state-controlled economic systems which had been built up in many countries as a result of two world wars. We all know that restoration of free enterprise has since had exceedingly wholesome effects on the standard of living of peoples in the Western World.

We must continue steadily along this path if present achievements are to be confirmed and further progress made toward the final goal of an absolutely free world economy, based on mutual confidence—in spite and because of the new countermining attacks recently being made from the East.

I began my address by alluding to German economic recovery and to our obligations resulting therefrom. The European countries were among the first beneficiaries of United States reconstruction aid. Now, Europe for her part is rightly expected to lend economic assistance both to countries which are in the process of development and to countries experiencing difficulties due to general adverse circumstances. As the Federal Minister of Economics has just stated, we are entirely conscious of our obligations and convinced that it is necessary to give these countries investment and credit aid thereby helping them to raise the standard of living of their peoples to a recent level.

Apart from development projects of basic character and from exceptional cases, where specific circumstances or overdimensional tasks are at stake, this aid can be given and taken in the first place by means of private capital and enterprise. Indeed, private initiative must prevail if we intend continuing along the road toward our recognized ideal, a free world economy.

Quite apart from the fact that national budgets, particularly in Europe, are too strained to be able to assume additional obligations in this field, a state which, beyond supervising and directing economic policy, undertakes definitely to act as an entrepreneur and creditor on a large scale, is inevitably drawn in a direction ultimately culminating in overall State control.

History proves that the present stage of economic development in both the European countries and the United States of America would never have been reached without efficient and profit-seeking private initiative and the pioneer spirit of large and small entrepreneurs. So-called capitalism, like all other human phenomena, certainly has its weak points, faults, and misuses. Yet, compared with any form of State controlled economy it has the decisive advantage of being best adapted to the peculiarities of human nature. The State as an entrepreneur is necessarily apt to operate clumsily and uneconomically, because efficiency and profitability, which are stimulated by free enterprise, have no more than indirect influence upon State actions. Numerous public institutions, particularly in less developed countries, which had been established to develop the resources of these areas, have failed because they were called upon to assume functions which Government cannot be expected to execute. Also, it is more difficult for such public enterprises to attract private, especially foreign capital, than for private corporations, because the former are subject to State interference, a circumstance which always entails great risks for the investor.

On the other hand, close collaboration between private enterprise, particularly in developing the productive potential of those areas, promotes cooperation between the native populations and foreigners, makes it easier for both to appreciate their respective problems, strengthens their sense of responsibility, conduces to a more profitable choice and operation of projects, and awakens new interest and more widespread activity. This is essential, if the development of these economies is to be borne upward by all classes of the indigenous people. If, thanks to such collaboration, these people feel convinced that they are taking an increasing share in the construction and extension of their economy, a conviction which is already widespread today in nations with an advanced capitalistic system, the construction work will proceed on a solid and evolutionary basis. At the same time, indigenous key personnel and skilled labor are bound to come forth and will soon be in a position to assume full responsibility on a broad scale.

This should not prevent the State from lending initial assistance, as it did in Germany atfer the end of the last war. But even in such circumstances, the State should never act as an entrepreneur, but pay chief attention to fostering and protecting private initiative. In this connection, permit me to draw attention to pertinent statements made in March 1955 by the vice president of the International Bank for Reconstruction and Development, Mr. Robert L. Garner, concerning the purpose of the International Finance Corporation. The IFC is typical for the consistent efforts of the Western World, particularly the United States of America, to arouse greater interest among private capitalists and entrepreneurs in foreign investments, primarily in important projects in such areas all over the world the economies of which are on the verge of fuller development.

Eager as private business and the banks are to contribute in this manner to creating a free-world economy and thereby raising the standard of living among all peoples, it is not easy for them to act accordingly considering the limited means and opportunities at their disposal. Beside other handicaps, two particularly important conditions are lacking:

1. Administrative, tax, and other regulations often make it difficult for foreign investors to become active, acquire participations, and to stand their ground on an equal footing with nationals and firms of the countries in question.

2. In some parts, tendencies are recently gaining headway either to make untenable foreign investments and discourage other foreign interests by discriminating measures or, what is far worse, to block or even expropriate the foreign capital and assets already invested.

Point 1 is a special matter not included in the subject of my talk today. Nevertheless, it is exceedingly important inasmuch as free, nondiscriminatory treatment is a fundamental precondition for major investments of private capital abroad. Governments which are interested in their countries' development should give greater attention to this question than heretofore.

The second problem—the security of foreign investments—is our chief concern today and even more important and decisive than the first. Without the guaranty that invested capital will remain the investor's property, bear interest, and be repaid in due time, it will be impossible to mobilize sufficient private capital for foreign projects. It must not be forgotten that private capital both in Europe and the United States has sufficient opportunities to work profitably at home without having to assume the additional risks regularly connected with foreign investment. After all, the private capitalists' funds and the private firms' enterprise applied in foreign countries are the product of their own and their employees' and stockholders' efforts, just as foreign aid from public funds can only originate from the savings and labor of the creditor country's people. Nobody, and least of all the countries which are in the process of development, will expect the investor to stake these assets if he realizes that his foreign investments and thus the proceeds of work done on foreign account are being endangered by official measures. Only the East can afford such risks, because no regard is had there to the wage level, standard of living and well-being of its populace. This is the only explanation for the uneconomical credit terms which the U. S. S. R. has recently been offering as an allurement to politically interesting countries of the Near, Middle, and Far East.

We have had occasion again only quite recently to experience a number of grave direct or indirect impairments of foreign interests which prove how thoughtlessly some of the countries belonging to the Western World and accepting the fundamental Western principles have disregarded the inviolability of private rights and property. May I call to mind, for instances, the blocking of the assets of numerous firms operating with foreign capital by the Argentine Government. What is the use of international rules of law, of property protecting clauses in Western constitutions, national laws and numerous commercial treaties, further of declarations on the equal treatment and protection of foreign capital made by statesmen in many countries, if they are not unreservedly observed in practice. The matter is all the more serious, because measures to discriminate and discourage foreign investors are beginning to multiply again at a time when our Western World is fighting desperately against Eastern collectivism which denies personal freedom and all private property rights.

These recurring relapses are attributable to past political and economic developments for which, in the end, responsibility does not rest with the countries in question but rather with the entire Western World. They are the fruit of two world wars with their devastating economic and financial consequences. These war effects have not only caused private rights in the international sphere to be impaired or extinguished. Even within the individual countries personal rights were overridden.

1. The rigorous foreign exchange control laws hailing from after World War I, for example, were nothing but a form of expropriation as far as they forced national subjects to liquidate their foreign investments and deliver the foreign exchange proceeds to their central bank, or if they deprived foreign creditors and investors of the interests on their credits and the profits from their investments. The interruption of the German foreign debt service before the last war was a further example for the radical disregard of vested foreign rights, in this case not from necessity, but due to unscrupulous political machinations.

2. One of the reasons for the general confusion over property protection which must not be passed over is the policy of confiscating private enemy property practiced as part of total warfare, insofar as governments went to the length of definitely expropriating and liquidating such assets. Such confiscations and controls are justified, if the firms which are operated with enemy capital or other forms of enemy participation, either of their own accord or influenced by enemy government agencies, are in a position or suspect of countermanding the opposite party's war efforts. However, the foreign owners of vested rights ought to be given back their

property or should at least be handed over the liquidation proceeds of their assets, as soon as relations between the former enemies have been normalized to an extent excluding the danger of interference with national interests. This normalization may be assumed where the countries involved have become partners and friends and are pulling together in politics and economic policy.

Only very few countries have declined to adopt the general practice of liquidating and confiscating foreign property; several others, among them especially Switzerland and quite recently Sweden, have recognized the fatal consequences which the violation of private rights will have for the Western World and have done their best to make good for former measures taken against private foreign property.

Neither myself nor anyone in Germany proposes to reproach the countries in question for the interference with foreign property which originated during the war. It is not for us to throw stones, because we practiced most of the unfortunate violations of the principles of unviolable private rights ourselves or even caused them to be employed by others—a fact which cannot be stressed often enough. I am solely concerned about the common cause of the Western World. In order to carry the victory in ideological warfare against the East, we should practice what we teach, otherwise we might be defeated with our own weapons.

Without self-praise I may say that in pursuance of this course of thought we have attempted to reestablish the reputation and credit abroad of the Federal Republic and German business and to make amends as best we can for the wrongs which have been done in the past to the life and property of so many of our contemporaries. But, much still has to be done in that direction in many fields. Both our Government, our official agencies, and every one of us in Germany must continue to do their very best in order to again pay full regard to individual rights of foreigners and nationals alike.

There is no need for me to explain that communism welcomes the above-mentioned diversity of attitudes in our Western World concerning the protection of private rights and properties. We positively know that communism has even nurtured such dissensions in order to prepare the soil for a Communist world revolution which, according to recent declarations made by Mr. Khrushchev and other Soviet statesmen, is still the final goal aspired by the U. S. S. R.

For several reasons many authoritative quarters in the West have failed to see through this game and adopt timely countermeasures. In view of the continual military menace from the East, the military-strategical warding off of open aggression naturally stood in the foreground of interest, while the defense of western ideologies was neglected in the delusion that they could be sufficiently protected by propagating the slogan of our "Western way of life." Now that Soviet policy has adopted the method of subversive disintegration and infiltration, the many gaps and loopholes in our line of defense are gradually coming to light. In the heat of the cold war we had no time to account for the fact that in many respects we had been straying from the "Western way of life" in our own garden. A typical example is provided by the Austrian Treaty. Certainly, this treaty was a political compromise and chiefly aimed at the evacuation of Russian troops. Only few realized, however, that the Soviets were no longer interested in clinging to this small outpost of their military power. To make up for this unimportant withdrawal, the U. S. S. R. planted the seed for a further consistent pursuance of collectivism in Austria. For example, the expropriation measures agreed in the Austrian Treaty to which I am alluding would, I believe, hardly have been approved by the three great Western powers if they had realized that, as a result of the automatic transfer of former German assets to the Austrian state, the most important branches of Austrian industry will remain collective property more or less indefinitely, together with the enterprises which had already been nationalized before by the Austrian Republic. I am not complaining about the attendant personal losses of the former owners. Scores and scores of individuals and private firms have in other fields suffered much greater war losses. I only speak of the effects of this successful Soviet move on our world economy and the consistency of western freedom.

By this time we have discarded most of our old garments and false notions and found our way back to recognizing that the individual and his rights are the fundamental and stimulant of economic activity. Yet, we are still burdened with heavy mortgages from the past which provide many points of attack for a further infiltration of Communist ideas.

We have seen how these encumbrances are already standing in the way of building up a really free world economy, an economy divested of all avoidable risks which would enable us to utilize fully all available economic resources in favor of the less developed areas. Which will be their true effects in the event of a general depression that nobody can prevent in case, for some reason or other, this depression were to assume universal dimensions? If, in such an eventuality, our attitude toward the ethics of our "way of life" were still interspersed with contrasting element, there would be little chance of mastering the situation without departing from our principles. The East is actually waiting for this moment, knowing that people whose moral principles are not firmly anchored are particularly susceptible to temptation and infiltration when destitute and depressed.

At this point, I should like to give you an example of how we, that is the European industrial states and the United States of America on the one hand, and the less developed countries on the other, are actually contributing to generate future world economic depressions. Every industrial country and national economy naturally seeks to maintain employment at as steady a level as possible—last but not least for social reasons. Other countries, in the first place those which, after having discarded colonial bonds, are beginning to stand on their own feet, just as naturally wish to catch up with the achievements of the industrialized nations. Thus, the aims of both groups are complementary. Yet, this can be a source of great danger—that is, of an excessive strain on all the parties concerned—particularly in the field of public finance and balances of payments. In some cases, the initially sound competition for markets among the supplying countries has been carried too far. Often, terms and conditions for deliveries abroad are being offered by these countries which are entirely inconsistent with sound financial and economic principles. In some purchasing countries such tempting offers naturally may awaken illusions, as if they might make spectacular and rapid progress without undue strain upon their financial or foreign exchange situations. Consequently, they would accept too many offers of that kind within too short a period. These illusions might even be encouraged if, in the interest of full employment, and considering the afore-mentioned uncertainty of legal protection abroad, the governments of the delivering countries relieve their private corporations and firms of most of the political, economic, and transfer risks involved in their deliveries and credits by providing state guaranties. This procedure with respect to the export of capital goods has become quite common in many countries. Unsound underbidding by means of credit terms will not cease before the practice is abandoned by which the delivering firms, together with their governments and taxpayers, in addition to the work they are performing for their foreign customers, assume most of the risks connected with the fulfilment of the latters' obligations. The accumulation of too many development projects at a time, which might be the result, contributes to a further increase in international indebtedness which has already assumed excessive proportions in a number of countries. In this manner, ever less importance is bound to be attached to the question of profitableness by the purchasing countries, and the suppliers are asked for accommodating terms which their national economies are really unable to afford.

I am convinced that, to the good of their countries and populations, the economic growth of the less developed areas would proceed on a more evolutionary, reasonable, and financially sounder basis if both sides were to reassure the full measure of their respective responsibilities—the supplying country for contracted deliveries and services, and the receiving country for the agreed payments. Otherwise, the receiving economies will be the first to experience setbacks in their development and a deterioration of their people's standard of living in the event of possible future depressions, if not before. An excessively forced opening up of too many of the so-called underdeveloped areas at a time might even become partially responsible for a general world economic depression. The present volume of private credits outstanding from capital goods deliveries is enormous, quite apart from the state-to-state development credits. In addition, European governments and others have assumed extensive guaranties against political and economic foreign risks. It is easy, therefore, to predict the economic, financial, and moral effects on both creditors and debtors which would result if the debtor countries' liabilities were to definitely rise out of proportion with their ability to raise and transfer funds for the discharge of their foreign obligations.

Viewed in this light it is neither in the interest of the delivering nor receiving country to demand that governments create new financing institutions for the provision of export credits which are to run for longer terms than justified by the economic circumstances. An appeal of this kind was recently made in our country.

The above-mentioned new Soviet economic offensive in the so-called underdeveloped areas of the Near, Middle, and Far East is being launched against this vulnerable spot in our western economic structure. The conditions at which the U. S. S. R. is offering credit and development aids are decidedly even more tempting than the assistance which the West has been able to propose or promise, unless the underlying political implications are recognized by the countries concerned. Certainly, the western states, when offering economic assistance to other countries, also have some political line in mind. But, contrary to Soviet policy, their fundamental idea and purpose is to increase wealth among the peoples of these areas by unfolding their productive potential. In this manner they seek to promote the economic and political independence of such countries to a degree permitting them to eventually play an important role in the free world, uninfluenced by open or subversive outside aggression.

To doubt that the Soviet economy will actually be able to fulfill promises of investment aid is a mistake frequently made in the West. The area controlled by the U. S. S. R. has enormous resources and can already boast of an unusual wealth of technical and organizatory experience. Contrary to democracies in the West, the U. S.

S. R. is able to rapidly turn economic activity toward new directions and purposes, because the Government is absolutely autocratic, and no consideration is had of their subjects' standard of living and general well-being. Also, the Soviet economic potential will become greater as disarmament proceeds, which we are all hoping for.

Yet, even if all or part of the Soviet offers were insincere, they are fit to produce perplexion, undue economic and financial optimism in countries which so far have not had a taste of communism. They conduce to multiplying the aforementioned exaggerations of competition and all the devastating consequences for debtors and creditors, suppliers and customers, to the disadvantage of a sound world economic development.

The Western World, and last but not least, the European countries, realize that the policy of a further unfolding of the economic potential in all countries is a condition sine qua non for attaining a stable and well-balanced period of world economic prosperity, and that the less developed areas must receive their full share from such policy. As already mentioned, I consider it the very duty of the advanced economies to lend these areas economic and financial aid and give them advice on the technical and administrative upbuild and operation of their development projects. In doing so, greater stress than heretofore must be laid on the following points:

1. Advancement in these areas must proceed at a pace and in a manner adapted to their structure and resources.

2. Care must be taken to reestablish and maintain stability of the currency and balance of payments in these countries, in order to avoid inflationary tendencies.

3. Indigenous capital, labor, and other resources must be induced to partake in the various projects on a broad line, so as to strengthen their sense of responsibility for and interest in the development of their economy and lay the foundation for the growth of national capital markets.

In this manner it will be possible to avoid or correct many of the mistakes which had been made during the last century in developing the industrial countries in Europe and North America, and even more recently in opening up new countries. Naturally, all this calls for mutual confidence and cooperation between the giving and receiving economies, whereby I wish to emphasize that this cooperation in operating and completing the common projects must amount to a form of true partnership, in which none of the parties can take advantage over the other. To this end, the foremost responsibility lies with those who invest their capital in the economies of the receiving countries. In particular, in developing and utilizing natural resources, it is very important that due consideration is had of the national interests of the countries concerned. On the other hand, these countries must see to it that the capital employed to their benefit and the plants erected with the help of foreign funds or materials are permitted to operate unhampered and on an equal footing in every respect. Further, guaranty must be given that foreign creditors and investors may dispose of the proceeds of their efforts and that the receiving countries will engage to abstain from measures designed to block, confiscate, or expropriate the vested foreign interests. This principle, of course, must be reciprocally recognized and practiced.

At this point, I refer to a suggestion which I already made last year, namely, the conclusion of an international Magna Carta, by which if possible all countries in the free world engage to respect and protect rightfully acquired foreign property and other foreigners' rights. By this Carta, the contracting parties should submit to sanctions determined by an international arbitration court in the case of proven violations of this fundamental agreement. Perhaps it might be suitable for the Magna Carta to embody general basic rules concerning the fair treatment of foreign investments. May I recall that as early as in 1931, the International Chamber of Commerce adopted a resolution which envisaged the same manner of protecting foreign rights. Unfortunately, this resolution was not carried into effect as a result of the aforementioned unfortunate developments. Similar ideas are found in the report of President Eisenhower's Commission on Foreign Economic Policy, published in 1954 and universally known as the Randall report.

The conclusion of a Magna Carta of this kind would entail the following great advantages:

1. It will be sure to give an important stimulus to the revival and unfolding of private initiative. Further, it will contribute decisively toward reestablishing sound relations between governments and private business.

2. It will create a stable fundament and favorable atmosphere for a more extensive investment of foreign capital and technical and material resources in construction and development projects, particularly in all the new areas all over the world.

3. This Magna Carta is the key to financial and economic stability and responsibility in the national and international sphere, both of which are absolutely essential if further progress is to be made toward developing a free, healthy, and balanced world economy.

4. It will contribute decisively toward reestablishing international confidence and legal security and at the same time provide effective evidence of the free world's firm belief in the inviolability of private rights and interests.

