

known railroad officials in the country. In 1917, after declaration of war against Germany, he went to President Wilson in search of an active assignment in the war. As Russia was then an ally and in urgent need of a competent railroad man in connection with its war transport problems, the availability of Stevens was timely. Appointed as Minister Plenipotentiary and Head of the United States Railway Mission to Russia, he undertook the difficult tasks involved in operating and improving its rail systems. Later, from 1919 to 1923, he was president of the Inter-Allied Technical Board supervising the Siberian railways.

In these positions, he observed the start and early years of the Communist revolution. Accurately assessing the tremendous scope of that world conspiracy, he was among the first observers to alert responsible leaders in the United States as to its dangers.

Returning home in 1923, he later became president of the American Society of Civil Engineers, and received many other honors, including the John Fritz medal for great achievements. He died at Southern Pines, N. C., in 1943, at the age of 90 years, keen in mind to the end.

The significance of Stevens' canal contributions, though substantially obscured for a time, has gained stature with the years. He rescued the project from possible disaster; assembled a major part of the plant and organized the forces for construction; planned the main features of the waterway and brought about the great decision for the high-level lake and lock plan; launched the enterprise into the era of construction and guided the work until its success was a certainty. Not only that, Stevens clearly foresaw the necessity for major changes in the Pacific lock arrangement, for which he developed a plan but was unable to secure its adoption. Subsequent studies of canal operations have established that this plan would have supplied the best operational canal practicable of economic attainment—striking evidence of the high quality of his insight.

A man of eminent vision whose great gifts were harnessed to practicality, Stevens made no major mistakes, either of engineering or policy. His great constructive contributions for the Panama Canal have now emerged into historical perspective. The facts increasingly demonstrate that he was the basic architect of the Panama Canal.

I deem it appropriate to close my remarks by reading the fine tribute in verse paid by Governor Thatcher to the distinguished man whom we now honor. It epitomizes in compact and enduring form the splendid character and achievements of John F. Stevens.

"JOHN F. STEVENS: A TRIBUTE"

"Amongst all those whose labors cleft the land
To blend, as one, the seas at Panama—
There was none greater than John Stevens;
and
The passing years bear witness. He foresaw—
More clearly than the others had foreseen—
The value of the plan for lock and lake,
And led Authority—in doubt between
Diverse designs—the wiser choice to make.
Possessed of genius rare, with skills supreme
And ripened knowledge gained from ventures vast—
He shaped the molds to vitalize the Dream
Which had so long persisted in the past.
His all he gave to serve the Isthmian task:
What more could men demand, or duty ask?"

—Maurice H. Thatcher.

SENATE

THURSDAY, MAY 31, 1956

(Legislative day of Thursday, May 24, 1956)

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

Rev. Robert H. Prentice, Second Presbyterian Church, Long Beach, Calif., offered the following prayer:

Eternal Father, sovereign of all lives and nations, in whose hand the rise and fall of nations are but as shifting sand, yet who carest for each one, we humbly stand before Thee, penitent and waiting Thy blessing.

Let Thy blessing of love and holy understanding descend upon each Member of the Senate, that their duties and united undertakings may be truly a part of Thy providence.

Give courage to the fearful, conviction and steadfastness to those with committee responsibilities. Relate the deliberations of this body to the welfare of our Nation and the continued effort to understand our brothers the world around.

In this solemn day of global decisions let the voice of this body speak only the things of love, peace, and understanding. This we ask together in the name of Christ Jesus, our Redeemer. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 31, 1956.

To the Senate:

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

WALTER F. GEORGE,
President pro tempore.

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

THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 29, 1956, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 3515) to amend the National Housing Act, as amended, to assist in the provision of housing for essential civilian employees of the Armed Forces, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945.

The message further announced that the House had passed a bill (H. R. 11473) making appropriations for the legislative branch for the fiscal year ending June 30, 1957, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 11177) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes, and it was signed by the Acting President pro tempore.

HOUSE BILL REFERRED

The bill (H. R. 11473) making appropriations for the legislative branch for the fiscal year ending June 30, 1957, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

LEAVE OF ABSENCE

Mr. ANDERSON. Mr. President, I ask unanimous consent that I may be absent from the sessions of the Senate on Monday, Tuesday, and Wednesday of next week.

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

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. SMATHERS, and by unanimous consent, the Air Force Subcommittee of the Armed Services Committee was authorized to meet today during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. SMATHERS. Mr. President, I request 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 in connection therewith be limited to 2 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Acting Postmaster General, reporting, pursuant to law, on the overobligations of certain appropriations, for the quarter ended December 31, 1955; to the Committee on Appropriations.

MEMBERSHIP AND PARTICIPATION IN AMERICAN INTERNATIONAL INSTITUTE FOR PROTECTION OF CHILDHOOD

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for membership and participation by

the United States in the American International Institute for the Protection of Childhood and authorizing an appropriation therefor (with an accompanying paper); to the Committee on Foreign Relations.

NEWLY ISSUED PUBLICATIONS OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, for the information of the Senate, copies of its newly issued publications entitled "Statistics of Electric Utilities in the United States, 1954, Privately Owned," and "Typical Electric Bills, Cities of 50,000 Population and More, January 1, 1956" (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3920. A bill to authorize the partition or sale of inherited interests in allotted lands in the Tulalip Reservation, Wash., and for other purposes (Rept. No. 2072).

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

S. 1324. A bill for the relief of Salvatore di Morello (Rept. No. 2074);

S. 1627. A bill for the relief of Alexander Orlov and his wife, Maria Orlov (Rept. No. 2075);

S. 2342. A bill for the relief of Yvonne Rohran (Tung) Feng (Rept. No. 2078);

S. 2586. A bill for the relief of Annie Fleg Hildebrand (Rept. No. 2079);

S. 3024. A bill for the relief of Donald Shang-Peh Kao (Rept. No. 2081);

H. R. 1484. A bill for the relief of Garrett Norman Soulen and Michael Harvey Soulen (Rept. No. 2082); and

H. R. 7702. A bill for the relief of Mrs. Elizabeth Shenekji (Rept. No. 2083).

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

S. 2229. A bill for the relief of Nina Greenberg (Rept. No. 2077).

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

S. 1921. A bill for the relief of Ileana Isarescu and her children, Stefan Habsburg-Lothringen, Maria Ileana Habsburg-Lothringen, Alexandra Habsburg-Lothringen, Dominic Habsburg-Lothringen, Maria Magdalena Habsburg-Lothringen, and Elizabeth Habsburg-Lothringen (Rept. No. 2076);

S. 2999. A bill for the relief of Modesto Padilla-Ceja and his wife, Maria Padilla-Toscano (Rept. No. 2080);

H. J. Res. 534. Joint resolution to waive certain provisions of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 2084);

H. J. Res. 553. Joint resolution waiving certain subsections of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 2085); and

H. J. Res. 554. Joint resolution for the relief of certain aliens (Rept. No. 2086)

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

H. R. 5516. A bill to amend title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to provide that service as an Army field clerk, or as a field clerk, Quartermaster Corps, shall be counted for purposes of retirement under title III of that act, and for other purposes (Rept. No. 2089); and

H. R. 6274. A bill to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces (Rept. No. 2088).

By Mrs. SMITH of Maine, from the Committee on Armed Services, with an amendment:

S. 3307. A bill to amend section 9 (d) of the Universal Military Training and Service Act to authorize jurisdiction in the Federal courts in certain reemployment cases (Rept. No. 2087).

By Mr. DUFF, from the Committee on Armed Services, without amendment:

H. R. 8102. A bill to provide for the disposition of moneys arising from deductions made from carriers on account of the loss of or damage to military or naval material in transit, and for other purposes (Rept. No. 2090);

H. R. 8693. A bill to amend the Career Compensation Act of 1949, as amended, in relation to the refund of reenlistment bonuses (Rept. No. 2091); and

H. R. 8922. A bill to provide for the relief of certain members of the uniformed services (Rept. No. 2092).

A BILL TO GIVE AUTOMOBILE DEALERS THEIR DAY IN COURT (S. REPT. NO. 2073)

Mr. O'MAHONEY. Mr. President, from the Judiciary Committee, I report favorably, without amendment, the bill (S. 3879) to supplement the antitrust laws of the United States, in order to balance the power now heavily weighted in favor of automobile manufacturers, by enabling franchise automobile dealers to bring suit in the district courts of the United States to recover twofold damages sustained by reason of the failure of automobile manufacturers to act in good faith in complying with the terms of franchises or in terminating or not renewing franchises with their dealers.

The bill was unanimously approved by the Judiciary Committee at a special session today. I report the bill, and request unanimous consent that the written report on the bill may be filed on Monday. I make this request because of my desire to have the bill on the calendar, since it is understood that the Senate will take an adjournment following today's session.

The ACTING PRESIDENT pro tempore. The bill will be received and placed on the calendar; and, without objection, the request of the Senator from Wyoming regarding time for filing the report is granted.

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. MARTIN of Pennsylvania:

S. 3964. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

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

By Mr. MUNDT:

S. 3965. A bill for the relief of Earl E. Brown; to the Committee on the Judiciary.

By Mr. POTTER:

S. 3966. A bill for the relief of Herta Kurbelle Shields; and

S. 3967. A bill for the relief of Edith Elisabeth Wagner; to the Committee on the Judiciary.

By Mr. O'MAHONEY (by request):

S. 3968. A bill to provide for the termination of Federal supervision over the property of the Peoria Tribe of Indians in the State of Oklahoma and the individual members thereof, and for other purposes;

S. 3969. A bill for the termination of Federal supervision over the property of the Ottawa Tribe of Indians in the State of Oklahoma and the individual members thereof, and for other purposes; and

S. 3970. A bill to provide for the termination of Federal supervision over the property of the Wyandotte Tribe of Oklahoma and the individual members thereof, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

S. 3971. A bill for the relief of Bernardo Paternostro and Wawara Dibert; to the Committee on the Judiciary.

By Mr. BEALL:

S. J. Res. 175. Joint resolution to provide for continuation of public mass transportation in the District of Columbia subsequent to August 14, 1956, and for other purposes; to the Committee on the District of Columbia.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933, AS AMENDED

Mr. MARTIN of Pennsylvania. Mr. President, I introduce, for appropriate reference, a bill to provide authority for the Tennessee Valley Authority to issue revenue bonds to finance expansion of its power system. This bill would accomplish the objective of the President's 1956 budget message of financing further expansion of its power system by means other than Federal appropriations. Inasmuch as neither the agency nor the Congress has had experience in the issuance of revenue bonds, the bill has been drafted with a specific dollar limitation as to the amount of bonds which may be authorized at any one time. In drafting this bill I have also attempted to hold to a minimum the changes required in existing law.

The major features of the bill would—

First. Authorize the issuance of revenue bonds to be secured by the power revenues of TVA in an aggregate amount not to exceed \$200 million outstanding at any one time. These bonds would not be guaranteed by the Federal Government as to interest or principal. It is estimated that the limitation of \$200 million should be adequate to provide for the agency's requirements for about 2 years. At the end of this period the Congress can consider the advisability of an increase in this limitation in the light of actual experience.

Second. Provide that none of the power revenues of the TVA shall be used for the construction of new power producing units, installations or projects—except for replacement purposes—except as may be made available by the Congress after consideration of budget programs transmitted by the President pursuant to the Government Corporations Control Act. The recent discussions before the Senate on the Second Supplemental Appropriation Act for 1956 have clearly indicated the need for clarifying the 1948 act with respect to the Authority's use of power revenues. I think it is important to point out that the corporate funds of

the TVA are just as much the property of the general taxpayer as the general funds appropriated from the Treasury. The Congress should exercise the same type of control over the use of corporate funds for expanding an existing power-plant as it does in approving their use for the building of a new plant.

Third. Continue the provisions of the Government Corporations Control Act with respect to budgeting, auditing, and financial control by the Treasury Department. The Government Corporations Control Act was passed by Congress after extended hearings and was intended to provide both the President and the Congress with a means of exercising financial control over wholly owned Government corporations. The TVA is a wholly owned Government corporation in which the net investment of the Federal Government on June 30, 1955, amounted to \$1,533,000,000, of which \$1,231,000,000 represented the unpaid Treasury investment—chiefly appropriated funds.

Fourth. Preserve the repayment provision of the 1948 act which requires the TVA over a period of 40 years from completion of plant to return the power investment provided from appropriated funds. The corporation would, therefore, continue to repay the principal on the same basis as it has since enactment of this act.

Fifth. Require the Authority to pay into the Treasury beginning with the fiscal year 1956 as a return on the appropriation investment in the Corporation power facilities a payment which shall be equal to the computed average interest rate payable by the Treasury as determined by the Secretary of the Treasury upon his outstanding marketable public obligations as of the beginning of said fiscal year. In the past, the TVA has averaged a return of slightly more than 4 percent of its power investment but has not been required to make any interest payment. The effect of this provision would be to require that a part of this return be paid to the Treasury as an interest cost each year. This provision is in line with the President's recommendation that the financial statement of the TVA reflect the cost of the funds which have been provided by the general taxpayer in the form of appropriations.

Sixth. Maintain the power service area of the Corporation existing on May 1, 1956, unless changed by act of Congress. This provision should meet the objections of many Members of Congress that under existing law there is no effective limitation on the area which can be served by the TVA.

In closing, I believe this bill provides a sound basis for initiating a revenue bond financing program by the TVA to finance its normal growth, which all of us agree must be provided, and at the same time will preserve congressional control in the interests of the general public. I hope that it will be possible to give it early consideration in the Senate.

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

The bill (S. 3964) to amend the Tennessee Valley Authority Act of 1933, as

amended, and for other purposes, introduced by Mr. MARTIN of Pennsylvania, was received, read twice by its title, and referred to the Committee on Public Works.

CONTROL, APPROPRIATION, USE, AND DISTRIBUTION OF WATER—EDITORIAL—ADDITIONAL CO-SPONSORS OF BILL

Mr. BARRETT. Mr. President, on February 1, 1955, on behalf of myself and Senators ALLOTT, BIBLE, CURTIS, DWORSHAK, GOLDWATER, MALONE, and WELKER, I introduced the bill (S. 863) to govern the control, appropriation, use, and distribution of water.

I ask unanimous consent that an editorial published by the Portland Oregonian in support of my bill, S. 863, be printed at this point in the RECORD.

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

WARM SEAT FOR SEATON

The nomination of Fred A. Seaton, of Nebraska, is meeting such widespread approval and minimum of criticism that the Senate's Interior Committee, headed by Democratic Senator MURRAY, of Montana, may not even hold a hearing on confirmation of the new Secretary of the Interior. This would be a disappointment to some Senators hankering for a last chance to knife resigned Secretary Douglas McKay before his election battle with WAYNE MORSE. But it speaks a good deal for Mr. Seaton's personality, background, and capability.

The Nebraska newspaperman, ex-United States Senator, and White House troubleshooter will step into one of the administration's hottest political jobs. This is right down his alley. Mr. Seaton, now 46, has been active in politics since 1932 when he was chairman of the Riley County Young Republicans in Kansas. He served as Alf Landon's secretary, and was Harold E. Stassen's Nebraska campaign manager and pre-convention executive in 1948. He has served in the Nebraska Legislature. He joined the Eisenhower campaign in 1952, became Assistant Secretary of Defense in 1953, and moved to the White House as special assistant to the President a year later.

His service in the Senate, by appointment to succeed Senator Wherry who died in office, gave him a friendly standing with Members of Congress in his effective work for Ike on farm, defense, and natural resources legislation—the latter including the upper Colorado multiple-use program.

President Eisenhower showed political acumen as well as a desire to reduce criticism of the Department of the Interior—the wearying giveaway campaign leveled at Mr. McKay for 3 years by Democrats, public power and labor spokesmen, and some conservationists—when he rejected the petition of 14 western Republican Senators to elevate Under Secretary Clarence Davis to the top spot. The selection of a new man, with an independent background in western irrigation, power, flood control, and land problems, is assurance of a reappraisal of interior policies.

The United States Supreme Court's decision in Oregon's Pelton Dam case, which nullified State control of inland waters on Federal lands, has roused the West. Bills by Senator BARRETT, of Wyoming, and others are before Congress and should be dealt with in this session.

The Departments of the Interior and Agriculture favored such legislation, restoring

the State powers long recognized under the Desert Land Act and other legislation, in committee hearings. But the Department of Justice and the Federal Power Commission opposed amendments and supported the Supreme Court's view. The western Senators believed Mr. Davis would go down the line for States rights on water. Mr. Seaton has not expressed a position on this vital issue.

But Mr. Seaton's record on western resources, his active membership in the National Reclamation Association, and his grassroots knowledge of State problems are reasonable assurance that he will make a sound decision on water rights. It could not have been expected that he would plunge into this brawl, which is basically a matter of resisting Federal domination of State resources, without making a thorough investigation.

The West has a tremendous stake in the Department of the Interior and in the policies and attitudes of the man who heads that Department. It will watch with interest the role played by the next Secretary in resolving western problems of water, lands, forests, minerals, and fish and wildlife. We wish Mr. Seaton well.

Mr. BARRETT. Mr. President, let me say that the Subcommittee on Irrigation and Reclamation, of which the distinguished Senator from New Mexico [Mr. ANDERSON] is chairman, unanimously reported my bill to the full committee.

I ask unanimous consent that the names of the following Senators be added as cosponsors of my bill (S. 863): Senators O'MAHONEY, ANDERSON, BENNETT, CHAVEZ, HRUSKA, KNOWLAND, LANGER, MILLIKIN, MUNDT, and WATKINS.

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

Mr. BARRETT. Mr. President, I ask, further, that this request be held open until next Monday, so that other Senators may have an opportunity to add their names as cosponsors of the bill.

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

Mr. BARRETT. Mr. President, the following Senators joined with me as cosponsors at the time I introduced the bill:

The Senator from Colorado [Mr. ALLOTT], the Senator from Nevada [Mr. BIBLE], the Senator from Nebraska [Mr. CURTIS], the Senator from Idaho [Mr. DWORSHAK], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. WELKER].

I am very hopeful that the full committee will report the bill to the Senate, and that it may be considered before the end of next month.

AMENDMENT OF UNITED STATES CODE RELATING TO NARCOTIC VIOLATIONS—ADDITIONAL CO-AUTHOR OF BILL

Mr. DANIEL. Mr. President, I ask unanimous consent that my name may be added as coauthor of the bill (S. 2307) to provide for the establishment of a chapter dealing with narcotic violations in title 18 of the United States Code, introduced by the Senator from North Dakota [Mr. LANGER] on June 24, 1955.

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

AMENDMENT OF FEDERAL TRADE COMMISSION ACT, RELATING TO PRACTICES IN DISTRIBUTION OF NEW MOTOR VEHICLES—ADDITIONAL COSPONSORS OF BILL

Pursuant to the order of the Senate of May 28, 1956—

The names of Mr. ERVIN, Mr. DUFF, Mr. DANIEL, Mr. SMATHERS, Mr. BIBLE, and Mr. PASTORE were added as additional cosponsors of the bill (S. 3946) to amend the Federal Trade Commission Act with respect to certain unfair methods of competition and certain unfair practices in the distribution of new motor vehicles in interstate commerce, introduced by Mr. MONROE (for himself and other Senators) on May 28, 1956.

AMENDMENT OF CONSTITUTION, RELATING TO EQUAL RIGHTS FOR MEN AND WOMEN—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. PAYNE. Mr. President, I ask unanimous consent that I may be listed as a cosponsor of the joint resolution (S. J. Res. 39) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, the next time that joint resolution is printed.

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

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

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

By Mr. MARTIN of Pennsylvania:
Editorial entitled "As We See It," written by Senator FREAR and published in the June 1956 issue of the National Guardsman.

CHARLES J. HARES

Mr. ALLOTT. Mr. President, a pioneer of the Rocky Mountain area was justly honored Friday. The efforts of this man have contributed much to the prosperity of the Rocky Mountain region, and the State of Colorado and its people.

Charles J. Hares, Boulder, Colo., was honored Friday by the Colorado School of Mines. This college of mineral engineering, located in Golden, Colo., has gained a worldwide reputation. Today, Mr. Hares will receive the honorary degree of doctor of engineering at the commencement exercises at this famous school. He is being honored for his extensive work, his writing, and his contribution to the general fund of man's knowledge.

He has diligently studied and has contributed to the development of theories pertaining to the accumulation of petroleum. He has applied his broad knowledge, and has been responsible for the discovery and development of important oil reserves which make available to mankind increased amounts of that vital source of energy.

Mr. Hares has not been selfish with his knowledge. For many years he has taken great interest in young geologists and engineers, has assisted them, guided them, and provided them with inspiration to succeed in their scientific endeavors, as well as contributing to the welfare and security of this country.

Mr. President, it is an honor to call to the attention of the Members of the Congress this worthy citizen of the Rocky Mountains who is being justly honored. I ask that the resolution of the board of trustees, Colorado School of Mines, conferring the degree, be printed in the RECORD immediately following my remarks.

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

Whereas Charles J. Hares has for many years been a leader in the field of petroleum geology and has achieved for himself a worldwide reputation in this field; and

Whereas through his extensive work he has added and through his writings he has given much to the general fund of man's knowledge in this area; and

Whereas through diligent study he has contributed to the development theories of accumulation of petroleum and through application of his broad knowledge, he has been responsible for the discovery and development of important oil reserves, making available for mankind increased amounts of natural liquid fuel resources; and

Whereas through his personal and kindly interest and assistance he has helped innumerable young geologists along the way to professional success and has provided for them guidance and inspiration; and

Whereas the board of trustees feels that granting an honorary degree to Mr. Hares would be accepted by all his professional associates who know him and his achievements as a commendable recognition: Now be it

Resolved by the Board of Trustees of the Colorado School of Mines, That Mr. Charles J. Hares be granted the honorary degree of doctor of engineering at commencement exercises held on May 25, 1956.

RECENT DECISIONS OF THE UNITED STATES SUPREME COURT

Mr. GOLDWATER. Mr. President, in this country today there is a rising tide of question over the Supreme Court's most recent decisions. This concern has been caused by the seeming continuity of the Court's thinking that appears to be directed against the 10th amendment and its important bearing on States rights.

This amendment is the cornerstone of our Constitution, in spite of what some people in this country hold. The people of the United States do not want a government centralized in Washington. They want their governmental activities to be close to home, where they can be watched. They are fearful now of the extent to which the Federal Government has grown. They want this trend stopped. To reflect the feelings of our citizens, two Americans have devoted their time to preparing their thoughts on the recent activities of the Supreme Court, and I ask unanimous consent that these articles, one by David Lawrence and one by Frank Chodorov, be printed in the RECORD at this point in my remarks.

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

[From the U. S. News & World Report of June 1, 1956]

ERODING THE 48 STATES

(By David Lawrence)

The present Justices of the Supreme Court of the United States by their unanimous decision last week moved a step nearer to complete erosion of the rights of State sovereignties in America.

The Court revealed a brazen indifference to the Bill of Rights—and particularly to the 10th amendment of the Constitution—by declaring for the second time this year that whenever the Federal Government preempts any field of lawmaking, the State governments must stay out.

This is creeping usurpation. It is a denial of the rights which have long protected the States against the tyranny of intolerant majorities in Congress.

Specifically, the Supreme Court last week wiped out—so far as railroad employment is concerned—this provision of the constitution of the State of Nebraska:

"No person shall be denied employment because of membership in or affiliation with, or resignation or expulsion from, a labor organization or because of refusal to join or affiliate with a labor organization; nor shall any individual or corporation or association of any kind enter into any contract, written or oral, to exclude persons from employment because of membership in or non-membership in a labor organization."

Seventeen States have similar laws or constitutional provisions guaranteeing the right to work. But the Supreme Court of the United States now proclaims that when Congress passes a prohibitory or permissive law in a particular field—such as the conditions of private employment on the railroads or airlines—the provisions of State constitutions on the subject are automatically repealed.

The Federal law in question, passed by Congress in 1951, says that notwithstanding the law of any State, a railroad or airline may make an agreement with a labor organization requiring all employees within 60 days to become members of that labor organization.

Compulsion occurs through enforced payments of dues which the employer deducts from the pay envelope. Unless the worker is willing to pay tribute, he loses his job. He cannot get further employment on the railroads or airlines unless he is willing to sacrifice his principles and involuntarily join an organization—political and economic—to whose tenets he may have conscientiously refused to conform.

Justice Douglas, who wrote the latest opinion for the Court, makes no secret of his enthusiasm for trade unionism which he claims has strengthened "the right to work." He insists, however, that this is now a "policy" of Congress. He adds that "Congress, acting within its constitutional powers, has the final say on policy issues." He argues that if Congress "acts unwisely, the electorate can make a change."

But how can the electorate change the Justices of the Supreme Court? Must we revive the platform of the Progressive Party of 1912, which, led by Theodore Roosevelt, advocated the "recall of judicial decisions" by vote of the electorate?

The principle of compulsory unionism can, of course, be extended by Congress to all fields of employment. A worker's earnings, moreover, can now be taxed by two private economic groups—the employer and the union operating together.

It has been generally assumed as a result of a decision of the Supreme Court in 1935, that any private system of government is unconstitutional. For in that year the

Court unanimously declared that Congress could not delegate to private economic groups the right to make NRA Code agreements of their own between employers and unions and thereby set up their own system of private government.

Yet, Justice Douglas boldly writes today in behalf of a unanimous Court:

"If private rights are being invaded, it is by force of an agreement made pursuant to Federal law which expressly declares that State law is superseded. In other words, the Federal statute is the source of the power and authority by which any private rights are lost or sacrificed.

"The enactment of the Federal statute authorizing union-shop agreements is the governmental action on which the Constitution operates, though it takes a private agreement to invoke the Federal sanction."

So now the Supreme Court sanctions a private system of government after all—a system of confiscation of the workers' earnings, moreover, by which his money—his property—is taken from him under duress.

The tenth amendment of the Constitution states that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The Supreme Court of the United States has deliberately ignored that stipulation. In case after case in recent months, the Court has deprived the States of their basic and original rights. To paraphrase the late Justice Cardozo—this is "usurpation run riot."

[From the Human Events of May 26, 1956]

SUPREME COURT AGAINST BILL OF RIGHTS

(By Frank Chodorov)

The real conflict today between the Supreme Court and Congress arises from what amounts to an effort by the Court to repeal one of the fundamental principles of the Constitution:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

This is article 10 of the Bill of Rights. The meaning seems clear enough. It says that the business of the Federal Government is limited to those matters which the Constitution has specifically put within its province; everything else is out of bounds. Putting it another way, the residuary legates of all powers not definitely assigned to the Central Government are the States.

That's how a layman would understand the article. But, it has come to pass that article 10 has acquired, by juridical interpretation, a meaning quite the opposite. It now means that when "Congress has occupied a field to the exclusion of parallel State legislation . . . the dominant interest of the Federal Government precludes State intervention." That is to say, if Congress legislates in any field, that field is out of bounds for a State. Furthermore, even if Congress legislates on the fringe of any field, "the conclusion is inescapable that Congress intended to occupy the field." Thus, the Supreme Court supplements the legislation by divining the intent of Congress.

The quotations are from a recent decision of the United States Supreme Court in the case of *Pennsylvania v. Steve Nelson*. This man had been convicted of sedition in a Federal court. Pennsylvania, along with other States, has its own sedition law, and under it had convicted Nelson and sentenced him to imprisonment for a longer term than the Federal court had given him. He appealed to the Supreme Court on the ground that the Federal Government had preempted the field of sedition and that Pennsylvania had no jurisdiction in the matter. The Supreme Court, by a 6 to 3 vote, upheld the contention.

Of course, the quotations are taken "out of context." But, that is exactly what will be done when lawyers offer this decision as a precedent in other cases that will come up. Even in this case, the majority decision quotes (out of context) from another decision (*Rice v. Santa Fe Elevator Corp.*, (331 U. S.)), as follows: "the Federal statutes 'touch a field in which the Federal interest is so dominant that the Federal system [must] be assumed to preclude enforcement of State laws on this same subject.'"

This line of reasoning suggests some interesting speculations. If Congress should pass the pending aid-to-education bill, could not the Supreme Court decide (if the matter were brought to its attention) that in so doing, Congress had intended to preempt the entire field of education, even to the extent of deciding on textbooks, and that the States were transgressors if they presumed to legislate in that field? Or, suppose somebody should refuse to pay a State income tax on the ground that the 16th amendment gave the Federal Government a monopoly of income taxation. How would the Supreme Court rule?

The point is that the "occupation of the field" argument reverses the intent and meaning of article 10. The Court has decided that the States have no power to act in any area in which Congress has once legislated; furthermore, if Congress has legislated on any specific matter within this area, it must be assumed that Congress intended to cover all of it. There appears to be no field of State authority which the Congress may not invade and therefore preempt. Thus, the vaunted autonomy of the States is wiped out and thoroughgoing centralism has replaced the great American principle of imperialism in imperio. Article 10 has been repealed by the United States Supreme Court.

An effort to restore to the States some measure of independence, and to prevent their complete reduction to parish status, is now before the House of Representatives. It is a bill called H. R. 3, introduced by Congressman HOWARD W. SMITH, Democrat, of Virginia, the gist of which is in this first sentence: "That no act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the subject matter, unless such Act contains express provision to that effect."

It will be observed that H. R. 3 makes no reference to article 10, or to any constitutional limitations on the power of Congress vis-a-vis State powers. Even if this bill should become law, Congress could invade fields which are constitutionally and historically reserved to the States; it merely states that (for instance) Congress does not prevent the States from legislating in the field of education just because it has passed one law in that field—"unless such act contains express provision to that effect." The right of Congress to invade and preempt any particular field is not affected. That is, Congress, not the Constitution, may decide on the prerogatives of the States—even as Parliament makes laws for all subdivisions of England, or as the Kremlin decides how its "Socialist republics" shall be run.

Nevertheless, even this limited restoration of some State authority is meeting with strenuous opposition. A vigorous attempt is being made to replace H. R. 3 with a bill giving the States authority to legislate in the field of sedition only.

The character of the opposition to H. R. 3 is significant. It is being led by organized labor, with an able assist from the National Association for the Advancement of Colored People. The significance lies in the fact that it indicates how far we have gone in the development of our democratic form of Government, in which the interests of

powerful pressure groups take precedence over the Constitution.

The laborites' interest in the Nelson decision stems from their dislike of the right to work laws that have been enacted by 18 States, under the aegis of the Taft-Hartley law. If an amenable Congress were to vitiate or repeal this law, could not the Supreme Court decide that under existing laws, Congress has preempted the field of labor legislation and thus throw out the right to work laws? In any event, the more power the Central Government has, the easier it is for labor leaders to impose their will on the whole country; local laws, customs and prejudices could be overridden in one fell swoop. Centralism is the ideal arrangement for pressure groups.

As for the NAACP, their reason for supporting the Nelson decision and opposing H. R. 3 is obvious. They are all for civil rights, which they interpret to be the uncivil procedure of imposing a politically determined pattern of behavior on people. They are impatient with suasion. They rest their case on power, and who has more power than the Central Government? If Congress preempts the field of social relations, the State laws will have no effect. True, but what they overlook is that laws result from customs, not the other way around, and that discrimination against Negroes can be exacerbated by attempts from outsiders to eradicate it. No people have ever been made good by law; they are frequently made mad by it.

Support of H. R. 3 comes from a flock of legal lights from various States, who have the Constitution and reason on their side, but not the votes of the pressure groups.

Coupled with the desegregation decision, the Nelson decision has aroused an intense interest in the doctrine of States rights. The arguments of the attorneys general, before the House Subcommittee on the Judiciary in favor of H. R. 3, are reminiscent of Calhoun, and so are a number of editorials on the Nelson decision which have appeared in the public press. Whether anything will come of this enthusiasm depends on the extent to which it is rooted in a disillusionment with centralism; that is, are Americans ready to return to that concept of freedom which found expression in article 10, or are we so deeply devoted to the Washington golden calf that the idea of freedom strikes us as heresy?

States rights sprang from fear and distrust of centralized government. It was not just a political theory worked out in an ivory tower. The 1776 Americans rose in revolt against an impersonal, self-sufficient, and arbitrary government and were in no mood to countenance an American Government built along the same lines. As every schoolboy should know, there were delegates to the Constitutional Convention who favored a government of practically unlimited powers, and they dropped the idea because they knew the American people would make short shrift of a constitution that embodied it. The genius of the Americans was against centralism.

But, why? Why did they favor State governments as against the newly proposed Government? Simply because they knew from experience, and some from history, that their freedom was less likely to be impinged upon by a government of "neighbors" than by one that was beyond their reach. One could keep one's eyes on the governor and the State legislature and, if need to, lay one's hands on them. The States cannot print money and there is a sharp limit to the deficit spending in which they can engage. Taxes could be held within reason, enforcement officers could not be arbitrary, the legislators would be more amenable to local customs.

Those early Americans knew what we have forgotten, that inherent in government, any government, is an insatiable appetite for power; that it could be contained only by the

vigilance and opposition of the governed. But, how can you watch over and resist a government that is beyond your reach, physically and fiscally? After all, one has enough to do to make a living.

To this understanding of political institutions, the Founding Fathers had to make concessions if they hoped for ratification. James Madison, the intellectual genius of the Convention, went out of his way to assure the people that the Government proposed in the new Constitution could not under its terms invade the rights and powers of the State governments. In one of his Federalist Papers, he made it clear that the proposed Government would in fact be nothing more than the foreign department for the State governments, which in domestic affairs would be supreme. Nevertheless, ratification came hard, and only the inclusion of the Bill of Rights, with its famous article 10, made it possible.

But, neither the Constitution nor the promises of its authors could contain the craving for power that is built into all government, and the new establishment had hardly been set up before centralism showed its ugly head. It is common knowledge that the instrument of transformation was the Supreme Court which, under the leadership of Chief Justice Marshall, was elevated to supremacy in the supposedly coequal triumvirate of the branches of Government. However, it must be said that while the decisions of John Marshall violated the spirit of the Constitution, they always held within the letter; he was a stickler for the word. It is hardly conceivable that he would have countenanced the decision of Chief Justice Warren, in the Nelson case, which in effect wiped out an important clause of the Constitution.

The importance of article 10, in terms of freedom, became evident long after it was written, and in a way the Founding Fathers apparently did not realize. It set up something new in political science, a competitive system of government. The monopoly of political power was broken by its provision, so that if a citizen found the government of his State distasteful, he could escape its clutches by moving to another State. It was this choice that kept the respective State governments from getting out of line with the will of its citizens.

Thus, before the 16th amendment was enacted, a number of States instituted the income tax. Other States were quick to take advantage of this by advertising their lack of income taxation, thus attracting industry; and men of means transferred their citizenship from States that levied on inheritances to those that did not. The effect was to cause a number of the income-taxing States either to drop the levies or to keep them so low that the incentive to move was inconsequential. The citizen had a choice, and choice is the essence of freedom. There was no choice after income taxation became federalized.

The recurring interest in States rights in this country is but a version of the recurring struggle of the individual throughout history to attain a measure of freedom. There is only one kind of freedom—freedom from government. Every acquisition of power by government, under any pretext, is at the expense of individual freedom. As in the balance scale of the figure of Justice, when the power of government goes up the power of the people goes down.

Article 10 was put into the Constitution for the specific purpose of preventing this imbalance. Now that the Supreme Court has taken it out of the Constitution completely, the struggle of those who hold freedom to be the highest human value should be to restore it in all its pristine beauty. Unfortunately, whenever the issue of States rights has come up in the past the detonator has not been the love of freedom, but some sectional and pecuniary interest.

When, in the War of 1812, the British blockade brought ruin to New England industrialists, their governments invoked States rights even to the extent of threatening secession; the issue was dropped as soon as the war was over. Again the South raised the issue when protective tariffs played havoc with the planters' profits. In neither case did the question of freedom play a dominant role.

States rights has nothing to do with sectional interests. It has nothing to do with the racial question or with the sedition laws of Pennsylvania. It has everything to do with freedom. It is a device invented by our forefathers to prevent the centralization of power, to the detriment of the individual. If the present enthusiasm for this doctrine is to be galvanized into a political movement, a movement to restore article 10 to the Bill of Rights, it will be only because the spirit of freedom is not dead in this country.

VETERANS' BENEFITS—BRADLEY COMMISSION PROPOSALS

Mr. LANGER. Mr. President, last week I discussed an analysis of the Bradley Commission on Veterans' Benefits. I ask unanimous consent to have printed in the body of the RECORD an article published in the Disabled American Veterans' Semimonthly, May 15, 1956, written by Mr. Hogan, who is the public-relations man for the Disabled American Veterans. I recommend that it be read by every Senator.

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

COMMISSION PROPOSALS BY DIRECTOR CLARK— DAV REBUTTAL ACCLAIMED BY TEAGUE AND ENTIRE COMMITTEE

WASHINGTON, D. C.—In a blistering attack on proposals of the President's Commission on Veterans' Benefits, Maj. Omar W. Clark, DAV national legislative director, has informed the House Veterans' Affairs Committee that it would be unfortunate and bordering on the catastrophic for Congress to adopt the recommendations of the Bradley report.

Flanked by Capt. Cicero F. Hogan, DAV national claims director, and assistant legislative director E. M. Freudenberger, Major Clark offered a point-by-point rebuttal to the report which won the acclaim of Chairman OLIN E. TEAGUE, Texas Democrat, and the entire membership of the House group.

Major Clark made it clear that in attacking the report of the Commission he was not questioning the motives behind the proposals, nor the integrity of the Commission's membership, and that he had only the highest personal regard for the author of the report, Gen. Omar N. Bradley, with whom he had been in close association for 2 years or more.

"There can be no question," Major Clark said, "as to the importance of the Bradley Commission report, whatever one may think of its contents."

He told the House committee that DAV is primarily interested in the war disabled, their widows, children, and dependents, and that some of the Commission's proposals, if adopted, would be extremely destructive as to certain important facets of the compensation structure and that for this reason they are strongly opposed by our organization.

The DAV spokesman also made it clear that while certain of the Commission's recommendations were not accorded the formal comment treatment by him it should not be taken "as necessarily implying acceptance" by the organization.

As a matter of fact, he said, some of them are deemed inequitable, impractical, or otherwise undesirable from an administrative standpoint, but he preferred to concen-

trate DAV's fire upon "proposals of major and particularly objectionable nature."

Major Clark then took bead on the report's very first recommendation which took the position that military service is in the discharge of a citizenship obligation and is not in itself a basis for future Government benefits.

"The Disabled American Veteran realizes," Major Clark observed, "that the obligation of citizenship carries with it the duty and privilege of defending the Nation in time of war, stress, or national emergency." However, he added, "it has been the long established and historic policy of the United States to consider veterans as a group apart in awarding legislative benefits, the propriety of which has been demonstrated to the satisfaction of the Congress."

As to the Commission's recommendation that the Nation should not obligate future generations to bear burdens "that we ourselves are unwilling to shoulder," Major Clark pointed out (1) that no one generation, nor several generations, can pay for a war, and (2) that the future generations, "so solicitously referred to by the Bradley Commission, should indeed pay their full share for the wars that saved the Nation, increased their security, and that enabled them to 'benefit immeasurably by the heavy personal and financial sacrifices made by the veterans and their families during wartime.'"

The DAV spokesman waxed sarcastic in commenting on the Bradley group's recommendation that the VA rating schedule be revised "based on thorough factual studies by a broadly representative group of experts."

"In the opinion of the DAV," he said, "the primary responsibility should be left in the hands of technicians who understand it, who work with it every day," and who have made extensive industrial research to guide them in adjudication of compensation and pension claims.

"It is an appalling thought," the witness said, "to try and imagine what sort of a schedule would issue from the efforts of an outside group with such diverse backgrounds and ignorance of all that goes into the production of a necessarily complex rating schedule as evidently contemplated by this recommendation."

Pointing out that construction of a satisfactory rating schedule is a most difficult task even for highly trained technicians, Major Clark let go this verbal broadside:

"If anyone should desire to create a chaotic condition in the VA, and thereby in all veteranism, we know of no better way than to bring in an outside group, such as the one proposed, no matter how highly educated, trained, and skilled in their own fields, and put them to work on preparing a VA rating schedule."

Regarding the Commission's recommendation to abolish statutory awards and to pay veterans equally for equal disability, Major Clark was equally forceful when he commented:

"They forget, or never know of the legislative processes leading to adoption of the various statutory awards after hearings and the introduction of medical and lay evidence in support thereof."

He then raised the question of how, if statutory awards were eliminated, could the Government possibly compensate certain maimed or badly disabled veterans with any degree of justice.

"The statutory awards," he reminded the committee, "which were made a part of the laws, proved to be a practical solution to the problem that has faced the VA and the Congress since during World War I. Certainly it could not be done through any one regular rating schedule. And if more than one schedule is employed then it would be simpler and better to retain the statutory awards and the present machinery to pay them."

The DAV spokesman next trained his fire on the Commission's suggestions that the veteran with lower compensation rating is overpaid and that a still further proportional disparity be authorized between the lower and the upper rates.

Calling the committee's attention to his testimony before the group in March of this year, Major Clark said the DAV "favors increases for all the compensation evaluations and desires to see that percent ratios are brought in line and with the veterans rated less than 50 percent allowed to draw additional compensation for wife, children, and dependent parents in proportional amounts, as is now the case where ratings are 50 percent or higher."

As to the proposal that there be several gradations, "depending upon the extent of helplessness," the witness said that would cause administrative difficulties in its application and might open the door to charges of discrimination in adjudication of claims in cases involving applications for nurse and attendant allowance.

The DAV legislative director said his organization is opposed to paying off even low-rated so-called static cases through a lump sum or short-term settlement. He said that such a proposal would not be to the best interest of the Government.

"The DAV," he said, "does not subscribe to the impression created within the Commission that little disability is credited as being present in cases rated 10 or 20 percent."

He pointed out that his organization has observed through long experience many instances where the disabilities were not truly minor in their effect upon the mental and physical well-being of the individual "although rated only 10 or 20 percent in accordance with the terms of the rating schedule."

Major Clark added that there were even some instances where veterans should have been granted higher ratings, and that adjustments were being made to correct this situation.

In expressing DAV's opposition "with all possible energy" to the Commission's recommendation for withdrawal of the presumptive provisions of service connection for chronic diseases, tropical diseases, psychoses, T. B. and multiple sclerosis, Major Clark took a sideswipe at the American Medical Association as well as at the recommendation itself.

In modulated tones, but at times bitingly derisive, he said that the Commission's view that "accepted medical principles can reasonably and accurately establish the onset of a disease and a disability process" was not only "humorously contrary" to DAV's experience in handling many thousands of compensation cases but contrary, he was certain, "to the experience of members of this committee."

He asked: "What are the 'accepted medical principles' as to the origin of multiple sclerosis, leprosy, and a host of other diseases, where medical science has not progressed to the point where it can determine the cause, let alone the date of inception?"

It was at this point that he brought in the AMA, whose past president, Major Clark reminded the committee, went on record before them as opposing any presumptions.

Despite the fact, he said, that the committee "must be aware, either through long personal experience as Members of Congress, or through study of the old records, physicians of eminence and ability have appeared and given favorable testimony regarding authorization of presumptions for certain classes of diseases, there are many physicians, it must be conceded, who are in opposition." Once again, Major Clark said, this would seem to be the case where doctors cannot agree among themselves, and he added:

"It is obvious that many of them are merely following the AMA line." He quoted

from an AMA Washington letter (84-70, April 27, 1956) which stated on page 1 that the Commission's findings on non-service-connected VA care in many respects are just what the AMA has been saying for a long time."

The committee members up to this point had listened attentively to Major Clark without interruption. But the mention of the AMA line caused Representative BERNARD W. ("PAT") KEARNEY, Republican, of New York, to break in with the observation:

"I would like to remind Mr. Clark that it has been my experience that the AMA has been before this committee many times saying a lot of things which have never been proven."

The New Yorker, a veteran of World War I, reminded his colleagues that when he was chairman of a subcommittee of the Veterans Affairs Committee, he had presided at meetings where the AMA came in here with a lot of charges which were simply untrue."

Major Clark then referred to page 2 of the AMA letter where specific reference was made to the Commission recommendation for withdrawal of the presumptions.

Reminding his listeners that the term "accepted medical principles" was found to be so controversial, even among doctors, that the VA Claims Service forbade use of the term in writing veterans about disallowances of compensation cases, the witness said:

"Further argument on this recommendation is unnecessary as it is inconceivable that your committee would approve such an unfair and improper proposal."

At this point, Major Clark's assistant, Mr. Freudenberger, took up the reading of the DAV presentation.

He directed the committee's attention to the Bradley group's recommendation that would gear the rates for disability compensation to the prevailing average of national earnings by some representative group of workers. He said:

"What group of workers, may we ask? And how would the proposal be carried out to bring about a review of the actual rates paid every 2 years and adjustment made to conform with such standards?" He continued:

"This, to us, is an impractical visionary scheme that would break down of its own weight and the insuperable and administrative difficulties, if attempted."

Mr. Freudenberger next referred to the proposal that the rate of compensation payable to veterans who are actually disabled be two-thirds of the average earnings in the group selected as standard. He said the DAV's view is that it is not only impractical "but would probably result in reductions in cases where the veterans are now receiving compensation on 100 percent rating plus statutory awards."

The DAV spokesman then placed the organization on record as against Commission proposals which urged that establishment of dependency should be required in the case of wives (widows) and minor children as well as the proposal that, whenever legally possible, premium rates for government life insurance include a charge to cover administrative costs.

DAV also is definitely opposed, the speaker said, "to any weakening of the Veterans' Preference Act" and, accordingly, "does not subscribe to the Commission's views as presented in its recommendation on this point."

As long as men are being taken into the Armed Forces via the draft, Mr. Freudenberger said, the DAV has no objection to the Commission's proposal that the compensation rates in peacetime cases should be the same as the disability and death compensation rates as to those who served in wartime.

After reminding the committee that DAV, though primarily devoted to problems of the war disabled, their wives (widows), children,

and dependents, is unwilling "to stand idly by while the pension structure erected through the years is dismantled," the witness repeated to his listeners the organization's position on the pension program as outlined to the committee last February by DAV National Commander Melvin J. Maas.

The congressional group was reminded that, on the occasion, General Maas said, in part:

"I am sure this committee recognizes the fact that the Disabled American Veterans is unique among the veterans organizations in that from the beginning our purpose, and our sole objective has been devoted to the cause of improving and advancing the conditions, health, and interest of all wounded, gassed, injured, and disabled veterans, and to aid and assist worthy wartime disabled veterans, their widows, their orphans, and their dependents."

"* * * The DAV has never registered any protest to existing part III benefits—the payment of a pension where the veteran became permanently and totally disabled."

"* * * We have not supported such legislation because of our desire and efforts to secure increased awards or amounts for the service-connected veteran and his dependents."

The DAV statement then recalled the early days of 1933 when Public Law 2, 73d Congress, was passed under the misnomer "An act to Maintain the Credit of the United States Government."

Some \$200 million were to be pared from the Government's budget, the statement said, all at the expense of veterans and Federal employees.

"You all know," the committee was told, "what happened subsequently as numerous benefits then denied, eliminated, or reduced, were restored, some in part. In the meantime, there were some suicides among veterans and widespread misery and hardship."

The DAV spokesman then said: "The Bradley Commission recommendations, if adopted, could well have the most unfortunate results and in some instances they would border on the catastrophic."

The Congressmen were warned that if the retrogressive movement away from existing national policy as advocated by the Bradley Commission goes unchecked, it might well prove to be the opening wedge that would place the compensation legislative structure in jeopardy."

It might also, the statement said, "spearhead a subsequent attempt to tie in the compensation program to 'needs,' the word that runs like a thread through the tapestry of the 'new look' advocated so strongly by the Commission."

DAV was next put on record as opposing any change in the present regulations whereby VA determines, under its controlling criteria and precedents, whether a veteran with an undesirable or bad conduct discharge was released from service under conditions and for acts, constituting discharge under dishonorable conditions.

"The statement said VA staff activities are now overrun with specialists to such an extent that the Agency is losing or has lost sight of the more important functions "such as rendering the best possible service to veterans and their dependents."

Regarding the Commission's proposal to make the Administrator of VA a Cabinet member, the statement said that while it has appealing aspects it could very well turn out to be a mirage.

As a member of the Cabinet, the Administrator could be faced with some unhappy situations, the DAV statement pointed out, and he might become involved in political controversy to such an extent that his time would be taken up with matters of little, if any, importance to veterans and veterans affairs. Also, it was pointed out, that with a change of administration the VA representative in the Cabinet would resign along

with his colleagues, and thus we might have a new VA-Cabinet member every 4 or 8 years.

The statement added: "If the idea means what we think it might mean then the DAV can be recorded as opposed."

As to the suggestion by the Bradley Commission that a high-salaried reviewing group be set up "thereby constituting an intermediate step between rating boards decisions and appellate determinations of Veterans Appeals Board" the DAV statement "wondered if the Commission had any real comprehension of the number of additional trained personnel and the extra costs involved in such a proposal."

"The DAV is concerned," the statement concluded "with the many surveys that have been made of the VA, the too frequent internal reorganizations that have been imposed, the stress and strain upon the personnel, much of it resulting from changes, experiments, and generally considered moves of one kind or another, and the greatly impaired morale that must inevitably accompany such basic insecurity and feelings of frustration."

"Nothing was very much wrong with the operation of the VA," the statement went on, "but it certainly is now or will be unless there is a cessation or letup in the investigational and critical activities that have seemingly started on the false premise that something is radically wrong with the VA that can only be remedied by drastic surgery and a prolonged and stormy convalescence."

When Major Clark, who had resumed the DAV presentation, came to the end of his prepared statement, he thanked the committee for the courteous hearing accorded him and expressed the hope that DAV's views might be helpful.

He said the Bradley Commission's findings failed to provide "any good reason for changing our position as theretofore announced."

Chairman TEAGUE and each member of the committee then expressed their warm approval of Major Clark's presentation. There was not a single exception to any of his remarks in the 17-page presentation.

Capitol Hill observers said they could not recall when such a controversial topic had been discussed without provoking some question or challenge of a presentation.

Representative B. F. SISK, California Republican, caused a laugh when he said he had read the Bradley report through from cover to cover three times and that the only reason he didn't start a fourth reading was that he was more confused when he finished than before he had begun.

VISIT TO SENATE BY MISS RUTH MARIE PETERSON, OF AUSTIN, MINN.

Mr. THYE. Mr. President, the month of June is Dairy Month, which has not only nationwide observance, but is especially significant in Minnesota, because of the prominence of the dairy industry in that State.

The dairy producers throughout the United States have assessed themselves a certain amount of money from their annual dairy production, in order to create a fund for use in promoting the consumption of dairy products. They have also selected what they have designated and termed as "Princess Kay of the Milky Way."

A young lady from Minnesota was selected, first as Minnesota queen, and then later as National Princess of the Milky Way. This young lady is Ruth Marie Peterson, of Austin, Minn.

Miss Peterson not only visited Bogotá in connection with the International Trade Fair there, in order to promote

the sale of dairy products, but she did far more than promote the sale of dairy products. She actually was an ambassador of good will, representing the United States, and she made a wonderful impression upon the people of Colombia.

Later Miss Peterson visited Japan, and the reports from Japan commended the young lady for her contribution to public relations, and for the good will she created in Japan for the American people and the American farmer.

She did far more than merely promote good will. She was instrumental in the introduction of the use of dairy products into both the countries she visited, showing how powdered milk could be reconstituted into fluid milk so that it would be desirable for consumption.

Mr. President, Princess Kay is in the gallery of the Senate. I will ask her to stand.

[Miss Peterson rose in her place in the gallery, and was greeted by the Senate with applause.]

Mr. THYE. Mr. President, the young lady to whom I have referred, and whom the Senate has greeted, deserves commendation for the growth of good public relations between the United States and other countries of the world.

The ACTING PRESIDENT pro tempore (Mr. BIBLE). The Chair desires to thank the Senator from Minnesota, and wishes to state that he is very happy to welcome on behalf of the Senate the charming young lady who has visited us. The Chair simply would add that he himself selected a Minnesota product as his wife. The Senate is delighted to have this young lady visit it.

Mr. THYE. I have always known that the Presiding Officer was a wise gentleman.

THE REAL FACTS ABOUT SO-CALLED TABLES CONCERNING FINANCIAL ASPECTS OF HELLS CANYON DAM

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may speak for not to exceed 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, on May 29, 1956, the distinguished junior Senator from Arizona [Mr. GOLDWATER] placed in the CONGRESSIONAL RECORD a table purporting to show that, in his words, "the taxpayers of the United States are saved approximately \$465,500,000" through construction of 3 low dams at Hells Canyon by the Idaho Power Co.

At that time, Mr. President, the distinguished senior Senator from Washington [Mr. MAGNUSON] and I were present on the Senate floor, and we both commented on the misleading and unsound premise underlying the claims of the Senator from Arizona. In comments then made, Senator MAGNUSON and I agreed that I should include in the RECORD of today our reply to the statements of the Senator from Arizona concerning the Hells Canyon situation.

This material and information are presented to the Senate on behalf of the

senior Senator from Washington [Mr. MAGNUSON] and myself.

To begin with, Mr. President, the table presented by Senator GOLDWATER is identical with a table presently appearing in advertisements in many national magazines, paid for by the private utility corporations of this country. It does seem to us that the Senator from Arizona might have identified the source of his table—a table claiming what the taxpayers of each State have been "saved" through surrendering the Hells Canyon hydroelectric site to private utility companies.

In this connection, I should like to point out that, last week, when I inserted in the RECORD some information about rural electrification rates in Idaho I frankly and candidly told the Senate that the data came from the National Rural Electric Cooperative Association.

If the table of the Senator from Arizona did indeed originate in a private utility advertisement—and the tables are identical, as I observe them—I believe the Senate might have been told that fact. At least, Senators could then have decided for themselves the accuracy of the information.

Is the information accurate?

In the first place, the proposed Hells Canyon high dam, as recommended in the famous 308 Report of the Corps of Engineers, would be operated as part of the Bonneville Power Administration network. As of June 1955 this Federal agency had collected \$401,813,269 in power revenues from industries, rural electric cooperatives, private power companies, public utility districts, and Government agencies in the Pacific Northwest. In fact, these revenues to the Treasury have been so extensive and so continuous that the Bonneville Administration is \$68 million ahead of the repayment schedule established by Congress and the Federal Power Commission, at the time when its various component dams came into operation. Federal dams in the Columbia River system are producing power which puts revenue into the Treasury at the rate of \$140,000 per day.

Yet the table presumably prepared by the propagandists for the power companies, and included in the RECORD by the Senator from Arizona, totally and blithely ignores this remarkably successful record of repayments to the Government for energy marketed by the Bonneville Administration. The table relies upon public ignorance of the real facts, because the table could be accurate only if the kilowatts from the Bonneville system were given away, rather than sold at what eventually will be a substantial profit to the United States Treasury.

Total Bonneville revenues of \$401,813,269 are given no credence by this table, which indicates, for example, that the taxpayers of Illinois are saved \$35,600,000 because the Government is not erecting Hells Canyon high dam. This is about like claiming that the taxpayers of Illinois might be saved a vast quantity of money if only our entire United States Post Office system were turned over to some mail-order corporation, and if the so-called saving ignored every cent in revenue which the Post Office realizes from the sale of postage

stamps, postcards, envelope, mailing permits, and so forth. Would this be an honest claim? Would it tell the whole story?

Mr. President, the Senator from Arizona, who tells us in the RECORD that the Hells Canyon project would cost the taxpayers of the 48 States a sum of \$465,500,000, was one of the ardent advocates of the \$780 million upper Colorado project—a project with considerably less likelihood of paying for itself in the form of power revenues than is Hells Canyon Dam. I support the upper Colorado project, because I believe it is essential to the development of the intermountain region. But how can a promoter of a \$780 million project, like the Senator from Arizona, advance the welfare of that project when he inserts in the CONGRESSIONAL RECORD tables contending that the taxpayers of all the 48 States are being made the goats of a \$465 million project?

In addition, the table about Hells Canyon which was inserted in the RECORD did not disclose these essential facts:

First. An able engineer of the United States Bureau of Reclamation, the chief of its estimates and analysis branch, testified on May 2, 1955, before the Senate Interior Committee, that Hells Canyon Dam would cost \$308,500,000 to construct, and not \$465,500,000, as claimed in the misleading private-utility table. This capable man was Cecil I. Hoisington.

Second. While the Soviet Union taps its great rivers to the utmost, we evidently settle for less than full development. The 3 low dams at Hells Canyon will make possible a total of only 505,000 kilowatts of prime power, as contrasted with 924,000 kilowatts as a result of the high dam.

Third. The 3 low dams of the Idaho Power Co. will impound 1 million acre-feet of storage for flood control, as compared with 3,800,000 acre-feet by the high dam. Is it worth while to risk grave floods to enrich the Idaho Power Co.?

Fourth. Despite the fact that the table included in the RECORD made much of mythical savings to taxpayers, the Idaho Power Co. has applied for an accelerated tax writeoff of about \$70 million to aid in the construction of its low dams. This would represent an interest-free loan from the Treasury of great value to Idaho Power Co.

Mr. President, in conclusion, the loss of nearly 3 million acre-feet of storage at Hells Canyon is forcing certain advocates of power, flood control, and navigation to advocate dams such as Bruce Eddy and Penny Cliffs, which could choke off the magnificent fisheries, scenery, elk, forage, and recreational vistas of the Clearwater River watershed.

In view of the great public importance of the issues and policies which depend upon these facts, Mr. President, it is the hope of the senior Senator from Washington [Mr. MAGNUSON] and myself that in the future, when tables on these matters are inserted in the CONGRESSIONAL RECORD, they will be checked very carefully for factual truth and accuracy, particularly when they appear in the RECORD without being attributed to any source.

Mr. GOLDWATER. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. GOLDWATER. Inasmuch as the distinguished Senator from Oregon has attempted to take the Senator from Arizona to task about a table placed in the CONGRESSIONAL RECORD by the Senator from Arizona, it seems appropriate for the Senator from Arizona to reply briefly.

Mr. President, at this time I do not care to answer all the allegations the Senator from Oregon has made. I shall do so in due course.

But what the Senator from Oregon is overlooking is that private funds are available for the building of this dam. If private funds were not available for the building of the dam, it would be perfectly proper for the Federal Government to consider constructing it.

The Senator from Oregon ignores the fact that Congress after Congress has turned down this proposal, because private money is available.

I did not think it was necessary to identify the table I inserted in the CONGRESSIONAL RECORD, because the table has appeared in perhaps half a dozen or a dozen national publications, and the source of the table is common knowledge.

As I have previously stated, and as the Senator from Oregon correctly recalls, \$465,500,000 is the amount, plus the interest, which would have to be paid if the Federal Government built the dam, but which otherwise could be saved. That money would come out of the pockets of the taxpayers of the United States.

On the other hand, if the dam were constructed by a private company, not only would that money be saved, but after the dam was constructed, the private company would pay taxes on it to the Federal Government.

I am not arguing about Bonneville Dam or the rate of repayment at all. The Senator from Oregon and I are pretty much in agreement on the statistics regarding those projects.

But I think the Senator from Oregon is in error when he advocates construction by the Federal Government of a project, for one particular area, which can be built with private funds, at no cost to the general taxpayers of the United States.

In the case of the upper Colorado project, it could not be constructed with private funds; not that much private money is available for it. It is a reclamation, flood-control, and navigation-control project; and the Senator from Oregon knows that, historically, the Federal Government has developed such projects, when private money cannot do so.

Mr. NEUBERGER. Mr. President, in brief reply to the distinguished Senator from Arizona, I will say that his program adds up to reserving the skim milk of power sites for development at public expense, out of the Federal Treasury, while the cream of sites, like Hells Canyon, are surrendered to private-power companies.

I am pleased that the able Senator from Arizona agrees with me that Grand Coulee is a fine project. Yet, in the late

1920's, a private power company sought to preempt the Grand Coulee reach of the Columbia River, much as the Idaho Power Company now is preempting the Hells Canyon stretch of the Snake River.

Fortunately, there were then in public life men like Senator Clarence Dill, of Washington, Senator Charles L. McNary, of Oregon, and Rufus Woods, editor of the Wenatchee, Wash., Daily World, who helped prevent the relinquishment of the Grand Coulee reach of the Columbia River for piecemeal and less-than-full development.

FIFTIETH ANNIVERSARY OF FOOD AND DRUG LAW—STATEMENT BY GOVERNOR HODGES OF NORTH CAROLINA

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in today's RECORD a statement on the observance of the week of June 24–July 1, 1956, as Food and Drug Law Golden Anniversary Week. The statement has been issued by the Governor of North Carolina, the Honorable Luther H. Hodges.

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

STATEMENT BY GOV. LUTHER H. HODGES

The Nation will observe the week of June 24–July 1, 1956, as Food and Drug Law Golden Anniversary Week.

June 30, 1956, will mark the 50th anniversary of the signing by President Theodore Roosevelt of the first Federal Food and Drugs Act, amended and reenacted in 1938 as the Federal Food, Drug, and Cosmetic Act, and the Federal Meat Inspection Act.

The purity, integrity, and abundance of our food, drug, and cosmetic supplies are unexcelled in the world today and stand as a tribute to the industries producing them. The maintenance and protection of the purity and integrity of our food, drug, and cosmetic supplies are essential elements of our national strength, safety and economic welfare.

For this protection we are indebted to Dr. Harvey W. Wiley, who, as crusader for the first Federal legislation, became known as the father of the pure food and drug law; to the distinguished and dedicated public servants at all levels of government who have administered these laws over the years; and to the leaders in industry who have supported the enactment and improvement of these laws and have cooperated in their enforcement.

I am glad, therefore, to designate the week of June 24–July 1 as Food and Drug Law Golden Anniversary Week in North Carolina and request that the appropriate officials of the State and all the citizens cooperate in the observance of this week.

LUTHER H. HODGES.

Mr. LEHMAN. Mr. President, this year marks the 50th anniversary of the enactment of the Federal food and drug law, under which so much has been done to protect and preserve the health of our people. This law is a daily reminder of the dedicated efforts of Dr. Harvey W. Wiley, who worked so tirelessly for its enactment. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD at this point in my remarks, the proclamation issued by the Honorable Averell W. Harriman, Governor of the State of New York, commemorating these events and

proclaiming the week of June 24-30 as Food and Drug Week.

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

PROCLAMATION

This year the men and women of the Association of Food and Drug Officials of the United States are holding their 60th annual convention.

This year also marks the 50th anniversary of the enactment of the Federal Food and Drug Act and the Federal Meat Inspection Act, the first nationwide legislation in the field of maintaining the purity of the food and drugs we use. Signed in 1906, the Food and Drug Act has since been amended and re-enacted as the Federal Food, Drug, and Cosmetic Act.

We are all grateful to Dr. Harvey W. Wiley whose inspiration and untiring efforts contributed so much to Federal adoption of the pure food and drug program.

The Association of Food and Drug Officials is composed of those charged with the duty with maintaining the purity standards for food and drugs. Their work has been so well done that our people enjoy a safer supply than any in the world.

Because of their vigilant watch over standards, we all buy food and drugs with complete confidence. In New York State, our public servants closely cooperate with those of other States and the Federal Government in carrying forward this program.

It is fitting that we pay tribute to Dr. Harvey W. Wiley, the pioneer of the program, and to all those men and women of the association who work to keep us healthy and contented by making certain that the food and drugs we consume are pure.

Now, therefore, I, Averell Harriman, Governor of the State of New York, do proclaim the week of June 24-30, 1956, as Food and Drug Law Week in the State of New York, and call upon all our people to recognize the benefits we derive from these laws and their conscientious enforcement.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 16th day of April in the year of our Lord 1956.

By the Governor:

AVERELL HARRIMAN,
JONATHAN B. BINGHAM,
Secretary to the Governor.

HOW LOW POSTAL RATES HELP BUSINESSMEN AND FARMERS

Mr. SCOTT. Mr. President, by request, I ask unanimous consent to have printed in the RECORD an editorial, reprinted from the Progressive Farmer, entitled "How Low Postal Rates Help Businessmen and Farmers."

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

HOW LOW POSTAL RATES HELP BUSINESSMEN AND FARMERS

At this time a proposal is pending in Congress to increase postage rates on all publications—so-called second-class matter. We believe this is bad, not merely for publishers, but for the general welfare.

Publications serving farmers would be especially hard hit. This is because of the great distances between farm homes as compared with city homes, and the higher postage rates we must pay because of the greater distance each copy must travel to reach its destination. A tiptop New York magazine may easily develop 1 million circulation in a 100- or 200-mile area. Our 1½ million subscribers are scattered over an area 2,300 miles wide.

Moreover, there are two good reasons why both our Government and the people would benefit by continuing the present low rates to insure maximum circulation of both reading matter and advertising by all our people. These two reasons are as follows:

1. Unquestionably a well informed adult citizenship is one of the surest guaranties of good government and of sound action on national and international problems. This is not only true in ordinary times, but especially so in times like these—times of almost unprecedented international danger. For an educated citizenship, the State must first educate its children and young people in public schools and colleges. But then by some method there should follow a lifelong continuation of education—adult education. And for this purpose one of the main dependencies are the publications of America—magazines, daily papers, weekly papers, etc. Many millions of tax funds are spent every year to provide public schools and colleges to educate our young people. But for all its invaluable part in educating older people the American press receives and desires only a relatively meager contribution in the form of somewhat lower postal rates.

2. Magazines and newspapers help maintain maximum consumption of manufactured products and therefore maximum employment in American industry and on American farms. No more important statement on 20th century economics has ever been made than that made by Edward A. Filene, the great Boston merchant and philanthropist. Said he: "In an age of mass production one of the major concerns of government must always be this—to make every citizen an adequate consumer."