5. The Carta will support the moral buttress of the free world which we have erected against the property-denying forces of communism.

6. It will contribute to realizing the ideal of all devoted champions of freedom, which is to see the respect for individuals and their vested rights reinstated as the unwritten law of nations.

I am well aware that great efforts on all sides are needed to create the proper atmosphere for an international convention of this kind. As a preliminary, but essential preparatory task, past mistakes in the treatment of the private rights of foreign nationals must be made good, misunderstandings and distrust removed, and the entire attitude toward this important problem revised with a view to reaching our common goal.

Ladies and gentlemen, we are at a turning point in our struggle for the maintenance of freedom and the elementary rights of all peoples. The Communist intention to exert direct influence on world events, proclaimed at this year's Congress of the Soviet Party, the new Communist economic policy, insofar as it is to be carried beyond the eastern sphere of influence, and the new orders given to form peoples-front governments in the western countries, have surely opened our eyes to the crossroads lying ahead of us. The battle can only be won if we realize the whole implication of our own principles, carry them into effect without compromise, and reinstate them wherever and for whichever reason they were departed from or neglected during the past. This is the only way to resist underhand communistic disintegration activity, particularly in times of depression. It is the only means of finding a suitable platform from which to ward off political encroachment of the U. S. S. R. in the international economic sphere by constructive international cooperation among ourselves.

For very good reasons Germany is particularly concerned about future developments. We have first experience of politics during the previous German regime and the devastating effects they had on individual rights. Consequently, we are able to see clearly through the continually progressing infringement of personal freedom and private property in the parts of Germany on the other side of the Elbe, where, according to recent proclamations of influential Soviet statesmen, the present political system is to be perpetuated as a precondition for German reunification. If this demand of the Soviets is given way to even in the least degree, the rest of Europe might easily be carried away by the Communist current.

Most of the founders of the newly established Gesellschaft zur Förderung des Schutzes von Auslandsinvestitionen (society to promote the protection of foreign investment) belong to important circles of German political and business life and have an intimate knowledge of the perils surrounding us. They feel it to be their responsibility to help the world realize the extent of these dangers in the economic sphere and to seek and win friends and promoters of their cause all over the world.

We realize that, in order to reach the aspired ends, a great measure of insight and courage is needed, if only to discard misguided principles and practices of the law. But we know that many authoritative personalities as well as scores of unknown persons in the western world share our principles and give much thought to finding ways and means of emerging from our present dilemma. I am thinking, in the first place, of outstanding men in the United States of America. This freedom-loving country is particularly awake to the common problems because, by tradition, it has adopted the cause of the individual and the protection of his rights. In the shape of Government aid and private foreign investments the United States of America owns by far the most extensive interest abroad. By its influential position in the political world, its wealth and capital resources, the country feels particularly responsible for the continued advancement of the free world economy and the welfare of all peoples. Only recently, Americans of both the great parties, e. g., the Senators JOHNSTON, KNOWLAND, LANGER, WILEY, and others have expressed their concern as to the maintenance of international protection of rights all over the world. Their concern is a result of the very same events and developments which I have described today.

In conclusion, I trust I have been able to contribute a modest but constructive share toward propogating and promoting the cause which, together with many of my countrymen, I have very much at heart. I hope this will give new impulse to all of us living in our world who share our fundamental ideals and are earnestly intent upon helping to assure the development of a secure, flourishing, free universal economy.

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

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

REQUIREMENT OF JUDICIAL EXPERIENCE FOR APPOINTEES TO THE SUPREME COURT

Mr. STENNIS. Mr. President, last year, on March 14, 1955, I introduced S. 1440, which would add to section I of title 28 of the United States Code the requirement that at least 1 of each 2

successive appointees to the office of Associate Justice of the Supreme Court of the United States would have at least 10 years' judicial experience before being nominated to that office.

This bill was introduced because I felt it necessary that some qualifications of judicial experience should be a requisite for at least one-half of the nominees for this post and as a result of the fact that in recent years such experience has not been considered of prime importance by those persons who advise the President on his selection of nominees.

It seems to me that during the last 25 years the judicial branch has been the most neglected branch of our Government. But I believe it is still the most important branch of our great constitutional system.

This is not a personal attack on the character of any of the present members of the Court. Most of them have achieved eminence in other fields of government or the legal profession, but the fact remains that the cumulative prior judicial experience of the present Supreme Court is less than 10 years.

Mr. President, a seasoned justice is not created overnight. Judicial maturity is attained only after long years of painstaking study, research, and analysis. His experience should be gained under conditions where his aberrations and deviations from the law will be brought forcefully home in reversals by higher courts. He should not be placed in a position where his errors will be perpetuated in the law books for generations to come. A judicial approach is the result of years of development; it is the essence of self-restraint. Historically, the most effective check on the Supreme Court of the United States has been its own self-restraint.

Located, as it is, at the very apex of government, with its vast power to strike down State and congressional laws, and any and all parts of State constitutions, requires that men selected to fill its numbers be the best qualified in the entire United States. Certainly the best qualification is experience.

S. 1440 was introduced in good faith, although I was aware of the implicit constitutional question involved. The question of establishing qualifications for offices prescribed by the Constitution itself has never been settled definitely to my satisfaction. Subsequently, I have sought the opinions of several authorities on constitutional law, and the very variety of their opinions indicates to me the magnitude and the complexity of the question. I do not want an unanswered constitutional question to delay further consideration by the Senate of this important problem.

The President has historically been considered to have an untrammeled choice in making nominations, and there is considerable authority to the effect that this is a valid exercise of the Executive power under the separation of powers embodied in our Constitution.

Conceding then, for the moment, that such congressional or legislative act would be in contravention of the President's prerogatives, what is the constitutional duty of the Senate in respect to the process of appointment?

The answer is found in the Constitution itself. Article II, section 2, of the Constitution provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, other public ministers and consuls, Judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments."

In the earliest days of our history, President Washington solicited advice on his appointments and considered recommendations at great length before making his nominations to fill positions. With the growth of the two-party system in our country, however, the Senate's advice to the Executive in regard to nominations has been a totally neglected constitutional obligation. The function is now performed apparently by the Department of Justice or the Attorney General of the United States, himself an appointee of the President. It is, indeed, curious that this constitutional duty of the Senate should have, through neglect, crossed the line of the separation of powers and devolved to the Department of Justice—or the Attorney General—the chief litigant in our Federal courts.

The phrase "advice and consent" is not a new or novel concept, nor was it original at the time it was written into the Constitution. While its origin may be obscure, former Senator Pepper, in his oral argument before the Supreme Court in Myers against United States, traced this important phrase back to 759 when he said:

> The story, in English constitutional history, of the phrase "advice and consent" is coincident with the whole story of the rise and development of English parliamentary government. I find the phrase first used back in the eighth century, 759, when a Northumbrian king does such and such things with the "advice and consent" of his wise men. It comes down through Magna Carta. It comes down through all the ages. And when in 1787 it became necessary, as between those who were championing a strong executive and those who were championing the legislature, to find a middle ground, it was provided, in the language of old English law, that such-and-such things should be done by the President "with the advice and consent" of the Senate.

In America, I find that it was used in the second charter of the Massachusetts Bay Colony, in 1691.

Records of the Constitutional Convention indicate that, when the question of the appointive power was considered, an impressive group of delegates, including Benjamin Franklin, of Pennsylvania, urged that the Senate should have this sole responsibility. Alexander Hamilton, the Great Federalist, although insisting upon Executive nominative power, suggested that the Senate should have the power of "rejecting or approving" a nomination made by the President.

It was, however, Delegate Gorham, of Massachusetts, who, after pointing out that this method had been in use in his Commonwealth for 140 years, was successful in having "advice and consent" inserted in our Constitution, as it remains today.

"Consent" may well have been the power which Hamilton sought to have conferred on the Senate. It implies and means a concurrence of will or agreement. Hearings preceding confirmation usually determine whether consent to the appointment will be given or withheld.

However, no action is normally taken by the Senate to advise the Executive prior to the nomination of a particular person to fill a vacancy in a constitutional office.

This I suggest be done by action of the Senate, and I am today submitting a resolution to set forth and prescribe the minimum qualifications which the Senate would apply in confirming future appointments.

Mr. President, I ask uanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks.

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

Mr. STENNIS. Mr. President, for emphasis, I point out that this device in no way interferes with the discretion of the President in making his selection, but is, in essence, a restraint upon the future discretion of the Senate in its unique function of confirmation.

Other qualifications may occur to Senators, and while more restrictive criteria than mere professional experience may be the subject of debate on their merits, I feel that by the use of the Senate resolution our constitutional duty to provide a lawful and helpful guide to the President, regardless of who he may be, is one method of returning to the spirit and letter of our Constitution.

The PRESIDING OFFICER. Without objection, the resolution submitted by the Senator from Mississippi will be received and appropriately referred.

The resolution (S. Res. 264), submitted by Mr. STENNIS, was received, and referred to the Committee on the Judiciary, as follows:

> *Resolved*, That from and after the date of adoption of this resolution, at least 1 of each 2 successive nominees confirmed by the Senate for the office of Associate Justice of the Supreme Court shall, at the time of the confirmation, have had at least 10 years of judicial service. For the purpose of this paragraph, "judicial service" means service as a justice of the United States (as defined in sec. 451 of title 28, U. S. C.), a judge of a court of appeals or district court, or a justice or judge of the highest court of a State or of any other State court having general jurisdiction.

Mr. STENNIS. Mr. President, had this standard of selection obtained for the last 25 years, I doubt that we would have heard of "paramount rights" which produced, instanter, a new Constitution law doctrine in the submerged and tidal land cases; I doubt that we would have seen the finger of scorn pointed judicially at judicial precedent and contemporaneous legislative construction in order

to open a new area of Federal power in locally maintained public schools throughout the country. I doubt that we would have seen a case remanded to the very board whose constitutionality was in issue as in the Communist Party case decided Monday, April 30. Such startling concepts are hardly a stabilizing influence in our Government.

WITHDRAWAL OF SOVIET ARMED FORCES FROM NEIGHBORING COUNTRIES

Mr. JENNER. Mr. President, on May 10, Members of Congress marked the anniversary of the independence day of free Rumania, but there is something much more practical that Congress can do for the victims of the Soviet colossus.

Today, Rumania is occupied by 30,000 Soviet troops.

That is our official estimate.

Rumanian sources put the numbers at from three hundred thousand to five hundred thousand.

I am told that, as always, they occupy strategic positions like the coast of the Black Sea, where they can threaten Turkey, and the borders from which they can quickly move westward.

The presence of Soviet troops on the soil of Rumania is a direct violation of the peace treaty of 1947 and the Austrian Treaty of 1955.

There are officially 30,000 Soviet troops in Hungary in violation of the same agreements.

We have seen clearly in the recent hearings of the Internal Security Subcommittee that even a few Soviet agents, and their armed thugs, can kidnap on American soil those to whom we gave asylum, and leave no trace of them except a bloody shirt, a dismantled room, and letters from the sailors saying they refused absolutely to see the Soviet agents who wanted to brainwash them.

Is the United States going to sit idly by, as usual, while the Soviet Union flaunts its violations of its treaty pledges?

We have simple legal remedies under these violated treaties.

Why has our Government failed to invoke them?

The treaties were signed in 1947.

We were signatories along with the Soviet Union.

The treaties provided that the U. S. S. R. could keep Soviet troops in Rumania and Hungary, to maintain its lines of communication with Austria.

This was incredible on the face of it.

The shortest and most convenient lines between the U. S. S. R. and Austria lie outside Rumanian territory.

The Krakow line is only 400 miles long, and is far better equipped than the lines through Rumania, which are 800 or 900 miles long.

The number of supporting troops was also fantastic.

Secretary Byrnes tried again and again at the conference of foreign ministers to limit the Soviet forces to 5,000 men, even when they were supposed to have lines to guard.

This absurd provision in the peace treaties merely gave the Soviet Union 10 years of immunity in which to communize, by force, these two freedom-loving nations. These treaties signified that the Soviet troops would leave Rumania and Hungary not more than 90 days after completion of the treaty with Austria.

As we well know, the Soviet Union delayed the signing of the Austrian Treaty for 8 years, but it finally went into effect on July 27, 1955.

The 90 days have come and gone, and Soviet troops are still on the soil of presumably independent states. The puppet rulers of the satellites boast that they asked the Soviet Government to keep its forces in their country in spite of the treaty pledge, because of the "threat" of NATO.

Has our Government protested these violations of solemn international agreements? No, indeed. On the contrary both Communist governments were recently rewarded with admission to the United Nations, through the infamous "package deal."

The Soviet Union imposed its puppet government on Rumania by force, on March 6, 1945. At that very moment, Rumania had 19 divisions, or over 300,000 men, fighting alongside the allies, in Hungary and Czechoslovakia.

The Communist governments of Rumania and Hungary still exist only by means of bayonets and other forms of armed force. Apparently they dare not try to carry on without Soviet armed protection. They still continue to murder their political opponents, and leave their bodies unburied in the streets.

If Soviet troops occupy key points in these countries, how are they sovereign states? On what basis are they counted as sovereign states in United Nations voting?

How many Charley McCarthy governments is the Soviet Union going to be allowed to vote in the United Nations against our interests and our security, while she laughs at our softness?

The 1947 peace treaties provide that any dispute about interpretation of any clause is to be referred first to the heads of mission of the parties involved. If they cannot settle the dispute within 2 months, it is to be referred to a commission composed of—

> One representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country.

Should they fail to agree within 1 month upon the appointment of a third member, then—

> The Secretary General of the United Nations may be requested by either party to make the appointment.

This simple machinery lies right at hand; but it has never been invoked by the United States, to insist that Soviet troops withdraw from areas outside their borders, or that their puppets lose the status of members of the United Nations.

The issue concerns both our honor and our security.

When the Austrian treaty was before us, I said on the floor of the Senate that the agreement was a serious threat to American national defense. Neutralization of Austria was totally unlike the neutrality of the Swiss. The Swiss are armed with all the military strength they need to repel hostile threats to their liberty, but Austria was made into a disarmed and helpless victim waiting unprotected in a no-man's land between East and West.

The device of neutralization was designed to carve a new ring of satellites out of the free world, in order to protect past Soviet conquests and soften up a new area, which will be gradually transformed into new satellites, closer to us. A neutralized Austria was meant to be a smokescreen behind which the conquest of its neighbors could be carried to the bitter end, while the Soviet leaders traveled abroad to talk of peaceful coexistence. It is a "Cordon Sanitaire," in reverse, which protects the Soviet conquests from sight of the West, and bars the subject people from any help.

I have pointed out again and again that every addition to the Soviet system of satellite and neutralist states strengthens the Soviet war machine, and weakens the military and political strength of the United States. In addition, every victory of communism is a carefully calculated warning to the resistance leaders in the satellite states and to the anti-Communist leaders of the still free nations of Western Europe that the United States has abandoned them.

Politically and militarily, we are in retreat. In our apparent security and pleasant luxury, we may ignore for a while the clear meaning of these Soviet moves; but the resistance leaders and the West European anti-Communists are closer to the day of execution. Their minds are cleared by the nearness of danger. They know defeat and death are brought immeasurably closer to them by our submission to Soviet violations of its plighted word.

We know the time bomb is set for us also. Every step we take to dismantle the Soviet war machine in the satellite nations is a vital link in American defense.

I submit a resolution, asking that the President authorize the Secretary of State to insist forthwith on withdrawal of Soviet armed forces in neighboring countries in violation of its solemn commitments. If that fails, the resolution proposes that we close the embassies and all consulates of both nations, and have the American Ambassador to the United Nations insist upon the removal of these nations from the United Nations on the ground that they are subject provinces of the Soviet Union.

There being no objection, the resolution (S. Res. 265) submitted by Mr. JENNER was received and referred to the Committee on Foreign Relations, as follows:

> *Resolved*, That it is the sense of the Senate that the President should greatly strengthen the military defense of the United States and our position in the field of psychological warfare with world communism, by directing the Secretary of State to insist forthwith on the withdrawal of all Soviet armed forces from Rumania and Hungary, in accordance with the provisions of the 1947 and 1955 treaties.
>
> SEC. 2. It is further the sense of the Senate that, if the Soviet Government refuses to honor its treaty obligations, it is the solemn duty of this Government to close the embassies and consulates of Rumania and Hun-

gary in this country, and to demand, through our representatives to the United Nations, the expulsion of these governments from the United Nations on the ground that they are occupied provinces of the Soviet Union.

NIAGARA RIVER POWER DEVELOPMENT

Mr. CHAVEZ. Mr. President, the development of hydroelectric power at Niagara Falls, N. Y., was first undertaken by private enterprise about 60 years ago. Since that time there have been many proposals for additional development of power at that location. Such development until recently was not possible, because much of the international water of the Niagara River was not properly allocated between the United States and Canada.

A treaty between the two countries was ratified in 1950 providing for the additional diversion of waters at Niagara Falls for power purposes, and dividing such diversions equally between them. The treaty contained a reservation providing that no project for use of the United States share of the water would be undertaken until specifically authorized by an act of Congress. The treaty also provided that either country could utilize the other's share of water until that country completed its power installation.

Since the ratification of the 1950 treaty, various bills have been introduced in Congress providing for the development of the available power on the American side of the Niagara River, but no action has been completed on these measures. In the meantime, power installations have been completed on the Canadian side, and Canada is now utilizing the United States share of the water provided by the treaty.

The Committee on Public Works has given careful consideration to the bills introduced in each Congress. Public hearings were held for 2 days in 1951. In 1953 joint hearings were held with the House Committee on Public Works for 2 days, and for 9 days on the Senate bills. Last year the committee held hearings for 3 days on this matter.

Some of the earlier bills provided for the development of power as a Federal project, but that idea has been discarded, and we no longer are concerned with proposed legislation of that nature. However, as the Senate placed the reservation in the treaty expressly reserving the right to Congress to pass legislation on how the power is to be developed, we, the Congress, could authorize its development as a Federal project if such a course were desired.

Two bills have been introduced in the 84th Congress providing for the development of power at Niagara Falls. One of these would direct the Federal Power Commission to issue a license to a private corporation for development of the power; the other one would direct the Commission to issue a license to the State Power Authority of New York, an agency of the State of New York, for such development, such license to include provisions granting preference in the disposition of the power to public agencies, municipalities, and cooperatives.

The State Power Authority of New York seeks authority for the specific purpose of developing the available power at Niagara Falls and the International Rapids section of the St. Lawrence River. The Federal Power Commission granted a license to the Authority for development of the St. Lawrence power, and construction on that project is under way. It will be completed in 1958. The State power authority now desires a license for developing the Niagara power in conjunction with the St. Lawrence project.

It should be noted that the State power authority obtains its funds from the sale of revenue bonds, just as any private company does, without appropriations from the State treasury. No Federal funds are involved in this case.

The Committee on Public Works of the Senate gave long and deliberate consideration to the two bills before it, disapproved the private-enterprise bill, and reported to the Senate S. 1823, the New York State Power Authority bill.

New York State claims ownership of the waters of the Niagara River. The private companies recognize this and now pay the State $1,900,000 annually for the use of the water which is being utilized for power purposes. They have stated that they would pay the State $5 million for the use of the additional water provided. Had the reservation not been placed in the 1950 treaty requiring an act of Congress to provide for this power development, both the State power authority and the private corporation could have made application to the Federal Power Commission for a license for such project.

The Federal Power Act provides that, in issuing preliminary permits or licenses, the Commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the Commission equally well adapted, or shall, within a reasonable time to be fixed by the Commission, be made equally well adapted, to conserve and utilize in the public interest the water resources of the region. Under these provisions the Federal Power Commission would have issued the license to the State authority, since both applicants propose the same plans for the power development.

The New York and New England area has the highest power rate of any section of the country. The wholesale power cost to rural electric systems in New York is 1.12 cents per kilowatt-hour, the Nation's average is .76 cent, and it is .58 cent in Alabama. The average cost of purchased power to municipalities and other publicly owned electric utilities is .97 cent per kilowatt-hour in New York, .44 cent in Tennessee. It is hoped that a source of cheap, dependable power will provide an adequate yardstick, and permit lower power rates and greater use of electricity over a large area of the northeastern section of our country.

It is my belief that, generally, where private enterprise is able and willing to construct power facilities, it should be permitted to do so, but that where going public agencies have been organized for development of public resources for the benefit of all the people, without the use of the taxpayers' money, they should be permitted such course of action. This latter procedure has been the established policy of the Federal Power Act and other Federal legislation for over 50 years.

The Committee on Public Works recommends Senate bill 1823 as the most desirable method of development. The New York State Power Authority is now a going organization. It is ready, willing, and able to undertake this project. It will dispose of the power to rural and domestic customers, and create widespread benefits to the general public in that area.

The electric power which can be produced at Niagara Falls is urgently needed in the northeastern section of the United States, and can be produced at less cost than at any place on the American Continent. It is estimated that by 1960 there will be a demand for 1,500,000 kilowatts additional capacity in the Niagara area alone, with a demand for 1,600,000 kilowatts in the adjacent areas.

The reservation to the treaty provides for development "for the public use and benefit." The most desirable method of conforming with this requirement is by public development, with the consumer safeguards contained in S. 1823.

These safeguards include the usual preferential rights of public agencies and nonprofit cooperative distribution systems to obtain their power supply from the Niagara project. They are necessary to effect the proper influence on the high electric rates in the area, which are now among the highest in the Nation.

The preference provisions contained in S. 1823 are an important part of any public power development. Preference in disposition of power from such development by a public nonprofit organization should be given to other public nonprofit bodies. Public development and public distribution—the two go hand in hand. They cannot be separated.

So we have here a proposal for development of a wonderful power project by a great State agency. If the provisions of S. 1823 are applied under our traditional Federal power policies, it will be possible for homes and farms to use more electricity, and industry in the area to modernize and expand.

Standards of living will rise, the economy will expand, and full employment will result. This expansion of business and industry will increase the regional prosperity and provide increased revenues and lower taxes. Public development and low-cost power, with all the consequent benefits, will make a great contribution to the Public Treasury.

Mr. President, so far as the bill is concerned, I wish to emphasize the fact that it is not going to cost the American Federal taxpayer one penny. Of late, I have been hearing much about States rights. The State authorities of the State of New York will provide the funds to construct the project.

GREAT LAKES BULK CARGO VESSELS

Mr. LEHMAN. Mr. President——

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is the pending order of business?

The PRESIDING OFFICER. Senate bill 3108, to encourage the construction of modern Great Lakes bulk cargo vessels.

Mr. MAGNUSON. That is what I thought. The Senator from Michigan and I have been here for 2 days, waiting to get action on the bill. It is the pending business, and it will not take too long to dispose of it.

The Senate resumed the consideration of the bill (S. 3108) to encourage the construction of modern Great Lakes bulk cargo vessels.

Mr. POTTER. Mr. President, will the Senator from New York yield to me, in order to permit me to speak on the Great Lakes bulk-cargo vessels bill?

Mr. LEHMAN. I shall be very glad to yield, if I may do so without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEHMAN. Then I yield.

Mr. WILLIAMS. Mr. President, will the Senator from Michigan yield? I believe we should have a quorum call at this time, before the Senator from Michigan begins his remarks.

Mr. POTTER. Mr. President, the distinguished Senator from New York has been here all afternoon, as have several other Senators, including myself, waiting to present our views. With that in mind, there have been 4 or 5 quorum calls. I shall be delighted to yield, if the Senator from Delaware so desires.

Mr. WILLIAMS. There are not more than half a dozen Members on the floor at this time; and I think the measure the Senator from Michigan will discuss is of sufficient importance to justify a quorum call at this time.

Mr. POTTER. Very well.

The PRESIDING OFFICER. The Senator from New York [Mr. LEHMAN] has the floor.

Mr. WILLIAMS. I should like to have a quorum call had at this time, before debate on the bill begins. In that way I believe we shall avoid the necessity of considerable repetition.

Mr. LEHMAN. As a courtesy, I have been glad to yield to other Senators, with the understanding that in doing so I shall not lose the floor.

Mr. WILLIAMS. I merely suggest that there be a quorum call at this time, before the Senator from Michigan [Mr. POTTER] explains the bill.

Mr. LEHMAN. Of course I have no objection to having that done. Therefore, Mr. President, I suggest the absence of a quorum, provided it is understood that in doing so, I shall not lose my right to the floor.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York [Mr. LEHMAN] may yield to the distinguished Senator from Delaware [Mr. WILLIAMS] for not to exceed 15 minutes, without losing his right to the floor.

Mr. WILLIAMS. Mr. President, the Senator from Michigan and the Senator from Washington wish to present their arguments. Why not let them proceed first, and then the Senator from New York may yield to me for the purpose of offering an amendment?

Mr. JOHNSON of Texas. The Senator from Delaware wishes to offer an amendment, and the Senator from Washington and the Senator from Michigan wish to answer him.

Mr. WILLIAMS. Neither the Senator from Washington nor the Senator from Michigan has as yet discussed the bill.

Mr. JOHNSON of Texas. I understood that the request which I was making was satisfactory to the Senator from Michigan.

Mr. POTTER. Mr. President, it makes no difference to me if the Senator from Delaware wishes to offer his amendment at this time. However, neither the Senator from Washington nor I have spoken on the bill.

Mr. JOHNSON of Texas. The Senator from Michigan has no illusions that his presentation on the bill will cause the Senator from Delaware to forgo offering his amendment.

Mr. POTTER. I gave up that hope long ago.

Mr. JOHNSON of Texas. The majority leader thought an understanding existed between the two distinguished Senators.

Mr. POTTER. The arrangement suggested is agreeable to me.

Mr. WILLIAMS. Frankly, I am perfectly willing to approach the consideration of the bill on the basis that its authors and sponsors have no defense for its enactment. I think that is the true situation. But I wonder if the Senator from Michigan or the Senator from Washington wishes to allow the RECORD to stand that way.

Mr. JOHNSON of Texas. Neither the Senator from Washington nor the Senator from Michigan has explained the bill in detail. I understand that the Senator from Delaware wishes to move to recommit the bill.

Mr. WILLIAMS. I do not know. I shall offer an amendment, and may possibly make a motion to recommit the bill. But certainly the Senator from Washington and the Senator from Michigan have a right to present their arguments in favor of the bill.

Mr. JOHNSON of Texas. I understood that the agreement which I asked the Senator to enter into would be acceptable to my friend from Michigan. If not, I withdraw the request. The Senator from Michigan needs no one to protect him.

Mr. POTTER. The Senator from Michigan will lean over backward in extending courtesies to the Senator from Delaware.

Mr. JOHNSON of Texas. If the Senator from Delaware will do the same for the Senator from Michigan, we shall make progress. The Senator from Delaware can offer his amendment, discuss it, and ask for the yeas and nays upon it. The Senate can then proceed to vote upon his amendment. Then, if any other Senator wishes to offer an amendment to the bill, he may do so. The Senator from Delaware can then make his motion to recommit.

Mr. WILLIAMS. When would the Senator from Washington or the Senator from Michigan have an opportunity to present their arguments in favor of the bill?

Mr. JOHNSON of Texas. Whenever they choose to speak. That would be up to the Senator from Michigan and the Senator from Washington, and not to the Senator from Texas or the Senator from Delaware.

Mr. WILLIAMS. There is always too much talk in the Senate, and I do not wish to add unnecessarily to the volume especially when it is not necessary. If there are no arguments for the bill, I will not waste time debating against it. Let the bill remain on the calendar, and die.

Mr. JOHNSON of Texas. As I understand, the Senator from Washington and the Senator from Michigan are willing to vote on the bill without too much talking.

Does the Senator from Delaware object to the request? If so, I will withdraw it.

Mr. WILLIAMS. The orderly procedure would be for the Senator from Washington and the Senator from Michigan first to proceed to discuss the bill following which I will make my own remarks.

Mr. JOHNSON of Texas. Mr. President, I withdraw my request, and I ask unanimous consent that the Senator from New York may yield to the Senator from Michigan [Mr. POTTER] for 10 minutes, without losing his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Michigan for his usual courtesy.

Mr. POTTER. Mr. President, the bill under consideration, Senate bill 3108, is not complicated. It is in line with a policy which was established in 1936.

It is a bill to encourage the construction and maintenance of a fleet of privately owned United States-flag Great Lakes cargo vessels adequate to supply the demands of essential industries for basic bulk commodities in time of peace and in time of national emergency. Vast quantities of basic commodities flow over the Great Lakes between Canada and the United States in international trade, which is open to vessels of all nations. Without encouragement from the United States, Great Lakes vessels under the American flag will be unable to compete with foreign vessels for this international trade, because of much greater construction and operating costs. The result will be that the United States fleet will diminish to a point where it will be

sufficient to transport only the Nation's peacetime domestic needs.

Past experience has demonstrated that in time of war vessels of foreign flags cannot be counted upon to move the quantities of bulk commodities necessary to meet the demands of national defense industries. Without a Great Lakes fleet of United States flag vessels of sufficient capacity to transport essential commodities in both foreign and domestic commerce, the industrial strength of the Nation will be seriously impaired.

A tremendous commerce in the movement of such vital bulk commodities as iron ore, coal, limestone and grain occurs on the Great Lakes. In 1955 that commerce totaled 193,750,000 tons, of which 162,650,000 tons were domestic to the United States, 7,850,000 tons domestic to Canada, and 23,250,000 tons international between the two countries.

In recent years, two distinct trends have developed in Great Lakes commerce. First, international trade between the United States and Canada has increased; and, second, the portion of such trade transported in United States flag vessels has become less and less.

In 1925 the commerce in bulk commodities between the two countries amounted to 9,900,000 tons. In 1955 it had increased to 23,250,000 tons, to which may be added 4,750,000 tons of other commodities, for a total of 28 million. Considerable increase is probable within the near future.

In 1955 the movement of Ontario and Quebec-Labrador ores into the United States amounted to about 10 million tons. From Skillings' Mining Review, issue October 15, 1955, it would appear that this movement will be doubled by 1960.

The Lake Superior district supplied formerly about 85 percent of the iron ore required by the Nation's steel industry. Skillings' indicates that by 1970 this percentage may be reduced to about 50 percent, with South America, Africa, and other overseas sources supplying something more than Canada.

In time of war, it is inevitable that these overseas sources will be cut off. In that event, the Nation will again, as it has in past wars, have to rely on the Great Lakes area for iron ore and on Great Lakes vessels for its transportation.

Because of higher construction and operating costs, United States flag vessels have lost ground in the transportation of the bulk commodities moving between the United States and Canada. Of such commerce the percentage borne by United States vessels has shrunk from 76 percent in 1925 to 29 percent in 1955.

The commerce between the United States and Canada is open to the vessels of all countries. Upon completion of the St. Lawrence Seaway, United States Great Lakes vessels will be exposed to competition from large, modern, efficient, low-cost vessels of all countries.

Vessel construction and operating costs give foreign-flag vessels a great advantage over United States vessels in this international trade. Canadian costs are approximately 66⅔ percent of United States costs. Operating costs of other foreign vessels average less than 55 percent of ours. Construction costs in other foreign countries, where substantial bulk vessel tonnage is presently being built, average only about 40 percent of United States costs.

It is evident that the future size and capabilities of the Great Lakes bulk vessel fleet under United States flag depend upon the ability of such vessels to compete with vessels of other countries in this growing international trade between the United States and Canada.

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

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

The existence of a strong and efficient Greak Lakes bulk fleet under United States flag capable of competing with foreign vessels is essential to the domestic trades. Unlike other geographical areas, Great Lakes domestic and foreign commerce are closely interwoven. Vessels move freely within the two trades and this flexibility is essential to achieve and preserve efficient and economic operation.

The more efficient are our own vessels the better will United States industry and agriculture be able to compete with foreign products, as, for example, Lake Superior iron ore in supplying the needs of our steel industry and the United States farmer in marketing his grain.

Therefore, in order to encourage the construction and maintenance of modern, efficient, high speed Great Lakes bulk cargo vessels, capable of meeting foreign flag competition, the needs of peacetime commerce, and the demands of national defense, it is proposed that citizens of the United States be permitted to transfer to the United States existing Great Lakes vessels as they become obsolete in exchange for an allowance of credit to be applied upon the cost of new vessels constructed in the United States. The allowance of credit should be based upon the inherent cost advantage of foreign flag operators in constructing similar vessels abroad. Vessels so acquired by the United States would be placed in a reserve fleet for use during periods of emergency.

In essence, that is the purpose of the bill.

We know that the St. Lawrence Seaway will be completed in approximately 3 years, and we also know that ships which are now on the drawing boards of many foreign ship construction companies are designed specifically for use in the Great Lakes trade. They will move into the Great Lakes area and take over the shipment of ore from the Labrador range to American ports.

We also know that ship construction costs in foreign countries are 40 percent lower than such construction costs in the United States. On the other hand, American ships must be built in American yards, where ship construction costs are 60 percent higher than they are in foreign countries. Therefore American ships will be unable to compete with foreign ships as the foreign ships come into the Great Lakes area.

Irrespective of the effect such a development would have on the domestic trade, it has been the policy of our Government in connection with national defense to develop a strong merchant marine for defense purposes. All of us realize how vital it was for us to maintain a strong Great Lakes fleet during the last world war.

In case of another emergency, the ships we have today would be wholly inadequate to take care of the vital link in our national defense which provides for the transportation of ore to our steel mills.

We also know that shipments of ore from foreign countries cannot be depended upon as sources of raw materials in case of war. Foreign ships, possibly because of enemy action or because of the needs of foreign governments, will be unable to furnish us with sufficient transportation of ore from foreign sources. Therefore we will be required to supply ore for our steel mills from the Great Lakes region. If we allow our ore carriers to dwindle away in the face of foreign competition, we will weaken a vital link in our national defense.

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

Mr. POTTER. I yield.

Mr. WILLIAMS. Are there any limitations contained in the bill with reference to the number of ships which would be constructed?

Mr. POTTER. There is no limitation in the bill with respect to the number of ships, any more than there is any limitation in the present act with reference to the trading in of salt water vessels.

Mr. WILLIAMS. How many ships could be involved in this particular bill, under this authorization?

Mr. POTTER. I will say to the distinguished Senator from Delaware that the Congress has never, in measures of this kind, set a limit as to the number of ships. There is a problem of obsolescence. Various companies which operate ore carriers say that if there is a trade-in of 3 ships a year over the period of the next 5 years, that will probably be all that will be traded in.

We must also realize that there is a limitation upon the shipbuilding facilities on the Great Lakes. I do not believe there are sufficient facilities to build more than from 3 to 5 vessels a year.

Mr. WILLIAMS. Does the bill provide that they can be built only in the shipyards along the Great Lakes?

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York may yield 5 additional minutes to the Senator from Michigan.

Mr. LEHMAN. I shall be glad to do so, Mr. President.

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

Mr. POTTER. I thank both the distinguished Senator from Texas and the distinguished Senator from New York.

Mr. WILLIAMS. How many ships, at the maximum, can be involved in this authorized trade-in? Is it not a fact that approximately 300 can be involved?

Mr. POTTER. If the Senator will refer to the definition of an obsolete ship he will find there are many obsolete ships in the ore trade.

Mr. WILLIAMS. An obsolete ship is described in the bill, and the bill is what we are acting on today. Is it not a fact that, based upon the definition in the bill, approximately 300 ships would be eligible?

Mr. POTTER. That is correct.

Mr. WILLIAMS. What is the average payment which would be involved for each ship under the formula contained in the bill?

Mr. POTTER. The bill provides that a shipowner may turn in an obsolete ship, as described in the bill, to the Maritime Board. It will be then placed in a laid-up fleet. The Maritime Board will then make a determination of the cost to replace the tonnage of a new vessel in a foreign yard. A contract will be let to an American yard for the replacement of that tonnage through a new vessel, as outlined in the bill, and a credit will be given for the construction of a new ship, the credit representing the difference between the cost of construction in a foreign yard and the cost of construction in an American yard.

The Senator well knows that the differential will run from 40 to 45 percent.

Mr. WILLIAMS. Is it not true that the cost is estimated at approximately $8 or $9 million for each ship?

Mr. POTTER. A 12,000-ton cargo vessel will cost approximately $7 million. I will say to the distinguished Senator that the cost can very well run from $7 million to $8½ million per ship.

Mr. WILLIAMS. The Maritime Commission used the figure of $9 million, based on the same formula which the Senator has just outlined. If the subsidy is to be 40 or 45 percent of the construction cost, the credit would amount to $3 million to $3½ million for each ship. Is that not a correct assumption?

Mr. POTTER. That may be correct.

Mr. WILLIAMS. Is it not also true that this subsidy of from $3 million to $3½ million, allowed under the formula in this bill, has no relation to the original cost of the ship, and that more than likely many of the ships will be traded in at an allowance that will be much more than the original cost of the ship when it was constructed?

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield?

Mr. WILLIAMS. I should like to have the Senator from Michigan answer my question, first.

Mr. POTTER. As the Senator well knows, we are requiring that the ships be built in American yards. Otherwise, by having the ships built in Germany or in Denmark, the 40 percent could be saved.

Mr. WILLIAMS. There is already a requirement that the ships be built in domestic yards.

Mr. MAGNUSON. Oh, no; there is not.