II

Not only is this true, but the No. 1 agency for insuring mass consumption is the American press. This is true because no other agency can so cheaply bring together manufacturers of goods and the consumers or buyers of goods. To send a post card to every one of the 1,300,000 subscribers of the Progressive Farmer would cost \$26,000 for postage alone. Partly by reason of present postal rates, we are enabled to give the American businessman the benefit and so let him put a full-page advertisement into every one of our 1,300,000 homes at a mere fraction of what post cards alone would cost. And this is but one illustration of the service rendered to American business by American publications.

Thus publication advertising becomes the lifeblood of American business, the most practicable and cheapest way of helping make every citizen an adequate consumer. Present relatively low postage rates are passed on by us in two ways: (1) to subscribers in the form of lower subscription rates and (2) to businessmen in the form of lower advertising rates. Both these keep the wheels of industry turning, keep employment high, and insure better markets for farmers.

III

Meanwhile, competition among publishers is so keen that, while a few big publishing corporations make large profits—the publishing industry as a whole is far below average in profitability. Higher postage rates would bankrupt some excellent publications and seriously cripple many others. Especially would it hurt farm papers because of the large percent of their circulation in high-postage zones and because most farm publications refuse to take any of the millions spent for liquor, beer, and other objectionable advertising.

To sum up, American publications constantly carry on a vast campaign of adult education which helps give our Nation the indispensable values of a well informed citizenship in times like these. Furthermore,

while our schools require untold millions for the education of children and adolescents, the American press is content with a meager fraction of that amount in the form of a slightly reduced postage rate. This reduction helps make every citizen an adequate consumer, thereby maintaining a full volume of business, full employment, and good markets for farmers.

HUNGRY HORSE DAM

Mr. MANSFIELD. Mr. President, several weeks ago I read with considerable interest an editorial credited to the Flathead Courier, a weekly newspaper in Polson, Mont., stating that there was not enough water in the South Fork of the Flathead River to run the four generators at Hungry Horse Dam, and that the Bureau of Reclamation was going to build a dam on the Middle Fork to put the water in the South Fork in order to rectify the supposed miscalculations in the construction of Hungry Horse Dam.

The editorial continued in part to say:

Didn't the Engineers know there would not be enough water to turn the Hungry Horse generators when they lavishly spent the taxpayers' money on these costly installations? Now they plan on ruining some more country in the Flathead to cover the first mistake.

In light of these statements I immediately contacted the Bureau of Reclamation, inquiring as to the reliability of the facts as stated in the editorial. I have received a reply from Commissioner Dexheimer, dated May 24, in which he stated in part:

The Bureau of Reclamation is investigating a possible diversion from the Middle Fork to the South Fork of the Flathead River but not for the alleged reason mentioned in the editorial.

The present water supply at the Hungry Horse Reservoir is good and the outlook for this year is considered normal.

The potential project under investigation, which is mentioned in the editorial, is the Flathead River project.

Not only has the Bureau of Reclamation answered the unwarranted charges expressed by the Flathead Courier, but an article in the Hungry Horse News, Columbia Falls, Mont., dated May 25, 1956, enumerates some of the great benefits derived from Hungry Horse as a multipurpose project. The Hungry Horse News states that while neighbors to the west know the might of the uncontrolled Kootenai, the Flathead was spared a May flood by the Hungry Horse Dam. Without the dam, the river would have neared 18 feet or 4 feet above flood stage at Columbia Falls.

The article states that the reservoir is now 44 feet below the full mark, a rise from the low of 83 feet below. The reservoir is expected to be full about July 1, compared to last year's June 29.

In order that the Senate be fully informed on this matter, I ask unanimous consent that the following items be printed at this point in the record: An editorial from the Flathead Courier, reprinted in the May 13 issue of the Miles City Star, Miles City, Mont.; my letter of May 17, 1956, to Wilbur A. Dexheimer, Commissioner of the Bureau of Reclamation; Mr. Dexheimer's reply, dated May 24, 1956; and an article entitled

"Hungry Horse Dam Holds Back Flood" from the May 25, 1956, issue of the Hungry Horse News.

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

[From the Miles City (Mont.) Star of May 13, 1956]

HUNGRY HORSE THIRSTY

A study will start in July to see if a dam, storage reservoir, and diversion tunnel should be built through the mountains to the Hungry Horse Reservoir. The project of the Reclamation Bureau calls for a 307-to-380-foot-high dam and a 7-to-8-mile tunnel through the rock to Hungry Horse. Now that \$101 million plus has been spent on Hungry Horse Dam, and there is not enough water in the South Fork to run the four generators, the United States Bureau of Reclamation thinks the solution to their miscalculations will be a dam on the Middle Fork, to put the water into the South Fork.

Didn't the Engineers know there would not be enough water to turn the Hungry Horse generators, when they lavishly spent the taxpayers' money on these costly installations? Now they plan on ruining some more country in the Flathead to cover the first mistake. It would have been better to install just enough generators at Hungry Horse to operate with the water supply, with additional space available for other generators. But no, the United States Bureau of Reclamation had to go whole hog, install the biggest dam the canyon would hold, and then sit back and figure out how to fill the reservoir with enough water to generate power with the otherwise useless generators. It seems the Government can do anything with the taxpayers' money, even to the point of building a second project.—Flathead Courier.

UNITED STATES SENATE,
Washington, D. C., May 17, 1956.

HON. WILBUR A. DEXHEIMER,
Commissioner, Bureau of Reclamation,
Department of the Interior, Wash-
ington, D. C.

DEAR MR. DEXHEIMER: The attached clipping of an editorial reprinted in the Miles City Star, Miles City, Mont., on May 13, 1956, was brought to my attention and I am sending it on to you for your comment.

The facts as set forth in this editorial are very disturbing. I wish to be advised if at the present time there is not enough water in the South Fork to run the four generators at Hungry Horse Dam. Is the Bureau of Reclamation contemplating construction of a dam on the Middle Fork, diverting water into the South Fork?

If such action is planned, would appreciate being informed as to the progress of such planning. Please return the clipping with your reply.

With best personal wishes, I am,
Sincerely yours,

MIKE MANSFIELD.

P. S.—Isn't it true also that, because of Hungry Horse, the Montana Power Co. is able to run another 62,500(?)-kilowatt generator at Kerr Dam?—M. M.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., May 24, 1956.

HON. MIKE MANSFIELD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MANSFIELD: This is in reply to your letter of May 17, 1956, with which you forwarded for our consideration a clipping of an editorial from the May 13, 1956, issue of the Miles City Star, Miles City, Mont.

The Bureau of Reclamation is investigating a possible diversion from the Middle

Fork to the South Fork of the Flathead River but not for the alleged reason mentioned in the editorial.

The present water supply at the Hungry Horse Reservoir is good and the outlook for this year is considered normal.

The potential project under investigation, which is mentioned in the editorial, is the Flathead River project, discussed in our letter to you dated January 5, 1956, in response to your letter of December 28, 1955.

Our regional director is proceeding with a basin survey of the Clark Fork Basin, including the drainage area of the Flathead River which is a tributary of the Clark Fork. However, these investigations have not yet proceeded far enough to evolve the general plans for the development of the Flathead River and its tributaries.

The first step in a basin survey is to make an inventory of the many potential projects that might be developed in the basin. This inventory has been made which shows that there is an attractive reservoir site, called the Spruce Park site, on the Middle Fork of the Flathead River, 5 miles above Bear Creek. This site lies entirely within the Flathead National Forest and in no way would affect the Glacier National Park, the railroad or the national highway. A dam about 350 feet high would provide about 360,000 acre-feet of storage capacity.

This site offers several possibilities of development: (1) Storage only (for downstream benefits); (2) storage with a powerplant at the dam; (3) storage and a pressure tunnel from the reservoir to the Hungry Horse Reservoir on the South Fork of the Flathead River, with a powerplant at the end of the tunnel; or (4) storage with a gravity tunnel to Hungry Horse Reservoir.

The most desirable plan of development cannot be determined until more detailed investigations are made. The feasibility investigations of the Flathead River project are scheduled to proceed in fiscal year 1957.

In regard to the postscript on your letter, the storage regulation at Hungry Horse Reservoir does benefit the Kerr plant of the Montana Power Co. and other privately owned plants downstream. Reimbursement for this river regulation should be made under the provisions of the Federal Water Power Act. Such payments would be fixed by the Federal Power Commission under this act. However, the amount which would be paid by downstream privately owned plants for river regulation cannot be determined without a detailed analysis of each situation. The Commission is making studies of the Hungry Horse project.

It is not anticipated that the Bureau of Reclamation would collect any payments from the power company for river regulation. Presumably such collections would be made by the Bonneville Power Administration, which is the marketing agent for the power generated at Hungry Horse.

The newspaper clipping is being returned as requested.

Sincerely yours,

W. A. DEXHEIMER,
Commissioner.

[From the Hungry Horse News, Columbia Falls, Mont., of May 25, 1956]

HUNGRY HORSE DAM HOLDS BACK FLOOD

While neighbors to the west know the might of the uncontrolled Kootenai, the Flathead was spared a May flood in 1956 by Hungry Horse Dam.

Without the dam, the river would have neared 18 feet, or 4 feet above flood stage, at Columbia Falls.

As it was, Tuesday afternoon the river at Columbia Falls reached 15.1 (14 feet is flood stage) and water was lapping at the top of county roads in the Red Bridge vicinity. No local damage resulted.

Flow of the Flathead River was 65,800 cubic feet per second past Columbia Falls.

Without Hungry Horse it would have been 95,000.

May 20, 1954, saw the Flathead River at Columbia Falls practically duplicate what happened May 22, 1956. The river in 1954 reached 15 feet. On May 22, 1948, before Hungry Horse blocked the South Fork, the main river at Columbia Falls went to 20 feet, 6 feet over flood stage, flowed 110,000 cubic feet per second and caused damage locally. This was the year of the disastrous Vanport flood downstream on the Columbia.

The South Fork flow actually peaked Monday with 34,382 second-foot inflow into Hungry Horse Reservoir. Tuesday's flow was 33,486 second-feet, and Wednesday it was down to 29,549.

Meanwhile the river at Columbia Falls dropped from its Tuesday 3 p. m. high of 15.1 feet to 13.9 Wednesday and 13.5 feet Thursday noon. July temperatures in May stimulated the river flow. It was raining Thursday and cooler with the river flow diminishing.

Hungry Horse powerhouse this week was keyed to the flood picture with discharge averaging about 3,000 second-feet, compared to the inflow topping 30,000. Backwater of the main river resulted in the South Fork under United States Highway 2 bridge being full.

Floodwaters held back are filling Hungry Horse Reservoir. Storage was 2,532,000 acre-feet Thursday compared to 1,965,800 acre-feet April 18—low for the year. Elevation of the reservoir is now 3,516 feet above sea level up from a low of 3,477 or 83 feet below the full mark. Now it is 44 feet below.

The reservoir is expected to be full about July 1 compared to last year's June 29.

PROVISION OF HOUSING FOR CERTAIN CIVILIAN EMPLOYEES OF THE ARMED FORCES

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3515) to amend the National Housing Act, as amended, to assist in the provision of housing for essential civilian employees of the Armed Forces, which were, on page 2, line 8, strike out "and" and insert "or"; on page 2, lines 9 and 10, strike out "Armed Forces of the United States or a contractor thereof and is considered by the Armed Forces" and insert "military departments of the United States or a contractor thereof and is considered by such military department", and on page 2, line 19, strike out "and" where it appears the first time and insert "or."

MR. SPARKMAN. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

EXECUTIVE SESSION

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

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

David T. Lewis, of Utah, to be United States circuit judge, 10th circuit, vice Orle L. Phillips, retired.

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

Charles E. Whittaker, of Missouri, to be United States circuit judge, eighth circuit, vice John Caskie Collet, deceased.

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

One hundred and forty postmasters.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

FEDERAL MARITIME BOARD

The Chief Clerk read the nomination of Clarence G. Morse to be a member of the Federal Maritime Board, which nomination had theretofore been passed over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

ADMINISTRATOR OF CIVIL AERONAUTICS — NOMINATION PASSED OVER

The Chief Clerk read the nomination of Charles J. Lowen, Jr., to be Administrator of Civil Aeronautics.

Mr. SMATHERS. Mr. President, I ask that the nomination be passed over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be passed over.

LEGISLATIVE SESSION

Mr. SMATHERS. 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.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

CONTROL OF NARCOTIC DRUGS

The Senate resumed the consideration of the bill (S. 3780) to provide for a more effective control of narcotic drugs, and for other related purposes.

Mr. MORSE. Mr. President, on behalf of the Senator from New York [Mr. LEHMAN] and myself, I offer the amendment, which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, lines 13 and 14, it is proposed to strike out "except that the offender shall suffer death if the jury in its discretion shall so direct"; and on page 4, lines 3 and 4, it is proposed to strike out "except that the offender shall suffer death if the jury in its discretion shall so direct."

Mr. MORSE. Mr. President, I shall be very brief in my comments in support of this amendment.

This is an amendment which, in effect, would strike the provisions of the bill imposing capital punishment as one of the

penalties for violation of the provisions of the bill.

As I said last Friday, this is a matter of religious faith with me. I do not propose to impose my religious faith on others, but I do wish to reiterate for the RECORD what I said on Friday. This deep spiritual conviction of mine is based upon the premise that human life is not for the Government to dispose of. Human life does not belong to the Government. Human life belongs to God. I shall never, as a United States Senator, sit in this body and vote to take human life as a penalty for the transgression of temporal law. I hold to the view that it is before the bar of God's judgment, and only before that bar, that human life should be taken.

As a Christian I cannot reconcile capital punishment with my faith and Christian principles. This is no new position for the Senator from Oregon. In my professional work as a lawyer and a teacher of the law I have always opposed the principle of capital punishment, because I cannot reconcile it with spiritual values. There is nothing more that one can say. It is for each Member of the Senate to judge, on the basis of his own convictions of conscience, the question of whether or not he can support capital punishment.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement on capital punishment which has been issued by the Friends Society. In my judgment, this statement sets forth very clearly the spiritual conviction which the Senator from Oregon has expressed in this connection.

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

A STATEMENT ON CAPITAL PUNISHMENT—WHY WE SHOULD ABOLISH THE DEATH PENALTY

We speak to Friends and our fellow citizens everywhere, under a deep sense of religious and social responsibility, in opposition to the use of capital punishment either by a State or by the National Government.

We believe there is no crime for which the death penalty should be imposed, and that it is as much forbidden to society organized as government to deprive a human creature of life, as it is forbidden the individual to do so.

We hold life, given us by our Father, to be sacred and hence not to be taken from any of us by the judgment of man.

We hold it to be our duty to find methods other than intimidation, cruelty, retribution, or revenge, in coping with wrongdoing and crime.

We aim to prevent crime by removal of its causes. We seek to further also the use of modern methods for rehabilitation of the evildoer in order to bring about his regeneration.

We speak at this time because we are in the midst of unrest and upheaval when the outlook of religion and the influence of the spirit are profoundly needed by mankind.

THE STATUS OF CAPITAL PUNISHMENT IN OUR COUNTRY

We are gravely concerned by the increase in our country today of authorization of capital punishment, which now is applied not only when murder has been committed, but also for robbery, burglary, rape, treason, arson, train-wrecking, kidnapping.

Recent Government reports show that there have been, during the past 25 years,

3,363 persons executed under civil authority. Of these 1,806 were Negro, 1,518 white, and 39 of other races. For murder 2,926 were put to death, for rape 382, for armed robbery 19, for kidnapping 15, for burglary 10, for espionage 8 (6 in 1944 and 2 in 1953), for aggravated assault 3. In 1954 alone, 82 were sent to death, 72 for murder, 9 for rape, and 1 for armed robbery. In 1951 a man and wife were condemned to die as spies, in time of peace.

THE FALLIBILITY OF MAN'S JUDGMENT

As Friends, who hold there is that of God in every man, we believe that even the most degraded can be salvaged by love and faith, wisdom, and compassion. Because execution is irrevocable and human judgment not infallible, innocent men have been put to death. Then, too, so long as we have capital punishment, those among the guilty who are redeemable are destroyed without opportunity accorded them for atonement of their deeds and regeneration of their lives. Many are very young. In 1950, for example, 6 out of every 10 hanged, electrocuted, or gassed to death, were under 35 years of age; in 1949 there were 7 out of every 10 executed who were below that age, 9 being youths less than 20 years old, 1 indeed being only 17, and another 16 years old.

HAVE EXECUTIONS DECREASED CRIME?

Those favoring capital punishment cannot point to any decrease in civil crime under the death penalty throughout the centuries of its use in Great Britain and the United States, the two countries which still remain strongholds of society's extreme penalty for civil offenses.

DOES THE ABOLISHMENT OF CAPITAL PUNISHMENT INCREASE CRIME?

In the six States of our country and in the nations of continental Europe, and of South and Central America, most of which have abolished the sentence of death for civil offenses, there is no evidence of increase in such offenses as a result.

MORAL RESPONSIBILITY AND HUMAN MOTIVATION

It is believed by most that murder and other crimes for which death is now exacted are planned, deliberate, inimical acts, for which retribution should be demanded. However, numerous thorough unbiased studies, including the survey a few years ago by the Royal Commission on Capital Punishment in England, reveal that murder is most commonly due to crises arising between men and women and between friends, and that although the professional killer exists, he is exceptional.

As Friends, we stress the moral factor, but we are also concerned with the human situation, since it is the basis of behavior. We know that conduct has roots in personality, and that it is conditioned by psychic elements and environment. These in turn are molding influences upon the individual. New light shed by psychology, psychiatry, and the social sciences, upon motivation and the springs of conduct, provides abundant evidence that intimidation and menace of death have small effect on people who are feeble-minded, psychotic, or suffering mentality and personality deviations and difficulties. Such people, however, constitute a large proportion of the men and women committing the most serious offenses, and they are very frequently among the criminals put to death.

WHAT IS OUR SUBSTITUTE FOR CAPITAL PUNISHMENT?

In six States of our country—Michigan, Minnesota, North Dakota, Wisconsin, Rhode Island and Maine—life imprisonment long has replaced executions. The decision as to life imprisonment or death has been placed, by 41 of our States, in the hands of trial juries. Although we gravely doubt that a decision so momentous should be entrusted

to the judgment of any group of untrained laymen, we may be grateful that in most of our country's courts there has already been made provision which does away with a mandatory death penalty. In Vermont and in the District of Columbia alone is there still no alternative to the death sentence permitted.

A recent official study shows that the total nationwide prison population of our country is nearly 100,000 inmates. Of these, approximately 7,000, or 1 in every 14, are "lifers." These men are cared for with the rest of the prisoners in institutions.

If capital punishment were to be abolished completely tomorrow, the country's prisons could easily take care of all who would be committed for what now are capital offenses.

NEW CONCEPTS OF PRISON TREATMENT

Our whole conception of prison and imprisonment is undergoing a profound and sweeping change. Emphasis today is on rehabilitation of the individual, and the protection of society.

As has been made clear, by riots in Michigan, New Jersey, and elsewhere, we still have prisons so huge that administrators must rely on mass treatment. Some of the buildings indeed are so ancient that they are unfit for human habitation. There are too many political and untrained employees. But, throughout the land, there exist institutions under charge of the States or of the Federal Government, which possess facilities to provide humane and scientific care for both short-term and long-term inmates, through employment of such media as education, work in prison, special training, exercise, recreation, medical equipment, psychiatric and psychological services, as well as the most modern forms of group therapy and social casework.

The aim is readjustment of a prisoner to life and rebuilding of character, whether it means spending his years to the end in prison without release, or freedom to go forth and begin anew in the community.

OUR SOCIAL RESPONSIBILITY FOR PUNISHMENT AND FOR THE OFFENDER

Capital punishment and a program rooted in revenge debases each one of us. We are all involved personally. Though we would flinch in horror from ourselves performing the task of an executioner, he is hired to act for us who as citizens comprise the state, which employs him.

Sensational publicity concerning executions enters our homes, by way of press and radio and other media. It is brought thereby to our very children.

We believe we must accept responsibility for the offender whose crimes we punish. We all help to create the kind of civilization in which an individual can and has become a criminal.

The whole system of criminal justice must therefore be changed from its foundations, so that revenge and destruction of the wrongdoer no longer will be the goal and symbol.

WHAT DO WE ASK FRIENDS AND OUR FELLOW CITIZENS TO DO?

1. Support abolition of the death penalty in our own community and State.
2. Provide for an adequate prison system suitable for care of offenders of all types and for their reeducation and rehabilitation.
3. Support a parole system utterly free of politics, protective of society, with concern for the remaking of the individual.
4. Develop crime-prevention services in the community in which we live.
5. Provide training schools for erring youth, with programs of education and character building.
6. Support scientific study and treatment of those whose personalities may lead them into wrongdoing.
7. Encourage institutions of progressive kind, where mass treatment is not given,

where the worth of the individual is regarded, and the light within every man is recognized.

8. Support probation whenever possible as a substitute for imprisonment.

9. Give ourselves personally, by visiting the prisons and befriending individual men and women in them.

10. Support State and local efforts concerned with removal of the causes of crime through improved housing, education, employment, for all conditions and manner of men.

Social Service Committee, Philadelphia Yearly Meeting, Religious Society of Friends, Committee on Friends and Penology, Philadelphia, Pa.: Leon Thomas Stern, Chairman; Mabel H. Ambler; Ray Arvio; G. Richard Bacon; Doris K. Baker; Winifred Chambers; Mona E. Darnell; Wendell East; Ruth Edwards; Anna Cope Evans; Edith M. Harper; Thomas B. Harvey; Sara Houghton; Dorothy B. James; Ernest Kurkjian; Richmond P. Miller; Elmer Pickett; Marian Rannels; Dorothy W. Scheer; Elton R. Smith; Mary R. Taylor; Charles Walker; Kale Williams; Roselynd A. Wood.

Mr. MORSE. I also ask unanimous consent to have printed in the RECORD at this point a number of letters and telegrams which I have received in support of my opposition to capital punishment.

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

SAN FRANCISCO, CALIF., May 29, 1956.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Grateful for your opposition to S. 3760. Death penalty has not proved deterrent to other crimes. Bill offers false solution to complex problem which demands our best thinking.

FRIENDS COMMITTEE ON LEGISLATION
OF NORTHERN CALIFORNIA,
TREVOR THOMAS.

COLUMBUS, OHIO, May 30, 1956.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

I strongly oppose wiretap evidence and death-penalty portions of S. 3760. Much as I approve of antinarcotic legislation, this would just be an entering wedge for all sorts of wiretap laws. Death penalty just closes cases conveniently; that may not really be closed correctly.

Mrs. GEORGE A. SLATER.

BALTIMORE, MD., May 28, 1956.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR MORSE: It was with deep sympathy and real admiration that I read in the RECORD the speech you made last Friday on the Senate floor relevant to S. 3760.

The protest against the capital-punishment section in the bill was one that needed saying. I hope that you will use all your eloquence and strength in the days ahead to fight this most un-Christian procedure.

Certainly the remarks regarding our dwindling liberties in connection with the wiretapping provisions in the narcotics-control bill were well taken.

Georges Bernanos, in his book Tradition of Freedom says, "The horrors which we have seen, the still greater horrors we shall presently see, are not signs that rebels, insubordinate, untamable men, are increasing in number throughout the world, but rather that there is a constant increase, a stupendously rapid increase, in the number of obedient,

docile men." It is good to know that there are some Senators who are not obedient and docile.

I sincerely hope that the people of Oregon will act in their interest as well as ours as a country and return you to the Senate this fall.

With best wishes,

DOROTHY G. ATKINS
Mrs. JOSEPH K. ATKINS.

CINCINNATI, OHIO, May 31, 1956.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Support your opposition to bill 3760 permitting wiretap death penalty in narcotic control.

MARGARET VONSELLE.

NEWTON, MASS., May 30, 1956.

Senator MORSE,
Senate Office Building,
Washington, D. C.:

Massachusetts branch of the Women's International League for Peace and Freedom is always concerned to halt traffic in narcotics but continues to oppose the wiretap death provisions of S. 3760. We appreciate your stand of May 25 and hope for an effective measure without these provisions which you can support.

MARIE J. LYONS,
President.

BROOKLINE, MASS., May 31, 1956.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Appreciate your effort to defeat S. 3760 permitting death penalty for illegal dealing in heroin. All reliable evidence proves that providing death as a penalty accomplishes nothing and may make conviction more difficult. Deplore congressional act in extending application of death penalty when the trend is to abolish capital punishment in the civilized world.

Mrs. HERBERT B. EHLMANN,
Director, American League To Abolish Capital Punishment, Massachusetts Council for the Abolition of the Death Penalty.

RELIGIOUS SOCIETY OF FRIENDS,
COMMITTEE ON FRIENDS AND PENOLOGY,
Philadelphia, Pa., May 29, 1956.

Senator WAYNE MORSE,
Washington, D. C.:

I was much heartened to hear that you are opposing the death penalty for narcotic offenders. It is a step in the right direction to oppose the trend toward more executions for serious crimes. I hope sincerely that the Congress will not take this unfortunate step. Most dope peddlers and pushers are themselves addicts. Addiction is on the whole a mental illness, while the narcotics business is a matter of trade and supply at the source in Asia and Eastern Europe.

You will recall that you and I met at a Quaker forum meeting which you addressed in Philadelphia, and at that time we discussed the possibility of having the Federal Congress take up the question of the abolition of the death penalty on the national level. I hope this might be an opportune moment for you to launch that idea. The proposed extension of the death penalty to mental cases is a penological extravaganza and shows how wide of the mark we are in our penal laws.

I still look back with pleasure to our temporary association 20 years ago on the Federal Survey of Probation and Parole under the United States Attorney General.

Sincerely yours,

LEON F. STEEM.

Mr. LEHMAN. Mr. President, I wish to speak very briefly in support of the

amendment offered by the Senator from Oregon [Mr. MORSE], of which I am very proud indeed to be a cosponsor.

I speak largely upon the basis of the experience which I have had with regard to capital punishment. The laws of the State of New York, of which I had the honor of being Governor for 10 years, provide for capital punishment following conviction of murder in the first degree.

Since we have no pardon board in New York the final responsibility of decision regarding the carrying out of the sentence rests wholly upon the Governor. In the case of every person sentenced to death the Governor must hold a hearing. During the 10 years I was Governor of New York there were in the State 300 convictions for murder in the first degree, calling for the death penalty. I went over the records very carefully. I personally heard every case. The duty of decision which was placed upon me was one of the most difficult, one of the most moving, and one of the most trying of all the duties which devolve upon the chief executive of the State.

Under the regulations in force in the State of New York a man condemned to suffer capital punishment goes to his death at 11 o'clock on a Thursday night. I can assure my colleagues that even though I might have been convinced beyond any question of the guilt of a particular individual, when the hour approached I realized very painfully that a man's life depended upon whether I would or would not sign my name to a commutation of sentence. It was a tremendously moving circumstance and it involved a great emotional strain.

I granted commutations whenever I felt there was the slightest doubt of guilt or compelling mitigating circumstances. In many cases, however, under the law I felt it my duty to let the man go to the death chamber. As a result of the 300 cases which came before me, I reached the conclusion that there was no proof whatsoever that the death penalty served as a deterrent to crime.

I think that is the experience in all the other States of the Union, both in States where the death penalty has been done away with and in States where it still obtains. In New York I found absolutely no proof that the death penalty was a deterrent. Under those circumstances, I believe it is wrong to place in the hands of one man, or even of a board, the responsibility and the power to decide as between life or death. As I have said, my experience was not haphazard or trifling but covered 300 cases.

I am very glad indeed to support the amendment, and I hope it will be agreed to.

Mr. DANIEL. Mr. President, I hope the Senate will reject this amendment. The bill does not provide a mandatory death penalty. It simply provides the death penalty as the maximum, if the jury should see fit to apply it, following conviction of a third offense of smuggling or selling heroin; and also for the sale of heroin by anyone to a person under 18 years of age.

Our committee knows that juries will not recommend the death penalty except in very aggravated cases. We think

it would be a deterrent, as it has been found to be in the case of the kidnapping law. We believe that it would dry up sales to minors if, as a maximum penalty, juries were allowed to impose the death penalty, in their discretion.

Mr. LANGER. Mr. President, the legislature of the people of North Dakota some years ago abolished the death penalty. I feel I would not be representing my State if I voted for the death penalty.

Mr. O'MAHONEY. Mr. President, I merely wish to say that we are dealing with one of the most evil traffics in the whole world. We are dealing with the purveyors of the means of destruction of the souls and bodies of little children, as well as adults. We are dealing with the activities of men who, though not themselves addicts, are willing to hide behind the curtains of anonymity and promote the sale of death-dealing narcotic drugs among defenseless victims.

The circumstances described by the Senator from Texas under which the death penalty would be authorized by the bill are such that in my judgment they would not raise the slightest emotion of pity in the heart of any executive in connection with an application for commutation. When, after three convictions by jury trial, it has been revealed in court that a defendant has been the source of the sale of narcotics and of distributing narcotics among the people there is no doubt in my mind that the death penalty ought to be invoked, and, certainly, the death penalty will serve as a deterrent.

By voting for the committee's recommendations, we are voting for the rising generation in America. I hope the amendment will be rejected.

Mr. MORSE. Mr. President, I wish to make one comment on the remarks of my good friend from Wyoming. Those of us who are opposing the capital punishment feature of the bill deplore the drug traffic and are as much opposed to it as any other Senator can be. We are for the imposition of tough penalties. As I said last Friday, I am in favor of a provision which will put those guilty of traffic in drugs in prison subject to no parole, and for the rest of their lives.

I do not believe, however, that the Government of the United States should set itself up as a judge to decide whether a human being shall live or die. With regard to that matter I raise again the moral issue to which I have previously given voice. I am in favor of a law which will make clear that those found guilty shall never be paroled; that a sentence of life imprisonment will mean life imprisonment; that the guilty parties shall be put away in prison for the rest of their lives.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] for himself and the Senator from New York [Mr. LEHMAN].

The amendment was rejected.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

Mr. MORSE. Mr. President, on behalf of myself, the Senator from North Dakota [Mr. LANGER], and the Senator

from New York [Mr. LEHMAN] I offer an amendment, and ask that it be stated.

The ACTING PRESIDENT pro tempore. The Secretary will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out from line 18, page 7, down to and including line 13, page 10, constituting section 1407 and to insert in lieu thereof the following:

SEC. 1407. Use of communications facilities—penalties:

(a) Each use of any telephone, mail or any other public or private communication facility in the commission or in causing or facilitating the commission, or in attempting to commit any act or acts constituting a violation of or a conspiracy to violate sections 1402 or 1403 hereof, or section 2 of the Narcotic Drugs Import and Export Act, or any provision of the Internal Revenue Code of 1954, the penalty for which is provided in section 7237 (a) of such code, as amended, shall be considered a separate offense punishable by a fine of not more than \$5,000 and imprisonment for not less than 2 nor more than 5 years.

(b) As used in this section, the term "Communication facility" means any and all instrumentalities used or useful in the transmission of writings, signs, signals, pictures, and sounds of all kinds by wire or radio or other like communication between points of origin and reception of such transmission.

Mr. MORSE. Mr. President, I shall discuss the amendment very briefly, because it speaks for itself. I wish to say that the Senator from Texas and I have conferred at some length regarding this matter. We have reached an agreement on the amendment I have offered. It is a substitute for the wiretapping provision of section 1407 in the bill. I have already spoken at some length on this subject.

In essence, my position is that the Congress should not establish the precedent of Federal authorization of wiretapping, or the use of evidence obtained thereby, in any Federal court, for the reason that, in my judgment, it is a threat to the very roots of personal freedom in America; that it goes to the question of whether we will protect the privacy of the individual and the privacy of the home; and that, as has been brought out many times in the past, wiretapping cannot be a selective process. The tapping of a telephone wire is not a search-and-seizure warrant, in which specifics are involved. A person who taps a telephone wire, taps everything. He hears all. There can be no selection. He invades the intimacy and the privacy of the individual.

The argument advanced against my position is the same as that which was advanced in the Virginia convention at the time the Constitution was before it for ratification. It is the argument of necessity. Even in that convention it was contended that it was necessary to have such a provision in the Constitution. It was argued that general search and seizure was necessary in connection with treason. Let us not forget, Mr. President, that at that time there was great concern in this country about treason and subversion, and that many people who had fought in the Revolution were charged with being guilty of treason or subversion.

At that time an argument was made which in my humble opinion has not been answered to this day. In that great convention Patrick Henry pointed out what I consider to be the unanswerable argument in this fight. He pointed out the fallacy of the argument of necessity. He pointed out that in a free nation, it is better to have a few guilty men escape punishment than to cause even one innocent citizen to lose his liberty and freedom of a citizen by enacting a provision which destroys or strikes at privacy, as would be done under a so-called general search and seizure provision.

What was true then of general search and seizure is equally true in 1956 with respect to tapping the telephone wires of free men and women.

Because I am so unalterably opposed to any further encroachment upon personal liberty, I stand again on the floor of the Senate and make this fight on behalf of the personal freedom of men and women. I do not accept the argument that adequate checks have been provided in the bill. There can be no adequate check. There can be no adequate check so long as anyone in or out of the Government is given the authority to tap wires and thus intrude on the privacy of free men and women. That is exactly what would be done by the wiretap provision in the bill.