Mr. POTTER. There is not if the ships engage in international trade.

Mr. WILLIAMS. That is right.

Mr. POTTER. That is the purpose of the bill.

Mr. WILLIAMS. Does the bill restrict the ships strictly to Great Lakes carrying? Are there any restrictions as to where they can ultimately be used, such as in coastal traffic?

Mr. POTTER. The restrictions is to the Great Lakes region up to the head of the St. Lawrence River.

Mr. WILLIAMS. Are they restricted to that point, or can they go beyond that?

Mr. POTTER. They are restricted to the head of the St. Lawrence River.

Mr. WILLIAMS. The committee report indicates that they were not so restricted. The Comptroller General makes that point in voicing objection to the bill as well as taking exception to the more liberal trade-in formula.

Mr. POTTER. It is less liberal.

Mr. WILLIAMS. Let me read from the Comptroller General's statement at page 6 of the report.

I quote:

> Nothing in this subsection shall be construed as restricting the trade in which such new vessel may be used.

Over on page 5, reading from the Comptroller General's same letter, I quote:

> S. 3108 proposes a method of determining credit allowances for obsolete Great Lakes bulk cargo vessels acquired by the Government which is a significant deviation from the present provisions of sections 507, 510 (d), and 510 (h) of the Merchant Marine Act, 1936, applicable to other vessels.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield.

Mr. MAGNUSON. That is not a statement by the committee. It is a letter from the Comptroller containing his opinion. We did not agree with some of the Comptroller's interpretations.

Mr. WILLIAMS. But the Comptroller General interprets the law. Does he not also point out that this is a more liberal formula?

Mr. POTTER. There is an amendment, which I should like to read to the Senator.

Mr. MAGNUSON. I think the RECORD shows that the Senator from Delaware pointed out that 300 ships could be traded in. It is still completely in the discretion of the Maritime Board, which could turn down any application. It is not mandatory. The Board has turned down many applications. By the same theory we can say that the 1,800 ships which are plying over the world may all be immediately turned in. The economy of the situation takes care of that, together with the discretion of the Maritime Board and, incidentally, the necessary financing. The proposition would have to be a solid one, or application could not be made. I think we would be very fortunate if the number topped five a year.

Mr. POTTER. That is correct. I wish there could be more. But, as a betting man, I would not take any bets that there will be five a year.

Mr. MAGNUSON. If something along this line is not done, in my opinion, we shall find our American ore-carrying fleet gone and carriers under foreign flags taking the business. If we do not pass this bill, such ships as we have in mind will be built in Japan. These are not very elaborate ships. They are easy to build. If the Panamanian flag should be placed on them, our fleet would disappear.

Mr. POTTER. The Senator from Washington, who is probably the best informed authority in the Congress on maritime matters, has been greatly concerned over what we call the run-away flags—American capital invested in foreign-built ships operating with foreign crews.

We are inviting the same thing to happen with reference to Great Lakes ships unless something is done along the lines of this bill.

Mr. MAGNUSON. It is true that the Comptroller General was concerned about two features, one of which was the matter of a trade-in on an obsolete ship. The amount would be determined by the Maritime Commission. If the amount is determined by the Commission to be $50,000, that is all that would be paid.

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

Mr. POTTER. I yield.

Mr. WILLIAMS. If the Senator will back up that statement, I will go along with him. All we are arguing now is whether these ships ought to be traded in at actual or some inflated valuation.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that we may proceed for 10 more minutes without the Senator from New York losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. The Comptroller General made a valid objection when he raised the point as to whether or not these ships, at present age, would be worth while for a reserve fleet, or whether they were simply worth the price of scrap. That involves, I think, a difference of opinion. I do not know that they would be worth much, to be honest with the Senator, if we kept them, and at the same time acquired fast, new ships. Our concern is not so much about obsolete ships as it is about

the objective of the bill, which is to get new ones.

Mr. POTTER. The worth of these ships would be demonstrated in a time of national emergency. We would then have to utilize, as we did in World War II, every bulk carrier which would float. While it may be an inefficient operation in peacetime, we would find in time of war that the old vessels would certainly prove to be of great value.

Mr. WILLIAMS. The Senator from Washington made a statement on which I think we might reach an area of agreement, namely, that the bill be amended to provide for allowance only of the actual value of the ships.

Mr. POTTER. I might add that during World War II some allowances were made because vessels were needed.

Mr. WILLIAMS. What was done on previous occasions certainly does not justify a giving away of ships at present or authorizing a new form of hidden subsidy. The Senator from Washington well knows that a couple of years ago I argued the same proposition in connection with another bill when the Government was putting up for sale 6 ships on the Great Lakes, ships which cost $7¼ million apiece to build. Yet all the Government got for them when they were sold was $102,000 each. The ridiculous feature of that transaction was that 3 of the ships were sold to 1 company; and after the company paid $102,000 each for the 3 ships which cost the Government over $7 million, the RFC approved a loan of $4,500,000 on the same 3 ships, and the loan was stopped only after the matter was exposed in Congress.

So certainly that type of operation condoned in the past is no justification for what is sought to be done today.

Mr. MAGNUSON. That was probably the Maritime Board. But Congress must legislate to provide administrative authority. We cannot legislate the price of the ships. We cannot legislate the trade-in value. We cannot legislate the decision of the administrative authority that, in its wisdom, these ships are necessary.

Mr. POTTER. Irrespective of what the Government received from the sale of those vessels at that time, the vessels were put to important use during the Korean war. They will be much more valuable to our national defense by being in use on the Great Lakes for carrying ore than they will be in the laid-up fleet in the Delaware River.

Mr. WILLIAMS. With respect to the use of those ships, within 3 months after they had been given away, Congress was asked for authority to build more ships of practically the same type for use in the Korean war.

Congress authorized the sale of those ships and knew exactly to the penny what would be received for them. It was our responsibility.

Mr. HUMPHREY. Is it not true that the ships to which the Senator from Delaware refers were package freight ships?

Mr. WILLIAMS. Yes.

Mr. HUMPHREY. At the time that legislation was enacted, the Korean war had begun. Is it not also true that there were plans made for package service ships, ships which were available for less than full cargoes, but that that plan had to be held in abeyance, because those ships were used as ore carriers, at a time when it was necessary for us to build up our production as much as 20 or 25 percent?

Mr. POTTER. That is correct.

Mr. HUMPHREY. It is not at all unusual for the United States Government to sell ships at low prices or to give them away, is it?

Mr. POTTER. That is correct. We practically gave away thousands of ships to foreign governments.

Mr. WILLIAMS. Simply to keep the record straight, of the 3 ships which were sold for $102,944 each, one ship cost the Government $7,733,694, the second ship cost the Government $7,802,672, and the third ship cost the Government $9,125,039.

They were sold in the early days of the Korean war over the objections of the Department of Defense, the Department of Commerce, and the Navy Department. Every agency concerned came before Congress and said that in the interest of the security of the United States, those ships should not be demobilized from oceanic traffic and should not be placed on the Great Lakes. But Congress acted over the objection of every Government agency involved and practically gave them away.

Mr. MAGNUSON. How could the Department of Commerce object when they had to approve the sale?

Mr. WILLIAMS. They did not approve the sale. Congress approved it. The bill was passed over the objection of the Department of Commerce in the same manner that the pending bill, if it shall be passed, will be passed over the objection of the Department of Commerce.

Mr. MAGNUSON. The Comptroller General was the objector.

Mr. WILLIAMS. Am I to understand that the Senator from Washington believes the Department of Commerce favors the proposed legislation?

Mr. MAGNUSON. I do not know whether they are for it or against it.

Mr. POTTER. I am old fashioned enough to believe that Congress is the branch of our Government which legislates.

Mr. HUMPHREY. That is a very refreshing attitude.

Mr. POTTER. I do not feel that I must favor or disapprove of proposed legislation depending on whether a Federal agency is for it or against it.

The Department of Commerce came before the committee and said, "We must do something. If we do not, the Great Lakes fleet will go out of existence."

Mr. WILLIAMS. Who said that?

Mr. MAGNUSON. The Department of Commerce. They were off again and on again.

Mr. POTTER. We asked, "What do you recommend?"

They replied, "We do not have any recommendation to make."

I do not believe Congress can sit back on its hands and wait for an agency downtown to make up its mind as to what should be done.

This is a good bill. It conforms with existing maritime policy. As an independent branch of the Government, it is the responsibility of Congress to legislate; and I do not apologize one iota for the fact that we do not have a gold-worded letter from the Department of Commerce.

Mr. HUMPHREY. I thank the Senator from Michigan for his sponsorship of the bill, of which I am proud to be a cosponsor.

Is it not true that at the time Congress authorized the sale of certain ships for the package trade, the whole package trade business on the Great Lakes was at the point of actually being lost?

Mr. POTTER. That is exactly correct.

Mr. HUMPHREY. Is it not further true that those ships were surplus vessels, lying idle at great cost to the Government?

Mr. POTTER. That is true.

Mr. HUMPHREY. Is it not also true that the reason a concessional sale was made was that it would have required several million dollars to convert those ships for the kind of transport use to which they were to be directed?

Mr. WILLIAMS. That is not correct and there is no testimony to support the statement.

Mr. POTTER. That is correct. For the package trade, they had to be converted.

Mr. HUMPHREY. Is it not true that at the time the plans for conversion were being made, the Korean war began, and the ships had to be restored for use as ore carriers?

Mr. POTTER. That is correct.

Mr. HUMPHREY. With all deference to our friends from the coastal States, anyone who has lived along and been on the Great Lakes knows that the package ship is the life of the trade on the Lakes. I think it is about time we made up our minds that if we are going to utilize this great inland body of water for something else than fishing, even though we invite our friends to enjoy that pastime, it is necessary to have ships designed for the commerce of the Lakes. That will put revenue into the Federal Treasury.

The ships are lying idle, unused. The fact that they were able to be used during the Korean war was a part of the general legislation that the ships could be used for national security purposes.

Why have them lying now in some river or bay, where they will gather barnacles and rust, when they could be used for commercial purposes?

The purpose of the bill is to provide a modern fleet on the Great Lakes. No other country on the face of the earth would think of having within its boundaries a body of water such as the Great Lakes and not use it to its maximum.

All we are asking for is the privileges which the ocean carriers have, in substance, so that we can have a fleet on one of the greatest of the God-given bodies of water which the world has.

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

Mr. POTTER. I yield.

Mr. LANGER. The arguments made by the Senator from Minnesota are so

familiar to me. I heard him and the distinguished Senator from Washington——

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. POTTER. Mr. President, I ask unanimous consent that I may have 10 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. We heard the same arguments about this beautiful body of water and new ships not being used, but the Senator from North Dakota wants to know to whom those ships were sold and how many millions of dollars were made in buying them.

Mr. HUMPHREY. I would be happy to supply that information, but the Senator from Michigan is present and he has it.

Mr. LANGER. The Senator from North Dakota knows of some of the profits. I should be delighted to hear from the Senator from Michigan.

Mr. POTTER. Is the Senator from North Dakota referring to package ships?

Mr. LANGER. Yes.

Mr. POTTER. Some were sold to the Government and some were requisitioned during the war. I do not know what vessels the distinguished Senator has in mind.

Mr. WILLIAMS. If the Senator will yield to me, it will not embarrass me to tell the Senator from North Dakota who bought the ships, how much they paid for them, and what they cost.

Mr. LANGER. I should like to have that information.

Mr. WILLIAMS. These three particular new ships were sold by the United States Government upon orders of the Congress in 1950. They were built by the Bethlehem Shipbuilding Co. at Sparrows Point. They were not obsolete package ships, nor were they battle scarred. They were C–4's, the most modern freighters at that time, completed in 1946.

The name of one of the ships was the *Mount Mansfield*, a C–4, which was delivered to the United States Government on March 15, 1946, at a cost of $7,733,694.

The United States Government sold the ship in 1950 to the Nicholson-Universal Steamship Co. for $102,944 for use on the Great Lakes.

The second ship was the *Scott E. Land*, a C–4, delivered to the United States on May 17, 1946, at a cost of $7,802,672. The United States Government received $102,944 for that ship.

The third ship was the *Louis McHenry Howe*, another C–4, delivered on January 31, 1946, at a cost of $9,125,039. The Government received $102,944 for this ship, a total of around $310,000 for all three ships.

After they were sold I pointed out on the floor of the Senate that the RFC had approved a loan on these same three ships of four and a half million. They were sold under a bill passed by Congress at the beginning of the Korean war, over the objections of every agency of Government. The Secretary of the Navy and the Department of Defense said that the sale of the ships for use on the Great Lakes was detrimental to the security of the United States and strongly urged that they not be sold.

They said that the ships were badly needed to transport goods and supplies to our troops in Korea, yet Congress ignored their plea.

Let no one be disillusioned that the sale was a plain giveaway and those in Congress voting for it must accept the responsibility.

Mr. POTTER. Mr. President, we have been spending two-thirds of the time used on the bill on past history, without discussing the bill itself. I know the distinguished Senator from Delaware opposed the original sale. I believe the Government received much more value for those vessels during the Korean war, in the form of the transport of ore, than it would have received had the vessels been laid up in the Delaware River.

Mr. HUMPHREY. Mr. President, will the Senator from Michigan yield to me?

Mr. POTTER. I yield.

Mr. HUMPHREY. Furthermore, the fact that the shipping companies asked for an RFC loan, as the Senator from Delaware has indicated, is exactly the reason why the ships were sold as inexpensively as they were to the shipping companies—namely, the ships could not be used on the Great Lakes as they were then constructed; they had to be converted. They had to be converted into package freighters for the Great Lakes. Those ships had to be moved all the way from the eastern seaboard to the Great Lakes. They were there when we needed them for the purposes of national security. Furthermore, the Government did not lose its right to these ships, as it loses no right to a ship whenever it needs it. Our package freight ships were taken by the Government in World War II; so the package freight service was destroyed.

I have no brief for the shipping companies, but I ask the Senator if it was better to let the ships lie idle on the eastern seaboard, gathering barnacles and rust, or enable them to be used.

Mr. WILLIAMS. It would have been better to have them used, as the Government agencies said, in the transportation of goods to Korea. The point is that if the trade on the Great Lakes cannot afford to pay more for ships than the percentage indicated by the relationship of $102,000 to $9 million, it is time it closed down.

Mr. MAGNUSON. What has that to do with the bill?

Mr. POTTER. It has nothing to do with the pending bill.

Mr. WILLIAMS. The question came up, and I was answering it. I do not blame Congress for wanting to forget that transaction.

Mr. MAGNUSON. This has nothing to do with the bill whatsoever.

Mr. POTTER. The Senator from Delaware has spent half the time talking about past legislation. Whether it was good or bad legislation is not under discussion.

Mr. WILLIAMS. I point out that what the Senate is being asked to do under this bill is comparable, to a lesser degree, to what was done previously. There is here being authorized a subsidy of from 3 to 3½ million dollars per ship and it is being done again over the objections of every agency of Government. Contrary to what the Senator from Washington has said about Commerce having approved this bill, I have a copy of a letter addressed to him as chairman of the committee, signed by the Secretary of Commerce, in which he says that the Department recommends against the favorable consideration of the bill. The Maritime Commission recommended against favorable consideration of the bill.

Mr. MAGNUSON. That is a part of the Commerce Department.

Mr. WILLIAMS. They are agencies of the Government, responsible for administering this law if enacted and they are both against it.

Mr. MAGNUSON. If the Senator from Delaware will calm down, we shall get the matter straightened out. There was testimony given by officials of the Commerce Department, which we shall be glad to put into the RECORD. I am not the author of the bill. The bill concerns the Great Lakes. The Senator from Michigan held all the hearings. It was testified that there was a great necessity for the bill.

There was a little quibbling about the financing formula of cost that should be used, with regard to foreign cost as against American cost. The Maritime Commission uses the cost of construction in Holland, which seems to be a sort of average throughout the world. It was testified that companies could not possibly afford to finance the ships unless the bill were passed. It is the same procedure that is used with regard to domestic freight and iron-ore carriers.

When the 1936 law was enacted, which established the maritime policy of the United States, the particular interests under discussion were not included because at that time their fleet was fairly modern and efficient, and they saw no reason to come under the act. Now most of the ships are more than 50 years old.

Mr. WILLIAMS. I say to the Senator from Washington if there be a need for a subsidy, let us recognize it and call it a subsidy, and not talk about a bona fide trade-in allowance, which is a backhanded way of getting a subsidy.

If it can be justified then spell it out openly and do not try to conceal it from the taxpayers under some fancy language.

If you propose a $3 million subsidy for two or three hundred ships say so in plain language and put the accurate price tag on it.

You know that if that is done not many of these subsidy bills would ever get by the committee.

Mr. MAGNUSON. Let us get this clear. The Senator from Delaware is always talking about a hidden subsidy. There is no hidden subsidy at all. The Maritime Act provides for a trade-in. A ship may be worth $50. A trade-in allowance is offered for the same purpose that a trade-in allowance on a refrigerator is offered. There may be an offer of $50 on a refrigerator which is worth only $25. That has been our consistent

maritime policy. That is not hidden. Everybody approves it. The Senator can go to the Committee on Appropriations and see that all the facts and figures are before the subcommittee dealing with the Commerce Department appropriation.

Mr. WILLIAMS. Would the Senator be willing to amend the bill so that there would be a provision that the trade-in allowance would be only the fair and reasonable value?

Mr. MAGNUSON. Then there would have to be added 40 percent.

Mr. WILLIAMS. If that were done, the American taxpayers would know what this program would cost them, what they were doing, and who would get the money. That is the point I am making.

Mr. MAGNUSON. The American taxpayer can find that out right now. When the budget request is submitted, that is all set forth. Let us take a carrier that is worth $200,000——

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The time of the Senator from Michigan has again expired.

Mr. MAGNUSON. Mr. President, I ask that an additional 2 minutes be granted the Senator from Michigan.

The PRESIDING OFFICER. Is there objection?

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, earlier in the day the leadership assured the Senator from New York [Mr. LEHMAN] that the Niagara power development bill would be considered by the Senate today. Since then, time has been yielded to the Senator from Michigan [Mr. POTTER] in the belief that the Great Lakes bulk cargo vessel bill which he wished to discuss could be acted upon rather quickly. However, debate on that bill has become somewhat protracted. I wonder whether it will be satisfactory to all Senators concerned to have the Senate consider at this time the Niagara power development bill, and let the Great Lakes bulk cargo vessel bill go over. Perhaps the Senator from Michigan and the Senator from Washington will hold conferences with the Senator from Delaware [Mr. WILLIAMS] and perhaps the bill in which they are interested—the Great Lakes bulk cargo vessel bill—can be considered further by the Senate after action on the Niagara power development bill. However, in view of our agreement with the Senator from New York, I think it would be unfair not to proceed at this time with consideration of the Niagara power development bill.