Nor do I accept the argument that it is perfectly safe to rely upon judges to provide the necessary check. We lawyers know that in the administration of criminal law, as should be the case and as it is intended to be the case, there is teamwork between a judge and a prosecutor. For example, a prosecutor will go to a judge and say, "Your Honor, we are hot on a trail, and we would like to have an order signed by you permitting us to tap the telephone wire of a certain person who is involved in this hot trail."

If anyone believes that in the administration of criminal law a judge will conduct any thorough investigation into the subject before he grants such an order, he is not aware of how our criminal law is administered.

What will happen, Mr. President, under such circumstances? The procedure will become pro forma. It will become routine. Therefore the requirement that a judge must sign such an order constitutes no check. The fact remains that the police officers will become aware of what takes place in the private homes and in business establishments of America, and they will learn all the intimacies which go on over the telephone between free men and women.

Wiretapping is a great evil and abuse. It is a much greater evil than many of us are willing to admit. It is a fact that in the administration of criminal law, we have what is known as a police complex, a prosecutor complex, a desire to ring up a great record of prosecutions and convictions and a tendency, Mr. President, by the use of wiretapping evidence, to call an individual on the carpet and say, "You may as well come clean, because we have tapes on you that involve conversations with Mrs. So and So or Miss So and So." Thus, wiretapping becomes a form of legal blackmail, by means of which what I consider to be

illicit confessions may be obtained from many persons.

It all serves to indicate plainly that what we need to do is to stand firmly in opposition to any attempt to lessen or weaken the individual liberties of the American people because of any desire on the part of anyone, in the interest of prosecution of a few guilty persons, to tap their telephone wires.

I submit, Mr. President, that my amendment is what I consider to be a reasonable compromise with the provision in the bill, but in the interest of legislative history let it be understood that I am submitting my amendment with the understanding, the intent, and the purpose that the amendment will not countenance in any way the tapping of wires to get evidence for prosecution, but when in the prosecution of a case evidence is brought forward which shows that someone used the facilities of communication, radio, writing, or any other facility, in order to violate the law dealing with the drug traffic, the evidence so arrived at, and not through any wiretapping means, can be the basis of prosecution and for finding a man guilty of a crime committed. That is the effect of my substitute amendment. It is a tough one, providing, as it does, a heavy fine and imprisonment of from 2 to 5 years.

It negates any intimation that I am soft on the drug traffic. I am tough on it, and I am also tough with reference to efforts to endanger the liberties of the people.

Mr. LEHMAN subsequently said: Mr. President, I had prepared a statement in opposition to the provision of S. 3760 which authorized wiretapping. I am a cosponsor with the senior Senator from Oregon of an amendment deleting the wiretapping provision from the bill. I understand that the amendment will be agreed to. Under these circumstances I ask unanimous consent that the text of that statement be printed in the body of the RECORD at the conclusion of the remarks of the distinguished Senator from Oregon [Mr. MORSE].

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

STATEMENT BY SENATOR LEHMAN

I am deeply concerned with the growing evil of the narcotics traffic. The peddling of drugs is one of the most evil things within our knowledge. I abhor the crime and detest with all my heart those evil characters who seek to benefit from the peddling or selling of drugs. I yield to no one in my desire to suppress crime and lawlessness. I believe that I can claim to have done as much as anyone, through administration and legislation in my capacities as chief executive of a State and as a Senator, to maintain law and order and to strengthen the hands of law enforcement officials. The question of wiretapping, however, goes far beyond that of the arrest and conviction of criminals. Criminals can be arrested and convicted by means now employed by the Federal jurisdiction and by the States.

I am strongly opposed to section 1407 of S. 3760, which would authorize Federal law enforcement officials to eavesdrop on telephone conversations. I have in the past opposed all attempts to place in the hands of law enforcement officials a weapon so potentially dangerous as this one. The sanctity of an individual's home and private conver-

sations are not lightly to be tossed aside because it might be a substitute for good police work in the apprehension of lawbreakers.

What justification is given for this provision? Why is it necessary? According to the subcommittee's report, "The telephone is the major means of contact between top narcotic traffickers" and because Federal law enforcement officers are not permitted to tap telephone wires "big time traffickers are seldom caught and convicted, because they otherwise avoid all direct contact with the peddlers and ultimate buyers."

That is an argument which can be made with respect to most Federal crimes. I should imagine that robbers quite frequently make some of their preliminary arrangements for pursuing their nefarious activities by using the telephone.

I should likewise imagine that embezzlers, counterfeiters, and those engaged in commercialized vice also make frequent use of the telephone to further their illegal pursuits. If we now sanction wiretapping as provided for in this bill, where will this end? Today we are being asked to legalize wiretapping to apprehend violators of our narcotics laws. The same arguments, with the same lack of substantive reasoning, will be used tomorrow to ask for the legalization of wiretapping to apprehend embezzlers or counterfeiters.

Thus, little by little, slowly but surely, crime by crime, we will be asked to legalize wiretapping until ultimately it will extend to all Federal crimes.

And it is not possible to confine the applications of the provisions of this bill to specific instances. When wires are tapped, all conversations are heard—both of those between the guilty and those between the innocent. Such procedure is an invasion of individual privacy of the citizen, for which I cannot vote.

I consider wiretapping, in general, to be what a Supreme Court Justice once called nasty business. It may be that there are some conditions under which wiretapping can be justified. I also suppose that it must be used under certain conditions in police work. But I certainly do not favor legalizing or sanctioning its use unless there is clearly shown to be a pressing, all-pervading necessity for such an invasion of individual privacy. And even then I would insist that its use be strictly circumscribed by the most carefully controlled and regulated conditions.

And with respect to the measure which we are today being asked to approve in S. 3760, I find that none of these conditions appears to have been met.

What must a law-enforcement officer show, under the terms of this bill, before he is granted permission to tap your telephone, or my telephone, for 90 days? Only "reasonable belief that the telephonic interception is necessary to obtain evidence relating to the violation." Note, that the only safeguard is a "reasonable belief" that the wiretap is "necessary." And the applicant for permission to tap a telephone wire needs only to satisfy the court that "reasonable grounds" exist.

Let us compare these provisions with the safeguards erected around applications for warrants to conduct searches and seizures. The application for such warrant must show either cause or probable cause. There we have not been satisfied merely with a "reasonable belief" that a search and seizure is "necessary."

The provisions in section 1407 circumscribing the issuance of permission to tap an individual's telephone are not, in my opinion, sufficient to safeguard the rights of decent, honest private citizens to conduct their day-to-day affairs without the constant fear that some law-enforcement officer may be listening to matters that are of no concern to anyone except the individuals themselves.

One of the most vicious weapons that dictatorship invokes against individual rights

of its citizens is that of espionage, wire tapping and search and seizure. It has been the vehicle of great oppression and persecution. It has caused people to be afraid of discussing even their most intimate personal problems.

I hope the day will never come when a citizen of this country, with nothing to hide, will pick up his telephone with fear and trepidation because a police officer had the right to tap his telephone merely because that public officer had a reasonable belief that such action might possibly uncover evidence of a crime.

The threat to our liberties lies, in my opinion, not so much on sudden or revolutionary change. Its greatest danger comes through ignorance, through lethargy and through the failure of the people to defend their fundamental rights against gradual and oftentimes cleverly disguised encroachment.

In all despotic states the first steps toward the abridgement of liberties have come through the curtailment or the denial of rights of some of their citizens under the alleged sanction of the majority. A denial of the rights of any of our citizens would lead us inevitably to the plight of despotic countries abroad.

If we are to maintain our liberties we must uncompromisingly oppose any principle either of majority or minority inspiration which would in the slightest degree weaken the principles of liberty upon which this Nation has been founded.

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

Mr. MORSE. I yield.

Mr. LANGER. Mr. President, I wish to associate myself fully and completely with everything the Senator from Oregon has said.

Mr. MORSE. Would the Senator from North Dakota care to be a cosponsor of my amendment?

Mr. LANGER. Yes.

Mr. MORSE. Mr. President, I ask that the Senator from North Dakota [Mr. LANGER] may be permitted to be a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. LANGER. There has been a long, and continuous fight with reference to trying to make wire tapping legal, and I am very glad that we have the Senator from Oregon to stand and fight against it.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Mr. President, I wish to congratulate the Senator from Oregon for his consistent position regarding wire tapping and for his success in getting the wiretapping provision eliminated from the pending bill.

I also wish to congratulate the Senator from Texas, who has done such good work in connection with the general problem of narcotics, for being willing to accept the amendment.

Mr. President, along with many other Americans I have been greatly disturbed by the fact that wiretapping is being widely practiced. Occurrences in New York City last year indicated that wiretapping was quite common and that there was an obvious effort to cover up and conceal the disclosure of the wide extent of this wiretapping. There were good grounds for belief that wire tapping was widely practiced in that city, not only by public authority, but by private citizens.

When the Senator from Oregon was discussing the question about 2 years ago I mentioned the fact that acquaintances of mine, lawyers, who upon occasion defend persons accused of criminal offenses in connection with tax matters in the Illinois Federal courts, told me they were confident that prior to trial their wires were being tapped by the Department of Justice, so that the Department would know the details of the cases they were presenting. I checked with a responsible judge in the Federal court in Chicago. While the whole matter is confidential, and I shall not disclose any names, because that would be improper, nevertheless I can vouch for what has been told me. The judge stated that he had found that some questions of the prosecution would throw the defense into utter consternation. The prosecution was asking questions which presumably had been touched upon only by the defense attorney and his client. I think there is a great deal of evidence to that effect. The privacy of communication between lawyer and client was therefore being violated and the prosecution given an unfair advantage.

I could not testify in a court of law that I know this of my direct knowledge, but I am confident that wiretapping is carried on in many cities of our country, that there are central agencies which tap the wires of persons not yet accused of crime, and I wish to point out that while this evidence cannot be legally produced in court, nevertheless it is used as an instrument to extract or extort confessions.

I may also point out it gives police officers the power of blackmail, because the information which they obtain, taped or recorded, becomes known to them, and sometimes they leave the Government service and establish private detective or shadowing agencies, and, therefore, of necessity they have knowledge of intimate and private affairs which they have accumulated during their service in the Government, and a wide opportunity for blackmail is thus opened up.

I quite agree with the Senator from Oregon that if we permit this practice to continue we may have something which will develop into a police state.

I wish to congratulate the Senator from Oregon for the position he has taken. He has rendered a great public service.

I also wish to congratulate the Senator from Texas, not only for his good general work on the bill, but also for being willing to accept this amendment. I hope we have rolled back this tendency to undermine the historic liberties of our citizens.

Mr. MORSE. I thank the Senator from Illinois, and I also wish to join in his comments regarding the Senator from Texas. He has been a wonderful associate to work with in trying to reach an understanding on the provisions of the bill.

Mr. DANIEL. Mr. President, in accepting this substitute I wish to make it clear that the members of the subcommittee of the Judiciary Committee who are the authors of the bill do not intend to give up our fight for the right to wiretap in limited instances in which a United

States attorney can go before a Federal judge and show reasonable cause for believing that narcotic sellers are using the telephone in order to carry on their business.

I appreciate the comments of the Senator from Oregon and the Senator from Illinois. I have discussed the subject with the Senator from Illinois and with several other Senators, and they are willing to handle the wiretapping provision in this way in order not to endanger the passage of some 20 other salutary provisions in the bill or to delay its passage.

I am willing to accept the substitute, which provides a very heavy penalty to be imposed on anyone who uses the telephone, mail, or any other private communication facility in the commission or in the attempt to commit one of the crimes described in the bill.

I agree with the Senator from Oregon that he has offered a substitute which is very stringent. It provides heavy penalties. It is the only alternative I can think of which would be helpful in attacking the dope traffic, if the bill does not contain a wiretapping provision. It may be possible, under this substitute, for narcotic agents and other Federal officials to reach some of the dope traffickers who are using telephones to conduct their illicit operations.

As I have said, the Senate Judiciary Subcommittee will introduce promptly a separate bill concerning the wiretapping feature, but with all the safeguards anyone can think of to keep officers from wiretapping except to get information for the purpose of showing that the drug traffic is being carried on over the wires or by the use of any other communication facilities.

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

Mr. DANIEL. I yield.

Mr. MORSE. I am very desirous of seeing the penalty provisions of my substitute amendment tried, because I have studied very carefully the wonderful record which the subcommittee made in conducting the hearings on the drug traffic.

As I said last Friday, and as I repeat today, the junior Senator from Texas is deserving of the thanks of every American for the excellent work which his subcommittee did. In my judgment the subcommittee brought out evidence which shows that if my substitute amendment should be adopted, the Government could reach the very persons who are using the communication facilities for the illicit traffic. So I should like to see some prosecutions tried under my amendment, rather than to resort to the wiretapping approach.

Mr. DANIEL. I thank the Senator from Oregon. I hope he is correct as to what will be possible under the provisions of his amendment. To say the least, it is a good, new provision for us to write into the laws of our country in an attempt to attack the narcotic menace.

I want the Senate to understand the circumstances under which I have accepted the amendment offered by the Senator from Oregon. I wish to make it amply clear that in the future the sub-

committee will continue to press, in other legislation, or by separate bills, for a wire interception provision under order of a Federal court, such wire interception methods to be used only in narcotic cases.

I wish to make a few comments before the bill comes to a final vote. Even with the adoption of the Morse amendment, the Senate will have passed today the strongest bill against the narcotics traffic which has ever been passed by a legislative body in our country. The death penalty provisions approved a moment ago should be a great deterrent, especially in the sale of narcotics to juveniles.

There are also some 20 other provisions which will strengthen the hands of law-enforcement officers in their effort to eradicate a cancer in our society which has afflicted 60,000 addicts, 13 percent of whom are under 21 years of age.

I hope the Senate will pass the bill promptly. I understand that in the House, action is proceeding upon a bill introduced by Representative HALE BOGGS, which contains many of the provisions of the Senate bill. I hope we will have the final passage of the bill today, because I believe it will do much to reduce the narcotics traffic and the terrible human destruction which that traffic is causing in our country.

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

Mr. DANIEL. I yield.

Mr. LANGER. I feel that with the passage of the bill today the Senate will have accomplished something for which many of us have been fighting over a long period of time. During the 15 years I have been a member of the Committee on the Judiciary, we have been confronted with the terrible problem of the traffic in narcotics. We have tried to get certain bills passed, but the House did not agree with them. So about a year ago I myself introduced a bill, S. 2307, which dealt with this very problem. I ask unanimous consent that the bill may be printed in the RECORD at this point in my remarks.

There being no objection, the bill (S. 2307) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That part 1 of title 18 of the United States Code is amended by inserting after chapter 67 the following new chapter:

"CHAPTER 68—NARCOTICS

"Sec.

"1401. Criminal penalties.

"1402. Narcotic tax violations.

"Sec. 1401. Criminal penalties

"(a) Whoever fraudulently or knowingly imports or brings any narcotic drug (as defined in section 4731 of the Internal Revenue Code of 1954) into the United States or any territory under its control or jurisdiction, contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of any such narcotic drug after being imported or brought in, knowing the same to have been imported contrary to law, or conspires to commit any of such acts in violation of the law of the United States, shall be fined not more than \$10,000 and imprisoned not less than 5 or more than 10 years. For a second offense, the offender shall be fined not more than \$20,000 and imprisoned not less than 10 or more than 20 years. For a third or subsequent offense, the offender shall be imprisoned for life.

"(b) Whoever sells, transfers, orders, exchanges, or gives away, or facilitates the sale, transfer, barter, exchange, or giving away, (1) of any narcotic drug as defined in section 1 of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, sec. 171), in violation of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, secs. 171-185), or of sections 4701-4776, 6001, 6065, or 7237 (b) of the Internal Revenue Code of 1954, or (2) of marihuana as defined in section 4761 of the Internal Revenue Code of 1954 in violation of sections 4741-4776 of such Code, to any person who has not attained the age of 21 years, shall, notwithstanding any other penalties provided by law, be fined not more than \$10,000 and imprisoned for 20 years. For a second offense, notwithstanding any other penalties provided by law, the offender shall be fined not more than \$20,000 and imprisoned for 40 years and for a third or subsequent offense, the offender shall be imprisoned for life.

"(c) Upon conviction for a second or subsequent offense pursuant to the provisions of this section, the imposition or execution of sentence shall not be suspended and probation shall not be granted. For the purpose of this section, an offender shall be considered a second or subsequent offender, as the case may be, if he previously has been convicted of any offense the penalty for which is provided in this section, in section 7237 (a) of the Internal Revenue Code of 1954, or in section 2 (c) of the Narcotic Drugs Import and Export Act, or if he previously has been convicted of any offense the penalty for which was provided in section 9, chapter 1, of the Act of December 17, 1914 (38 Stat. 789), as amended; section 1, chapter 202, of the Act of May 26, 1922 (42 Stat. 596), as amended; section 12, chapter 553, of the Act of August 2, 1937 (50 Stat. 556), as amended; or section 2557 (b) (1) or 2596 of the Internal Revenue Code of 1939, as amended. After conviction, but prior to pronouncement of sentence, the court shall be advised by the United States attorney whether the conviction is the offender's first or a subsequent offense. If it is not a first offense, the United States attorney shall file an information setting forth the prior convictions. The offender shall have the opportunity in open court to affirm or deny that he is identical with the person previously convicted. If he denies the identity, sentence shall be postponed for such time as to permit a trial before a jury on the sole issue of the offender's identity with the person previously convicted. If the offender is found by the jury to be the person previously convicted, or if he acknowledges that he is such person, he shall be sentenced as prescribed in this section.

"(d) Whenever on trial for a violation of subsection (a) of this section the defendant is shown to have or to have had possession of the narcotic drug, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains the possession to the satisfaction of the jury.

"Sec. 1402. Narcotic tax violations

"Whoever commits an offense or conspires to commit an offense described in subchapter A of chapter 39, entitled 'Narcotic Drugs and Marihuana' of the Internal Revenue Code of 1954, for which no specific penalty is otherwise provided, shall be fined not more than \$3,000 and imprisoned not less than 5 nor more than 10 years. For a second offense, the offender shall be fined not more than \$5,000 and imprisoned not less than 10 or more than 20 years. For a third or subsequent offense, the offender shall be imprisoned for life. Upon conviction for a second or subsequent offense, the imposition or execution of sentence shall not be suspended and probation shall not be granted. For the purpose of this section, an offender shall be considered a second or subsequent offender, as the case may be, if he previously has been

convicted of any offense the penalty for which is provided in this section, or in section 7237 (a) of the Internal Revenue Code of 1954, or in section 2 (c) of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, sec. 174), or if he previously has been convicted of any offense the penalty for which was provided in section 9, chapter 1, of the Act of December 17, 1914 (38 Stat. 789), as amended; section 1, chapter 202, of the Act of May 26, 1922 (42 Stat. 596), as amended; section 12, chapter 553, of the Act of August 2, 1937 (50 Stat. 556), as amended; or section 2557 (b) (1) or 2596 of the Internal Revenue Code of 1939, as amended. After conviction, but prior to pronouncement of sentence, the court shall be advised by the United States attorney whether the conviction is the offender's first or a subsequent offense. If it is not a first offense, the United States attorney shall file an information setting forth the prior convictions. The offender shall have the opportunity in open court to affirm or deny that he is identical with the person previously convicted. If he denies the identity, sentence shall be postponed for such time as to permit a trial before a jury on the sole issue of the offender's identity with the person previously convicted. If the offender is found by the jury to be the person previously convicted, or if he acknowledges that he is such person, he shall be sentenced as prescribed in this paragraph."

Sec. 2. The analysis of part 1 of title 18 of the United States Code, immediately preceding chapter 1 of such title, is amended by adding

"68. Narcotics."

after

"67. Military and Navy."

Sec. 3. Section 2 (c) of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, sec. 174), and section 7237 (a) of the Internal Revenue Code of 1954, are hereby repealed.

Mr. LANGER. Mr. President, during the time I was chairman of the Committee on the Judiciary, the committee repeatedly tried to have passed the type of legislation which the junior Senator from Texas has presented to the Senate. When my term as chairman expired, the junior Senator from Texas may remember that I made a motion that there be a subcommittee of the Committee on the Judiciary be appointed to deal with the terrible problem of narcotics which has confronted the country throughout the years. Later the late distinguished Senator from West Virginia, Mr. Kilgore, then chairman of the Committee on the Judiciary, appointed the junior Senator from Texas as chairman of the subcommittee.

Early this year the question of funds to finance the investigation arose. At that time the Senator from Texas, as he may remember, asked for only \$35,000. In the committee I offered a substitute motion to make the amount \$50,000, because I felt the subcommittee should have at least that much. However, the Senator from Texas said he could get along with \$35,000.

I say to the Senate that the junior Senator from Texas has done magnificent work. He has performed outstanding service. Every citizen of the country owes him a deep debt of gratitude. I cannot resist telling him again how much I appreciate the important work he has done for the people of the United States.

Mr. DANIEL. Mr. President, I thank the distinguished Senator from North Dakota. I have served only as chairman of the subcommittee. But the subcommittee has other diligent members, including the Senator from Wyoming [Mr. O'MAHONEY], who is now on the floor; the Senator from Mississippi [Mr. EASTLAND], the Senator from Idaho [Mr. WELKER], and the Senator from Maryland [Mr. BUTLER].

The subcommittee has a very capable staff, headed by Mr. C. Aubrey Gasque, chief counsel, and Mr. Lee Spear, the investigator, who was loaned to us by the Bureau of Narcotics. So the credit should go, of course, to them and to the members of the full Committee on the Judiciary, who have been so helpful to the subcommittee.

The senior Senator from North Dakota [Mr. LANGER], who was previously chairman of the Committee on the Judiciary, has always been most helpful in the preparation of bills and the conducting of investigations concerning the narcotics traffic. It is true that he suggested in the committee that a nationwide investigation of the narcotics traffic be conducted. The senior Senator from North Dakota also sought constantly to have the subcommittee ask for more money, because he felt there should not be any limitation on the funds to conduct the investigation into the narcotics traffic and to bring before the Senate the evidence necessary on which to base and pass adequate legislation. Certainly the Senator from North Dakota has been one of the most earnest and conscientious supporters of the investigation and of the bill, and I thank him publicly for all the assistance he has given to us.

Mr. LANGER. I thank the distinguished Senator from Texas. I may add that I was a sponsor of the Payne bill. I wonder if the Senator from Texas would permit me to be a sponsor of the bill now before the Senate.

Mr. DANIEL. Mr. President, I ask unanimous consent that the name of the senior Senator from North Dakota [Mr. LANGER] be added as a sponsor of the bill.

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

Mr. LEHMAN. Mr. President, I am very happy indeed to be a sponsor of the amendment offered by the distinguished senior Senator from Oregon [Mr. MORSE]. But I also wish to say I feel the Senate owes a debt of gratitude to the junior Senator from Texas and his committee for having supported a bill designed to control the traffic in narcotics, and for having accepted the amendment which is now pending.

I still have some reservations, as the Senator knows, with regard to the death-penalty provision. But with that exception, when the amendment offered by the Senator from Oregon shall have been adopted, I believe the bill will be a good one, because it embodies very many valuable provisions. I will be glad to support the bill.

Mr. O'MAHONEY. Mr. President, the Senator from Texas is very gracious in extending compliments to the members of the subcommittee. But I feel certain that all Senators know a sub-

committee cannot rise above the level of the chairman of the subcommittee. If the chairman of the subcommittee is not diligent, able, and understanding, the work of the subcommittee is bound to be bogged down.

The subcommittee which has conducted the investigation into the traffic in narcotics has been most fortunate in having as its chairman a man who possesses the qualities of understanding, diligence, and leadership, which have made it possible to report the bill which I think is about to pass.

I think we should not fail to note, also, that the distinguished junior Senator from Maine [Mr. PAYNE] was himself the author of a bill directed at this nefarious traffic, and that he cooperated most effectively with the subcommittee in bringing about the proposed legislation which the committee has now recommended to the Senate.

Mr. DANIEL. I thank the Senator from Wyoming. Again I express my appreciation to him and to the other members of the subcommittee for their diligent efforts in the work confronting us.

I also join with him in an expression of appreciation to the Senator from Maine [Mr. PAYNE] for the assistance which he has given all the way through our work, and for joining as a coauthor of the bill.

Mr. President, I cannot emphasize too strongly how important I think the action of the Senate a moment ago was in not striking from the bill the death penalty provision.

I desire to say a word or two more before yielding the floor. Reports from all over the country are to the effect that traffickers in narcotics are being overheard, not by wiretap, but by other means, through undercover agencies, as saying that if the United States Senate passes the death penalty provision of the bill, they are going to have to get out of the heroin business.

Mr. President, that is a good sign. The passage of the pending bill will do more than has ever been done by a legislative body to dry up the narcotics traffic, especially traffic in heroin, the most miserable and dangerous of all narcotic drugs.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point some 40 additional editorials and news articles from newspapers all over the country, in support of the proposed legislation.

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

[From the Austin American of May 29, 1956]
TOUGH NARCOTIC BILLS ADVANCE IN CONGRESS
Congress is being urged to adopt anti-narcotics measures even more stringent than laws against subversion and espionage.

Senator PRICE DANIEL's bill unanimously approved by the Senate Judiciary committee would provide death sentences for some narcotics offenders and outlaw all use of heroin. It would permit injuries to impose the death penalty on persons convicted of selling heroin to juveniles and on three-times offenders in heroin smuggling and peddling. It would require sale of all heroin legally held by doctors to the Government.

Legislation equally drastic is coming up in the House. A Ways and Means Subcommittee unanimously agreed to recommend:

Increasing both minimum mandatory sentences and maximum permissible sentences for traffickers in narcotics and marihuana;

More severe penalties for adult traffickers selling to minors;

An increase in maximum permissible sentences in all cases;

Removal of suspension of sentence and probation for traffickers;

Granting of immunity from prosecution to witnesses; permitting the use of wiretapping information in narcotics and marihuana cases; and

Increasing Federal control of barbiturates amphetamines.

Bills to implement this agreement have been pouring into the hopper. Some apply directly to narcotics and marihuana; the others to barbiturates and amphetamines.

For contrast, only the Atomic Energy Act of 1946 applies the death penalty to peacetime espionage. However, Congress in 1953 extended the drastic wartime espionage-sabotage penalties, including the death penalty, for the duration of the Korean emergency and 6 months thereafter.

An immunity law adopted by Congress in 1954 limits such grants to witnesses whose testimony may be needed in cases affecting the national security. Even so, congressional committees or United States attorneys must petition Federal courts for the right to grant immunity from prosecution.

The House in 1954 voted to authorize wiretapping in national security cases, as requested by Attorney General Herbert Brownell, Jr. But it tacked on an amendment prohibiting wiretapping unless authorized by a Federal court, and that provision made the legislation unacceptable to the Justice Department.

The Senate Crime Investigating Committee headed by Senator ESTES KEFAUVER in 1951 urged immunity grants to key witnesses in Federal cases, also penalties of 20 years to life, without probation, for adults peddling narcotics to youths under 17.

No action was taken on these recommendations, but at the same session Congress did put through the Boggs Act tightening penalties for violations of the Harrison Narcotic Act of 1914. The measure made prison sentences of from 2 to 5 years mandatory for second offenders; sentences of 10 to 20 years on third or subsequent convictions.

Some opposition to stiffer penalties for drug peddlers is based on the theory that the stiffer the penalties the less likely juries will be to convict. The Federal Bureau of Narcotics, however, reports that experience under the Boggs Act has not supported that theory.

Federal Narcotics Commissioner Harry J. Anslinger continues to maintain that the drug trade can best be curbed by putting the convicted trafficker out of business for longer periods of time. That is what the bill, based on Senator DANIEL's committee hearings and report, would do.

[From the Salt Lake City Deseret News and Telegram of May 18, 1956]

THE CRIME THAT BREEDS CRIME

The Senate Judiciary Committee has unanimously approved a bill that would drastically tighten restrictions on the drug heroin and make punishment for illicit dope peddling much more severe, even including the death penalty for repeat offenders. Public interest will be served if the full Senate and then the House follow suit.

If this seems drastic at a time when there is considerable hue and cry to abolish the death penalty altogether, it should be remembered that the dope peddler is in many ways worse than an outright murderer. The man who snuffs out a human life commits a frightful crime indeed, but he who kills the

soul in a living body may be piling mortal tragedy upon mortal tragedy.

Starting a person on a life of addiction to narcotics is like casting a pebble in a pond—the effect grows and spreads, and no one knows how far the farthestmost waves may reach. The Reader's Digest, in an article to appear on the newsstands shortly, calls the narcotics traffic the crime that breeds crime, and presents some shocking statistics to back up the assertion.

In New York City it was found that 30 percent of all robbers, burglars, and other dangerous offenders are drug addicts. Men frequently turn to these crimes, and many girls and women to prostitution, in order to get the money to purchase the narcotics they so desperately crave.

The case of one woman is cited where the craving for heroin grew to the point where satisfying it cost \$30 a day. Desperate, the addict finally solved her problem by turning dope peddler herself, and she was making \$60 a day from the drug traffic when she was arrested. The imagination staggers at the thought of how many young people she, and others like her, introduced to the horrors of drug addiction. And all to satisfy a craving that the victim himself would give anything to be rid of.

A Senate committee headed by Senator PRICE DANIEL, of Texas, made an extensive study of the narcotics situation in the United States, and found present laws pitifully inadequate to meet the situation. As a result, Senator DANIEL is sponsoring the current bill, which, in addition to increasing the penalties for dope peddling, would completely outlaw the use of heroin. Heroin is one of the most-used drugs by addicts, but reportedly does nothing medically that cannot be done as well or better by some other drug that is less used in the criminal trade. Doctors and other legitimate holders of heroin would sell their entire stocks to the Government, and it should be much easier to control illicit heroin when there is no legitimate supply of the drug to confuse the issue.

A second bill pending in the House is considerably less severe than Senator DANIEL's measure. But anyone who has seen the full horror of the drug traffic is not likely to think it too much to give a first offender narcotics peddler 5 to 10 years, provide up to life imprisonment for a second offender, and make third offenders and persons caught selling narcotics to youths under 18 subject to the death penalty.

[From the Cleveland (Ohio) News of May 11, 1956]

CONGRESS MUST SPEED DOPE LAW REFORMS

Senator PRICE DANIEL, Democrat, of Texas, was a Cleveland visitor some months ago with a Senate committee investigating the narcotics traffic. He was eloquently enthusiastic about the program for revision of Ohio's outmoded narcotics laws, which was projected by Attorney General C. William O'Neill and passed by our legislature.

Now the United States Senate Judiciary Subcommittee, headed by DANIEL, has approved a long-needed antinarcotics bill, which completely outlaws heroin (it has no medical use); authorizes punishment up to death for dope peddling; and stiffens sentences for narcotics trafficking and use all down the line.

We like to think that Attorney General O'Neill's legislative achievement is persuading Federal authorities toward this tremendous revamping of Federal statutes. The harder the laws hit the sooner will this savage commerce be curtailed. We can't encourage Congress enough for swift passage.

[From the South Bend (Ind.) Tribune of May 18, 1956]

DEATH FOR DOPE PEDDLERS

A bill in Congress would apply the death penalty to something other than murder—

although in many ways it is the next thing to it.

This no-holds-barred bill aimed at the appalling dope traffic in the Nation. It is sponsored by a special Senate subcommittee. It provides the death penalty for those convicted of selling heroin to persons under 18. The penalty would be applicable in the discretion of juries.

No prevalent crime is more heinous, more terrible in its consequences, more immoral, and more cruel than that of peddling narcotics to youngsters.

The traffic in illegal drugs in this country is expanding. It is affecting more teenagers than ever.

It is a big business. The law enforcement agencies combating it are hard-pressed. They and the courts need stiffer laws and sterner penalties.

Heroin, which would be completely outlawed by the new legislation, has no distinctive medical value.

Senator PRICE DANIEL, Democrat, of Texas, chairman of the subcommittee, says that a similar measure will be introduced in the House. Both Houses of Congress will have a chance to act in this session.

Legislators who seem reluctant might be taken on a tour of institutions in which drug addicts, especially youngsters, are treated. There they might see for themselves the awful consequences of the narcotics trade.

The supreme penalty is usually reserved for murder. It is fitting in this case, too, for the heroin traffic often results in murder, in slow, tortured, nightmare death. Congress should act without serious delay.

[From the Montgomery (Ala.) Journal of May 12, 1956]

DEATH FOR DOPE

A Senate Judiciary Subcommittee headed by PRICE DANIEL, Democrat, of Texas, has okayed a long-needed antinarcotics bill. It completely outlaws heroin, for which there is no medical use; authorizes penalties up to death for dope peddling; steps up narcotics raps all along the line.

This is drastic medicine, but dope-peddling is a fiendish crime. We hope Congress will pass this one, fast.

[From the Birmingham (Ala.) Post-Herald of May 2, 1956]

SHOW THEM NO MERCY

The narcotics situation seems to be better than it was a few years ago. But the amount of addiction and the extent of the illegal drug traffic still is serious, both in the toll of wrecked lives and in its relation to other crime. Moreover, while some States and cities have awakened to the menace and done much to eliminate it, others remain complacent.

The Senate subcommittee headed by Senator DANIEL, Democrat, of Texas, has made an exhaustive study of the illicit drug traffic and has concluded that harsher penalties, combined with an absolute ban on heroin even for medical purposes, is the only answer.

It would be hard to disagree with its findings.

Life imprisonment or death for the third offense of drug peddling may seem rather severe, but the pusher who persists at his trade of corrupting and wrecking innocent lives is a criminal of the most vicious sort. He deserves no mercy. Nor would we oppose the optional death penalty the Senators recommend for even the first offense of selling heroin to children under 18.

It may not be possible to stamp out the illicit drug traffic entirely, but tougher prison terms and an occasional hanging should discourage it considerably.

[From the Jamestown (N. Y.) Post-Journal of May 4, 1956]

STIFF PENALTIES NEEDED

Members of a special subcommittee of the Senate Judiciary Committee have joined in recommending substantially stiffer penalties for persons convicted of illegally selling narcotics.

The bill introduced on behalf of the Democratic and Republican members of the group by their chairman, Senator PRICE DANIEL, of Texas, provides for a penalty of from 10 years to life imprisonment, or the death penalty at the discretion of the jury in cases involving the sale of narcotics to minors under the age of 18. In cases of sales to adults, prison terms of from 5 to 10 years would be the penalty for a first offense, 10 to 30 years for second offenders, and either a life term or death at the jury's discretion for third offenders.

These proposed penalties would be severe. Nevertheless, the alarming increase in the illegal narcotics traffic certainly calls for drastic legislation, particularly in cases involving sales to youths. Fiends who prey upon the youth of the land deserve no consideration or sympathy.

A similar proposal was submitted in Congress last year but no action was taken. It can be hoped that the Daniel bill will reach a roll call before the present session is adjourned. That there will be wide public support of the proposal of the committee for long overdue stiffer penalties for convicted dope vendors there is every reason to believe.

[From the Pittsburgh Sun-Telegraph of January 15, 1956]

PUSHERS' PENALTY

Declaring itself shocked at the extent and far-reaching effects of the illicit drug traffic, a Senate Judiciary Subcommittee has recommended the death penalty for unregenerate dope peddlers.

"Peddlers are selling murder, robbery, and rape and should be dealt with accordingly. Their offense . . . in truth and in fact is murder on the installment plan," the subcommittee concluded.

The Hearst newspapers have been saying the same thing editorially for years.

Recent disclosures of a dope smuggler's haven and heaven at Los Angeles Harbor, of rising importation of narcotics across the Mexican border, of totally inadequate numbers of enforcement officers at all points and of the comparative lenience of existing laws add weight to the subcommittee's statement.

Death for repeated dope peddling is opposed by some well-meaning humanitarians and penologists.

They contend that it would prove no deterrent at all.

Against that view we have cited the dramatic drop in kidnaping cases since that crime was made a capital offense.

The formality itself of making dope peddling a capital offense may not at once impress the vile and mercenary salesman of "murder on the installment plan."

The mere enactment of the Lindbergh law did not drive kidnapers immediately out of business.

But when the first convictions and executions followed, when death did become the last reckoning, kidnaping dropped to virtual rarity.

So would dope peddling after the first few persistent peddlers of the white death have been dealt the same treatment.

It deserves strong support in both Congress and the State legislatures.

The Senate subcommittee is to be commended for a realistic and urgently needed recommendation.

[From the Port Huron (Mich.) Times Herald of January 16, 1956]

PAUL HARVEY: DEATH FOR DOPE PUSHERS
(By Paul Harvey)

You and I have talked about this before. I think neither of us expected Congress to be talking about it so soon. But Texas' Senator PRICE DANIEL dug deeply enough into the open, bleeding sore to see that it was cancerous.

We'll cut it out or die.

In our cities, approximately 50 percent of all crimes can be traced to drugs.

They kill and attack because they're on it or rob because they are desperate for money to buy it.

Senator DANIEL says probably 25 percent of all crimes of all kinds committed in the entire United States start with the needle.

And more . . .

That 80 percent of the addicts are on heroin . . . and that 90 percent of the heroin is coming into the United States across the Mexican border . . . from Communist China.

What a perfect device for financing themselves and undermining United States at the same time.

So Senator DANIEL has asked our Congress for the death sentence for dope pushers.

"Heroin smugglers and peddlers are selling murder, robbery, and rape and should be dealt with accordingly. Their offense is human destruction," says the Senator.

They destroy with the needle as surely as with the gun.

Only more slowly, more agonizingly, more painfully.

"Mr. Harvey, what makes you and the Senator believe that stiffer penalties will stop this traffic?"

It won't stop it.

But it will erase the judicial absurdity wherein most of our States cannot under law mete out more than a 1-year jail sentence.

One year the pusher gets and he's back in the same alley behind the schoolhouse.

But these men, very rarely addicts themselves, will not usually risk the gas chamber.

And the States wherein second offenders are properly punished don't find many second offenders.

When the hired help is scared off, the big syndicate bosses will wither on the vine.

Senator DANIEL also asks for more narcotics agents.

Let the critics witness that depraved parade of helpless victims pleading for release . . . 13 percent of them under 21 years old . . .

Let the critic come up with some better weapon against an enemy which has captured 30,000 of us and is capturing another 1,000 a month . . .

But until he does, I urge acceptance of Senator DANIEL's recommendations without delay.

And permission for them to tap telephones under sealed court orders in order to trap the big operators.

Otherwise we allow our enemies the use of weapons which we deny our defenders, an absurdity which the Communists have found most convenient.

[From the Indianapolis Times of January 22, 1956]

THE DRUG TRAFFIC

The Senate subcommittee investigating illicit narcotics has come up with the startling finding that the United States has more drug addicts in proportion to population than any other country in the Western World.

Some other conclusions may be equally hard to believe—that drug addiction is responsible for half the crimes committed in our metropolitan areas, that the illicit drug traffic has trebled since World War II.

This committee, under the chairmanship of Senator PRICE DANIEL, Democrat, of Texas, unquestionably did a comprehensive and conscientious job.

If the situation is only half as bad as the report paints it, the stringent measures the committee recommends are wholly justified. The effects of drug addiction are horrible—"Death on the installment plan," Senator DANIEL accurately phrases it. So there is no excuse for mercy under the law for the ruthless criminals whose greed has led them to spread addiction wherever they could.

The addict deserves our pity. The degenerate who made him an addict has earned the condemnation of civilization, and the death penalty in extreme cases.

[From the Cleveland Press of January 24, 1956]

**FACTS ON DRUG TRAFFIC ALMOST
SURPASS BELIEF**

The Senate subcommittee investigating illicit narcotics has come up with the startling finding that the United States has more drug addicts in proportion to population than any other country in the Western World.

Some other conclusions may be equally hard to believe—that drug addiction is responsible for half the crimes committed in our metropolitan areas, that the illicit drug traffic has trebled since World War II.

This committee, under the chairmanship of Senator PRICE DANIEL, Democrat, of Texas, unquestionably did a comprehensive and conscientious job.

If the situation is only half as bad as the report paints it, the stringent measures the committee recommends are wholly justified. The effects of drug addiction are horrible—"death on the installment plan," DANIEL accurately phrases it. So there is no excuse for mercy under the law for the ruthless criminals whose greed has led them to spread addiction wherever they could.

The addict deserves our pity. The degenerate who made him an addict has earned the condemnation of civilization, and the death penalty in extreme cases.

[From the New York News of February 7, 1956]

A HOTTER WAR ON DOPE

A hotter war on dope is urged in a report just released by a Cabinet committee which the President appointed 14 months ago, with Treasury Secretary George M. Humphrey as chairman.

The committee finds that there are about 60,000 dope addicts in the United States—a small figure percentage-wise; but, as the report says, "one addict is one too many."

To hot up the war on the illegal dope traffic, Humphrey and his colleagues (with the President's endorsement) recommend stiffer penalties, more Federal narcotic agents, and closer cooperation among Federal, State, and city government agencies.

All this sounds desirable, and we hope the report will be carefully studied by all law-enforcement groups that can profit from it. We hope, too, that Congress won't forget Senator PRICE DANIEL's suggestion that juries be empowered to order the death penalty in extra-rotten cases of dope pushing. That idea still looks pretty promising to us.

[From the Los Angeles Examiner of February 7, 1956]

CRACKDOWN ON DOPE

A long-felt need for judicial severity in dealing with dope peddlers has been met by four Los Angeles Superior Court judges: Clement D. Nye, Aubrey N. Irwin, Herbert Walker and Leroy Dawson.

Passing sentence on 7 separate cases of narcotics violations, the magistrates im-

posed one 10-year-to-life term, two 5-year-to-life, and four 1-to-10-year terms for possession.

We hope this is the beginning of an unrelenting crackdown by all State courts on this nefarious and loathsome traffic.

Federal courts in California have recently handed down two 30-year terms for selling heroin, "the white death."

How drastically the crackdown has been needed in recent years, is illustrated by one Los Angeles defendant. His appearance in court to receive Judge Nye's 5-year-to-life sentence, was his 20th in 10 years on narcotics convictions.

He had already served eight jail sentences on the same charges.

Until Judge Nye caught up with him he had obviously enjoyed vacations in jail between selling excursions.

This is the kind of unregenerate criminal for whom the death penalty was recommended by a Senate judiciary subcommittee January 14 last.

At that time the examiner urged—with the backing of medico-legal authorities—that the recommendation be adopted.

We feel that although some humanitarians consider this harsh and ineffective as a deterrent, the death penalty for repeated dope peddling would have the same healthy effect as it proved to be in the crime of kidnapping.

Pending enactment of laws providing extreme punishment for an extreme offense, the four Los Angeles judges are to be commended for invoking the utmost severity present laws provide.

But the courts should be fortified with the power to decree, in aggravated cases, the death penalty.

When the first executions followed convictions for kidnapping, that crime soon became a comparative rarity.

So would dope peddling, after the first few persistent salesmen of "murder on the installment plan" have been dealt with in the same way.

[From the Houston Press of May 2, 1956]

SHOW THEM NO MERCY

The narcotics situation seems to be better than it was a few years ago. But the amount of addiction and the extent of the illegal drug traffic still is serious, both in the toll of wrecked lives and its relation to other crimes.

The Senate subcommittee headed by Senator PRICE DANIEL has made an exhaustive study of the illicit drug traffic and has concluded that harsher penalties, combined with an absolute ban on heroin even for medical purposes, is the only answer.

Life imprisonment or death for the third offense of drug peddling may seem rather severe. But the pusher who persists at his trade of corrupting and wrecking innocent lives is a criminal of the most vicious sort, and deserves no mercy. Nor would we oppose the optional death penalty the Senators recommend for even the first offense of selling heroin to children under 18.

It may not be possible to stamp out the illicit drug traffic entirely. But tougher prison terms and an occasional hanging should discourage it considerably.

[From the Beaumont (Tex.) Enterprise of May 2, 1956]

PENALTIES FOR DRUG PEDDLING

Senator DANIEL, of Texas, chairman of a special Senate Judiciary subcommittee, introduced with unanimous consent of the committee a bill designed to make the illicit traffic in drugs subject to drastic punishment. If this bill becomes a law, even drug peddlers who have been engaged in their horrible business for years may decide it would be safer to earn an honest living or merely become some other kinds of criminals.

The penalties under the bill introduced by Senator DANIEL, ranging from 10 years in prison to death for peddlers caught selling narcotics to persons under the age of 18, and for a third conviction, may be pronounced too severe by those Americans who, while not criminals themselves, act as if they hate to see anybody sent to prison or executed for a capital offense.

Who is a greater enemy to society, who commits a worse, more despicable crime, than a drug peddler who sells narcotics to schoolchildren? Such vermin may give narcotics to children in order to make them addicts and steady customers. Also, the peddler hopes they will cause other youngsters to use drugs, thus adding more filthy dollars to his income.

The murderer, who may kill in a fit of passion, takes only one life. Drug peddlers destroy the minds, bodies, and souls of many victims, perhaps of hundreds of unfortunate wretches who acquire the drug habit and are never cured permanently.

It has been said profits in the illicit drug traffic are so enormous it is impossible to prevent criminals from smuggling narcotics into the United States and supplying the trade at prices addicts will pay, no matter how high or exorbitant they may be.

But execution of a few drug peddlers would make some at least of these criminals decide their lives, however worthless, are worth more to them than the money they might make as members of a narcotics ring.

[From the El Dorado (Ark.) News of February 7, 1956]

MOVING AGAINST THE DOPE TRAFFIC

It is hoped that Congress will not consider lightly the revelations turned up by Senator PRICE DANIEL and his committee investigating the illicit narcotics traffic.

The subcommittee's report said in part: "We were surprised and shocked at the extent and far-reaching effect of the illicit drug traffic in the United States and have concluded that narcotics addiction and the dope traffic constitutes one of the most serious problems facing the Nation."

Here are some of the findings of the committee:

1. The United States has more narcotic addicts, both in total numbers and populationwise, than any other country of the Western World. In fact, if the reports of other nations to the United Nations Commission on Narcotics are correct, our country has more drug addicts than all of the other Western Nations combined. A total of 13 percent of the addicts are less than 21 years of age.

2. In spite of the fact that Federal officials have done all within their power under present handicaps and with limited personnel, the illicit drug traffic has trebled in the United States since World War II.

3. Drug addiction is responsible for approximately 50 percent of all crimes committed in the larger metropolitan areas and 25 percent of all reported in the Nation.

4. Drug addiction is contagious. Addicts spread the habit with cancerous rapidity to their families and associates.

5. Red China, Turkey, Lebanon, and Mexico are the primary sources of heroin in reaching the United States, and international controls are inadequate.

6. Recent seizures of heroin and cocaine in record quantities point up the international smuggling operations with the United States as a target.

7. Subversion through drug addiction is an established aim of Communist China. Since World War II, Red China has pushed exportation of heroin to servicemen and civilians of the United States and other free nations of the world.

8. Smuggling of narcotics across the Mexican border is facilitated by the failure of the United States and Mexico to wage a mutual all-out fight against the drug traffic.

9. Criminal laws and procedures are insufficient to insure the apprehension and punishment of narcotic offenders.

10. Penalties for narcotic violations are neither commensurate with the seriousness of the crime nor sufficient to remove the profits. The maximum penalties under present laws of 5 years for the first offense, 10 years for the second, 20 years for the third are too low.

Senator DANIEL's report went on to say that the Nation's illicit narcotics traffic grosses more than a half billion dollars per year. Heroin purchased abroad today for \$3,000 will bring \$300,000 when finally cut, packaged, and sold in the United States. The committee got evidence that, with the prospect of such enormous profits, Federal penalties are not sufficiently severe to deter unscrupulous persons from engaging in the traffic. Significantly, the committee found that whenever and wherever the penalties are more severe and strictly enforced, the incidence of both addiction and narcotics offenses has decreased proportionately. Federal penalties for narcotics violations generally are lower than the penalties of the various States.

Senator DANIEL has presented a very vivid picture in his subcommittee's report. Congress should feel its great responsibility to follow through with the program designed to rule out this great evil in our country.

[From the Lancaster (Pa.) New Era of May 14, 1956]

CRACKDOWN ON DOPE

The bill before the Senate to curb the frightening narcotic addiction that has spread across the country, particularly among young people, is really a no-holds-barred measure.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL, Democrat, of Texas. The bill's sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under age 18.

DANIEL has indicated there will be similar legislation from the House of Representatives, and he expects action on the bill to be taken during this session.

That will hardly be soon enough. Every day that addicts and dope peddlers roam the streets the well-being of our communities is in danger. For all forms of crime have been proven to be tied in with narcotics. And often it's the kiss of death.

The Daniel proposal follows nearly a year of nationwide hearings which made it brutally clear that there was no time to waste in cracking down.

The bill would completely outlaw heroin in the United States on the grounds that it is the "worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs."

Other important provisions include:

Permission to wiretap telephone calls between narcotic traffickers when authorized by a Federal court.

Penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders up to life imprisonment or the death penalty for third offenders.

This is one piece of legislation to which Congress might well give immediate attention. The penalties may be stiff. But they're nowhere near as stiff as the life-wrecking jolt of a narcotic needle.

[From the Pensacola (Fla.) Journal of May 18, 1956]

ANTI-DOPE LAWS TIGHTENED

Unanimous approval by the Senate Judiciary Committee of a bill to crack down on the narcotics racket by providing the

death penalty for some offenders and outlawing all use of heroin comes not before time. It is safe to say that the infamous trade will be drastically curbed.

As stated by Senator PRICE DANIEL, Democrat, of Texas, the legislation declares open warfare on the cancerous illicit traffic in narcotics, and this is exactly as it should be. Jail sentences are to be increased and, among other things, the measure would allow Federal courts to authorize wiretapping and custom agents and agents of the Treasury Department's Narcotics Bureau would be given broader police powers, including the right to carry firearms.

While there may be some reservations regarding wiretapping, the remainder of the legislation may be said to fit the bill. Traffic in narcotics is traffic in moral subversion and those found guilty deserve no mercy of any civilized court. They drag the filth of the gutter into the Nation's living room.

[From the Grand Rapids (Mich.) Press of May 11, 1956]

TO CURB DRUG TRAFFIC

We have heard a great deal in the last year about the dope traffic in the United States and have had at least one really powerful movie, *The Man With the Golden Arm*, depicting the evils and horrors of drug addiction. All this has been good and very much to the point. But now positive action is called for—and, thankfully, Congress appears to be ready to take it.

A bill already has been introduced in the Senate and a similar bill is pending in the House which would make drug peddling a capital offense. This bill is the outgrowth of year-long hearings throughout the country on the drug traffic. The prevalence of dope addiction and the tragically degrading effect it has on human beings have impelled a special subcommittee to draft the toughest bill anyone yet has written to bring the drug situation under control.

One of the bill's provisions would permit juries to inflict the death sentence on any person found guilty of providing heroin for persons under 18 years old. Another would outlaw heroin entirely in the United States, on the ground that it is the worst and most plentiful drug on the market and that it no longer is necessary from the medical standpoint because there are other, less dangerous drugs to take its place.

Still a third provision would establish stiff penalties for smuggling or peddling heroin—5 to 10 years for first-time offender, life imprisonment or death for third-time offenders.

In no sense can these penalties be considered unduly severe or harsh. The use of heroin often leads to premature death—and if it doesn't to untold and prolonged agony and probably a shattered life for the addict. Any person who induces another to use drugs, or in any way contributes to the formation of the dope habit in another, is a potential murderer and should be treated as such.

Anything less than the present bill would be a cowardly and weak approach to the menace. It should have the approval of every decent citizen.

[From the Austin (Tex.) American of May 17, 1956]

AT THE SOURCE

A repeat offender at Austin has been given the maximum jail sentence for possession for sale of pornographic printed material and lewd pictures, which police said had been fed to junior high-school boys. The inadequate penalty is 6 months. Habitual criminals in this field ought to be kept out of circulation permanently.

Actually, what ought to be done is to impose felony prison sentences on the makers

of this sort of filthy, degrading pornography. It ought to be stopped at the source.

A similar condition exists in the degraded sex and crime comics, which the State has attempted to outlaw, but which, in various degrees of fringing or passing the border line of illegality, seep into the public magazine counters. It is easy for charges to be filed against some small newsstand operator because he wasn't able to exclude all the crime and sex books condemned by the law. There, again, the penalty ought to be against the maker; or, if possible, penalties ought to be so severe that such illegal and illicit production and distribution would be prevented.

Texas has not had the crackdown that should have been expected on the distribution and sale of the types of debasing and vicious comic books and lewd magazines proscribed by the law of 1955.

The makers of this sort of vicious products do not risk putting it in the mail, of course. But it is distributed necessarily through some sort of commercial channels.

Texas Senator PRICE DANIEL is just now getting consideration of bills to outlaw certain lethal narcotics, and to prescribe death penalties for sales of narcotics to children. That is certainly a legitimate and proper field for Federal legislation and prosecutions. It might be a worthy supplement if the traffic in vicious pornography, obscenity, and lewdness were tied right onto that Federal law. Its disease-breeding capacity in the minds of young people is just about as great as the bodily disease brought on by heroin and marihuana.

Whatever law-enforcement is necessary should be armed with adequate power to prevent the production of this type of cancerous filth, and to clamp drastic penalties on those who try to evade the law.

[From the Fort Worth Star-Telegram of May 19, 1956]

ANTINARCOTICS BILL

United States Senator DANIEL's anti-narcotics bill comes close to being a model piece of legislation. Perhaps that is the reason it has won approval of the Senate Judiciary Committee without a dissenting vote.

The purpose of the bill is to curb the growing traffic in illicit drugs, including both the smuggling and selling of dope. It does so by providing for stronger enforcement and for sterner penalties on those who persist in engaging in this sinister traffic. One of its striking provisions is to ban entirely in this country the sale or use of heroin, one of the drugs most frequently used by addicts. Hearings held throughout the country by a subcommittee headed by Senator DANIEL revealed that heroin no longer is necessary to the medical profession, having been replaced by other and better preparations.

If there is any provision of the bill that may meet opposition, it is the one which would permit a jury to impose the death penalty upon persons who sell heroin to youngsters under 18 or who persist in selling it to adults. There are many who oppose the death penalty for any crime, although it must be pointed out in connection with this measure that a death sentence is not mandatory in cases in which it would be permitted. It could be that in particularly aggravated cases a jury might find that no other punishment would fit the crime.

A notable thing about the Daniel bill is that it in nowise seeks to bar the States from enforcement of their own laws against narcotics. Instead, it seeks to make Federal and State laws supplement each other, as they are supposed to do, and for local enforcement officers to act in areas where Federal officers cannot act. The result should be better enforcement and more positive control of the illegal drug traffic

through effective teamwork between Federal and State officers. That is in accord not only with good sense but with the basic theory of Federal-State relationships.

[From the Gary (Ind.) Post-Tribune of May 17, 1956]

STRIKING AT THE DOPE TRAFFIC

A strong new measure has been put forward in the United States Senate to curb the frightening narcotic addiction that has spread across the country.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL, Democrat, of Texas. The bill's sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under the age of 18.

A similar bill is expected in the House, and DANIEL believes there will be action in this session although time is drawing short.

The Daniel proposal follows nearly a year of nationwide hearings which make it brutally clear that there is no time to waste in cracking down.

The Senate bill would completely outlaw heroin in the United States on the grounds that it is the "worst and most prevalent drug sold on the illicit market, and that it has no medical use which cannot be served by other drugs."

Other important provisions of the measure include: Permission to wiretap telephone calls between narcotic traffickers when authorized by a Federal court, and penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders up to life imprisonment or the death penalty for third offenders.

Indiana's law was strengthened last year, through a measure introduced by Senator Eugene Bainbridge, of Munster. It now provides penalties ranging up to life in prison. There is already discussion of making it tougher in the 1957 general assembly, and the matter of a death sentence for sale to minors probably will be considered.

Generally, Americans have regarded the death sentence as justified only in extreme cases of murder or for traitorous acts. In some parts of the world it is being done away with entirely; that is the move in England now.

There is strong sentiment in the United States, however, for going the limit on punishment for traffic in narcotics, especially when it involves youngsters. The penalties proposed in the Daniel bill may be stiff, but they are nowhere near as stiff as the life-wrecking jolt of a narcotic needle.

[From the Memphis Commercial Appeal of May 16, 1956]

NARCOTICS RACKET CRACKDOWN

Unanimous approval by the Senate Judiciary Committee of a bill designed to institute a drastic crackdown on the narcotics racket is fully justified and in the public interest. There may be occasions when penalties can be made too severe, but it is difficult to think that any punishment inflicted on narcotics racketeers could cause any sympathy for them.

There is hardly anything else as flagrantly vicious and reprehensible as the traffic in illicit narcotics in general, and certainly the sale of habit-forming drugs to young people is the worst part of it. It is contemplated in the bill that juries could recommend the death sentence for anyone convicted of peddling heroin to youths under 18, and the nature of the offense makes that appropriate.

The bill would stiffen all penalties applicable to the smuggling and sale of heroin. Punishment would range from 5- to 10-year sentences for first offenders to life imprisonment or even a death sentence for third convictions. Further, the bill proposes to

outlaw heroin entirely, with the Government purchasing all supplies legally held at the time the bill gained the effect of law. The committee held that other drugs can serve better than heroin for medical purposes.

There is ample reason to believe that stronger penalties systematically applied against proved participants in the narcotics racket would get the desired result. When the enemy is as mean and conscienceless as are those who peddle narcotics, only the most extreme measures are apt to avail.

[From the Gastonia (N. C.) Gazette of May 16, 1956]

CRACKING DOWN ON DOPE

So far as we know, Gastonia has no serious problem with dope peddlers.

There are undoubtedly numbers of Gastonia people who go for the needle or the pellet * * * and there have been a few instances in which small amounts of heroin have been found in the possession of local peddlers.

But in the Nation at large—particularly in the big towns—the illegal sale and use of dope has become a problem that makes the age-old infamy of alcoholism, as bad as it is, look like a Sunday school picnic.

China, the world's greatest nation of dopers, long ago decreed the death penalty for dope peddlers and users alike.

Now, at long last, a no-holds-barred bill has been put forward in the United States Senate to curb the frightening narcotic addiction that has spread across the country, particularly among young people.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL, Democrat, of Texas. The bill's sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under age 18.

DANIEL has indicated there will be similar legislation from the House of Representatives, and he expects action on the bill to be taken during this session.

That will hardly be soon enough. Every day that addicts and dope peddlers roam the streets the well-being of our communities is in danger. For all forms of crime have been proven to be tied in with narcotics. And often it's the kiss of death.

The Daniel proposal follows nearly a year of nationwide hearings which made it brutally clear that there was no time to waste in cracking down.

The bill would completely outlaw heroin in the United States on the grounds that it is the worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs.

Other important provisions include:

Permission to wiretap telephone calls between narcotic traffickers when authorized by a Federal court.

Penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders up to life imprisonment or the death penalty for third offenders.

This is one piece of legislation to which Congress might well give immediate attention. The penalties may be stiff. But they're nowhere near as stiff as the life-wrecking jolt of a narcotic needle.

[From the Tampa Times of May 15, 1956]

DOPE PEDDLERS MAY FACE SENTENCE OF DEATH

The Senate Judiciary Committee has taken stern action by approving a bill which would authorize Federal courts to impose the death penalty in certain instances of violations of antinarcotics laws.

The measure, if adopted by Congress, would permit the death penalty for the sale of heroin to minors, or for a third conviction involving a sale to adults.

The punishment for dope peddling has been relatively light. Narcotics salesmen risk the comparatively light prison sentences for a chance at the rich profits to be derived from the dope trade. And they constantly attempt to "hook" new victims for their despicable business.

Once the habit is formed, a person will go to great extremes to secure funds to purchase narcotics. A large amount of United States crime is attributed to narcotics. The pattern followed by the peddlers is familiar. The first amounts of heroin are sold to young people at very low prices, but once the habit is formed the price goes up. The "hooked" youths resort to robbery or even murder to secure funds to buy dope to meet their insatiable craving.

The Federal Narcotics Commission has repeatedly stated that drugs are made available to the criminal dope peddlers in an effort to weaken the will of young people in the democracies. The crime syndicates willingly cooperate because of the vast profits involved.

Backers of the death penalty legislation think imposition of the death penalty on dope "pushers" would do much to discourage this trade and give narcotics agents a powerful bargaining weapon to use against apprehended peddlers to locate the source of the dope traffic. It is thought that the hope of getting a sentence lighter than the death penalty might loosen many tongues which otherwise would remain quiet.

The death penalty for a narcotics conviction would be severe, but dope peddlers in a sense automatically pass a death sentence on their victims when they supply them with heroin and other narcotics.

The Senate committee has taken a controversial step; now it remains to be seen how Congress will react.

[From the Uniontown (Pa.) Standard of May 14, 1956]

CRACKING DOWN

At long last a no-holds-barred bill has been put forward in the Senate to curb the frightening narcotic addiction that has spread across the country, particularly among young people.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL, Democrat, of Texas. The bill's sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under age 18.

DANIEL has indicated there will be similar legislation from the House of Representatives, and he expects action on the bill to be taken during this session.

That will hardly be soon enough. Every day that addicts and hope peddlers roam the streets the well-being of our communities is in danger. For all forms of crime have been proven to be tied in with narcotics. And often it's the kiss of death.

The Daniel proposal follows nearly a year of nationwide hearings which made it brutally clear that there was no time to waste in cracking down.

The bill would completely outlaw heroin in the United States on the grounds that it is the "worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs."

Other important provisions include:

Permission to wiretap telephone calls between narcotic traffickers when authorized by a Federal court.

Penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders, up to life imprisonment or the death penalty for third offenders.

This is one piece of legislation to which Congress might well give immediate attention. The penalties may be stiff. But they're nowhere near as stiff as the life-wrecking jolt of a narcotic needle.

[From the Norfolk (Va.) Ledger-Dispatch and Portsmouth Star of May 15, 1956]

PUNISHMENT THAT FITS THE CRIME

The Government's narcotics enforcement people have been pleading for years for heavier penalties for dope peddlers. There has been some improvement as the public, and Congress, have grown more aware of the menace of the dope trade. But a special subcommittee of the Senate, headed by Senator DANIEL, has proposed a law which will go further than any antinarcotics measure has gone before. It would provide the death penalty for selling heroin to any person under 18 years of age.

In all the world of vice and crime there is no more vicious enemy of society than the dope peddler. And the most vicious of the dope peddlers are those who sell to young people. The law which the Daniel subcommittee proposes is aimed at all dealers in illicit narcotics. And it lifts the penalties on most of the categories. But it is directed with special force at the heroin peddler who sells the stuff to minors.

Federal investigations in the last few years have brought into the open many of the evil practices of the narcotics trade. It is being beamed particularly at young people. And heroin and marihuana, which have a peculiarly exhilarating effect upon those who use them, are the chief stock in trade of this most shameless of the underworld. The Daniel subcommittee has held hearings on the subject throughout the country for a year, and its proposed legislation is based upon startling disclosures as to the prevalence of the narcotics trade.

Under the proposed bill, heroin would be completely outlawed in the United States because, the subcommittee says, it is the "worst and most prevalent drug sold on the illicit market and it has no medical use which cannot be served by other drugs." The penalty for sale of heroin to those under 18 years would be a minimum of 10 years imprisonment, and a maximum penalty of death.

The penalties for smuggling heroin and marihuana into the country would be from 5 to 10 years in prison for the first offense. The heroin smuggler would receive life imprisonment on conviction of this third offense. In nearly every aspect of the illicit narcotic trade, the penalties would be increased.

The country has been temporizing with the problem of dealing with the illicit narcotics trade. Penalties have been trifling, when compared to the enormity of the offense. The proposal by the Daniel subcommittee takes a realistic view of a criminal practice which contributes more to human degradation, perhaps, than any other form of criminality. The penalties proposed by the Senate subcommittee would come far nearer than present law to making the punishment fit the crime.

[From the Bridgeport (Conn.) Post of May 15, 1956]

CRACKDOWN ON NARCOTICS

The recent narcotics raids and arrests in this community and others throughout the State indicate that the sale and use of deadly drugs is on the increase. Bridgeporters must have been shocked by the news, especially when they read in the police reports the ages of those unfortunates, from teen-agers to men close to 40.

The problem is so serious throughout the Nation that new laws are being sought in the hope that the horrible evil can be checked. State laws and the present national laws seem to have teeth in them, but apparently not enough to make more than a dent in the suppression of the frightening traffic and addiction.

One bill has been introduced in Congress with no holds barred, designed particularly

for the protection of young people. The legislation was sponsored by a special subcommittee and introduced by the chairman Senator PRICE DANIEL, Texas, Democrat.

The sharpest edge of the bill is a provision which calls for the death penalty, at the discretion of a jury, for anyone convicted of selling heroin to anyone under 18 years of age. Similar legislation will be offered in the House, and Senator DANIEL expects the present session to act on it.

Such legislation cannot come too soon, because of the fact that depraved characters have been supplying the poisonous narcotics to the young, girls and well as boys. Every day that drug peddlers and addicts roam around our streets, especially at night, the well-being of this and every other community where they operate is in peril.

The police are alert to this menace, and they know from long experience that drug traffic and addiction are linked to the worst crimes that come to police attention. It is very often the kiss of death, as we read almost daily of crimes committed across the Nation.

The legislative proposals of the Texas Senator come after a year of nationwide hearings, during which it was made clear to Congressmen that action had to be taken speedily in order to make the crackdown effective. The new bill would completely outlaw heroin in the United States on the ground that it is the worst, as well as the most prevalent, drug sold in the illicit market. It has no medical use which cannot be served by other drugs, according to the proposed legislation.

In addition the bill includes permission to tap telephone calls between narcotic traffickers when authorized by a United States court; penalties for smuggling and selling narcotics from 5 to 10 years for first offenders to life, or the death penalty, for third offenders.

These are the stiffest penalties ever sought for correction of this evil, but they are not as severe as the life-wrecking jolts that come from addiction to drugs.