Mr. MAGNUSON. However, the Great Lakes bulk cargo vessel bill has already been made the unfinished business.

Mr. JOHNSON of Texas. Yes; but it was made the unfinished business because of the belief that action on the bill could be completed speedily. However, that has not occurred.

Mr. MAGNUSON. On the other hand, I do not think there is any real opposition to the Great Lakes bulk cargo vessel bill. There may be some misunderstandings about the bill. The only real opposition to the bill would be on the part of those who might be opposed to enactment of a bill for private ore carriers.

Let me say that I am not the author of the bill; I have simply tried to be helpful to the Senate in connection with the explanation of the bill. The Senator from Delaware [Mr. WILLIAMS] has been asking questions in connection with the explanation.

Mr. POTTER. Mr. President, let me say to the distinguished majority leader that aside from having time for a clarifying amendment which I would submit, I do not care to have additional time. I do not know how much time the Senator from Delaware has planned to use.

Mr. WATKINS. Mr. President, I should like to speak for 12 or 15 minutes on the bill.

The PRESIDING OFFICER. The time yielded to the Senator from Michigan has expired; and the Senator from New York is entitled to the floor.

NIAGARA RIVER POWER DEVELOPMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1428, Senate bill 1823, relating to power development on the Niagara River.

Mr. BUSH. Mr. President, let me ask the Senator from Texas about the bill.

Mr. JOHNSON of Texas. It is the Niagara power development bill, which we have already agreed to take up.

Mr. MAGNUSON. In the event that bill is to be taken up at this time, I think we should withdraw consideration of the Great Lakes bulk cargo vessel bill.

Mr. JOHNSON of Texas. That would be the result of agreeing to the motion I have made.

Mr. BUSH. However, notice has been given that the Great Lakes bulk cargo vessel bill would be voted on this evening.

Mr. JOHNSON of Texas. However, Senators are not yet ready to vote on the bill. The Senator from Delaware wishes to submit an amendment, and the Senator from Michigan wishes to submit an amendment, and the Senator from Utah wishes to discuss the bill. We would be breaking faith if we did not now proceed to the consideration of Senate bill 1823.

The PRESIDING OFFICER. Is there objection to temporarily laying aside the unfinished business——

Mr. JOHNSON of Texas. Mr. President, I do not wish to have the unfinished business temporarily laid aside. I have moved that the Senate proceed to the consideration of Senate bill 1823. After that bill is disposed of, I wish to have the Senate take up whatever measures are ready for consideration at that time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas that the Senate proceed to the consideration of Senate bill 1823.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

Mr. JOHNSON of Texas. I ask unanimous consent that on tomorrow, the Senator from New York [Mr. IVES] be recognized for 1 hour, immediately following the morning hour.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that at this time the Senator from New York [Mr. LEHMAN] will be recognized. I thank the Senator from New York for his courtesy and his indulgence.

Mr. LEHMAN. I thank the Senator from Texas.

ASSISTANCE FOR OREGON'S DISASTER-STRICKEN ORCHARDS

Mr. MORSE. Mr. President, will the Senator from New York yield to me, to permit me to make an extraordinary request?

Mr. LEHMAN. I yield.

Mr. MORSE. I make the request with an apology on my lips. Let me explain that I am trying to catch a plane to go to Oregon to the political wars, so to speak; and there is an emergency matter which I wish to discuss very briefly for the RECORD. I wonder whether I can impose upon the courtesy of the Senator from New York long enough to make a brief presentation of that matter, with the understanding that in doing so, I shall not cause him to lose his right to the floor.

Mr. LEHMAN. I am very glad to yield for that purpose to the Senator from Oregon.

Mr. MORSE. Mr. President, I so request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, in the month of November 1955 a disaster struck the fruit orchards of northeastern Oregon and part of the States of Idaho and Washington in the form of a sudden, unprecedented freeze which completely wiped out the long-established and highly productive fruit orchards of approximately 450 farm families in my own State. This was not merely the type of freeze which destroys 1 year's crop. It completely killed the trees themselves, leaving the farmers without the slightest hope for a fruit crop before approximately 7 years.

The sad fact is that a majority of the farmers who were hit by this tragic occurrence do not have the means or the financial reserves with which to rehabilitate their orchards. They are faced with heavy costs of clearing out the dead trees, purchasing nursery stock, and bringing the young trees to productive maturity. Activities of this type require money; but the orchardists who have brought their problem to my attention have told me that even after exercising the most diligent efforts, they have been unable to obtain locally or through the facilities of the Federal Government credit which will enable them to do this rehabilitation job under a loan program

which is consonant with their practical needs.

Representatives of these Oregon orchardists have talked to officials of the Farmers' Home Administration in the regional office, as well as here in Washington; but their efforts have been futile. The FHA apparently takes the position that repayment installments should begin soon after the original loan is made. Obviously, such a condition does not accord with reality, because the plain fact is that it takes about 7 years from the time of planting the nursery stock to the time when production commences in paying quantities.

Mr. President, the farms that have been hit by this unprecedented disaster have generally, and over a period of 50 years or more, established their economic value, as evidenced by a fine record of production of an important item in our Nation's food supply. In most instances, the farmers who have experienced this disaster have exhausted their efforts to refinance their farm operations; and unless they can obtain assistance from the Federal Government, and obtain it quickly, there appears to be no alternative other than forced liquidation of some very fine farms. This, in turn, will simply mean that more farm families will have to join the growing numbers who are leaving their farms to reside in urban areas.

In order to assist in bringing these fine farms back into production, I am introducing a bill to provide financial assistance for the rehabilitation of such orchards. Under this bill, the Secretary of Agriculture is authorized to make emergency loans to orchard operators and owners in disaster areas, designated as such by reason of freeze, drought, hurricane, disease or other natural causes, provided they establish that they are unable to obtain financial assistance from private sources, and show that they have reasonably good chances of repaying such loans.

Loans made under the bill would be not in excess of $25,000, and for not to exceed 15 years, at 2½ percent interest per annum.

The repayment period would not begin prior to six crop years from the date of the loan in any case in which it is determined by the Secretary of Agriculture that the borrower's income will be insufficient to make payment at an earlier date. However, the bill would also authorize variable payments, to meet the situations in which net earnings and ability to pay are higher or lower than normal.

The bill would authorize the Secretary of Agriculture to assume not to exceed 50 percent of the cost of clearing the disaster-stricken orchards and initiating replanting or redeveloping the land.

Mr. President, I introduce this disaster-aid bill on behalf of myself and my colleague, the junior Senator from Oregon [Mr. NEUBERGER]; and I urge its prompt and sympathetic consideration by the appropriate Senate Committee, because of the emergency nature of the problem covered by this proposed legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3850) to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make emergency loans to eligible orchard operators and owners in the area declared by the Secretary in December 1955 to be a production disaster area because of unseasonable freeze, and in any area hereafter declared to be a production disaster area by the Secretary because of freeze, drought, hurricane, disease, or other natural causes.

(b) Any orchard operator or owner in any such area shall be eligible for assistance under the provisions of this act if the Secretary finds—

(1) he has suffered, as the result of any such disaster, substantial financial losses;

(2) he is in need of financial assistance which he cannot obtain from private credit sources on such terms and conditions as he could reasonably be expected to meet; and

(3) that he has a reasonably good chance of repaying it.

SEC. 2. (a) Any loan made under the provisions of this act shall be made—

(1) for an amount not to exceed $25,000;

(2) for a period not to exceed 15 years;

(3) at a rate of interest not to exceed 2½ per centum per annum; and

(4) under such other terms and conditions as the Secretary shall prescribe.

(b) The Secretary may delay the initial annual repayment of any such loan for a period of not more than 6 crop years from the date of the loan in any case in which he determines that the borrower's income will be insufficient to make the initial payment at an earlier date, but this provision shall not have the effect of extending the maximum term of any loan.

(c) The Secretary is authorized and directed to establish, with respect to all loans authorized under the provisions of this act, variable repayment plans with payments adjusted, without regard to previous excess payments, to the net earnings and ability of the borrower to pay from year to year.

SEC. 3. The Secretary is authorized to assume not to exceed 50 percent of the cost incurred by any person eligible for a loan under this act in clearing orchard land of any trees rendered commercially unproductive or destroyed as the result of any disaster referred to in the first section of this act, and in the initial replanting or redevelopment of such land.

SEC. 4. (a) The Secretary is authorized and directed to utilize the facilities of the Farmers' Home Administration for the purpose of administering the provisions of this act.

(b) The Secretary is authorized to make such rules and regulations and such delegations of authority as he may deem necessary to carry out the provisions of this act.

SEC. 5. There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out the purposes of this act.

Mr. MORSE. Mr. President, I shall seek from the chairman of the Senate Committee on Agriculture and Forestry [Mr. ELLENDER] an answer in regard to whether, under the oncoming new farm bill, it will be possible to bring these orchardists and others who wish to participate in the so-called soil bank program under the conservation features of the soil bank, so that by election, they can, under the provisions of that bill, receive the payments if they keep the land out of the usual production, and if they seed it to some sort of cover crop or grass crop.

NIAGARA RIVER POWER DEVELOPMENT

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEHMAN. Mr. President, I have been waiting and working for this moment for 6 years.

Since 1950 I have had pending before the Senate successive bills providing for the redevelopment of the waters of the Niagara—waters made available to the United States by the United States-Canadian Treaty of 1950—for the benefit of the people of New York, of neighboring States, and of the Nation.

Now, at last, there is before us a bill, introduced by myself in association with 16 other Members of the Senate, as amended, improved, and reported by a bipartisan majority of the Public Works Committee.

I congratulate the Public Works Committee, and especially the distinguished chairman of that committee [Mr. CHAVEZ] and the distinguished chairman of the pertinent subcommittee [Mr. KERR] for their patient, persistent, and brilliant work in conducting the hearings, working out the necessary agreements and reporting the bill in time for passage of this legislation in this session of Congress.

The bill was reported out on January 16. It has now been on the calendar for several months. There has been ample opportunity to study the terms of this bill. I look now for an incisive debate and a favorable decision.

Mr. President, the facts are simple and can be summarized as follows:

First. The pending legislation would authorize the State of New York to build, operate, and maintain a hydroelectric power project on the Niagara River, utilizing a diversion of waters agreed upon and made available under the terms of the United States-Canadian treaty of 1950.

Second. The pending authorization bill, S. 1823, would not cost the Federal Government, now or later, a single cent in Federal appropriations. New York State is ready and anxious to build the project and operate it. New York State seeks no financial help whatever, in any

form, from the Federal Government for this purpose.

Third. The pending legislation is necessary because of a reservation, the so-called Aiken reservation, named after its original sponsor, the senior Senator from Vermont, attached by unanimous vote of the Senate to the 1950 treaty. That reservation stipulated that Congress, by subsequent act, would dispose of the new power potential made available under the terms of the treaty.

Fourth. The Niagara development is multipurpose, under the specific terms of the treaty—to preserve and enhance the beauty of Niagara Falls, and to develop hydroelectric power. This development also has, for both countries, vital national defense implications and purposes.

Fifth. The Niagara River itself is a short stream linking Lake Ontario and Lake Erie. It is the western boundary between New York and Canada, and carries the full flow of the four Western Lakes into Lake Ontario, and forms a part of the Great Lakes-St. Lawrence water system.

Sixth. The power which would be developed on the Niagara would constitute one of the largest blocs of low-cost energy that could be produced at one site on the North American continent.

Seventh. Starting immediately after the ratification of the treaty, Canada has virtually completed the construction of the project works to utilize her share of the Niagara diversion. Canada has developed this additional Niagara power through a public agency of the Province of Ontario. All Canada's power in this area is publicly developed and publicly distributed.

Eighth. Canada today is using most of the United States share of the Niagara waters, in addition to her own share, as she is permitted to do under the terms of the treaty. She may continue to do so until we are ready to use our share.

Ninth. For many years New York State has had on its statute books legal authority and instructions to develop the hydroelectric potential on the St. Lawrence River. A public agency, the New York Power Authority, was created for this purpose and is now, in fact engaged in building project works on the St. Lawrence.

Tenth. In 1951 the New York Legislature, on the recommendation of Gov. Thomas E. Dewey, amended the State Power Authority Act, and authorized and directed the State power authority to include the Niagara power development in the mission and responsibility of the State power authority.

Eleventh. New York State is thus instructed by law, as well as by long-standing and frequently reaffirmed public policy, to develop the Niagara power resource, under public auspices, for the public use and benefit.

Twelfth. The Niagara River water-diversion plan, in a manner to preserve and enhance the beauty of the falls, was originally worked out under the direction of the New York State Power Authority. Subsequently, this general plan was translated into specific engineeering details by the Bureau of Power of the United States Federal Power Commission, and the Corps of Engineers, United States Army.

Thirteenth. The President of the United States has said—he so stated in a press conference only last week—that congressional action should be taken now, and that there is no justification for further delay. He has said, moreover, that the Niagara resource should be disposed of in the manner desired by New York State.

Mr. President, these are the simple and unchallenged facts. Now, let me define the basic issue which confronts the Senate by virtue of this legislation. There have been, unfortunately, attempts to confuse the issue.

The chief issue is clearly whether Niagara power shall be developed by the State of New York, under its statutory authority and instructions, or whether the Niagara resource should be given away by Congress, despite the laws of New York State, to a private power monopoly.

Make no mistake about it. That is the issue before the Senate. That is the issue in New York State and in the country.

The only legislative alternative to the pending bill, the only alternative bill submitted to the Public Works Committee, was, and is, S. 6, for the giveaway of Niagara Falls power to a private power combine.

I understand that my colleague, the senior Senator from New York [Mr. IVES] has been critical—and he will speak for himself, of course—of the preference provision of S. 1823, a provision which is identical with that in almost every congressional authorization of a public power project, dating back to 1906—I certainly did not invent it.

But, Mr. President, it is a fact that not a single Member of the Senate, so far as I know, submitted to the Public Works Committee any proposal for an amendment of that section or any other section of S. 1823.

My distinguished colleague from New York did not appear before the Public Works Committee to urge amendment or elimination of the preference provision or of any other provision of S. 1823.

Indeed, no Senator formally made or pressed any such or similar proposal.

I am, in fact, puzzled by the attitude of my colleague. He is on record, repeatedly, and recently—in the campaign of 1954—in favor of public development of the Niagara. In two previous Congresses, he had introduced proposed legislation for the public development of this resource by the New York Power Authority. He did not introduce such a bill in this Congress.

Senator IVES' proposal of previous years was somewhat different from mine. It did not provide for preferences. It did not contain safeguards of the consumer interest approved and reported by the committee. But it was, in other respects, similar to the bill which is before the Senate.

Governor Dewey, long the dominant figure in the Republican Party of New York State, if not the Nation, has repeatedly urged and advocated public development of Niagara power. Indeed, it was at his behest, in 1951, that the State legislature authorized and directed the New York State Power Authority to construct and operate power project on the Niagara.

Governor Dewey has vigorously condemned those who advocate the giveaway of the Niagara resource to private enterprise.

The only Republican to be elected to statewide office in the elections of 1954, Attorney General Jacob Javits, voted against a private giveaway of Niagara—identical to S. 6—while he was a Member of the House of Representatives 3 years ago.

Attorney General Javits has recently circulated among Members of the Senate a memorandum favoring and urging public development, and supporting the principle of S. 1823, although proposing a possible revision of some details.

The Republican chairman of the New York State Power Authority has taken a position somewhat similar to that of Attorney General Javits, although Mr. Moses has specifically said that the Power Authority can operate under the terms of S. 1823.

The present Governor of New York, Gov. Averell Harriman, and his administration, support S. 1823, as reported out by the committee, without qualification or reservation. Governor Harriman was elected, in 1954, on a platform pledging the public development of Niagara specifically along the lines of S. 1823. New York State thus voted for the public development of Niagara just a year and a half ago, in November 1954, and Governor Harriman has acted to carry out this statewide public mandate.

So, Mr. President, let us keep our eye on the real issue—the issue of the right of the State of New York to build and operate this power project versus the right of a private power monopoly to be given free access to this precious resource in violation of the law of New York State which reserves this resource to the people, to be publicly developed for the public use and benefit.

The Senate Public Works Committee has examined all the provisions of the pending bill, S. 1823. The committee has weighed all the arguments against preference, some of which were made by Bob Moses, chairman of the New York Power Authority. But the committee, in its wisdom, decided in favor of the preference provision, as committees of the Congress have on every similar occasion of which I have knowledge, since 1906, 50 years ago.

I am sure the proponents of this bill, including members of the committee, will be prepared to answer challenges to specific provisions of the bill. But let us keep the main issue before us.

I challenge the opponents of this bill to pose the main issue by offering on the floor of the Senate the private giveaway bill, S. 6, introduced by the Senator from Indiana [Mr. CAPEHART] and rejected by the Public Works Committee as a substitute.

I should like to see a record vote on that substitute proposal.

Of course this so-called private enterprise proposal is not new in the Senate. It has been presented to this body before. It was presented to the Senate back in

1931, in the form of a protocol to the Treaty of 1909, a protocol which provided that the Niagara Falls Co., which has since become a wholly owned subsidiary of the Niagara Mohawk Co., which is trying today to get possession of this resource, might build necessary remedial works at Niagara Falls and receive in return the right to develop power from 10,000 cubic feet per second of Niagara water.

Do Senators know what happened to that protocol? It was unanimously rejected by the Senate Foreign Relations Committee. Nineteen members of that committee voted unanimously against it. One of the votes cast was that of the distinguished senior Senator from Georgia [Mr. GEORGE], now the chairman of that great committee. I shall refer again to that historic action.

But this is the issue today, as in 1931, 25 years ago—and for years before that time and since that time—the attempt by selfish private monopoly to get possession of more of the Niagara resource than they had already obtained in the early years of this century. The Niagara Mohawk Co. today has the use of 20,000 cubic feet per second of the precious Niagara waters, which belong to all the people of New York State and of this country. They have it by virtue of a license issued by the Federal Power Commission in 1921, confirming grants secured by one means or another in prior years.

I do not propose—and this bill does not propose—to disturb the Niagara Mohawk Co. in its present enjoyment of the profits of those early grants and that 50-year license issued in 1921.

But I am opposed—and I know the Senate is opposed—to giving this private monopoly any more of the Niagara waters, secured by the treaty of 1950 for the benefit of the people of New York State and of the Nation.

Mr. President, I have summarized the facts and defined the chief issue. I shall be glad, and other proponents of this legislation will be glad, in the course of this debate, to reply specifically to points made against specific provisions in this bill, or to questions as to the basic validity of this measure,

But for the sake of an orderly consideration, I should like now to proceed to fill in, with some detail, the background of this proposed legislation and its antecedents.