[From the Greensboro (N. C.) Record of May 14, 1956]

VICIOUS BUSINESS

A special subcommittee of the Senate has come out with a no-holds-barred bill designed to curb the awesome spread of drug addiction over the country.

The most drastic feature of the proposed legislation is a provision calling for the death penalty, in the discretion of the jury, in cases involving sale of heroin to individuals under 18 years of age. Another important provision of the bill would permit telephone calls between narcotics traffickers to be wiretapped, when authorized by a Federal court. Punishment for the smuggling and sale of heroin would range from 5 to 10 years' imprisonment for first offenders to life imprisonment or the death penalty for third offenders.

The particular piece of legislation was drafted after nearly a year of nationwide hearings that left no doubt of a sickening situation calling for immediate crackdowns on the dope trade. The bill would outlaw heroin in the United States on the ground that it is the worst and most prevalent drug sold on the illicit market, and—it has no medical use which cannot be served by other drugs.

Legislation similar to the Senate antinarcotics bill is expected to come to the floor of the House. Senator PRICE DANIEL, chairman of the subcommittee sponsoring the Senate bill, has said he expects enactment during the current congressional session.

Dope peddling is a vicious and scurrilous business. Those engaged in it are a contemptible lot that traffic in human degradation for paltry profits. They deserve no mercy at the hands of the law and courts.

Congress should lose no time enacting drastic legislation matching the narcotics peddler's despicable crimes with harsh punishment.

[From the Dallas News of May 16, 1956]

TIGHTER LAW ON DOPE

Further strengthening of the Federal laws against illicit narcotics now seems likely. Unanimously the Senate Judiciary Committee has approved Senator PRICE DANIEL's bill to give more authority to narcotics agents and to increase penalties for smuggling and selling dope. No opposition to this measure has appeared in either House.

The Texan's bill steps up penalties for smuggling or illicit dealing in marihuana. It bans entirely the stronger drug, heroin, a derivative of opium. This can be done without harm to the medical profession, since doctors now have other drugs that serve better the purpose for which they formerly used heroin.

One controversial provision in the bill is that which would allow a jury to impose a death penalty as a maximum punishment for selling heroin to a person under 18. If Congress leaves this dubious provision in the bill, the death penalty is not likely to be imposed by a jury. The bill might be more workable without it. The other provisions promise stronger enforcement, especially if matched by sterner State laws. The bill specifically avoids stepping on State narcotics laws. The latter should be the avenue for local enforcement, thus allowing the Federal agents to concentrate on smuggling and interstate shipments.

[From the Griffin (Ga.) News of May 15, 1956]

LET'S STOP THE HUMAN SCUM

Is it worse to kill a person outright than to ruin his and his family's lives, turn a human being into a shell of an individual, pervert every sense of decency and every shred of goodness into lust and undeniable craving for dope?

The answer is not for us to give. But we know that at long last a bill has been introduced in the Senate to curb the frightening drug addiction that has spread across the Nation, particularly among young people.

It was presented by Senator PRICE DANIEL, of Texas, and calls for the death penalty at the discretion of a jury for anyone who sells heroin to young people under 18.

Senator DANIEL's bill singled out heroin on the grounds that it is the worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs. The bill would completely outlaw heroin in the United States.

The death penalty may seem stiff. But we suggest that it be extended to include anyone who illegally sells any narcotic to youngsters, be it heroin, morphine, opium, marihuana, or what have you. If the death penalty is the only way to stop the human scum from peddling dope to youngsters, then let's have it.

QUIMBY MELTON, JR.

[From the Hutchinson (Kans.) News-Herald of May 16, 1956]

HISTORY KEEPS REPEATING ITS OLD MISTAKES

For many centuries our ancestors, the British, operated on the misconception that extreme punishment was the most effective discouragement to crime. Their fixation finally carried them to the place where death penalties were exacted for more than 200 different offenses.

But some 150 years ago in Great Britain the trend changed. Through the years since, one crime after another was removed from the capital punishment list. This year the transformation has been made complete by the elimination of the death penalty.

These facts seem to have escaped the attention of the Judiciary Committee of the Senate, which has voted unanimously to provide death sentences, in certain circumstances, for narcotics sellers.

Should this measure become law, it will not stamp out the dope traffic. It will only induce the trade to demand higher profits because of its added risk. This greater tribute demanded from the addicts will drive them to more antisocial acts.

Experience allegedly is the best teacher, but history keeps rotating its same old mistakes.

[From the Hartford Courant of May 17, 1956]

CONGRESS WOULD LIKE TO BAN ALL HEROIN

The Senate Judiciary Committee has unanimously approved a bill to crack down on the narcotics racket. Under its terms the death penalty will be imposed on certain hardened pushers. Another completely new approach is the plan to withdraw all heroin from circulation. This is the opium derivative most commonly used by drug addicts. Medical opinion says that there is nothing this drug does medically that cannot be done as well by other drugs that are not adapted to use by addicts.

Consequently, if the bill becomes law, all heroin now held legally by doctors and others will be sold to the Government. In addition to withdrawing all heroin the bill would stiffen penalties for smuggling heroin into the United States, and for selling it. The penalties would range from 5- to 10-year sentences for first offenders, to life imprisonment and a possible death sentence for the third offense. Juries also would be permitted to recommend the death sentence for sale of heroin to youths under 18.

As a somewhat less severe bill was recommended last week by the House Ways and Means Committee, a compromise bill will doubtless be worked out. Even as Congress tightens the narcotics law, the local community should also be increasing rather than decreasing the pressure. This is a problem that can be licked. But to do it means that local prosecutors must be willing to assume the responsibility of full pressure to get and keep both peddlers and users out of circulation for as long as possible. Sometimes it has seemed that fines and sentences imposed on narcotics offenders have been mere gestures.

[From the Camden (N. J.) Courier-Post of May 17, 1956]

CRACKING DOWN ON DOPE TIMELY ON THREE FRONTS

Encouraging is the action on several fronts in the war to curb the frightening narcotic addiction that has spread across the country.

In New Jersey, the assembly on Monday passed three bills providing heavy fines and longer jail sentences for narcotics peddlers. Senate approval is expected soon.

In Washington, a no-holds-barred bill has been put forward in the Senate, aimed at those who sell narcotics, particularly those who deal with young people.

In Camden and Philadelphia, fourscore persons were arrested in surprise raids staged by 300 officials, assisted by Federal and State narcotics agents.

The New Jersey bills, drafted by the State narcotics-control commission, provide that peddlers who sell, give, administer, or dispense any narcotic drug to persons under 18 would be subject to a fine of not less than \$2,000 or more than \$10,000 and by imprisonment at hard labor for not less than 20 years. Other provisions subject first offenders to a maximum \$2,000 fine and a prison term of 10 to 20 years; second offenders to a fine up to \$5,000, with a prison term from 20 to 30 years; and third offenders to a fine up to \$5,000 and a jail term of 30 years to life. Mandatory sentence of 20 years to life im-

prisonment is provided for peddlers who hire children under 18 to transport or sell narcotic drugs illegally.

The bill now in the United States Senate carries even sharper teeth than the New Jersey legislation.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL, Democrat, Texas. Its sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under 18.

DANIEL has indicated there will be similar legislation from the House of Representatives, and he expects action on the bill to be taken during this session.

That will hardly be soon enough. Every day that addicts and dope peddlers roam the streets the well-being of our communities is in danger. For all forms of crime have been proven to be tied in with narcotics. And often it's the kiss of death.

The Daniel proposal follows nearly a year of nationwide hearings which made it brutally clear that there was no time to waste in cracking down.

The bill would completely outlaw heroin in the United States on the grounds that it is the worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs.

Other important provisions include:

Permission to wiretap telephone calls between narcotics traffickers when authorized by a Federal court.

Penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders up to life imprisonment or the death penalty for third offenders.

This is one piece of legislation to which Congress might well give immediate attention.

The penalties may be stiff.

But they're nowhere near as stiff as the life-wrecking jolt of a narcotic needle.

We wholeheartedly approve all of these bills and hope nothing will occur to prevent speedy passage. Laws with teeth—and all of this legislation is razor-sharp edged—will help considerably in curbing this terrible scourge.

[From the Durham (N. C.) Sun of May 18, 1956]

CRACKING DOWN

An insidious menace because those who are not drawn into the web hear little about it and are not often too concerned, is the narcotics curse. Narcotics form one of the weapons being used by the Communist world against the free world.

Aghast at the growing problem of addiction, especially in the larger cities and particularly among young people, Congress is taking action. At least, it seems on the verge of action—positive action.

Unanimous approval has been given by the Senate Judiciary Committee to a bill which would authorize the death penalty:

1. For those who sell heroin to minors.
2. For those convicted three times of selling to adults.

Heavier prison sentences would be provided for other narcotics offenses.

Death sentences would be imposed in the discretion of the juries. Penalties for the smuggling and sale of heroin would range from 5- to 10-year terms for first offenders to life imprisonment or death for the three-timers.

Heroin is singled out in the bill because "it is the worst and most prevalent drug sold on the illicit market and it has no medical use which cannot be served by other drugs." It is the purpose of the bill's sponsors to drive heroin out of the United States and keep it out.

There is no assurance that the bill as approved in the Senate committee will pass both houses but it, or something similar in spirit and effect, should be enacted. Its

penalties are not more harsh than the tragic condition of those, young people and old, who are victims of the brutal trade. The heroin traffic is bad enough in itself but it leads as well to profligate abandonment, to a long list of crimes including murder and to despair and suicide.

[From the Savannah Press of May 16, 1956]

CRACKDOWN ON DOPE

The Congress of the United States is moving toward a relentless crackdown on the illicit traffic in narcotics and what has been described as a no-holds-barred bill has been put forward in the Senate to curb the frightening narcotic addiction that has spread across the country, particularly among young people.

Sponsored by a special subcommittee, the legislation was introduced by its chairman, Senator PRICE DANIEL of Texas. The bill's sharpest edge is a provision which calls for the death penalty, at the discretion of a jury, for those who sell heroin to persons under age 18.

Senator DANIEL has indicated there will be similar legislation from the House of Representatives, and he expects action on the bill to be taken during this session.

Action can't come too soon. Every day that addicts and dope peddlers roam the streets the well-being of our communities is in danger. For all forms of crime have been proven to be tied in with narcotics and often it's the kiss of death.

The Daniel proposal follows nearly a year of nationwide hearings which made it brutally clear that there was no time to waste in cracking down.

The bill would completely outlaw heroin in the United States on the grounds that it is the worst and most prevalent drug sold on the illicit market, and it has no medical use which cannot be served by other drugs.

Other important provisions include:

Permission to wiretap telephone calls between narcotic traffickers when authorized by a Federal court.

Penalties for the smuggling and sale of heroin ranging from 5 to 10 years for first offenders, up to life imprisonment or the death penalty for third offenders.

This is one piece of legislation to which Congress might well give immediate attention. The penalties may be stiff, but they're nowhere near as stiff as the life-wrecking jolt of an illicit narcotic needle.

[From the Casper (Wyo.) Tribune-Herald of May 16, 1956]

DEATH FOR DOPE PEDDLERS

Death for narcotics peddlers may at first blush seem to reflect an unduly severe attitude; and yet narcotics peddlers deal in a commodity worse than death, and the traffic is not only constantly expanding but is reaching down into the teen-age population.

It was findings along this line arrived at in a lengthy Senate investigation that prompted Senator PRICE DANIEL, of Texas, to urge extreme measures.

In a committee-approved bill he not only proposes "open warfare" against dope peddlers, but the outlawing for any purpose of heroin, one of the drugs most widely used by addicts, as a means of simplifying police procedures.

The bill would stiffen penalties for smuggling and selling heroin by providing sentences ranging from 5 to 10 years for first offenders to life imprisonment and even death for a third offense.

The minimum penalty for sale to juveniles would be 10 years with a death sentence authorized.

By this means it is hoped to find an effective way of dealing with dope peddlers. A parallel problem exists with respect to their victims, most of whom are in need of rehabili-

itation. Some voluntarily seek institutional treatment. It seems reasonable that such procedure should be required for such time as might be indicated to effect a cure.

There is no assurance that lasting cures can always be had but any effective measures to curb the narcotics traffic must take account of the people who support it.

[From the El Paso (Tex.) Herald-Post of January 10, 1956]

THE DRUG TRAFFIC

Texas Senator PRICE DANIEL's Senate subcommittee investigating illicit narcotics has come up with the startling finding that the United States has more addicts in proportion to population than any other country in the Western World.

Other findings are that drug addiction is responsible for half the crimes committed in our metropolitan areas, that the illicit drug traffic has trebled since World War II.

Senator DANIEL's committee unquestionably did a comprehensive and conscientious job. If the situation is only half as bad as the report paints it, the stringent measures the committee recommends are wholly justified. The effects of drug addiction are horrible—"death on the installment plan," Senator DANIEL accurately phrases it. So there is no excuse for mercy under the law for the ruthless criminals whose greed has led them to spread addiction wherever they could. There should be no suspended sentence for them.

The addict deserves our pity. The degenerate who made him an addict has earned the condemnation of civilization, and the death penalty in extreme cases, such as that of the brutes who start juveniles on the habit.

[From the Huntsville (Ala.) Times of January 10, 1956]

PUNISHMENT OF DOPE PEDDLERS

We find it rather difficult to believe that drug addiction is responsible for nearly 50 percent of all crimes in major cities and for 25 percent of all those reported in the Nation.

Nevertheless, that was the statement of Texas' Senator PRICE DANIEL yesterday in a report prepared by a Senate judiciary subcommittee. This group, which investigated illegal narcotics traffic across the Nation during 37 days of hearings in 11 cities, certainly must have a foundation for such a statement.

One of the subcommittee's recommendations in the report was for more severe penalties for dope peddlers, including the death penalty for heroin pushers in extreme cases.

That might seem too severe to some of our citizens, but the case Senator DANIEL used to illustrate the extreme—the San Antonio, Tex., man who started 40 high-school students toward addiction—seems to justify such drastic action.

Of course, the students themselves are not without blame, but youngsters cannot always be expected to use the judgment of mature adults. Any person who takes advantage of youth in any way is rotten in the beginning, and he who would sell narcotics—especially heroin, the worst of the lot—to a boy or girl, or even adults is guilty of the lowest crime. He is selling not only chances on the tortures of addiction, but, as the subcommittee report put it:

"Heroin smugglers and peddlers are selling murder, robbery and rape. . . . Their offense is human destruction as surely as that of the murderer. In truth and in fact, it is 'murder on the installment plan.'"

Certainly Congress will give serious consideration to this subcommittee report, alarming as it is.

It is our guess that if more severe punishment is enabled by Congress and awarded

by the courts at every opportunity, illegal sales will decrease, and the Nation's crime rate—if Senator DANIEL is correct—will take a corresponding drop.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE. Mr. President, since the Senate convened this afternoon a question has been raised by officials of the Public Health Service with regard to the language in the bill starting on line 16, page 16. The language to which I refer is as follows:

Any law to the contrary notwithstanding, Federal agencies of the United States shall make available to the Bureau of Narcotics the names, identification, and any other pertinent information which may be specified by the Secretary of the Treasury, or his designated representative, of all persons who are known by them to be drug addicts or convicted violators of any of the narcotic laws of the United States, or any State thereof.

I may say to the Senator from Texas that some of the doctors of the Public Health Service who work in connection with the Lexington, Ky., farm—and I think there are some other institutions, but principally the Kentucky farm—are concerned about violating the doctor-patient relationship in the type of case of a drug addict who voluntarily goes to the public health officials and asks for medical help, and who asks, for example, for confinement at the Lexington farm.

That raises a question as to whether or not we can handle the situation, either by legislative history on the floor or possibly by some change in the language on page 16, so it will not cover volunteers who go to a public health doctor or a member of the medical staff at the Lexington Institute and ask for assistance, so that their names will not be turned over to the Bureau of Narcotics.

Do I make myself clear?

Mr. DANIEL. Yes. I will say to the Senator from Oregon that witnesses from the Public Health Service and the Lexington institution appeared before the subcommittee. Our counsel went to Lexington. The chairman himself went to the Fort Worth hospital. We had as witnesses all those who wished to appear before the committee. They all seemed to be perfectly in agreement with the language contained in the bill providing that the names of addicts shall be sent to the Narcotic Bureau, in order that there may be maintained an overall file concerning narcotic addicts in our country.

New York State, for example, has a law providing that every private physician must report to the Department of Health of New York the names of his patients who are narcotic addicts. That department in turn reports the names to the Bureau of Narcotics. There would be no way in the world by which we could have any knowledge of the number of addicts, what kind of treatment facilities should be provided, or anything else of that nature, if we did not have a central agency compiling the information.

The State of New York has done better in reporting addicts than has any other State, because of the law which exists in that State. The problem was recognized, and it was thought the law should cover the situation. The bill provides that the officials at the Lexington Hospital and the State officials in New York and other States shall report the names of addicts to the Bureau of Narcotics, so a record can be kept by a Federal agency, which is not presently doing it, and which is forbidden from doing it under the law.

We went into that question very thoroughly. For the purpose of keeping a central record of all the narcotic addicts in the country, I think it is very essential that the provision be retained in the bill.

Mr. MORSE. I wanted that information in the Record. I wish the Senate to know that I talked to the Senator from Texas before the Senate convened, but my legislative assistant received a call and talked to one of the officials, who raised the question.

What has been said on the floor of the Senate is good legislative history. The purpose of the language is only that the names shall be reported to the Bureau of Narcotics, to be kept only as a matter of information. The report shall have nothing at all to do with any police process, and it will not be a police record in any way, but simply a file for keeping the names of all known drug addicts in the country.

Mr. DANIEL. That is correct. The only way I know whereby the police could profit by the information would be in the case of someone who had violated the law and the information were obtained from the Bureau, in the same way the FBI gives out information. It could get to the police authorities in that way.

It is a shame that the information has not been getting to State officials, because some of the so-called volunteer patients who go to the hospitals at Lexington and Fort Worth, leave before they are cured, they will not remain—there is no law requiring them to remain—and they go back home and spread their disease and crime, and the hospital officials are not able to tell the State officials that the addicts are loose.

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

Mr. MORSE. I yield.

Mr. LEHMAN. In studying the pending legislation, I had need to refer to some of the records relating to the provision which the Senator from Texas has mentioned. The requirement for the reporting of the cases in New York State goes back to 1933. It has been in effect ever since. The provision has worked extremely well, and I am glad the provision is contained in the pending bill.

Mr. MORSE. I thank the Senator from Texas and the Senator from New York for helping to make this legislative history.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DANIEL. Mr. President, I ask that on page 2, at the top of the page, after the numeral "1407.", the words "Telephonic interception, evidence," which item is the index provision, be stricken out, and that there be inserted in lieu thereof, in accordance with the amendment adopted on the floor of the Senate, the words "Use of communications facilities—penalties."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. DANIEL].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3760) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Narcotic Control Act of 1956."

TITLE I

SEC. 101. Part I of title 18 of the United States Code is amended by inserting after chapter 67 the following new chapter:

"CHAPTER 68—NARCOTICS

"Sec.

"1401. Definitions.

"1402. Heroin—penalties.

"1403. Sale of heroin to juveniles—penalties.

"1404. Smuggling of marihuana—penalties.

"1405. Second or subsequent offenses—procedure.

"1406. Surrender of heroin—procedure.

"1407. Use of communications facilities—penalties.

"1408. Additional authority for the Bureau of Narcotics and Bureau of Customs.

"1409. Motion to suppress—appeal by the United States.

"1410. Issuance of search warrants—procedure.

"1411. Border crossings—narcotic addicts and violators.

"§ 1401. Definitions

"As used in this chapter—

"The term 'heroin' shall mean any substance identified chemically as diacetylmorphine or any salt thereof.

"The term 'marihuana' shall have the meaning given such term in section 4761 of the Internal Revenue Code of 1954.

"The term 'United States' shall include the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the insular possessions of the United States, the Trust Territory of the Pacific, and the Canal Zone.

"The term 'person' shall include any partnership, association, company, corporation, or one or more individuals.

"§ 1402. Heroin—penalties

"Notwithstanding any other provision of law, whoever knowingly imports or otherwise brings any heroin into the United States, or causes any such heroin to be imported or otherwise brought into the United States, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of any such heroin after being imported or brought in, knowing the same to have been imported or brought in contrary to law, or conspires to commit any such act or acts shall, except as provided in section 1403 of this chapter, be fined not more than \$3,000 and imprisoned not less than 5 nor more than 10 years. For a second offense, the offender shall be fined not more than \$5,000 and imprisoned not

less than 10 nor more than 30 years. For a third or subsequent offense the offender shall be fined not more than \$10,000 and imprisoned for life, except that the offender shall suffer death if the jury in its discretion shall so direct.

"Whenever on trial for a violation of this section, the defendant is shown to have or to have had the heroin in his possession, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains his possession to the satisfaction of the jury.

"§ 1403. Sale of heroin to juveniles—penalties

"Notwithstanding any other provision of law, whoever knowingly sells, gives away, furnishes, or dispenses, facilitates the sale, giving, furnishing, or dispensing, or conspires to sell, give away, furnish, or dispense any heroin unlawfully imported or otherwise brought into the United States, to any person who has not attained the age of 18 years, shall be fined not more than \$10,000 and imprisoned for life, or for not less than 10 years, except that the offender shall suffer death if the jury in its discretion shall so direct.

"Whenever on trial for a violation of this section, the defendant is shown to have had heroin in his possession, such possession shall be sufficient proof that the heroin was unlawfully imported or otherwise brought into the United States unless the defendant explains his possession to the satisfaction of the jury.

"§ 1404. Smuggling of marihuana—penalties

"Notwithstanding any other provision of law, whoever, knowingly, with intent to defraud the United States, imports or brings into the United States any marihuana contrary to law, or smuggles or clandestinely introduces into the United States any marihuana which should have been invoiced, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such marihuana after importation, knowing the same to have been imported or brought into the United States contrary to law, or whoever conspires to do any of the foregoing acts, shall be fined not more than \$3,000 and imprisoned not less than 5 nor more than 10 years. For a second offense, the offender shall be fined not more than \$5,000 and imprisoned not less than 10 nor more than 20 years. For a third or subsequent offense the offender shall be fined not more than \$10,000 and imprisoned for life.

"Whenever on trial for a violation of this section, the defendant is shown to have or to have had the marihuana in his possession, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains his possession to the satisfaction of the jury.

"§ 1405. Second or subsequent offenders—procedure

"(a) Upon conviction of any of the offenses defined in section 1402 or 1403 hereof, or upon a second or subsequent conviction of the offense defined in section 1404 hereof, execution of sentence shall not be suspended, and the provisions of section 4202 of title 18 of the United States Code shall not apply, and in the District of Columbia the provisions of the act of July 15, 1932 (47 Stat. 697, D. C. Code 24-201 and the following), as amended, shall not apply.

"(b) For the purpose of this chapter, an offense shall be considered a second or subsequent offense, as the case may be, if the offender previously has been convicted of any of the offenses defined in section 1402, 1403, or 1404 hereof, or if he has been convicted of any other Federal offense involving the unlawful importation, transportation,

purchase, dispensing, distributing, sale, or concealment of heroin or marihuana or of conspiracy to commit any such act or acts. After conviction, but prior to pronouncement of sentence, the court shall be advised by the United States attorney whether the offense is a first or a subsequent offense. If it is not a first offense, the United States attorney shall file an information setting forth any prior convictions. The offender shall have the opportunity in open court to affirm or deny that he is identical with the person previously convicted. If he denies such identity, sentence shall be postponed for such time as to permit a trial before a jury on the sole issue of the offender's identity with the person previously convicted. If the offender is found by the jury to be the person previously convicted, or if he acknowledges that he is such person, he shall be sentenced as prescribed in this chapter.

"§ 1406. Surrender of heroin—procedure

"(a) Any heroin lawfully possessed prior to the effective date of this act shall be surrendered to the Secretary of the Treasury, or his designated representative, within 120 days after the effective date of the act, and each person making such surrender shall be fairly and justly compensated therefor. The Secretary of the Treasury, or his designated representative, shall formulate regulations for such procedure. All quantities of heroin not surrendered in accordance with this section and the regulations promulgated thereunder by the Secretary of the Treasury, or his designated representative, shall by him be declared contraband, seized, and forfeited to the United States without compensation. All quantities of heroin received pursuant to the provisions of this section, or otherwise, shall be disposed of in the manner provided in section 4733 of the Internal Revenue Code of 1954, except that no heroin shall be distributed or used for other than scientific research purposes approved by the Secretary of the Treasury, or his designated representative.

"(b) Any heroin or marihuana introduced into the United States in violation of section 1402, 1403, or 1404 hereof shall be summarily forfeited to the United States without the necessity of instituting forfeiture proceedings of any character. All quantities of heroin so forfeited shall be disposed of in the same manner as provided in subsection (a) hereof, and all quantities of marihuana so forfeited shall be disposed of in accordance with the provisions of section 4745 of the Internal Revenue Code of 1954.

"§ 1407. Use of communications facilities—penalties

"(a) Each use of any telephone, mail, or any other public or private communication facility in the commission or in causing or facilitating the commission, or in attempting to commit any act or acts constituting a violation of or a conspiracy to violate section 1402 or 1403 hereof, or section 2 of the Narcotic Drugs Import and Export Act, or any provision of the Internal Revenue Code of 1954, the penalty for which is provided in section 7237 (a) of such code, as amended, shall be considered a separate offense punishable by a fine of not more than \$5,000 and imprisonment for not less than 2 nor more than 5 years.

"(b) As used in this section, the term 'communication facility' means any and all instrumentalities used or useful in the transmission of writings, signs, signals, pictures, and sounds of all kinds by wire or radio or other like communication between points of origin and reception of such transmission.

"§ 1408. Additional authority for the Bureau of Narcotics and Bureau of Customs

"The Commissioner, Deputy Commissioner, Assistant to the Commissioner, and agents of the Bureau of Narcotics and Bureau of Customs may carry firearms, execute and serve search warrants and arrest warrants at any time of the day or night, serve subpoenas and summonses issued under the authority of the United States, and make arrests without warrant for violations of any law of the United States relating to narcotic drugs (as defined in the first section of the Narcotic Drugs Import and Export Act (21 U. S. C. 171)) or marihuana (as defined in section 4761 of the Internal Revenue Code of 1954) where the violation is committed in the presence of the person making the arrest or where such person has reasonable grounds to believe that the person to be arrested has committed or is committing such violation.

"§ 1409. Motion to suppress—appeal by the United States

"In addition to any other right to appeal, the United States shall have the right to appeal from an order granting a motion to suppress evidence or return seized property made prior to the trial of a person charged with a violation of sections 1402, 1403, or 1404 hereof or section 2 of the Narcotic Drugs Import and Export Act, or of any of the provisions of the Internal Revenue Code of 1954, the penalty for which is provided in section 7237 (a) of such Code, as amended: *Provided*, That the United States attorney shall certify to the judge granting such motion, that the appeal is not taken for purposes of delay and that the prosecution is unable to go forward without the evidence suppressed. Any such appeal shall be taken within 30 days after the decision or order has been entered and shall be diligently prosecuted.

"§ 1410. Issuance of search warrants, procedure

"Notwithstanding the provisions of rule 41 (c) of the Federal Rules of Criminal Procedure, in any case involving a violation of sections 1402, 1403, or 1404 hereof, or section 2 of the Narcotic Drugs Import and Export Act, or any of the provisions of the Internal Revenue Code of 1954, the penalty for which is provided in section 7237 (a) of such code, as amended, (1) a search warrant may be served at any time of the day or night if the judge or the commissioner issuing the warrant is satisfied that there is probable cause to believe that the grounds for the application exist; and (2) a search warrant may be directed to any officer of the Metropolitan Police of the District of Columbia authorized to enforce or assist in enforcing a violation of any of such sections.

"§ 1411. Border crossings—narcotic addicts and violators

"(a) In order further to give effect to the obligations of the United States pursuant to the Hague Convention of 1912, proclaimed as a treaty on March 3, 1915 (38 Stat. 1912), and the limitation convention of 1931, proclaimed as a treaty on July 10, 1933 (48 Stat. 1571), and in order to facilitate more effective control of the international traffic in narcotic drugs, and to prevent the spread of drug addiction, no citizen of the United States who is addicted to or uses narcotic drugs, as defined in section 4731 of the Internal Revenue Code of 1954, as amended (except a person using such narcotic drugs as a result of sickness or accident or injury and to whom such narcotic drugs is being furnished, prescribed, or administered in good faith by a duly licensed physician in attendance upon such person, in the course of his professional practice) or who has been convicted of a violation of any of the nar-

cotic or marihuana laws of the United States, or of any State thereof, the penalty for which is imprisonment for more than 1 year, shall depart from or enter into or attempt to depart from or enter into the United States, unless such person registers, under such rules and regulations as may be prescribed by the Secretary of the Treasury, with a customs official, agent, or employee at a point of entry or a border customs station. Unless otherwise prohibited by law or Federal regulation such customs official, agent, or employee shall issue a certificate to any such person departing from the United States; and such person shall, upon returning to the United States, surrender such certificate to the customs official, agent, or employee present at the port of entry or border customs station.

"(b) Whoever violates any of the provisions of this section shall be punished for each such violation by a fine of not more than \$1,000 or imprisonment for not less than 1 nor more than 3 years, or both."

SEC. 102. The analysis of part 1 of title 18 of the United States Code, immediately preceding chapter 1 of such title, is amended by adding

"68. Narcotics"

after

"67. Military and Navy."

TITLE II

SEC. 201. (a) Section 212 (a) (23) of the Immigration and Nationality Act is amended to read as follows:

"(23) Any alien who has been convicted of a violation of, or a conspiracy to violate any law or regulation relating to the illicit possession of, or traffic in narcotic drugs, or who has been convicted of a violation of, or a conspiracy to violate any law or regulation governing or controlling the taxing, manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, exportation, or the possession for the purpose of the manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, or exportation of opium, coca leaves, heroin, marihuana, or any salt derivative or preparation of opium or coca leaves, or isonipicaine or any addiction-forming or addiction-sustaining opiate; or any alien who the consular officer or immigration officers know or have reason to believe is or has been an illicit trafficker in any of the aforementioned drugs."

(b) Section 241 (a) (11) of such act is amended to read as follows:

"(11) is, or hereafter at any time after entry has been, a narcotic drug addict, or who at any time has been convicted of a violation of, or a conspiracy to violate any law or regulation relating to the illicit possession of or traffic in narcotic drugs, or who has been convicted of a violation of, or a conspiracy to violate any law or regulation governing or controlling the taxing, manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, exportation, or the possession for the purpose of the manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, or exportation of opium, coca leaves, heroin, marihuana, any salt derivative or preparation of opium or coca leaves or isonipicaine or any addiction-forming or addiction-sustaining opiate."

(c) Section 241 (b) of such act is amended by adding at the end thereof the following additional new sentence: "The provisions of this subsection shall not apply in the case of any alien who is charged with being deportable from the United States under section 241 (a) (11) of this act."

SEC. 202. Section 8 of the act entitled "An act to create in the Treasury Department the Bureau of Narcotics, and for other purposes", approved June 14, 1930 (46 Stat. 587), as amended, is amended to read as follows:

"Sec. 8. (a) The Secretary of the Treasury shall cooperate with the several States in the suppression of the abuse of narcotic drugs in their respective jurisdictions, and to that end he is authorized (1) to cooperate in the drafting of such legislation as may be needed, if any, to effect the end named, (2) to arrange for the exchange of information concerning the use and abuse of narcotic drugs in said States and for cooperation in the institution and prosecution of cases in the courts of the United States and before the licensing boards and courts of the several States, (3) to conduct narcotic training programs, as an integral part of narcotic law enforcement for the training of such local and State narcotic enforcement personnel as may be arranged with the respective local and State agencies, and (4) to maintain in the Bureau of Narcotics a 'Division of Statistics and Records' to accept, catalog, file, and otherwise utilize narcotic information and statistics, including complete records on drug addicts and other narcotic law offenders which may be received from Federal, State, and local agencies, and make such information available for Federal, State, and local law-enforcement purposes. Any law to the contrary notwithstanding, Federal agencies of the United States shall make available to the Bureau of Narcotics the names, identification, and any other pertinent information which may be specified by the Secretary of the Treasury, or his designated representative, of all persons who are known by them to be drug addicts or convicted violators of any of the narcotic laws of the United States, or any State thereof. The Commissioner of Narcotics shall request and encourage all heads of State and local agencies to make such information available to the Bureau of Narcotics.

"(b) As used in this section, the term 'Federal agencies' shall include (1) the executive departments, (2) the Departments of the Army, Navy, and the Air Force, (3) the independent establishments and agencies in the executive branch, including corporations wholly owned by the United States, and (4) the municipal government of the District of Columbia.

"The Secretary of the Treasury is hereby authorized to make such regulations as may be necessary to carry this section into effect."