Mr. President, as I said before—and I wish to emphasize—the pending bill, S. 1823, does not request, nor does it involve, now or later, the appropriation of a single dollar from the Federal Treasury.

The bill authorizes the construction, operation, and maintenance by the Power Authority of the State of New York of a self-liquidating power project on the United States side of the river. The Niagara is confined wholly to the State of New York and the Province of Ontario. It forms, as I have said, a part of the natural boundary between Canada and the United States.

S. 1823 would fully implement, and is wholly consistent with, the Niagara Treaty of 1950 with Canada.

I doubt if any project in history has received more thorough study and painstaking consideration than has been given by committees of the Congress to the subject matter of this proposed legislation.

In addition to the hearings held on the treaty by the Committee on Foreign Relations in 1950, the Committees on Public Works of both the House and the Senate have taken literally thousands of pages of testimony from hundreds of witnesses at public hearings held in 1950, 1951, 1953, 1954, and 1955.

Every phase of the Niagara development has been carefully explored. Every provision of the pending bill has been justified by the weight of the evidence taken at the hearings.

The result is S. 1823 as reported on January 16 by the Committee on Public Works with the support of a bipartisan majority of its members. The committee, moreover, has improved and perfected the bill, by amendments to shorten and clarify its provisions and compose differences of view which arose in the course of the hearings. I heartily concur in the committee amendments, and I wish to associate myself completely with the interpretation placed upon the provisions of the bill in the committee's report.

An identical bill, H. R. 8109, introduced by Chairman BUCKLEY of the House Public Works Committee, is now pending before that committee in the House. The House committee, having also completed its hearings on this subject, is awaiting action by the Senate.

Mr. President, I request that the summary of the main provisions of S. 1823, as contained in the committee report, together with the conclusions of the committee, be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. LEHMAN. Mr. President, in a unique sense, the Niagara River is familiar to more people than is any other river on the North American Continent. The grandeur of its scenic spectacle, the magnitude of its potential hydroelectric power, are well known to the people of all the States of the United States and the Provinces of Canada, and countries the world over, who have been visiting it by the millions for many years. In 1955 the recorded visitors at the falls numbered 4,252,000.

I am sure every Senator recognizes the tremendous value of this marvelous resource of nature and takes pride in its conservation and development as a priceless part of our national heritage.

Now, just a word about the treaty obligation to preserve and enhance the beauty of the falls. This is being done (a) by remedial works designed to control the flow of water to insure an unbroken crestline over the escarpment now threatened with ultimate destruction by progressive erosion; and (b) by provisions, in the pending bill, to make the Niagara more accessible to the public by the construction on the United States side of the river of a magnificent parkway, comparable to the improvements already made on the Canadian side.

Mr. President, the hydroelectric project will create 1,600,000 kilowatts of new generating capacity. It will produce an annual average of approximately 10 billion kilowatt-hours of low-cost hydroelectric energy.

I am confident that legislation for these purposes commands the support of an overwhelming majority of the people of my State, and of the Nation. The passage of this bill, at this session, and its signature by the President, would be an historic and constructive achievement in the public interest and reflect lasting credit alike upon both the Congress and the President.

At the public hearings held in this Congress, and under the preceding administration, the Committee on Public Works has found no difference of opinion among the executive departments, their power experts, their engineers, and hundreds of other witnesses as to the economic feasibility and the desirability of developing the full power potential of the Niagara River.

The complete soundness of this development in a self-liquidating project is generally conceded. It is not questioned in the views filed by a minority of the committee. The minority, in fact, recognizes the tremendous value of the Niagara resource and favors its prompt utilization. But the minority does express a preference for its private exploitation by private utility corporations of New York State.

Let me turn now, briefly, to the so-called safeguard provisions—provisions designed to protect the interests of neighboring States, of the Nation, and of the general public, and of the consumers of Niagara power.

The committee found that these safeguard provisions are essential if the millions of consumers in New York, and in its sister States of the Northeast, are to realize the potential benefits of the Niagara, once it is publicly developed.

The committee accurately points out that the average residential rates in New York State for domestic and rural consumers "are among the highest in the Nation".

The committee bill carries the usual congressional provisions for service to public and rural electric cooperative agencies as preference customers. It provides for the use of existing transmission lines, or of nonduplicating lines built only where needed and where economically justified. It provides further that neighboring States shall have equal access to and a reasonable share of project power, subject to allocations by the Federal Power Commission in the event of disagreement. With these safeguards, the committee estimates that Niagara power could be used to produce "an annual saving of about a third of a billion dollars in the region's annual electric bill."

I need not labor the point that Niagara power is desperately needed in the Northeast and will readily be absorbed by consumers in New York, Pennsylvania, Ohio, and neighboring States. There is general and complete agree-

ment on this point. The needs which will be served by the pending bill have, indeed, grown more urgent since the Senate gave its advice and consent to the ratification of the treaty nearly 6 years ago.

In the meantime, with the sanction of the Canadian Parliament, the Province of Ontario, through its public agency, the Hydro-Electric Power Commission, has already nearly completed a gigantic new project, directly across the Niagara River from the State of New York. This new powerplant, with an ultimate capacity of 1,275,000 kilowatts, is already in operation and will soon be utilizing the entire Canadian share of the waters of the Niagara made available by the Treaty of 1950.

Unless and until Congress acts, Ontario will also be free to use the United States share of the flow of the Niagara to produce power for consumption in Canada. Ontario has every right, under the express terms of article VIII of the treaty, to utilize our share of this water which otherwise, in the absence of the New York power development authorized by the present bill, would continue to run to waste.

It is therefore unmistakably clear that, until Congress acts, all the additional low-cost power that can be produced in such great volume on the Niagara, under the 1950 treaty, will be publicly developed and transmitted by the Ontario Commission to municipalities, rural electric cooperatives, and the expanding industries of that Province. Many of these industries, including the dairy industry, are directly competitive with producers in the Northeastern United States. Ontario already enjoys a competitive advantage, with electric rates far below the cost of power and electric service in New York, Pennsylvania, Ohio, and the New England States.

The rate for power in Niagara Falls, N. Y., is almost twice as high as the rate in Niagara Falls, Ontario, immediately across the river.

In the light of these conditions, presented at the hearings, the committee has wisely recommended the immediate public development of our share of the Niagara water. It has reported the present bill as the best means of utilizing this resource, under long-established congressional power policy, and in a manner to assure lower electric bills to consumers throughout the Northeast.

When the magnitude and the value of this power are taken into account, it is shocking to contemplate the losses which have already resulted from our delay in authorizing the development of the United States share of the treaty water.

Most recently, in the pending majority report, and before that, in 1954, in minority views, there was an estimate that rate reductions obtainable from the Niagara development could reach as much as $300 million annually for consumers in the Northeast.

My successor as Governor of New York, the Honorable Thomas E. Dewey, presented a pertinent engineering report to the committee at its hearings in the last Congress. This report estimated that the coordinated development of the Niagara and the St. Lawrence, and the integration of hydro and steam power supply, would result in rate reductions for New York State consumers alone, amounting to annual savings of $95 million.

So great is the value of this power, and so great is the demand for electric energy in the Northeast, that the Corps of Engineers reported to the committee in the 82d Congress that the sale of Niagara energy will yield revenues exceeding the estimated project cost of $400 million within 10 years.

These and other estimates on the record support the committee bill and the conclusion that domestic and rural consumers of the Northeast, and many small industries of the area, depressed and stunted for lack of low-cost power will enjoy a direct savings from this project, amounting to tens of millions of dollars a year.

In our consideration of the bill, there is another important factor which will surely not escape public notice and the thoughtful attention of the Members of this body.

The United States being the leader of the free world, it has been a part of our foreign policy under the present and the preceding administrations to aid and encourage the development of water resources, and thereby to raise the standards of living of the people of friendly and uncommitted nations, whose well being and security are important to our own.

All over the world the people are aspiring to improve the conditions of their daily living and to increase their industry and production by utilizing the gifts of nature from a bountiful providence.

Great hydroelectric projects are rising, or are finding a place on the drafting boards, in Pakistan, Iran, India, Formosa, Israel, Egypt, Turkey, Greece, Afghanistan, and in other quarters of the globe.

Many of these countries have looked to us and have secured loans and grants for such projects. Virtually all of these projects call for the public development of these water resources, under Government auspices.

And those projects which have been built have resulted, in those countries, in lower electric rates and production costs, the creation of new wealth, new industry, and new taxable income and values.

I have consistently supported the appropriations we have made to stimulate and assist these projects abroad, because I am convinced that raising the standard of living of these people is of critical importance to the security and well being of the United States and the free world.

But I say it would be nothing less than an economic crime against the American people if, while we are rightly aiding other nations to develop their great rivers, we continue, with profligate waste, to delay the use of such a magnificent resource as the Niagara.

After we have finished authorizing more foreign aid at this session, I do not see how any of us will be able to explain or justify a vote against the bill, a bill which would merely permit one of the sovereign States of the United States to proceed with a self-liquidating project that can be built, operated, and maintained in perpetuity without a single dollar of cost to the taxpayers of the United States.

The authorization of the Niagara project at this session of Congress under the present bill will, of course, bring its most direct benefits to the people of New York, Pennsylvania, and Ohio, and to the power-starved rural electric cooperative, municipal plants, and many of the diversified industries of the Northeast.

By the interconnection of the Niagara and the St. Lawrence developments, and with the delivery of power by interchange and displacement, this project will also fortify the available power supply throughout the Northeast, and thus directly serve the interest of neighboring New England States.

But, Mr. President, I am not urging the passage of the bill solely because of its direct and indirect benefits to the Northeast and to the people of my own State.

My colleagues will bear witness that I have consistently supported and voted for the authorization of sound river development projects in all parts of our country; and I have also supported and voted for the vast appropriations usually required for such projects, projects unlike that proposed in the pending Niagara bill for which no Federal appropriations will be required. I have cast my votes for TVA, Bonneville, and the upper Colorado, for instance, on the principle that a sound development of our resources in one section benefits the whole Nation, and that what is good for our country as a whole is good for the people of New York.

The wise application of this principle by Congress has made possible the great developments on the Colorado, the Tennessee, the Columbia, the Missouri, and other major streams. I have supported such projects, as I support flood-control and power development in the Northeast. While these projects seem to bring their most immediate benefits to people living in the vicinity of a given development, they inevitably contribute to the strength of our economy as a whole.

On precisely the same principle, I am appealing to the Senate now, not for the appropriation of Federal funds for the construction of a Federal project in the Northeast, but for the authorization of a State development of the unused resource which lies on our threshold on the Niagara frontier, without expense to the Federal Government.

Under the terms of the bill, this wholly self-liquidating project will be financed by the State through the sale of the revenue bonds of the New York Power Authority. That agency has already successfully marketed $335 million of its revenue bonds for the St. Lawrence project now under construction.

Mr. President, the proposal for a public development of our hydroelectric resources is certainly not new or radical in New York State.

This policy has been recommended and advanced by virtually every Governor of the State of New York for more than 50 years, regardless of party.

Long before I was elected Governor in 1932, the State development of our great waterpower resources in New York was urged by Theodore Roosevelt, by Gov. Charles Evans Hughes, and by Gov. Alfred E. Smith. The Power Authority of the State of New York was set up under Gov. Franklin D. Roosevelt in 1931. This was the first public agency of its kind created in the United States. Mr. President, you will find many of the important safeguard provisions contained in the pioneering Power Authority Act written almost verbatim into subsequent Federal statutes, and in the enabling legislation which set up similar agencies in South Carolina, Texas, Nebraska, Oklahoma, and other States.

My immediate predecessors, Governor Smith and Governor Roosevelt, envisioned the coordinated public development of both the St. Lawrence and the Niagara by the power authority of our State, but both projects were bitterly opposed and obstructed for many years by the private utilities and allied special interests.

During the 10 years of my administration as Governor of New York there never was a time when the private utilities were not using every device to gain control of the remaining undeveloped power of the Niagara. Time and time again, by action taken in the executive department, in the legislature, and in the highest courts of our State, it was necessary for the State government to beat back the importunate claims of private power companies to the outright ownership of the Niagara resource.

In 1939 I submitted to the legislature, and forwarded to the appropriate committees of Congress, the exhaustive engineering report of the New York State Power Authority for the development of the Niagara along with the St. Lawrence.

This report, for the first time, formulated a definite program for the coordinated public development of Niagara-St. Lawrence power and for the integration of these new sources of hydroelectric power supply with expanding steam power facilities of the State, both public and private.

In many messages and public statements as governor of New York, and in testimony before congressional committees, I strongly urged this program. A long step toward achieving its benefits was taken in 1951. In that year the legislature finally passed, and Governor Dewey signed, the State law giving the power authority the same mandate to construct the Niagara power project, subject to Federal approval, as that agency was given in 1931, and is now exercising, to build the St. Lawrence power project.

I have cited this history to show that New York State, by the action of its governors of both parties, Republicans and Democrats, has effectively conserved its major public power resources in the interest of the people, and thus far has prevented their alienation to private monopoly interests. If the principle of States rights is to be respected, then there is only one method by which the Niagara resource may be immediately utilized, and that is by public development.

To this end, I introduced the original version of the pending bill promptly after the United States and Canada signed the Niagara Treaty early in 1950. House hearings were held on a companion bill after the Senate approved the treaty. But it was then too late in the session to obtain a vote to authorize the project, so that we might keep pace with Canada in utilizing the treaty water.

The bill I introduced in 1950 has, of course, been revised to meet changing conditions. The very complete hearings held by the Committee on Public Works and close study of the project by the able members of the committee now give us a bill which has been greatly improved and strengthened. It retains, however, the basic provisions of the 1950 bill, namely, that the Niagara waters shall be publicly developed and the project shall be operated by the State of New York, through its accredited public agency, and that the usual safeguards shall be maintained, in authorizing the development, so as to protect wholesale customers and ultimate consumers in neighboring States as well as in the State of New York.

The bill containing these provisions was unopposed at the public hearings held in 1950. The distinguished Senator from Arkansas [Mr. McCLELLAN], at the next session in 1951, promptly called and ably conducted Senate hearings on the Niagara development, as chairman of the Public Works Subcommittee. In the course of those hearings, as the Senator from Arkansas will recall, my bill for public development of the Niagara was endorsed by the Federal Power Commission, the Corps of Engineers, the United States Army, the Rural Electrification Administration, and all the executive departments principally concerned with this project.

The Niagara Mohawk Power Corp., which dominates the power supply in most of upstate New York, presented no witnesses against the public project at the initial House hearings in 1950. By 1951, however, formidable opposition had been organized to resist public development on the Niagara in any form.

The organized opposition which was then launched has continued unabated, up to this session of the Congress, against the utilization of the Niagara resource by the method approved by the Committee on Public Works in the pending bill.

As a matter of fact, Niagara Mohawk had set its sights on winning control of all the remaining power at the falls long before the Senate approved the 1950 treaty.

Through a wholly-owned subsidiary, the Niagara Falls Power Co., Niagara Mohawk presently uses 20,000 cubic feet per second of Niagara water for power production, under a standard-form license for 50 years, granted by the Federal Power Commission in 1921. That use will not be disturbed; in fact, it may be considerably enhanced in efficiency and economy, under the terms of the committee bill.

For many years, the Niagara Falls Power Co. boldly asserted its claims to the use of all the water of the river and all the remaining power that could ever be developed from the Niagara Falls and Rapids.

During my administration as governor, this company tried by every means to establish its claims, but it tried in vain. The courts of the State of New York upheld and vindicated the dominant rights of the public over the public waters of the Niagara. And when the company, in a test case, sought to increase its diversion of Niagara water beyond the limit then fixed in the Federal license, its application was flatly rejected by the Federal Power Commission.

The pioneer developments of power at the falls, at the dawn of the electrical age, were not, of course, made by the Niagara Mohawk Power Corp. or by its wholly-owned subsidiary, the Niagara Falls Power Co. Through a long series of mergers and consolidations, the properties and rights of the original owners and enterprisers, and their successors, were taken over, step by step, until generations later, they passed under the complete control of Niagara Mohawk.

Having failed to establish its claims to all the remaining power of the river, Niagara Mohawk saw the glittering prize almost within its reach during the consideration of the Niagara Treaty of 1950. That treaty, for the first time in 40 years, permits increased permanent diversion of water from the Niagara for power purposes, beyond the limit of 20,000 cubic feet per second for the United States, fixed in the Boundary Waters Treaty of 1909.

Under the new treaty, the United States share of the Niagara diversion will amount to an annual average of 65,000 cubic feet per second. This more than trebles the amount of the permanent diversion heretofore used by Niagara Mohawk under its Federal Power Commission license, which will continue under the committee bill.

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

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from New York yield to the Senator from Illinois?

Mr. LEHMAN. I am very glad to yield.

Mr. DOUGLAS. Is it not true that, in addition to the increased diversion from 20,000 cubic feet a second to 65,000 cubic feet a second, the additional 45,000 cubic feet, instead of being dropped from a height of approximately 100 feet, will be dropped from a height of more than 300 feet, by being taken farther downstream through a canal, where the cliffs are higher above the river than at the falls themselves, so that from the same amount of water, approximately 3 times as much energy will be obtained?

Mr. LEHMAN. There is no question at all that the Senator from Illinois is correct. We certainly will get much more power as a result of the greater drop of the water from the falls. There is no question whatsoever about that. What the Senator from Illinois has pointed out is generally accepted by all the experts.

Mr. DOUGLAS. The Senator from New York may know that in November I spent 2 days studying the problems of water and power at Niagara Falls,

and then spent 2 days studying the situation at the St. Lawrence River. I was struck by the fact that the present utilization of power on the American side of the falls is very uneconomic, in that the full potential fall is not really being used. I believe the distance between the top of the falls or some distance above the falls and the immediate bottom of the falls is only a little over 100 feet. But if the water is taken downstream approximately 3 miles, through an open canal, and then is dropped over the side of the cliff near the Whirlpool Rapids, there will be a fall of more than 300 feet. That would be a much more economic use of a given amount of water.

On the Canadian side, I found that the Canadians have already done precisely that; and now, as the Senator from New York knows, in addition to the original generators which the Canadians installed some years ago, they have installed an equal number of additional generators to take care of the added diversion permitted them under the 1950 treaty. However, on the Canadian side the water is taken underground, I believe; whereas on the American side, because of the contour of the cliffs, it is not necessary to take the water underground, but, instead, it could be taken downstream in an open canal. Furthermore, in order to adjust the flow and preserve the scenic beauty of the falls, it will be possible for us to use the Canadian system of having the water from the falls go in part into an interior lake; and then the flow from the lake will take care of the flow of the falls during the daylight hours in the tourist season, so that a steady flow of power will be maintained. Am I correct as to that?