SEC. 203. Section 4744 (a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) Persons in general: It shall be unlawful for any person who is a transferee required to pay the transfer tax imposed by section 4741 (a) to acquire or otherwise obtain any marihuana without having paid such tax, or to receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of any such marihuana, knowing the same to have been acquired contrary to law, or to conspire to commit any of such acts in violation of the laws of the United States; and proof that any person shall have had in his possession any marihuana and shall have failed, after reasonable notice and demand by the Secretary or his delegate, to produce the order form required by section 4742 to be retained by him shall be presumptive evidence of guilt under this section and of liability for the tax imposed by section 4741 (a)."

SEC. 204. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remaining provisions of this act, or the application of such provisions to other persons or circumstances, shall not be affected thereby.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1957

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2062, House bill 10899, the Department of Commerce appropriation bill.

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

The LEGISLATIVE CLERK. A bill (H. R. 10899) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1957, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the Senate proceeded to consider the bill (H. R. 10899), which had been reported from the Committee on Appropriations, with amendments.

WITHHOLDING BY PRIVATE EMPLOYERS OF FEDERAL INCOME TAX OR SOCIAL-SECURITY TAX DEDUCTIONS

Mr. WILLIAMS. Mr. President, as of December 31, 1955, \$284,803,237 which had been withheld as deductions for income tax or social-security tax from the pay envelopes of workers throughout the country had not been turned into the Federal Treasury.

This amount does not represent the current accounts which are due quarterly from the employers but represents only those which were overdue to the extent that second notices of delinquency had been mailed to the employers and the delinquent accounts had been formally transferred to the field collection force for collection action.

The employers who have failed to send in these withheld taxes continued to use the funds to finance their own businesses, perhaps to pay their own salaries or to help them underbid their taxpaying competitors.

I shall cite one glaring example of how this works. I refer to the Reliable Plastering Corp., Philadelphia, Pa., of which Martin Levin is president; Alexander Levin, secretary and vice president; and Samuel Levin, treasurer.

Since 1951, the Reliable Plastering Corp., of Philadelphia, has withheld over \$400,000 from its employees, representing both income-tax and social-security tax deductions. This amount, instead of being forwarded to the United States Treasury, has been kept by the company for its own use.

These additional funds have enabled the firm to underbid successfully several of its competitors on various contracts, since by not sending in these taxes, which are being withheld from its employees, that meant that, in effect, this firm's labor costs were 20 percent less than any competitor's.

A few months ago this firm, having advantage of the use of this \$400,000 of Government money—for which it did not have to give a note—underbid all competitors for the plastering job on the

new Senate Office Building, now being constructed across the street from the Capitol.

Furthermore, not only has this company kept its employees' tax money, but since 1951 it has not been paying its own income taxes. The following is a list of the recorded tax liens against this company as of May 18, 1956, broken down as to amounts, dates, and type of taxes:

| Class of tax | Year or taxable period | Amount shown on notice |
|--|---------------------------------|------------------------|
| Withholding and Federal Insurance Contributions Act taxes. | June 30, 1951..... | \$26,334.29 |
| | June 30, 1952..... | 35,413.30 |
| | Sept. 30, 1952..... | 26,383.95 |
| | Dec. 31, 1952..... | 32,651.60 |
| | Mar. 31, 1953..... | 32,302.29 |
| | June 30, 1953..... | 33,418.50 |
| | Dec. 31, 1953..... | 52,764.59 |
| | June 30, 1954..... | 64,450.16 |
| | Sept. 30, 1954..... | 66,154.65 |
| | Dec. 31, 1954..... | 72,890.63 |
| Income tax..... | Fiscal year, June 30, 1951..... | 13,892.73 |
| | do..... | 210.45 |
| | Fiscal year, June 30, 1953..... | 1,511.51 |
| | Fiscal year, June 30, 1954..... | 7,898.04 |
| | | 456,276.70 |

It should be pointed out that in awarding the contract for the new Senate Office Building, the bids were first awarded to a prime contractor, who placed a bond guaranteeing performance. This prime contractor then sublet certain contracts to smaller operators; and it was as one of these subcontractors that Reliable was the successful bidder, apparently using these Government funds to underbid its competitors and finance its operations.

There is no reasonable explanation as to why the United States Government would allow any employer in Philadelphia or in any other area to keep for the personal use of his company the funds which are deducted as income and social security tax from the pay envelopes of his employees.

These are trust funds, and are never to be considered under any circumstances as cash belonging to the employer. It is inexcusable that any employer should have been allowed to work this racket for 5 years without proper action being taken; and when we consider that, as of last December, employers in this country were over \$284 million delinquent in turning these taxes in to the Federal Treasury, it is time that something be done.

When we speak of the amount of delinquent income tax or delinquent corporation tax as of a given date, we recognize that the figures are always subject to readjustment, since an assessed tax deficiency by the Government is never recognized as conclusive until either the taxpayer agrees upon the amount or the court rules upon its determination.

However, as to this \$284 million item there can be no dispute. It represents income tax and social security tax deductions made by the employer from the pay envelopes of the employees, and it belongs to the United States Government. The employer has no right ever to keep these funds for his own personal use.

I ask unanimous consent to have incorporated at this point in the RECORD a letter from the Treasury Department, dated May 18, 1956, confirming the deficiencies of the Reliable Plastering Corp., of Philadelphia, as referred to above.

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

May 18, 1956.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in reply to your letter of March 22, 1956, in which you requested a report as to the outstanding delinquent taxes (by class of tax and years involved) of the Reliable Plastering Corp., of Philadelphia, Pa.

The district director of Internal Revenue at Philadelphia has advised that liens, which are of public record, have been filed with the prothonotary for Philadelphia county court, as follows:

| Class of tax | Year or taxable period | Amount shown on notice |
|--|---------------------------------|------------------------|
| Withholding and Federal Insurance Contributions Act taxes. | June 30, 1951..... | \$26,334.29 |
| | June 30, 1952..... | 35,413.30 |
| | Sept. 30, 1952..... | 26,383.96 |
| | Dec. 31, 1952..... | 32,651.60 |
| | Mar. 31, 1953..... | 32,302.29 |
| | June 30, 1953..... | 33,418.50 |
| | Dec. 31, 1953..... | 52,764.59 |
| | June 30, 1954..... | 54,450.16 |
| | Sept. 30, 1954..... | 66,154.65 |
| | Dec. 31, 1954..... | 72,890.63 |
| Income tax..... | Fiscal year, June 30, 1951..... | 13,892.73 |
| | do..... | 210.45 |
| | Fiscal year, June 30, 1953..... | 1,511.51 |
| | Fiscal year, June 30, 1954..... | 7,898.04 |
| | | 456,276.70 |

The taxpayer has been making periodic payments under an arrangement which if continued would result in full liquidation of the delinquent taxes.

Very truly yours,
RUSSELL C. HARRINGTON,
Commissioner.

Mr. WILLIAMS subsequently said:

Mr. President, earlier this afternoon I referred to the fact that the Reliable Plastering Corp. had a subcontract on the new Senate Office Building.

Since that time the prime contractor, the George Hyman Co., has indicated lack of knowledge of the Reliable Plastering Corp.'s having any subcontract. To refresh their memory I remind them that on October 7, 1955, they submitted to the Architect of the Capitol a report stating that they had subcontracted certain plastering work with the Penn-Jersey Plastering Corp. and that affiliated with that company in the work would be two other companies; namely, the Miller Mason Studios, Atlantic City, N. J., and the Reliable Plastering Corp., of Philadelphia, Pa.

MR. AND MRS. THOMAS V. COMPTON

Mr. SMATHERS. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1833, House bill 1866, for the relief of Mr. and Mrs. Thomas V. Compton.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 1866) which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 6, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I ask unanimous consent that a statement explaining the bill be printed at this point in the RECORD.

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

1. Authorizes payment of \$6,000 to the Comptons as compensation for loss of business and decline in market value of their commercial establishment on Highway 15 at Clarksville, Va., caused by the relocation of that highway.

2. The relocation occurred after flooding of the area by the Corps of Engineers, and one other commercial owner, damaged by direct flooding, has recovered.

3. The Army objects on the ground of "normal risk attached to ownership"; this relief is solely equitable.

The PRESIDING OFFICER. 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 was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS TO ST. JOHNS COUNTY, FLA.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1972, House bill 7471, to provide for the conveyance of certain lands of the United States to the Board of Commissioners of St. Johns County, Fla.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 1, line 4, after the word "the", to strike out "Board of Commissioners of St. Johns County, Fla.", and insert "city of St. Augustine, Fla.", a municipal corporation organized and existing under and by virtue of the laws of the State of Florida", and on page 4, line 6, after the numerals "330", to strike out "degrees" and insert "feet."

The amendments were agreed to.

Mr. MORSE. Mr. President, at this time I wish to call up an amendment which I understand my good friend, the Senator from Florida, is willing to accept.

Mr. SMATHERS. Mr. President, I am very willing to accept the very fair and fine amendment proposed by the Senator from Oregon.

Mr. MORSE. Mr. President, I thank the Senator from Florida for helping pro-

tect and defend the Morse formula, which, since first followed in 1946, has saved the taxpayers a little more than \$500 million.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 5, it is proposed to strike out lines 9 through 12 and insert in lieu thereof the following:

SEC. 2. The conveyance authorized by the first section of this act shall be subject to the condition that the city of St. Augustine, Fla., pay to the Secretary of the Treasury, as consideration for the land conveyed, an amount equal to 50 percent of its fair market value as determined by independent appraisal, and the deed of conveyance shall reserve to the United States all mineral rights, including oil and gas, in the land so conveyed, and shall be subject to such other reservations, limitations, or conditions as may be determined to be necessary by the Secretary to protect the interests of the United States.

SEC. 3. The deed shall contain a covenant that no structure shall be erected on the land which will in any way adversely affect the operation of the Coast Guard facilities, and a covenant that the.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the conveyance of certain lands of the United States to the city of St. Augustine, Fla., a municipal corporation organized and existing under and by virtue of the laws of the State of Florida."

CLEMENT E. SPROUSE

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1848, House bill 1671, for the relief of Clement E. Sprouse.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 1671) was considered, ordered to a third reading, read the third time, and passed.

MRS. ANNA ELIZABETH DOHERTY

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1916, House bill 1913, for the relief of Mrs. Anna Elizabeth Doherty.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 1913) was considered, ordered to a third reading, read the third time, and passed.

CERTAIN FORMER EMPLOYEES OF THE INLAND WATERWAYS CORPORATION

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 1931, Senate bill 2048, for the relief of certain former employees of the Inland Waterways Corporation.

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

There being no objection, the Senate proceeded to consider the bill (S. 2048), which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 7, after the word "act", to strike out "in excess of 10 percent thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to E. J. Fogarty the sum of \$890.45, (2) to W. F. McGrade the sum of \$443, (3) to T. E. Kelly the sum of \$429.71, (4) to J. J. Gestring the sum of \$216.31, (5) to T. C. Stiffler the sum of \$188.05, and (6) to G. H. Bohler the sum of \$268.06, in full satisfaction of all claims against the United States for annual leave payments, retroactive wage increases, and other salary and wages, earned or accrued by the above-named employees of the Inland Waterways Corporation, a Government-owned corporation, prior to their discharge from the employ of such Corporation, such amounts having been withheld pursuant to provisions of section 305 of the Government Corporations Appropriation Act of 1947: Provided, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

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

RETENTION IN SERVICE OF DISABLED COMMISSIONED OFFICERS AND WARRANT OFFICERS OF THE ARMY AND NAVY

Mr. SMATHERS. Mr. President, we now come to the consideration of some general bills. I wish to say for the Record that these bills have been cleared with the calendar committees and the leadership on both sides.

First, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2066, H. R. 2216, to amend the act of June 19, 1948, relating to the retention in the service of disabled commissioned officers and warrant officers of the Army and Navy.

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

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

Mr. SMATHERS. Mr. President, I wish to make the following statement in regard to the bill:

It permits officers with temporary commissions to be transferred from military to veterans' hospitals for prolonged treatment. Presently only Regular and Reserve officers can be so transferred.

In 1948, legislation was enacted to permit the retention in the service of temporary officers whose appointments might expire while they were undergoing treatment; they were permitted to remain in military hospitals. No authorization has ever been granted, however, for transferring these officers to veterans' hospitals.

About 4,100 temporary commissions are outstanding. This authorization will apply only to those who may hereafter become disabled and require prolonged treatment.

Also the bill permits the retention on active duty of certain Reserve officers whose 5-year terms would otherwise expire while they were undergoing treatment. The retention is for the purpose of determining eligibility for disability benefits, which must be done prior to separation if the officer is to qualify.

The PRESIDING OFFICER (Mr. MORSE in the chair). The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

RUNNING MATES FOR CERTAIN STAFF CORPS OFFICERS IN THE NAVAL SERVICE

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2067, House bill 4229.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4229) to provide running mates for certain staff corps officers in the naval service, and for other purposes.

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

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

Mr. SMATHERS. Mr. President, this bill has been approved by the Armed Services Committee. It provides a new method of assigning line officer "running mates" to lieutenant junior grade staff officers.

Presently, staff officers suffer a "fanning" process when they are placed on the promotion lists for full lieutenant. Navy custom is, theoretically, to assign each staff officer—supply, medical, engineer, et cetera—a line officer as his "running mate"—that is, a line officer who has an approximately similar length of service in that grade; then both come up for promotion simultaneously.

But the "fanning" process embodies a favoritism for line officers by which staff officers are spaced throughout the entire list of line officers. Hence with 200 officers, of which 10 are staff, up for promotion to lieutenant, staff officers would rank 20, 40, 60, et cetera, by a mechanical formula.

The bill would eliminate this fanning process, and allow staff officers to rank where they should, among lieutenants junior grade.

The PRESIDING OFFICER. The bill is open to amendment. If there be no

amendment to be proposed, the question is on the third reading and passage of the bill.

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

WITHHOLDING OF COMPENSATION OF CERTAIN CIVILIAN EMPLOYEES OF THE NATIONAL GUARD AND AIR NATIONAL GUARD

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2068, House bill 4437.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4437) relating to withholding for State employee retirement system purposes, on the compensation of certain civilian employees of the National Guard and the Air National Guard.

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

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

Mr. SMATHERS. Mr. President, the bill has been unanimously reported by the Armed Services Committee. It would permit Federal disbursing officers to deduct, from the payrolls of civilian National Guard and Air National Guard employees, contributions to the State or Territorial retirement systems.

These people, while considered State employees, are paid by Federal funds. This results in State authorities being unable to deduct contributions from payrolls, and consequently prevents complete employee participation in State retirement systems. Deductions are to be made only on request by the States. Presently eight States permit this type of employee to participate in their retirement systems.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

EXAMINATION PRELIMINARY TO PROMOTION OF OFFICERS OF THE NAVAL SERVICE

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2069, House bill 4704.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4704) to provide for the examination preliminary to promotion of officers of the naval service.

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

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

Mr. SMATHERS. Mr. President, this bill provides a new and clearer test for the promotion of naval officers.

Under the proposed test, Marine second lieutenants and Navy ensigns would go before an examining board for a determination of their mental, moral, and professional qualifications for promotion.

Officers of higher grade, but not including flag or general officers, must "demonstrate to a selection board such qualifications as the Secretary may prescribe for promotion to the next higher grade."

Thus an examining board will review ensigns and second lieutenants, in regard to their mental and moral qualifications for promotions, and officers of higher grades would be examined as to their professional qualifications by selection boards.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

PAYMENT OF CERTAIN MILEAGE ALLOWANCES

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2070, House bill 5268.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill to amend section 303 of the Career Compensation Act of 1949 to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States.

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

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

Mr. SMATHERS. Mr. President, the bill would amend the compensation statutes for travel performed by service-men overseas.

Under present law, compensation for travel by private conveyance overseas is made on a 5-cents-per-mile, plus per diem rate basis. The per diem rate requires a computation which delays payments and places an undue administrative burden on paymasters.

The proposed amendment would pay a flat mileage, presently 6 cents per mile, and eliminate per diem. No substantial increase in cost is anticipated.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

LENDING OF CERTAIN EQUIPMENT TO THE BOY SCOUTS OF AMERICA FOR FOURTH NATIONAL JAMBOREE

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2071, Senate bill 2771.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2771) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fourth National Jamboree of the Boy Scouts of America, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, on page 2, line 6, after the word "useful", to insert "to the extent that items are in stock and available and their issue will not jeopardize the national-defense program", so as to make the bill read:

Be it enacted, etc., That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Boy Scouts of America, a corporation created under the act of June 15, 1916, for the use and accommodation of the approximately 50,000 Scouts and officials who are to attend the Fourth National Jamboree of the Boy Scouts of America to be held as a part of the national program Onward for God and My Country during the period beginning in June 1957, and ending in July 1957, at Valley Forge, Pa., such tents, cots, blankets, commissary equipment, flags, refrigerators, and other equipment and services as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national-defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such jamboree, and to be returned at such time after the close of such jamboree, as may be agreed upon by the Secretary of Defense and the National Council, Boy Scouts of America. No expense shall be incurred by the United States Government for the delivery, return, rehabilitation, or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Boy Scouts of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

Mr. SMATHERS. Mr. President, this bill would authorize the Secretary of Defense to lend certain equipment—refrigerators, mess kits, medical items, and so forth—to the Boy Scouts of America for their fourth national jamboree at Valley Forge, Pa., in June and July 1957.

Similar bills have permitted loans to prior jamborees.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

LENDING OF CERTAIN EQUIPMENT TO THE BOY SCOUTS OF AMERICA FOR WORLD JAMBOREE

Mr. SMATHERS. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 2072, Senate bill 2772.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2772) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in England in 1957; and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 2, line 3, after the word "useful", to insert "to the extent that items are in stock and available and their issue will not jeopardize the national defense program"; on page 3, line 6, after the word "act", to insert "to the extent that such transportation will not interfere with the requirements of military operations"; and on page 3, line 17, after the word "be", to strike out "deposited in the Treasury to the credit of the" and insert "credited to the current applicable", so as to make the bill read:

Be it enacted, etc., That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the National Council, Boy Scouts of America, for the use and accommodation of the approximately 1,500 Scouts and officials who are to attend the World Jamboree, Boy Scouts, to be held in England in July and August 1957, such tents, cots, blankets, commissary equipment, flags, refrigerators, and other equipment and services as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such jamboree and to be returned at such time after the close of such jamboree, as may be agreed upon by the Secretary of Defense and the National Council, Boy Scouts of America. No expense shall be incurred by the United States Government for the delivery, return, rehabilitation, or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the National Council, Boy Scouts of America, good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. (a) The Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to provide, without expense to the United States Government, transportation from the United States and return on a vessel of the Military Sea Transportation Service for (1) those Boy Scouts and Scouters certified by the National Council, Boy Scouts of America, as representing the National Council, Boy Scouts of America, at the jamboree referred to in the first section of this act, and (2) the equipment and property of such Boy Scouts and Scouters and the property loaned to the National Council, Boy Scouts of America, by the Secretary of Defense pursuant to this act to the extent that such transportation will not interfere with the requirements of military operations.

(b) Before furnishing any transportation under this section, the Secretary of Defense shall take from the National Council, Boy Scouts of America, a good and sufficient bond for the reimbursement to the United States

by the National Council, Boy Scouts of America, of the actual costs of transportation furnished under this section.

Sec. 3. Amounts paid to the United States to reimburse it for expenses incurred under the first section and for the actual costs of transportation furnished under section 2 shall be credited to the current applicable appropriations or funds to which such expenses and costs were charged and shall be available for the same purposes as such appropriations or funds.

Sec. 4. Under regulations prescribed by the Secretary of State, no fee shall be collected for the application for a passport by or the issuance of a passport to, any Boy Scout or Scouter who is certified by the National Council, Boy Scouts of America, as representing the National Council, Boy Scouts of America, at the jamboree referred to in the first section of this act.

The amendments were agreed to.

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

VETERANS' ADMINISTRATION SAFETY PROGRAM

Mr. CARLSON. Mr. President, on March 23, 1956, the distinguished junior Senator from Minnesota [Mr. HUMPHREY] expressed in this Chamber his deep concern for the apathy he said existed in the numerous veterans' hospitals scattered throughout the United States from Maine to California. He was referring to an alleged lack of safety precautions in hospital operational aspects by the Veterans' Administration.

The Senator stated that some of our bedridden veterans are housed in non-fire-resistant buildings and that at the time of his speech approximately 25 percent of the veterans' hospitals were inadequately protected. He asked the VA Administrator why he had only six safety and fire prevention engineers in the field and recommended to the Administrator that the field safety and fire prevention force be at least tripled in number. He said work injuries sustained during calendar year 1954 in the Veterans' Administration totaled 5,992 workers injuries, 2,993 disabilities, and 6 fatalities. He added that the total direct and indirect cost exclusive of fire losses or tort claims was in excess of \$11 million.

The Senator concluded that consideration also must be given to the fact that many of the patients in veterans' hospitals are bedridden and disabled. Some are mental patients, he said, and in case of an unexpected catastrophe, unnecessary tragedy could result. He said:

Therefore, I sincerely hope that the VA Administrator will pay heed to my recommendations for it is better to be safe than sorry.

Mr. President, I was appalled at the information cited by my colleague from Minnesota. Every Member of this body will agree with me that if the information cited were based on fact the Veterans' Administration would indeed be exceedingly derelict in its duty. I was so shocked at the implications that I also investigated the matter. I am pleased to state, Mr. President—and I am sure the Senator from Minnesota will share my pleasure in view of his recent stated concern—that the administration has not shirked its solemn responsibility to our hospitalized veterans.

Quite to the contrary, the Veterans' Administration has made great progress during the past 3 years toward correcting antiquated and dangerous facilities which then existed. I might add that this information comes as no surprise to me, since the present administration always has taken a position of great responsibility in all of its undertakings.

In view of the serious charges made on this floor on March 23, I asked Mr. Harvey V. Higley, the Administrator of the Veterans' Administration, to inform me of the safety policies and practices now employed in the operation of that agency and for a report on the progress made to date. I am happy to state that Mr. Higley made a full and prompt reply which certainly refutes the charges made against his administration.

Mr. President, I ask unanimous consent that the letter Mr. Higley transmitted to me under date of May 3, 1956, be printed in the RECORD at this point.

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

VETERANS' ADMINISTRATION,
Washington, D. C., May 3, 1956.

HON. FRANK CARLSON,
United States Senate,
Washington, D. C.

DEAR SENATOR CARLSON: This is in reply to your letter of April 20, 1956, which requested information as to steps the Veterans' Administration is taking to protect against fire hazards in VA hospitals.

Right at the start, permit me to emphasize that the safety of patients in our hospitals has been of paramount personal concern to me in the nearly 3 years I have been Administrator of Veterans' Affairs. I can think of no other activity that has had the priority of attention and action VA has accorded this problem.

The most permanent-type protection, of course, is provided through the replacement of older and temporary hospital buildings with modern, fire-resistant structures, and the VA has engaged in such a replacement program as rapidly as possible within governing financial limitations.

Since the end of World War II the VA has placed in operation 61 new fire-resistant hospitals, with a capacity of about 31,000 beds. In addition to increasing the bed capacity in the VA hospital system, the erection of these new hospitals enabled the VA to abandon 14 older, non-fire-resistant hospitals.

Nearly 14,000 additional beds were provided in fire-resistant buildings through extensive construction additions at 38 other stations, and many of these additions replaced older units.

As you know, construction now is under way on a 1,000-bed replacement hospital at Topeka, Kans., and the VA has definite plans for the replacement of fire-resistant modernization of a number of other hospitals. These plans, of course, are subject to the approval of annual budget programs for specific fiscal years.

In addition to these replacements and additions we have been engaged in an intensive patient protection program involving more than 600 buildings in our older hospitals. The installation of automatic sprinkler systems and the provision of stairwell enclosures, fire escapes, fire doors, smoke barriers, and fire alarm systems are included in this program.

Indicative of the stress placed on this program is the fact that expenditures for just the last 3 fiscal years are in excess of the total amounts expended for this type of patient protection in all the preceding years of VA history.

Patient-protection installations, which are already completed, or are now underway, have involved an expenditure of more than \$5 million during fiscal years 1944, 1955, and 1956, and we plan to spend another \$1 million for this purpose in the next 2 fiscal years.

The installation of automatic sprinkler systems in VA hospitals during the past 3 years is acknowledged to be one of the largest programs of its kind in the history of the sprinkler industry.

Those of our hospitals which are within corporate limits have the benefit of fire-fighting and rescue services provided by regular city fire departments. Through trial runs or visits to our hospitals these departments become acquainted with the areas and also assist us in detecting any fire-protection deficiencies.

In our other hospitals not covered by municipal departments VA has its own fire-fighting equipment manned by full-time, trained firefighters under competent fire chiefs. These full-time staffs are ably supplemented by volunteer brigades of VA employees who are trained and drilled in a part-time basis. In many instances VA-manned fire departments have mutual-aid agreements with nearby municipal departments, which assure added protection for both parties to the agreement.

VA hospitals have guard forces which are on duty around the clock. Through periodic rounds of the hospital areas these guards provide added protection in the matter of fire detection and prevention, and also help to man the volunteer brigades.

Our hospitals have evacuation drills, which often include the actual movement of ambulatory patients, at regular and frequent intervals. These drills serve to insure knowledge of disaster assignments, and assist in inculcating an orderly procedure to be followed in event of an actual fire or other emergency.

Safety and fire protection in the VA is regarded as an integral part of operations at all levels, and is held to be the personal responsibility of each station manager. Through our emphasis of this concept, the manager of each station is made vitally aware of the need for protective measures, and of his first-line responsibility for insuring that proper measures are taken.

A regular staff engineer at each of our hospitals and domiciliaries is designated as the station safety and fire protection officer, and other key personnel are so designated in our regional and district offices.

To assist managers and other supervisory personnel in carrying out these important responsibilities the VA has 15 fully qualified safety and fire protection engineers. It is the responsibility of all these engineers to give expert technical assistance and guidance to VA personnel and installations throughout the nation.

Although your letter made inquiry about only fire protection measures, you may be interested in knowing that we also are making a concerted effort to reduce accidents and injuries among our employees.

We have just finished our annual evaluation of the VA Safety and Fire Protection Program for calendar year 1955, and I was pleased to learn that the number of disabling injuries per unit of employee exposure had dropped 8.6 percent from the 1954 rate, and that the severity of injury was down 28.8 percent.

This same evaluation report shows VA had 8 percent fewer fires in 1955 than in 1954, and that the monetary loss attributable to fire had dropped from \$458,015 to only \$40,516.

I very much appreciate your interest in our patient protection program, and I can assure you there never will be any laxity or

complacency in such a vital matter as long as I am administrator.

Sincerely,

HARVEY V. HIGLEY,
Administrator.

Mr. CARLSON. Mr. President, this letter shows without question that the matter of providing protection for patients is an integral part of the Veterans' Administration program. The VA is engaging in the most concerted "patient protection" program in the history of the agency. By the end of the current fiscal year, June 30, 1956, the VA will have completed construction on 35 or more major protection projects. Construction is under way on another 53 projects. I am sure these facts should dispel any misconceptions about irresponsibility in our present Veterans' Administration program.

CERTAIN ENLISTMENT CONTRACTS OF MEMBERS OF THE ARMED FORCES

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. R. 2106.

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

The CHIEF CLERK. A bill (H. R. 2106) to provide that the enlistment contracts of members of the Armed Forces shall not terminate by reason of appointment as cadets or midshipmen of the Military, Naval, and Air Force Academies.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Forces with an amendment on page 2, line 6, after the word "and", to strike out "allowances" and insert "allowances, compensation, pensions, or benefits."

The amendment was agreed to.

Mr. SMATHERS. Mr. President, the bill provides a contingent enlisted status for enlisted men who are appointed to one of the service academies. At the present time inductees in the service who are appointed to the academies may, when they quit the academies prior to graduation, resign from the service and terminate their military obligation.

The proposed bill would impose a contingent enlisted status, to be carried throughout the man's academy career, and to which he will revert if he resigns from the academy. If he does resign he must finish out his original service obligation. Time spent as a cadet or midshipman will be counted as time under the original obligation.

No additional pay advantages are to be conferred by the contingent status.

The proposed legislation is designed to close an obvious loophole in the service requirement statutes.

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

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

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE STATE OF NEW MEXICO

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2074, H. R. 4363.

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

The CHIEF CLERK. A bill (H. R. 4363) authorizing the conveyance of certain property of the United States to the State of New Mexico.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, on page 2, line 10, after the word "emergency", to insert "declared by the President or the Congress."

The PRESIDING OFFICER. Will the Senator from Florida make a brief explanation of the bill?

Mr. SMATHERS. The bill conveys about 51 acres of the former Buras Hospital site, New Mexico, to the State of New Mexico for use by its State National Guard in training.

The land is conveyed without consideration, but with a proviso that the land shall revert to United States ownership if it is used for other than Guard training purposes.

The State has been leasing the land for this purpose since 1947.

Mineral rights are reserved to the United States.

The PRESIDING OFFICER (Mr. MORSE in the chair). Unless another Senator desires to relieve the present occupant of the chair of the duty of presiding over the Senate, the Chair, without objection, will make a brief statement on the pending bill.

As the Chair reads the bill, it in no way violates the Morse formula. It is one of a series of similar National Guard bills, in which the consideration for the Federal Government is really the security services which will be rendered by the National Guard with respect to the State it represents. The bill is along the line of a series of similar bills which comply with the Morse formula. Therefore the present occupant of the chair has no objection to the bill.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

The bill was read the third time and passed.

DISTRIBUTION OF WOMEN OFFICERS IN THE NAVY

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2075, H. R. 8477.

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

The CHIEF CLERK. A bill (H. R. 8477) to amend title II of Women's Armed Services Integration Act of 1948 by providing flexibility in the distribution of women officers in the grades of commander and lieutenant commander, and for other purposes.

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

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

Mr. SMATHERS. Mr. President, the bill alleviates promotion obstacles in the grade of lieutenant in the WAVES.

Because of wartime recruiting policies and existing restrictions on the promotion of WAVE junior officers, there is at present a considerable number of WAVE lieutenants whose time in grade without promotion will compel their separation from the service in the coming year.

The bill makes two changes in the promotion situation—it provides that any excess in the number of full commanders authorized by law over the number determined to be necessary by the Secretary of Navy, will be shifted to the authorized number of lieutenant commanders; and it permits lieutenants to remain in service until they have served 15 years of active commissioned service, rather than 13 years.

This shift would result in no additional cost to the Government.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

CONVEYANCE OF CERTAIN LANDS TO THE CITY OF MUSKOGEE, OKLA.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2078, H. R. 7679.

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

The CHIEF CLERK. A bill (H. R. 7679), to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.

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

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

Mr. SMATHERS. Mr. President, the bill reconveys to the city of Muskogee, Okla., a 9-acre tract in Muskogee County. The tract was part of a 14-acre grant made by the county to the United States in 1945 for improvements to the Veterans' Hospital located to the south. By the act of July 28, 1954, 5.4 acres were reconveyed to the county. This bill reconveys the remainder. Mineral interest is retained in the United States.

The VA does not object to the bill.

The PRESIDING OFFICER. Without objection, the Chair will make a

brief statement on the bill. The bill is in line with a series of similar bills heretofore passed by Congress whereby property was transferred to the Federal Government for a specific Federal use, with the implied understanding, although not actually stated, that in case the Federal Government did not have use for the property for the specific purpose stated, it was to revert to the State or to the original conveyer. The bill not being in violation of the Morse formula, there is no objection to it on that ground.

The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

AUTHORIZATION FOR CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF BONHAM, TEX.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2079, H. R. 8490.

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

The CHIEF CLERK. A bill (H. R. 8490) to authorize the Administrator of General Services to convey certain property of the United States to the city of Bonham, Tex.

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

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

Mr. SMATHERS. The bill conveys 21.9 acres, which are a part of a Veterans' Administration center reservation, to the city of Bonham, Tex.

The land is to be used for recreational purposes. Reversionary clauses provide for its return to the United States if it is not so used. It has been declared excess to Veterans' Administration needs by the General Services Administration.

Mineral rights are reserved to the United States.

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

The PRESIDING OFFICER (Mr. MONROE in the chair). Does the Senator from Florida yield to the Senator from Oregon?

Mr. SMATHERS. I am happy to yield.

Mr. MORSE. Am I correct in understanding that this bill involves the transfer of property which in the first instance was conveyed to the Government for a specific Federal purpose, namely, the development of the particular Federal institution involved, that the property to the extent stated in the bill is no longer needed for that purpose, and that under the implied understanding at the time of the conveyance, if the property should no longer be required for the stated purpose, it would be returned to the original donor?

Mr. SMATHERS. The Senator is correct.

Mr. MORSE. Therefore the bill does not violate the Morse formula. I have no objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

RETURN OF CERTAIN PROPERTY TO THE CITY OF BILOXI, MISS.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2080, H. R. 8674.

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

The CHIEF CLERK. A bill (H. R. 8674) to provide for the return of certain property to the city of Biloxi, Miss.

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

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

Mr. SMATHERS. Mr. President, the bill conveys 144 acres, which are a part of a VA hospital reservation, to Biloxi, Miss., for park purposes.