Mr. LEHMAN. The Senator from Illinois is eminently correct.

I wish to say that I was happy when I heard he had spent some days at Niagara Falls, both on the American side and on the Canadian side. The value of his visit there is certainly demonstrated by his very evident knowledge of the situation existing there. There is no doubt that what he has said is correct. The power can now be generated much more efficiently and much more economically than was the case when the plants on both the American side and the Canadian side were originally developed.

I wonder whether the Senator from Illinois noticed another matter which has given me very great concern; in fact, I think it has given the people of the United States very great concern. I love Canada, and I think Canada is a great nation. I have only the greatest admiration for Canada. On the other hand, I do not want to have the Canadians have any particular advantage over us, in respect to the development of resources. I am sure that the Senator from Illinois noted that on the Canadian side of the Niagara River, industrial development and residental development are proceeding at a very much more rapid pace than on the American side.

Mr. DOUGLAS. Of course the Senator from New York is entirely correct. The low power rates which the Ontario Hydroelectric Power Authority is able to offer to both residential customers and industrial users have permitted tremendous development. Yet the interesting thing is that scenically the Canadian side of the Niagara River is beautiful, whereas the American side of the Niagara River from Buffalo to Lake Ontario is a horrible eyesore.

Let me ask the Senator from New York whether my impression is correct, namely, is it the intention of the Power Authority that, if this project is approved, the earth which is excavated in order to construct the canal from a point somewhat above the falls to 3 miles or so below the falls, at the rapids, will be used in such a way that a scenic highway somewhat comparable to the highway on the Canadian side can be constructed there.

Mr. LEHMAN. The Senator from Illinois is correct. The bill provides for the building by the State of New York of a scenic highway, at a cost estimated to be approximately $15 million, right along the edge of the falls.

Mr. DOUGLAS. For that purpose, the earth which will be excavated to create the canal—and which otherwise would have to be disposed of elsewhere—will be used to create a beautiful parkway; is that correct?

Mr. LEHMAN. I am told that is correct. I am not an engineer, but I understand that is the intention.

The Senator from Illinois has referred to the great development of power for both residential use and industrial use on the Canadian side of the Niagara River. I should like to emphasize that, on the Canadian side, electric power is less than one-half as expensive as is power on the American side. To be exact, if my memory serves me correctly, on the American side 250 kilowatts of power cost $5.03, whereas on the Canadian side the cost is approximately $2.40—or less than one-half. I think that is a typical case, which I could multiply many, many times by giving the cost of public power in various other places. However, that is a graphic and dramatic case; and that situation has permitted the Province of Ontario to develop much more rapidly than it has been possible for the adjoining areas in the United States to develop.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield for a further interruption?

Mr. LEHMAN. I am very glad to yield.

Mr. DOUGLAS. The Senator from New York has stated that, although he is a friend of Canada, he does not wish to see Canada obtain more power than the United States obtains. Is it not true that if the United States does not act in this case Canada will be entitled not only to her half of the power but also to all the power which we do not use?

Mr. LEHMAN. Yes; all of it.

Mr. DOUGLAS. Although the Canadians have installed additional generators some miles down the river, they have the three antiquated plants at the foot of the falls, on the Canadian side, which they intend to use for the development of power which otherwise would be ours, but which will be Canada's unless and until we act. Is that not true?

Mr. LEHMAN. That is perfectly true. Even today I believe their output of power is more than three times as great as ours.

Mr. DOUGLAS. I only wish that Members of the United States Senate and House of Representatives could spend the night at Niagara Falls and stay in the hotel on the Canadian side, because, as the Senator from New York knows, one can look out the windows of the hotel on the Canadian side and see the three antiquated powerplants on the Canadian side at the foot of the falls, where the drop is only something like 112 feet. The Canadians will take water which belongs to the United States under the treaty of 1950 and convert it into electric power, but they will convert it very inefficiently, because they will have a drop of only a little more than 100 feet.

If we carry out the suggestions of the Senator from New York, we not only will be able to take the water, but by taking it downstream, we shall obtain a drop approximately three times the drop on the Canadian side of the falls, and hence will add to the total amount of power threefold, in addition to getting for ourselves some of the potential power now used by Canada.

Mr. LEHMAN. The Senator is quite correct.

The use Canada is making of this waterpower resource, I think, has been illustrated in an amusing way, and yet it is a rather tragic and pathetic way. I am told that last night in Buffalo, from 9:23 to about half past 11, a period of more than 2 hours, there was a complete blackout. The reason for the blackout was that something happened to power production on the Canadian side, and the Niagara Power Co. was getting its power from Canada. It was not generating it itself. It was importing power from Canada to supply the needs of Buffalo and some of the other areas.

Mr. DOUGLAS. And in all probability, was it not buying the power at low rates from the Ontario Hydroelectric Authority and selling it at high rates to the residents and industries of Buffalo?

Mr. LEHMAN. There is no question about it. As I said, it would be amusing, if it were not so tragic. I sympathize very much with the people of Buffalo and the surrounding area, who were in a complete blackout for more than 2 hours.

In view of the questions raised by the Senator from Illinois, I wish to read a memorandum, as a part of my speech, in reply to some of his questions.

DIVERSIONS OF NIAGARA WATER FOR POWER PURPOSES

Diversions of water from the Niagara River for power purposes have been strictly limited by international treaty between the United States and Canada for more than 45 years.

The Boundary Waters Treaty of 1909, signed by the United States and by Great Britain, on behalf of Canada, was negotiated under President Theodore Roosevelt by Secretary of State Root and Ambassador Bryce, submitted to the Senate by President Taft, and ratified in 1910.

This treaty limited United States diversions from the Niagara to 20,000 cubic feet of water per second, and Canadian

diversions to 36,000 cubic feet of water per second. This apparent disparity was designed to offset the Chicago diversion from the Great Lakes system by the United States and also the use of Niagara water on the Canadian side by powerplants then owned by United States power companies which transmitted their output from Ontario to New York customers.

By exchanges of notes in the defense emergency preceding United States entrance into World War II and during the war both the United States and Canada arranged to increase their diversions on a temporary basis. I emphasize the word "temporary." Otherwise, the limits fixed in the 1909 treaty for permanent diversions stood until the Niagara Treaty of 1950. The new treaty increased the total permanent diversions to 130,000 cubic feet per second for both countries, evenly divided to permit an annual average of 65,000 cubic feet per second for each.

Canada has now virtually completed its new project on the Niagara, with an ultimate capacity of 1,375,000 kilowatts, to utilize the full Canadian share of the Niagara diversion under the treaty of 1950.

The United States, on the other hand, until S. 1823 authorizes redevelopment on our side, will enjoy the use of only 20,000 cubic feet per second on a permanent basis, and the temporary use of an additional 12,500 cubic feet per second permitted under the wartime emergency arrangements, which may be terminated at any time.

In summary, the United States Niagara diversions are as follows:

Under 1909 treaty, 19,725 cubic feet per second. This is all the water covered by the FPC license of 1921, permitting permanent use by Niagara Falls Power Co., the licensee, until 1971.

Niagara Falls Power Co. applied for, but was denied by FPC, an amendment to its license, permitting the permanent use of the remaining 275 cubic feet per second of the 1909 Boundary Waters Treaty water.

Under World War II temporary arrangements, 12,775 cubic feet per second, including the 275 cubic feet per second noted just above.

Total, permanent and temporary, 32,500 cubic feet per second.

Thus, the United States cannot use its full share of 65,000 cubic feet per second, on a parity with Canada, until the authorization for redevelopment in a new project on the United States side, provided for in S. 1823, is passed. Until then, the permanent use of water by the United States will remain at 19,725 cubic feet per second, and the temporary use at 12,775 cubic feet per second.

The recommittal or defeat of S. 1823 would thus delay for an indefinite period the use of waters capable of development in a project producing tremendous blocks of low-cost hydroelectric energy.

It should not be overlooked that the Niagara Falls Power Co., a wholly owned subsidiary of Niagara Mohawk Power Corp., has a very large vested interest in delay on this bill, S. 1823, even if it fails to obtain passage of S. 6, the Capehart private development bill.

The licensee may hope to continue its present temporary use of 12,775 cubic feet per second until Congress acts to authorize the new redevelopment project. The new project under S. 1823 would use this water, plus an additional 23,225 cubic feet per second, or a total of 45,225 cubic feet per second. The remaining 19,725 cubic feet per second would continue to be used by the Niagara Falls Power Co. under its 1921 FPC license, running until 1971.

The records of the Public Service Commission of New York show that the licensee has made millions of dollars in profits from its temporary use of the Niagara diversion, which would cease when the Congress acts.

Let me say to the Senator from Illinois that I am very grateful to him for posing these questions, because he has given me the opportunity, in addition to answering many other issues, of placing this memorandum in the RECORD in reply to his inquiry. I think there is comparatively little understanding of the main issue, that if we do not develop the power, Canada will develop it.

We will not gain. Of course, a motion to recommit would delay the bill for a long time. I cannot believe that Congress would ever turn over this great natural power resource to private development. It would not make sense to do so, and I cannot believe that the people of the United States would approve such action.

Therefore I am very grateful to the Senator from Illinois for asking the questions he has asked.

Niagara Mohawk vigorously supported the ratification of the 1950 treaty at the public hearings held early in that year before the Committee on Foreign Relations. The president of the corporation, Mr. Earl J. Machold, gave formal written notice to Chairman Connally and the committee that Niagara Mohawk would file an application for private development of all the additional Niagara power, under a license from the Federal Power Commission, as soon as the Senate approved the treaty.

The able Senator from Vermont [Mr. AIKEN], with keen foresight, had anticipated this very demand on the part of Niagara Mohawk many months before the treaty was signed and submitted to the Senate. In a speech on this floor, February 8, 1948, the Senator warned that the utilities, even then, were driving for private development of the tremendous power potential of the Niagara. If such an attempt succeeded, the Senator aptly stated, it would be the biggest raid on our public power resources in the history of the Nation.

It was only as a result of the timely action taken by the Committee on Foreign Relations and by the Senate itself, in the consideration of the 1950 treaty, that such a raid was forestalled.

The Senator from Vermont, who was not then a member of the committee, submitted a draft reservation to the treaty, which, after deliberate consideration, was unanimously approved by the committee and reported to the Senate with the treaty. Its text is as follows:

The United States on its part expressly reserves the right to provide by act of Congress for redevelopment, for the public use and benefit, of the United States share of the waters of the Niagara River made available by the provisions of the treaty, and no project for redevelopment of the United States share of such waters shall be undertaken until it be specifically authorized by act of Congress.

Thus the committee proposed that instead of turning the new power potential of the Niagara over to the Niagara Mohawk Power Corp. by placing these waters under the jurisdiction of the Federal Power Commission, both branches of Congress and the President should exercise their constitutional powers to provide by the usual legislative method for the authorization of the Niagara project.

Let me point out and emphasize that at that time, in 1950, there was no public agency in the State of New York authorized by State law to apply for a license or to construct a public power project on the Niagara.

It was not until the following year that the New York State Legislature gave the State power authority this function and jurisdiction, subject to the 1950 treaty and congressional approval. The Niagara Mohawk Power Corp., on the other hand, had the corporate power to build the project and was in a highly strategic position in 1950 to obtain a license as the sole applicant.

The committee was, of course, also fully aware that most of the major river development projects undertaken, since the Federal Power Commission was created in 1920, have been authorized by congressional legislation, without in anywise repealing or amending the Federal Power Act or impairing the proper functioning of the Federal Power Commission.

The Aiken reservation was adopted by the Senate without a dissenting vote from any Member of this body, Republican or Democrat. The then minority leader, Senator Wherry, of Nebraska, drew attention to its text as reported to the Senate and stated on the floor:

I understand the reservation, and I appreciate it very much.

The reservation was adopted on August 9, 1950, and thereafter, also without a dissenting vote, the Senate gave its advice and consent to the ratification of the treaty, subject to the reservation.

This was by no means the first time, Mr. President, as I have already said, that the Committee on Foreign Relations has been called upon to take timely and effective action to safeguard the Niagara resource in the public interest.

On February 18, 1931, the committee met to consider the Niagara protocol, a treaty which had been negotiated and signed with Canada to increase the diversions of water for power purposes. Under this treaty, it was proposed that the Niagara Falls Power Co. should build the remedial works at the falls. In return, the power company was to receive as a "gift"—as the committee chairman called it—the right to divert 10,000 cubic feet of water per second, in addition to the diversion under its license.

That treaty was rejected by the unanimous vote of the 19 members of the committee. Joining in this action were such notable members of this body as Chair-

man Borah, Senator Vandenberg, Senator Wagner, Senator La Follette, Senator Walsh of Montana, Senator Robinson of Arkansas, and our distinguished colleague, the present chairman of the committee, the senior Senator from Georgia [Mr. GEORGE].

The matter of the Niagara power diversion arose again in the defense emergency of World War II, and again the committee and the Senate acted to protect the public's immense stake in this resource.

We were then suffering an acute power shortage in New York as a result of the staggering demands for defense production. The program for public development of the Niagara and the St. Lawrence envisioned by Governor Smith had been blocked for more than 20 years. It therefore became necessary in the midst of the world war to increase our power supply from every available source.

We at Albany—and I was Governor at the time—cooperated with the Federal Government in a program to divert some additional amounts of Niagara water, on a strictly temporary basis, to meet the emergency. Washington exchanged a series of notes with Ottawa to agree on temporary increases in the Niagara diversions permitted under the treaty of 1909.

I recall vividly how the senior Senator from Georgia [Mr. GEORGE] held that these agreements, although temporary in nature, were, in effect, amendments to the 1909 Boundary Waters Treaty and would require the advice and consent of the Senate. As a result of his insistence on this procedure, New York was then able to maintain and reassert its policy for the use of this water for subsequent public development. I expressed the views of New York State on this matter in an official communication from myself as Governor, which the senior Senator from Georgia presented on the floor of the Senate during consideration of the treaty amendments. By the action then taken by the Foreign Relations Committee and the Senate, the wartime diversions were kept on a temporary basis and the Niagara resource has come down to us, unimpaired, for full-scale public development under the pending bill.

Mr. President, the only measure we have before us is S. 1823, reported by the Committee on Public Works with a strong nonpartisan recommendation for its passage.

One other bill has been introduced in the Senate and considered by the committee during this Congress dealing with the Niagara. That is S. 6, offered in each Congress since 1951 by the able Senator from Indiana [Mr. CAPEHART].

I recognize the complete sincerity of conviction of the Senator from Indiana in pressing vigorously, as he has for the past 5 years, in support of this private development bill. That measure was originally introduced in the House with perfectly open support from the Niagara Mohawk Power Corp. It has been endorsed by the heads of Niagara Mohawk at all the hearings held on the project since 1951. It, of course, provides for private utility development of all the remaining power of the Niagara.

It was stated at the hearing that, under the first version of this bill, the power would be developed, transmitted, and marketed, with full control over this enormous block of potential energy, from the bus bar to the ultimate consumer, by a single private power company—Niagara Mohawk.

Since 1951, however, Niagara Mohawk has announced agreements with four other large but completely noncompetitive private power companies in New York State, which, it states, will participate to some extent in the private development. Consolidated Edison of New York City, which has always been closely allied with Niagara Mohawk, is one of these companies.

The distinction drawn, in connection with the present version of the bill, between turning Niagara over to 5 companies instead of 1 company, is more apparent than real. Niagara Mohawk is the principal power company in upstate New York. It controls the main transmission lines running from the project site at Niagara Falls, east from Buffalo to Albany, and south to the gateways of the city of New York. Under the bill S. 6, Niagara Mohawk would unquestionably build, own, and operate the project, and control the transmission and distribution of the great bulk of project power.

The Senator from Indiana, I am sure, will be the first to concede that he is strongly opposed on principle to public power projects, whether they be State or Federal. He has opposed previous measures for public development of the Niagara, offered by my colleague [Mr. IVES], and endorsed by Governor Dewey, with the same vigor and impartiality as he now opposes the bill recommended by the committee.

As I said in the beginning of my remarks today, the choice here lies between S. 1823, recommended by the committee, and S. 6, rejected by the committee. Every Senator must realize, in making this choice, that S. 6 flies in the teeth of the laws of my State, and the declared policies of its Governors and the New York State Legislature for over half a century. S. 6 cannot be enacted without sweeping aside these State laws and public policies. It would inevitably lead to further intolerable delays and the continued shocking waste of our major unused hydroelectric resource.

I am aware, Mr. President, that another plan was proposed in the last Congress as an alternative to congressional authorization of the Niagara project.

It was not reintroduced in the Senate in this Congress. It was not made the subject of the 1955 public hearings before the committee, and it is not dealt with in the committee's report.

I refer to S. 2599, of the 83d Congress, 1st session. This bill was reported, but was not recommended for passage by a majority of the committee in the last Congress.

This previously proposed measure would call upon the Senate to reverse its historic record for safeguarding the Niagara resource, and, in effect, repeal the protective reservation to the Niagara Treaty of 1950.

Of course, no such bill has been introduced at this session and it is not pending before Congress. I assume that the general idea was considered—and rejected—by the Public Works Committee. I should like to state, at this point—in the event any Senators have been urged to consider this method as a possible alternative to the measure recommended by the committee—that in my own judgment, this would be a most unwise and unfortunate alternative.

It would completely bypass the ordinary legislative procedures of the Congress and take the matter out of the jurisdiction of the committees of Congress which have devoted so much study to the Niagara project over the years.

If the Federal Power Commission should be given the jurisdiction they do not now have to dispose of the Niagara resource, there would be no possibility, as the Federal Power Commission has itself affirmed, of stipulating safeguard provisions—those conditions which Congress has traditionally insisted upon for the protection of the interest of the consumers.

The law of New York State contains general language which is perfectly consistent with the preference provision of S. 1823, but the language of the New York law is not detailed in regard to preferences and other safeguards. Hence, it is highly essential that the Congress stipulate these conditions as set forth in S. 1823.

Moreover, the so-called shortcut method of turning over the Niagara resource to the discretion of the Federal Power Commission would raise the possibility at least of having this resource turned over to the private utility monopoly, under license from the FPC.

Finally, it would involve further inexcusable and unjustifiable delays in the use of this precious waterpower. The Senate has before it a bill reported by the Public Works Committee. If this bill is approved and if the House thereafter acts speedily, as it can because the House Public Works Committee has already completed its hearings on this proposed legislation, work on the Niagara project can start this very fall. To delay it further would be an extravagant waste, an imposition on the interests of the United States.

Should a proposal be made on the floor of the Senate to substitute for the pending bill the proposal to turn this resource over to the jurisdiction of the Federal Power Commission, I shall have more to say on the subject. I am sure the members of the Public Works Committee will, also, have further debate on the subject.

Certainly, at this point, the proposal I have just referred to is moot and academic.

Mr. President, I am not going to try to answer all the arguments which might possibly be raised against S. 1823, although we are fully prepared to answer each of them. But I shall wait until the arguments are actually made.

I know, for instance, that the proponents of the private giveaway will talk, as they did in committee, about the loss to the Federal Treasury of the taxes a

private utility might pay. We are prepared, at an appropriate time, to present the affirmative argument on the actual relationship of the Niagara development to the question of tax revenue and the question of our free enterprise system.

We are prepared to show beyond question that the Niagara project, as authorized under the terms of S. 1823, will result in the creation of new wealth, new industry, and new income, and will mean a substantial net increase in public revenues, and not a loss.

We shall likewise show that the Capehart bill, S. 6, rejected by the committee and described in the text of the bill as furthering private enterprise, proposes a program that is, in fact, neither private, nor does it involve enterprise in the ordinary meaning of the term. That plan would simply utilize the power of government to exploit a great resource in the public domain, to produce a sure profit for private owners under a government license, involving no risk and no enterprise on the part of the private monopoly combine.

Other proponents of this bill will discuss in more detail than I the safeguard provisions of S. 1823. These provisions will enable nonprofit and public agencies, including rural electric cooperatives and defense agencies of the Government, to gain access to a reasonable share of project power. It will do this in accordance with the long-established right of such agencies to be considered preference customers.

In closing, I wish to touch briefly on just one more of the extraordinary arguments put forward by the utility industry itself to influence congressional action on the pending bill.

An organized effort has been made to lead the general public and the Congress to believe that the people of New York State do not support the public development of the Niagara and would prefer to see their invaluable resources surrendered to private interests.

Hundreds of thousands, if not millions, of dollars have been expended over the last 5 years to promote the private development plan in radio and television broadcasts, in full-page magazine and newspaper advertising, and by the use of other mass circulation media.

I can assure you, Mr. President, out of a lifetime of experience in intimate contact with the people of New York State, that this familiar type of special interest propaganda is utterly false and completely misleading.

Mr. President, I have been a candidate for statewide public office in New York nine times since 1928, and each time I have stood unreservedly for public development of the State's major hydroelectric power resources. If the people of my State opposed that program and embraced the program of the private utilities, it is obvious that I would not be here addressing the Senate today.

In the last statewide election in New York, in 1954, as I have previously noted, the Democratic and Republican Parties, and also the Liberal Party, pledged, in specific planks in their platforms, the public development of the Niagara, along with the St. Lawrence, for the primary benefit of the people as domestic and rural consumers. A combined total of 5 million votes were cast in that election for our present Governor, Averell Harriman, and for his opponent, the senior Senator from New York [Mr. IVES], both of whom repeatedly advocated the public development of both the Niagara and St. Lawrence resources.

Mr. President, before this debate ends, I shall be prepared to present abundant concrete evidence of the public support in New York State for a public development of the Niagara. I propose to address myself at some little length to the synthetic charge that New York State does not want this public development.

There is not a scintilla of doubt in my mind as to how the people of New York State stand on this issue and I would be glad to challenge any New Yorker, of either party, to run for statewide public office on a platform of private development of the Niagara.

Mr. President, I have not given all the arguments for S. 1823. Many points which I have not covered are contained in the excellent report which is before you. I have, however, tried to summarize some of the arguments and to sketch in some of the historic background. I hope that the Senate will consider that the stage has been set for a speedy consideration of the merits of this bill and for an early affirmation of the action by the Senate Public Works Committee in recommending that the bill be approved.

EXHIBIT NO. 1

NIAGARA REDEVELOPMENT ACT OF 1956

(Excerpts from report to accompany S. 1823)

[The Committee on Public Works, to whom was referred the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.]

Senate bill 1823, introduced by Senator LEHMAN, authorizes construction of power facilities for utilization of the United States share of the waters of Niagara River in compliance with the reservation contained in the treaty between the United States and Canada, and in accordance with existing general laws of the United States and the provisions of the bill. The bill authorizes and directs the Federal Power Commission to issue a license to the New York Power Authority for construction and operation of a project for power development of Niagara River, subject to the terms deemed necessary and required under the Federal Power Act, and including specific licensing conditions as follows:

1. In contracting for the disposition of project power, the New York Power Authority will give preference to public and nonprofit agencies, including rural electric cooperatives, and defense agencies of the United States, and make flexible arrangements in its contracts with private utility companies for withdrawal of sufficient power to meet the future needs of preference customers.

2. The use of such transmission lines as are necessary to make power and energy available to privately owned companies, preference customers, or neighboring States at reasonable rates, shall be arranged by contract or acquired by lease, purchase, or construction.

3. Provisions shall be included to make a reasonable share of the power available to neighboring States within economic transmission distance, the Federal Power Commission to determine the applicable portion of such power available in event of disagreement.

4. Power shall be sold and distributed primarily for the benefit of the people, particularly domestic and rural consumers, at the lowest possible cost and to encourage the widest possible use.

5. If power is sold for resale, provisions shall be made for establishing resale rates approved by the licensee, consistent with (4) above.

6. In cooperation with the appropriate agency of the State of New York concerned with development of parks, the licensee shall construct a scenic drive and park on the American side of the Niagara River near Niagara Falls, pursuant to a plan approved by the Federal Power Commission, the cost of such drive and park up to a maximum of $15 million to be borne by the power project and considered a part of the licensee's net investment in said project.

The license issued shall be in conformance with the Rules of Practice and Procedure of the Federal Power Commission, but in the event of any conflict, the provisions of S. 1823 will govern.

COMMITTEE HEARINGS

The Committee on Public Works held hearings on S. 6 and S. 1823 on July 13, 14, and 15, 1955. At these hearings testimony was received orally or in written form from Senators, Members of the House of Representatives, the executive department, counsel to the Governor of the State of New York, representing the Governor, the chairman of the New York Power Authority, city and county officials, representatives of farm, labor, manufacturers, chambers of commerce, public power, and citizen groups, private power companies, and rural electric cooperatives.

These witnesses expressed their views with regard to the bills before the committee. Practically all of them agreed that there is urgent need for early development of additional power at Niagara Falls, to prevent the waste of water now going over the falls and to utilize the portion of such water allocated to the United States by the treaty. Information was presented on the need for power in the northeastern region of the United States, and the high power rates that now exist in the area.

GENERAL STATEMENT

As to the economic feasibility and the desirability of developing the full power potential of the Niagara River, the committee is convinced, and in fact there is no difference of opinion. The committee is further convinced that the unique Niagara Falls hydroelectric resource should be utilized under the long-established congressional power policy in a manner to assure lower electric bills to consumers throughout the Northeast.

Before the Niagara power can be developed in any way legislative action is necessary because of the reservation which the Senate attached to its ratification of the Niagara Water Treaty, retaining the jurisdiction of Congress over the manner of development of this resource. The Senate, under the terms of the reservation, reserved to Congress the final disposition of this hydroelectric resource.

There is no controversy as to the most desirable engineering plan of development. Plans have been developed for the proposed project by cooperation among the Bureau of Power of the Federal Power Commission, the Corps of Engineers, the New York Power Authority, and the Niagara Mohawk Power Corp. * * *

The committee believes that development of Niagara power by the Power Authority of the State of New York as provided in Senate bill 1823 will have the effect of bringing down power supply costs for these public and cooperative systems, and will mean lower rates for all the consumers throughout the region. Testimony presented at the hearings esti-

mated that such development would result in a reduction of 20 percent in the power costs in the area, which would mean an annual saving of about a third of a billion dollars in the region's annual electric bill. It was estimated that the Niagara power alone would save approximately $25 million annually in fuel bills over an equal amount of power developed by steam-electric sources.

It is recognized that both Niagara and St. Lawrence power will be generated, transmitted, and distributed on the Canadian side of the rivers on a public-ownership basis. This may become a factor in competition for expansion of business and population. All classes of electric service are available at lower rates in Canada. As a result, average consumption of electricity in Ontario is more than double that on the United States side of the border. In 1950 the average home in Toronto purchased 3,888 kilowatt-hours of electric service at less cost than the average home in Rochester, N. Y., that only used 1,252 kilowatt-hours. Industrial power rates in Rochester are 82 percent higher than in Toronto, based on a power demand of 1,000 kilowatts and a monthly use of 400,000 kilowatt-hours of energy.

The committee therefore recommends enactment of S. 1823 at an early date to permit prompt planning and early completion of this most desirable project in order that the many benefits may accrue to serve the needs of the northeastern region of the United States.

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

Mr. LEHMAN. I am very glad, indeed, to yield.

Mr. DOUGLAS. First, I wish to congratulate the Senator from New York not only upon his speech but upon the attitude which he has always taken as a citizen, as Lieutenant Governor of New York, as Governor of New York, and as United States Senator, in advocating the public development of the latent power at Niagara Falls and on the St. Lawrence.

I think, however, that the Senator from New York is much too modest when he says he has been waiting and working for this moment for 6 years, because I believe he has been working for this moment for well over 35 years.

If the Senator from New York will permit me to make a further remark, I may say that one of my chief sources of reading matter as a boy was the old New York World. My family were Yankee Democrats and subscribed to the New York World, which we received every morning, although it was always some 2 or 3 days late.

The New York World, under the editorship of the great Joseph Pulitzer, was insistent, in the early days of the century, first, that the scenic beauty of Niagara Falls should not be destroyed by power developments; and, second, that any development which did occur should be by public authority rather than by private companies. Am I not correct?

Mr. LEHMAN. The Senator is quite correct.

Mr. DOUGLAS. As I remember it, since the Senator from New York has mentioned it, when Charles Evans Hughes was elected Governor of New York as a result of the insurance scandals in 1905, he opposed the attempts of private companies to take the water of Niagara Falls and spoil the scenic beauty of that area.

Mr. LEHMAN. He opposed it very vigorously and very successfully.

Mr. DOUGLAS. Then later, in the years from 1918 to 1928, during 8 of which Alfred E. Smith was the Governor of New York, did not Governor Smith make as his principal campaign argument the fact that the waters of the Niagara should be developed by a public authority?

Mr. LEHMAN. The Senator from Illinois is entirely correct. I will have to digress a moment in my answer. I mentioned that I had lived and worked with this project for 6 years. I limited the period to 6 years because that was the period in which I was vested with authority, until the treaty with Canada was ratified. As a matter of fact, I have been living and working with this project, and with the St. Lawrence, as well, for 35 years.

The Senator from Illinois has mentioned Alfred E. Smith. That ties up entirely with my statement that I have been interested in the matter for 35 years.

Mr. DOUGLAS. The Senator from New York was one of the closest friends and one of the most confidential advisers of Governor Smith, was he not?

Mr. LEHMAN. I was. I remember hearing Governor Smith at a dinner of the League of Women Voters of New York describe the usefulness and the necessity, really, of developing both the St. Lawrence and the Niagara. He did it in such a graphic and dramatic way that he sold me on the proposition completely. That was the origin of my knowledge of the waterpower development of our natural resources and of my great interest in them. That was 35 years ago. I appreciate very much having the Senator from Illinois remind me of that, because it possibly would have escaped my recollection.

Mr. DOUGLAS. The Senator from New York probably does not remember the fact, but I first met the Senator from New York when he was lieutenant governor, in 1931, when the then Governor of New York, Franklin D. Roosevelt, called a conference on employment problems.

Mr. LEHMAN. I remember that very well.

Mr. DOUGLAS. I was invited to the executive mansion in the evening, and I remember conversing there with both Governor Roosevelt and Lieutenant Governor LEHMAN about the problem of the development of electric power on the Niagara and the St. Lawrence and the necessity for public development of low-cost power being obtained for the citizens of New York.

Mr. LEHMAN. I remember that meeting very well indeed. That was a good many years ago. I may say that one of the great satisfactions I have had in being a Member of the Senate is that I have been able to continue that association with the Senator from Illinois.

Mr. DOUGLAS. The Senator from New York has mentioned the fact that he has run for office 9 times since 1928, each time on a platform favoring the public development of the St. Lawrence and the Niagara. If I am correct, I believe the Senator from New York has been victorious in 8 of those 9 contests.

Mr. LEHMAN. That is quite correct. I was successful in 8 campaigns; and in the ninth, in which I was defeated, I ran 450,000 votes ahead of the ticket.

Mr. DOUGLAS. But the Senator was defeated at that time, in 1946, by a very honorable man, who is now the senior Senator from New York [Mr. IVES].

Mr. LEHMAN. Yes; and my only regret is that he is not on my side this time.

Mr. DOUGLAS. That gives the junior Senator a batting average in New York of approximately .889 percent. Is not that correct?

Mr. LEHMAN. I am not so fast in my mathematics.

Mr. DOUGLAS. I think that is the batting average. Would not that be an extremely high batting average in any political league? Perhaps the Senator does not want to answer that question, so I will say for him that it would be an extremely high average.

The people of the State of New York know the Senator's sentiment on this matter, do they not?

Mr. LEHMAN. I do not think there is anyone in New York who does not know my sentiments. I do not think there is anybody in New York State who has not had the matter presented to him in every one of the campaigns which have been waged since 1918.

Mr. DOUGLAS. That was true in the campaigns of Alfred E. Smith, who won 4 times out of 5, was it not?

Mr. LEHMAN. Yes.

Mr. DOUGLAS. And also of the campaigns of Franklin Roosevelt, who won both times that he ran?

Mr. LEHMAN. The Senator is correct.

Mr. DOUGLAS. The Senator from New York was victorious in his campaigns for governor in 1932, 1934, 1936, and 1938, and he has been twice victorious in his two campaigns for the Senate since 1949.

Mr. LEHMAN. That is correct.

Mr. DOUGLAS. And he was twice victorious in his campaigns for lieutenant governor in 1928 and 1930.

Mr. LEHMAN. Also, it is true of the present governor, Governor Harriman.

I think it may be a matter of some interest to state that the only governor within my memory, with whom I was personally acquainted, who did not support the public development of power was Governor Miller.

Mr. DOUGLAS. He was elected, I believe, in 1920.

Mr. LEHMAN. In 1920.

Mr. DOUGLAS. And he was defeated in 1922.

Mr. LEHMAN. Yes, he was defeated in 1922, when he did not support the public development of power. He was defeated by Gov. Alfred E. Smith. So the only governor who did not support public power was defeated for reelection.

Mr. DOUGLAS. I congratulate the junior Senator from New York, and I express the hope that we shall shortly see the successful fruition of the half century of struggle by the people of New York and the struggle of a third of a

century by the distinguished junior Senator from New York. He deserves the richest praise from the people not only of New York but also of the Nation.

Mr. LEHMAN. I thank the Senator from Illinois very much indeed.

RECESS TO 11 A. M. TOMORROW

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. LEHMAN. Mr. President, in accordance with the previous order, I now move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, May 15, 1956, at 11 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate April 14 (legislative day May 7), 1956:

FARM CREDIT ADMINISTRATION

Sam H. Bober, of South Dakota, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for the term expiring March 31, 1962.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 14, 1956

The House met at 12 o'clock noon.

The Reverend Harold B. Sedgwick, St. Thomas' Church, Washington, D. C., offered the following prayer:

Almighty God whom to forget is to stumble and whom to remember is to rise again, set Thy seal, we beseech Thee, upon every work which we do in Thy name, that we may not begin an action without a pure intention—we may not continue it without Thy blessing.

Give to each of us a passionate desire to see the truth, courage to say yes when it would be easier to say no, and no when it would be easier to say yes. May we never be content with anything less than the best, for Thou hast entrusted into our hands great responsibilities and infinite powers.

Deliver us from pettiness when human life is at stake. Teach us when to speak and when to be silent, when to rise up and when to sit down—so by the manner of our life may be judged the stature of our soul. Finally, O God, grant that we may so quit ourselves this day that when evening comes, we may be deserving of rest and quietness that only Thou canst give, at peace with ourselves and with our own consciences. Amen.

The Journal of the proceedings of Thursday, May 10, 1956, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3732. An act to provide insurance against flood damage, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56–13.

AMENDING THE INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6143) to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOPER, MILLS, GREGORY, REED of New York, and JENKINS.

SUPPLEMENTAL APPROPRIATION BILL—CONFERENCE REPORT

Pursuant to authority granted on May 10, Mr. CANNON on May 11 submitted a conference report and statement on the bill (H. R. 10004) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

REV. HAROLD BEND SEDGWICK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, the Reverend Harold Bend Sedgwick, who has just given the opening prayer, has the distinction of being the great-great-grandson of a former Speaker of this body. Dr. Sedgwick's distinguished ancestor was Theodore Sedgwick, a Representative from the great State of Massachusetts. He was the Speaker of the House during the sixth session of the Congress and was the first Speaker to preside over the House when this body first met in the city of Washington.

Speaker Sedgwick presided over this body on November 18, 1800, when the Congress first met in Washington. The quarters in which the House met and over which Speaker Sedgwick presided, were the rooms now occupied by the Senate Disbursing Office in the original north wing of the Capitol, now known as the Supreme Court section of the Capitol.

Theodore Sedgwick served as a delegate, as a Representative, and also as a Senator from the State of Massachusetts. He was a member of the Continental Congress and was also a delegate to the State convention that adopted the Federal Constitution in 1788. Among his many distinguished public services were his service as President pro tempore of the United States Senate in 1798.

The great-great-grandson of this eminent son of Massachusetts, Dr. Sedgwick, who served as our chaplain today, is rector of St. Thomas' Church in Washington, D. C. We are glad to welcome him to this House, once so ably presided over by his fine ancestor.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. McCORMACK. I want to associate myself as an individual Member of the House, and speaking for the Democratic Members, with the remarks made by my friend, the gentleman from Massachusetts [Mr. MARTIN], in relation to Dr. Sedgwick. We are very happy to have Dr. Sedgwick with us to offer prayer on the occasion of the meeting of the House today. I know it must bring to Dr. Sedgwick a great feeling of happiness to know that he offered prayer in the very body over which his great-great-grandfather presided with such dignity, strength, and effectiveness.

For my colleagues I join my dear friend from Massachusetts [Mr. MARTIN] in the very appropriate remarks that he made on the occasion of Dr. Sedgwick offering prayer in the House today.

EDWIN K. STANTON

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2057, an act for the relief of Edwin K. Stanton, together with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

GRAPHIC ARTS CORPORATION OF OHIO

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2893, an act to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Graphic Arts Corporation of Ohio, of Toledo, Ohio, together with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That jurisdiction is hereby conferred upon the Court of Claims to hear, de-