One hundred and thirty-nine acres of this tract were donated to the VA by the city of Biloxi. The entire 144 acres is determined to be surplus by the Veterans' Administration.

A clause is included which will permit the VA Administrator to make certain requirements for the use of the land, subject to reversion to the United States.

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

Mr. SMATHERS. I am happy to yield.

Mr. MORSE. Is it correct to say that two factors are involved in the bill? The first factor is that the Federal Government continues to maintain some user interest, in that the Veterans' Administration is allowed to impose certain restrictions. The second factor is that we are dealing with a case in which the original purpose of the transfer by the city of Biloxi was to make the land available for Veterans' Administration purposes in case it was needed for a certain purpose. The implied understanding, of course, was that if the land was no longer needed for that purpose, it was to be returned to the city of Biloxi, the original donor. It is no longer needed. Is that correct?

Mr. SMATHERS. That is correct.

Mr. MORSE. The bill does not violate the Morse formula. I have no objection to it.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

CONVEYANCE OF LAND TO THE CITY OF CHEYENNE, WYO.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2081, House Resolution 9358.

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

The CHIEF CLERK. A bill (H. R. 9358) to require the Administrator of Veterans' Affairs to issue a deed to the city of Cheyenne, Wyo., for certain land heretofore conveyed to such city, removing the conditions and reservations made a part of such prior conveyance.

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

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

Mr. SMATHERS. Mr. President, the bill provides for the conveyance of 431 acres which were formerly a part of a VA center reservation, to Cheyenne, Wyo., and for the reconveyance of this land to the city by the VA.

The land was first conveyed to Cheyenne by act of the 80th Congress, subject to its use as a park and golf course. The city has not complied with this requirement, but has used it for airport and school purposes, and as a gravel pit. Upon learning that the land might revert to the United States because of its noncompliance, the city recently abandoned these uses.

This bill would permit the land to be used for other than park and golf course purposes, but subject to conditions which would not, in the judgment of the VA Administrator, interfere with the operation of the VA hospital.

Mr. MORSE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. MORSE. Mr. President, this is another one of the transfers which is identical with the bill we have been discussing, where the land involved is now surplus to the Veterans' Administration and was originally made available to the Veterans' Administration for Veterans' Administration purposes, and, therefore, the bill proposes to give the land back to the original donor. Is that a correct statement?

Mr. SMATHERS. That is correct.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

ISSUANCE OF DEED FOR CERTAIN LAND TO THE CITY OF GRAND JUNCTION, COLO.

Mr. SMATHERS. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 2082, House bill 10251.

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

The CHIEF CLERK. A bill (H. R. 10251) to authorize the Administrator of Veterans' Affairs to deed certain land to the city of Grand Junction, Colo.

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

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

Mr. SMATHERS. Mr. President, this bill directs the Administrator of Veterans' Affairs to quitclaim 16.72 acres,

which are a part of a Veterans' Administration hospital reservation, to the city of Grand Junction, Colo.

The land is to be used as a park, and will revert if not so used. Mineral rights will be retained by the United States, but will vest in the city after 50 years, or upon the cessation of operations by the Veterans' Administration hospital.

The identical land was donated by the city to the Veterans' Administration in 1946, and the city has made considerable utility improvements thereon. Presently the Veterans' Administration leases the property to the municipal golf course.

Mr. ALLOTT. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. ALLOTT. I should like to make a brief statement concerning the bill. As the distinguished Senator from Florida has stated, the bill would enable the city of Grand Junction to use the land for recreational purposes. The deed will contain a reversionary clause, and also a reservation of minerals, so that the Government will be adequately protected throughout. In the event the land is not used for recreational purposes, it will immediately revert to the Government.

Mr. MORSE. Mr. President, the bill is in line with those we have been discussing. The land is surplus to the Veterans' Administration so far as the original purpose for which it was donated to the Federal Government is concerned, and therefore it will go back to the original donor.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF ROSEBURG, OREG.

Mr. SMATHERS. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 2083, House bill 8123.

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

The CHIEF CLERK. A bill (H. R. 8123) authorizing the Administrator of General Services to convey certain property to the city of Roseburg, Ore.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments on page 1, line 3, after the word "to," to strike out "section 2 of this act" and insert "such reservations and restrictions as may be necessary to protect the interests of the United States", and on page 2, after line 3, to strike out:

SEC. 2. The conveyance authorized by this act (1) shall provide that the tract of land so conveyed shall be used for park purposes, and shall be available for recreational use by the patients of the Veterans' Administration Hospital, Roseburg, Ore., under the same conditions as it may be made available to the public, so long as the property is used for the

purpose conveyed, and if it shall ever cease to be used for such park purposes the title to such property shall revert to the United States, which shall have immediate right to reentry thereon, (2) shall reserve to the United States all mineral rights, including gas and oil, in the land so conveyed, and (3) may contain such additional terms, conditions, reservations, and restrictions as may be determined by the Administrator of General Services to be necessary to protect the interests of the United States.

Mr. SMATHERS. Mr. President, this bill directs the General Services Administrator to quitclaim 163 acres, which are a part of the Veterans' Administration hospital reservation, to the city of Roseburg, Ore.

The land is declared to be excess to Veterans Administration needs. It was originally donated to the United States by the city of Roseburg.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the committee report, because it contains a letter which I sent to the committee in explanation of the bill. It shows that the bill falls within the same category as the series of the bills which the Senate has just been considering.

There being no objection, the report (No. 2061) was ordered to be printed in the RECORD, as follows:

The Committee on Labor and Public Welfare, to whom was referred the bill (H. R. 8123) authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Ore., having considered same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

On page 1, line 3, strike out "section 2 of this act" and insert in lieu thereof "such reservations and restrictions as may be necessary to protect the interests of the United States."

On page 2, beginning with line 1, strike out through the end of the bill.

EXPLANATION OF THE BILL

The bill authorizes and directs the Administrator of General Services, subject to such reservations and restrictions as may be necessary to protect the interests of the United States, to quitclaim to the city of Roseburg, Ore., all right, title, and interest of the United States to 163 acres of land situated within the Veterans' Administration hospital reservation at Roseburg, Ore., the exact legal description of which shall be determined by the Administrator of General Services.

In 1932 the city of Roseburg donated to the United States a tract of 413.7 acres of land and the State of Oregon donated a tract of 40 acres on which the Veterans' Administration constructed a hospital which is presently operating as a 670-bed neuropsychiatric hospital. Following a study of land requirements, several tracts of this land were declared excess to the needs of the Veterans' Administration to the General Services Administration. This bill relates to 163 acres of the tract, 123.43 acres of which were declared excess on April 15, 1955, and 38 acres of which were declared excess on October 28, 1955. Included in the report of excess for the 123.43-acre tract were 2 buildings constructed in 1943 at a cost of \$790 which were used by the hospital as a farrowing house and a feed granary.

In a letter regarding this bill written to the chairman of your committee, Hon. WAYNE MORSE, United States Senator from Oregon, stated that the bill as passed by the House was more restrictive than necessary under

the circumstances, and proposed that it be amended to provide for conveyance of the 163-acre tract by quitclaim deed rather than by the limited type of conveyance authorized in the House bill. He wrote as follows:

"In the instant case, section 2 of H. R. 8123 provides that the land to be reconveyed shall be used for park purposes with a reversion in case such use should cease, and there is also a reservation of mineral rights. Such a conveyance, if authorized and carried out, would involve something less than a fee title. It is my personal opinion that, since the United States has declared the 163 acres as excess to the needs of the Veterans' Administration and since there is no objection on the part of any Government agency to a reconveyance of the 163 acres to the city for park purposes, the Government should be willing to do as it has done in other cases without violating the Morse formula, namely, quitclaim the 163 acres to the city of Roseburg without condition or restriction.

"For the foregoing reasons I respectfully suggest to the committee that H. R. 8123 be amended so as to provide for the conveyance of the desired tract to the city of Roseburg by quitclaim deed rather than under the limited and restrictive type of conveyance that would be authorized in the House bill. An amendment along the lines I have suggested would appear to me to be consonant with fair play and more in line with the intention of the parties when the original conveyance was made to the United States in 1932."

With respect to the two buildings that have been erected on the tract in 1943 at a cost of \$790, Senator MORSE wrote:

"I am informed that these buildings have little or no salvage value at the present time and that, in fact, it would cost the Government money to attempt to dispose of these buildings as separate pieces of property. In such cases the Morse formula has no application."

AMENDMENTS

In view of the explanation given your committee by the senior Senator from Oregon, in this letter quoted above, H. R. 8123 has been amended by the unanimous action of the committee so as to authorize the Administrator of General Services to make the conveyance subject only to "such reservations and restrictions as may be necessary to protect the interests of the United States."

The letter from Senator Morse to the chairman of your committee follows:

UNITED STATES SENATE,

COMMITTEE ON FOREIGN RELATIONS,

May 21, 1956.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, United States Senate,
Washington, D. C.

MY DEAR SENATOR HILL: I appreciated very much the courtesy of your letter of May 14 relative to the bill H. R. 8123, an act of authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Ore.

At the outset I want you to know that in my opinion your interest in ascertaining whether the Morse formula is applicable to this bill constitutes another example of your devotion to the general public interest. Your desire to make certain that the United States receives any compensation to which it is rightfully entitled in these land-transfer cases is to be highly commended.

As you know, the Morse formula is not incorporated in a specific provision of Federal law, but is a rule of compensation that I have applied in the Senate for many years in order to assure that the people of the United States receive what is rightfully due them in cases wherein legislative proposals call for gratuitous transfer of federally owned property that has been declared surplus to the needs of the Government.

The Morse formula came into being shortly after World War II as the result of a study

made by a subcommittee of the Senate Armed Services Committee consisting of Senators BYRD, SALTONSTALL, and myself. The subcommittee had been given the job of analyzing problems relative to the disposal of surplus military property and during the course of its studies the members became concerned about the number of bills which were introduced in both the Senate and the House to bring about free transfers of large quantities of valuable military property. We discovered that millions of dollars of Government property was being given away under what was really a grab-bag program and it was our conclusion that the Government was entitled to fair and reasonable compensation for these property transfers. We also agreed that such compensation should be based on a formula to be applied uniformly in all cases.

We did not claim that our formula was scientific and precise, but we were satisfied that it was reasonable and based on commonsense. So far as compensation for military property was concerned, the formula required States and their governmental subdivisions to pay the United States the appraised fair market value—100 cents on the dollar—for property designed for nonpublic use, and one-half of that amount for property acquired for public uses such as parks and recreational areas. The formula was soon extended to all other surplus property of the Federal Government covered by any private disposal bill.

I am satisfied that you are correct in your conclusion that the application of the formula has saved millions of dollars for the taxpayers of the United States. Furthermore, these savings continue to accrue, because most committees of the Senate now check carefully to make sure that proposed land transfer bills reported to the Senate comply strictly with the formula.

As suggested in your letter, I have analyzed the bill H. R. 8123 and House Report No. 1968 thereon. In my opinion the element that is of primary importance is found in the following language appearing at page 2 of House Report No. 1968:

"In 1932 the city of Roseburg donated to the United States a tract of 413.7 acres of land and the State of Oregon donated a tract of 40 acres on which the Veterans' Administration subsequently constructed a hospital * * *."

The foregoing quotation as well as information supplied by the General Services Administration demonstrate clearly that the 453.7 acres of land comprising of the Roseburg Veterans' Hospital Reserve were originally donated to the United States by the city of Roseburg (413.7 acres) and the State of Oregon (40 acres).

If the Federal Government had purchased the land in the first instance, the Morse formula would have been applicable and the payment of 50 percent of the fair appraised market value by the city would have been a proper requirement in a bill proposing a transfer of any portion of such land to the city for public purposes.

However, in cases such as this, where the land was acquired by the Government through donation, and its original donor seeks a reconveyance of a portion of the donated land, in unimproved condition, the Morse formula is inapplicable. The reason for this conclusion becomes apparent when we analyze the obvious intentions of the parties to the original transfer. When the city of Roseburg donated 413.7 acres of land to the United States in 1932, the understanding of the city and Government officials, either express or implied, was that the land would be dedicated to the United States as the site of a veterans hospital. It is true that the original conveyance was made to the United States without condition or provision for reversion, but if the appropriate agency of the United States decides that it would be fair and proper to return any por-

tion of the land to an original donor, the Morse formula would not prevent the United States from making a land transfer that in its essence represents fair play and equity. This same principle was applied upon almost identical facts in connection with the bill, S. 1585, of the 84th Congress.

In S. 1585 the proposed legislation sought to authorize a return of certain Veterans' Administration lands to the city of Hartford, Vt. As in the Roseburg case, Hartford had donated a large tract of land to the United States to be used as the site of a veterans' hospital. Fifty-three acres of the Hartford veterans' hospital land, comprising part of the original tract, were declared in excess of the needs of the Veterans' Administration and were turned over to the General Services Administration for disposal as surplus.

On the floor of the Senate I pointed out that there could be no objection, from the standpoint of the Morse formula, to the bill S. 1585 authorizing the United States to quitclaim to Hartford all the right, title and interest of the United States to the portion of the land originally donated to the United States by the town. At the time the bill passed the Senate I stated:

"There is no doubt about the fact that the town of Hartford, Vt., dedicated this property to the United States Government as a site for a veterans' hospital.

"There is no question about the fact that it was their intention that only so much of the land as would be needed by the United States Government for hospital purposes was to be given to the United States Government * * *."

"I am satisfied, Mr. President, that this bill conforms to the spirit and intent of the Morse formula and I shall not raise an objection to it."

In a number of other cases involving proposed reconveyances of land donated to the United States I have applied the same principle.

In the instant case, section 2 of H. R. 8123 provides that the land to be reconveyed shall be used for park purposes with a reversion in case such use should cease and there is also a reservation of mineral rights. Such a conveyance, if authorized and carried out, would involve something less than a fee title. It is my personal opinion that since the United States has declared the 163 acres as excess to the needs of the Veterans' Administration and since there is no objection on the part of any Government agency to a reconveyance of the 163 acres to the city for park purposes, the Government should be willing to do as it has done in other cases without violating the Morse formula, namely, quitclaim the 163 acres to the city of Roseburg without condition or reservation.

For the foregoing reasons I respectfully suggest to the committee that H. R. 8123, be amended so as to provide for the reconveyance of the desired tract to the city of Roseburg by quitclaim deed rather than under the limited and restrictive type of conveyance that would be authorized in the House bill. An amendment along the lines I have suggested would appear to me to be consonant with fair play and more in line with the intention of the parties when the original conveyance was made to the United States in 1932.

House Report No. 1968 refers to the fact that 2 buildings located on the tract described in H. R. 8123 were erected in 1943 at a cost of \$790 and were utilized by the veterans' hospital as a farrowing house and feed granary. I am informed that these buildings have little or no salvage value at the present time and that in fact, it would cost the Government money to attempt to dispose of these buildings as separate pieces of property. In such cases the Morse formula has no application.

If you or other members of the Senate Committee on Labor and Public Welfare have

additional questions, I shall be pleased to discuss them at your convenience.

With warm personal regards,
Sincerely,

WAYNE MORSE.

The reports of the Veterans' Administration, the General Services Administration, and the Bureau of the Budget follow:

VETERANS' ADMINISTRATION,
Washington, D. C., May 2, 1956.

HON. LISTER HILL,
Chairman, Committee on Labor and
Public Welfare,
United States Senate,
Washington, D. C.

DEAR SENATOR HILL: Further reference is made to your letter of April 19, 1956, requesting a report by the Veterans' Administration relative to H. R. 8123, 84th Congress, an act authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Oreg., which bill passed the House of Representatives on April 16, 1956.

The bill proposes to authorize and direct the Administrator of General Services to convey to the city of Roseburg, Oreg., all right, title, and interest of the United States in and to a tract of approximately 163 acres of land situated in the reservation of the Veterans' Administration Hospital, Roseburg, Oreg. The bill provides that the exact legal description of the land to be conveyed shall be determined by the Administrator. Section 2 states that the deed of conveyance (1) shall provide that the land shall be used for park purposes and shall be available for recreational use by the patients of the mentioned hospital under the same conditions as it may be made available to the public, and if it ceases to be used for park purposes, title thereto shall revert to the United States which shall have immediate right of reentry thereon; (2) shall reserve to the United States all mineral rights, including gas and oil, in the land; and (3) may contain such additional terms, conditions, reservations, and restrictions as may be determined by the Administrator to be necessary to protect the interests of the United States.

In 1932, the city of Roseburg, Oreg., donated to the United States a tract of approximately 413.7 acres of land lying north of the South Umpqua River, near Roseburg, Oreg., and the State of Oregon donated a tract of 40 acres of land lying immediately south of that river. The Veterans' Administration subsequently constructed a hospital on the land, which it is presently operating as a 670-bed hospital with a preponderance of neuropsychiatric patients.

Following studies of the land requirements at the Roseburg hospital, it was determined that several tracts of land of the hospital reservation were in excess of the present and foreseeable future requirements of the hospital. As a result, those tracts were declared to the General Services Administration, under dates of April 15, 1955, and October 28, 1955, as excess to the needs of the Veterans' Administration. H. R. 8123 is concerned with a 124.43-acre tract of land which was declared as excess to our needs on April 15, 1955, and a contiguous tract of approximately 38 acres which was declared as excess on October 28, 1955. Included in the report of excess for the 124-acre tract were 2 buildings located thereon. These buildings were erected in 1943 at a cost of \$790 and were utilized by the hospital as a farrowing house and feed granary.

By letter dated January 3, 1955, the mayor and the city manager of Roseburg, Oreg., advised this agency that in the event the 124-acre tract was found to be excess to the needs of the Veterans' Administration, the city intended to make application to the General Services Administration to acquire it, for park and recreational purposes, pursuant to a provision of law under which the city would pay 50 percent of the fair

value of the property based on its highest and best use at the time it is offered for disposal. Accompanying the letter of the mentioned officials was a letter from the Douglas County Realty Board indicating that in the opinion of 3 named realty appraisers a reasonable value of the land, for recreational purposes, is \$100 per acre, or a total of \$12,500. The mayor and city manager indicated the willingness of the city to pay 50 percent of that price. It is understood that following the declaration of this property as excess, the city filed an application with the General Services Administration to acquire the property for use for public park and recreational purposes.

The Veterans' Administration has been advised by the General Services Administration that both the 124- and 38-acre tracts in question have been screened against the needs of Federal agencies and determined to be surplus to the needs of the Government. We have informally learned that the General Services Administration appraised the 124-acre tract at approximately \$40,000, and that following this appraisal the request by the city of Roseburg to acquire this property was withdrawn. We are not informed whether the General Services Administration has appraised the 38-acre tract.

In view of the fact that the land in question is presently under the jurisdiction and control of the Administrator of General Services and since the bill provides for the conveyance of the land by him, it is assumed that your committee will secure his comments relative to the proposal.

The reports of excess to the General Services Administration covering both the 125- and 38-acre tracts contained a condition requiring the transferee to relocate the existing boundary fences along the new boundary of the hospital reservation. As a matter of information, if the bill is enacted, the Veterans' Administration will attempt to have such a requirement incorporated in the deed, pursuant to subsection 2 (3) of the bill.

It is believed that the transfer of the acreage in question to the city of Roseburg, Oreg., under the terms and conditions set forth in the bill, and its use for park purposes, would not interfere with the present or prospective operation of the nearby Veterans' Administration hospital. Accordingly, the Veterans' Administration would interpose no objection to the favorable consideration of H. R. 8123 by your committee.

Advice was received from the Bureau of the Budget with respect to a similar report on this bill to the House Committee on Veterans' Affairs that there would be no objection by that Office to the submission of the report to the committee.

Sincerely yours,

H. V. HIGLEY,
Administrator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 2, 1956.

HON. LISTER HILL,
Chairman, Committee on Labor and
Public Welfare, United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge your letter of April 19, 1956, requesting the views of this Office on H. R. 8123, an act authorizing the Administrator of General Services to convey certain property of the United States to the city of Roseburg, Oreg.

The purpose of H. R. 8123 is to convey to the city of Roseburg, Oreg., all right, title, and interest of the United States in and to a tract of land containing approximately 163 acres, which is now a part of the Veterans' Administration hospital reservation, Roseburg, Oreg. The bill stipulates that the deed of conveyance shall provide that the land be used for park purposes and be available for recreational use by patients of the

hospital with reversion of title to the United States if it ceases to be used for park purposes. The bill also reserves to the United States mineral rights, including gas and oil, and provides that the deed of conveyance may contain such additional conditions, terms, reservations, and restrictions as may be necessary to protect the interests of the United States.

The lands which comprise the Veterans' Administration hospital reservation at Roseburg, Oreg., were donated in 1932 to the United States by the city of Roseburg and the State of Oregon. The portion now proposed for conveyance to the city has been determined to be surplus to the needs of the Federal Government.

Under the circumstances, the Bureau of the Budget would have no objection to the enactment of H. R. 8123.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant to the Director.

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., March 28, 1956.
Re H. R. 8123

HON. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: Further reference is made to your letter of February 21 requesting the views of this agency regarding H. R. 8123 providing for the conveyance of certain lands to the city of Roseburg, Oreg.

The bill directs the Administrator of Veterans' Affairs to convey to the city of Roseburg (without consideration) 125 acres, more or less, situated in the Veterans' Administration hospital reservation in that city. Further, the bill requires that the deed (1) shall provide that the land shall be used for park purposes and shall be available for recreational use by the patients of the hospital under the same conditions as it may be made available to the public, and if it ceases to be used for park purposes title should revert to the United States which shall have immediate right of reentry; (2) shall reserve to the United States all mineral rights, including gas and oil; and (3) may contain such additional terms, conditions, reservations, and restrictions as may be determined by the Administrator to be necessary to protect the interests of the United States.

The Veterans' Administration has reported that the property described in the bill was acquired by donation from the city of Roseburg, Oreg., in 1932.

The Federal Property and Administrative Services Act of 1949 and regulations issued pursuant thereto, in conjunction with section 13 (h) of the Surplus Property Act of 1944, which was continued in effect by the former act, prescribe detailed and permanent procedures for the conveyance of surplus Federal realty to State and local governments for public park and public recreational use. These laws require (1) payment by the grantee of 50 percent of the fair value of the property conveyed, based on the highest and best use of the property at the time it is offered for disposal; (2) use and maintenance of the property for the purpose for which it was conveyed for not less than 20 years; (3) reverter of the property to the United States upon cessation of use for such purpose during such period. Determination and enforcement of compliance with the terms, conditions, reservations, and restrictions of such conveyances is made the responsibility of the Secretary of the Interior.

The city of Roseburg in June 1955, acting pursuant to procedures established by this agency under said laws, applied for the property referred to in the bill for park and recreational use. An appraisal of the property, made by this agency after determina-

tion by the Department of the Interior that the land was suitable and desirable for park and recreational purposes, established the value of the land in the amount of \$38,750. The city of Roseburg was informed that transfer of the property would be made to it in consideration of the payment of the sum of \$19,375.

It is understood that funds in that amount were not available to the city of Roseburg, and, since the land was originally donated by it to the United States, H. R. 8123 was introduced to provide for a transfer without consideration.

It is a matter of policy for the Congress, of course, to determine whether on this record the general laws on the subject should be superseded by special legislation.

Since the land concerned has been reported as excess to and is held by this agency for disposal, it is suggested, if the bill receives favorable consideration, that it be amended to delete the references to the Administrator of Veterans' Affairs in the title and body thereof and to substitute therefore "Administrator of General Services."

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

FRANKLIN G. FLOETE,
Administrator.

THE PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ADJUSTMENT OF COMPENSATION UNDER CONTRACTS FOR CARRY- ING MAIL ON WATER ROUTES

MR. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2088, H. R. 4569.

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

THE LEGISLATIVE CLERK. A bill (H. R. 4569) to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes.

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

MR. CARLSON. Mr. President, reserving the right to object—and I shall certainly not object—because it is a bill which I believe should be passed, I wonder whether the chairman of the committee would be willing first to call up Calendar No. 2087, S. 1873. It also has the unanimous approval of both leaderships.

MR. JOHNSTON of South Carolina. It was felt by the leadership that that bill should be considered on Monday. We will be glad to bring it up at that time.

MR. PAYNE. Mr. President, after conferring with the Senator from South Carolina, I have no objection.

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

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

Mr. JOHNSTON of South Carolina. The bill has been discussed with the leadership, and has received the clearance. There is no opposition to it on either side. The bill would strike out the word "inland" in the present act relating to the carrying of mail.

The Postmaster General has advised us that he is running into a technical limitation in this regard, and he wishes the word "inland" stricken from the law.

Enactment of the bill will not cost anything. In all probability it will save a little money.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1957

The Senate resumed the consideration of the bill (H. R. 10899) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1957, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HOLLAND. 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. HOLLAND. Mr. President, the work on the bill this year has been a pleasant task. The committee has had no partisan differences of any kind with which to deal. I do not believe the Senate will find in this year's bill items which will tie us up for as many hours or in as long sessions as occurred last year. I hope that will prove to be the case.

The ranking minority member of the subcommittee which handled the bill, the distinguished senior Senator from Maine [Mrs. SMITH], is on the floor. She and all other members of the subcommittee have been most loyal and most attentive to the business of the committee.

I think the report reflects the united judgment of the subcommittee and of the full Appropriations Committee. I do not recall any difference of opinion arising in reporting the final draft of the bill, either from the subcommittee or from the full committee.

The total amount of funds for the Department of Commerce and related agencies covered by the bill, H. R. 10899, as reported to the Senate, is \$1,445,566,000, or almost one and one-half billion dollars. This is \$77,107,000 under the estimates for 1957, and \$33,432,500 under the appropriation for 1956. The Senate committee, however, has increased the amount in the House version of the bill by \$63,563,000.

Notwithstanding that substantial increase, however, the bill now is, as I have already stated \$77,107,000 under the 1957 estimates as they came to Congress from the President and the Bureau of the Budget.

The substantially greater part of the increase over the amount in the House bill is to be found in the ship-construction item, under "Maritime activities, Department of Commerce." The Senate committee has recommended a ship replacement and a replaced-ship acquisition program with an increase of \$54,080,000 over the \$54,800,000 provided in the House bill, making a total of \$108,880,000.

Of the total recommended by the Senate Committee on Appropriations, approximately \$1,250,000,000, or 86 percent, relates to 3 programs as follows:

Two hundred and two million, two hundred and twenty-six thousand dollars relates to the Civil Aeronautics Administration program. Two hundred and fifty-one million, two hundred and forty thousand dollars relates to maritime activities under the Department of Commerce. Seven hundred and ninety-nine million dollars relates to the highway program under the Department of Commerce. The total of those 3 items, as already stated, is more than \$1¼ billion.

I do not believe it will be necessary, unless a request is made by some Senator, to discuss all the amendments, some of which are of quite minor importance. Therefore, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be considered, for the purpose of amendment, as original text; provided, however, that no point of order against any amendment shall be deemed to have been waived by the adoption of the unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Commerce—general administration," on page 2, at the beginning of line 6, to strike out "\$2,425,000" and insert "\$2,465,000," and in the same line, after the amendment just above stated, to insert a colon and the following proviso: "Provided, That the certificate of the Secretary shall be sufficient voucher for the expenditure of \$3,600 of this appropriation for such purposes as he may deem necessary."

Under the subhead "Bureau of the Census," on page 2, line 16, after the word "only," to strike out "\$7,413,000" and insert "\$7,475,000."

On page 3, line 1, after the word "appropriation," to strike out "\$1,750,000" and insert "\$2,100,000."

On page 3, after line 2, to strike out: "National housing inventory: For expenses necessary for conducting a survey of housing, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and compensation of Federal employees temporarily detailed for field work under this appropriation; \$1 million."

Under the subhead "Civil Aeronautics Administration," on page 4, at the beginning of line 15, to strike out "90" and insert "one hundred and ten"; and in line 19, after the word "snowshoes," to strike out "\$125,000,000" and insert "\$128,608,000."

On page 5, line 12, after the word "appropriation," to strike out "\$37,500,000" and insert "\$40 million."

Under the subhead "Civil Aeronautics Board," on page 7, line 2, after the word "aircraft," to strike out "\$4,550,000" and insert "\$4,700,000."

On page 7, line 8, after the numerals "1953," to strike out "\$15,000,000" and insert "\$17,400,000."

Under the subhead "Coast and Geodetic Survey," on page 8, line 6, after the word "law," to strike out "\$10,800,000" and insert "\$11,020,000."

On page 8, at the beginning of line 16, to strike out "\$3,400,000" and insert "\$3,700,000."

Under the subhead "Business and Defense Services Administration," on page 8, line 23, to strike out "\$7,200,000" and insert "\$6,900,000."

Under the subhead "Office of Business Economics," on page 9, line 7, after the word "Economics," to strike out "\$1,000,000" and insert "\$900,000."

Under the subhead "Maritime Activities," on page 9, line 18, after "(46 U. S. C. 1154)," to strike out "for reconditioning and betterment of one ship in the national defense reserve fleet"; on page 10, line 2, after the word "equipment," to strike out "\$54,800,000" and insert "\$108,880,000"; and in line 6, after the word "exceed," to strike out "\$1,000,000" and insert "\$1,232,000."

On page 11, line 22, after the words "two thousand," to insert "and seventy-five."

On page 12, line 3, after the word "Administration," to strike out "\$15,187,000" and insert "\$15,500,000."

On page 12, line 9, after the word "only," to strike out "\$6,482,300" and insert "\$6,600,000."

On page 12, line 11, after the word "warehouses," to strike out "\$1,455,000" and insert "\$1,650,000."

On page 17, after line 2, to insert: "Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed \$14,000 shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947)."

Under the subhead "National Bureau of Standards," on page 22, after line 14, to insert:

"Construction of facilities: For acquisition of necessary land and to initiate the design of the facilities to be constructed thereon for the National Bureau of Standards outside of the District of Columbia to remain available until expended, \$930,000, to be transferred to the General Services Administration."

Under the heading "Title II—The Panama Canal—Panama Canal Company," on page 25, line 22, after the word "exceed," to strike out "\$3,562,100" and insert "\$3,679,000"; on page 26, at the beginning of line 6, to strike out "eighteen" and insert "thirty-one," and in the same line, after the word "vehicles," to insert "of which eighteen are."

Under the heading "Title III—Independent Agencies—St. Lawrence Seaway Development Corporation," on page 29, line 13, after the word "exceed," to strike out "\$315,000" and insert "\$325,000"; in line 15, after the word "basis," to insert "including not to exceed \$1,500 for official entertainment expenses, to be expended upon the approval or authority of the Administrator"; and in line 22, after the word "exceed," to strike out "three" and insert "four."

Under the subhead "Small Business Administration," on page 30, line 6, after the word "vehicles", to strike out "\$1,890,000" and insert "\$1,900,000"; and at the beginning of line 8, to strike out "\$4,610,000" and insert "\$4,634,000."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, the committee has prepared and is having circulated for the convenience of Senators who are present a clearer and easier-to-follow copy of the tables which are to be found in the back of the committee report, covering the various items in the bill and showing the differences between the amounts contained in the fiscal year 1956 appropriations, the budget requests for fiscal year 1957, the House bill, and the Senate bill.

There is one amendment which the ranking minority member of the subcommittee, the Senator from Maine [Mrs. SMITH], and I have agreed upon, and in which we are joined by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Alabama [Mr. SPARKMAN]. The amendment has to do with the appropriation for a national intercensal survey of housing. I offer the amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 3, between lines 9 and 10, it is proposed to insert a new paragraph, as follows:

National Intercensal Survey of Housing: For expenses necessary for conducting a national intercensal survey of housing, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended, and compensation of Federal employees temporarily detailed for field work under this appropriation, \$650,000.

Mr. HOLLAND. Mr. President, in explanation of the item, I may say, first, that the last housing survey was made at the time of the decennial census of 1950. Since that time, as every Senator knows, there has been an immense amount of housing construction in the Nation. The Senate has been advised, and the budget reflects this thought, that it would be highly advantageous to have down-to-the-minute information as to the progress of housing and as to the principal problems confronting the housing construction industry.

The Senate committee deleted the whole item from the bill. Because of this action by the full committee, I think this explanation should be made. The original amount contained in the budget was \$1,800,000 for this purpose. The House granted \$1 million, striking \$800,000. The justifications for the request for restoration and the appearance of the witnesses from the Bureau of the Census before our subcommittee did not clearly reflect the fact that while this item was to take care of some special intercensal housing surveys in various cities, it also was intended to cover, by a sampling of about 2 percent, the national picture. When that information became clear to the members of the subcommittee, after the action of the

full committee, we felt it was thoroughly logical for us to suggest the proposed amendment, remembering that last year our committee had recommended \$500,000 for the same purpose, and it had been approved by the Senate, although it was lost in conference.

The proposed amendment allocates \$650,000 for a national intercensal housing survey, which will be predicated on a 2 percent sampling of housing throughout the Nation—in every city, town, and in the rural areas as well. When we found that the \$650,000 covered such an item, although the hearings did not clearly bring that out, and when we found that a truly national service could be rendered, we felt it should be rendered; and we have therefore offered the amendment.

Under the presentation made, we had understood it was simply for the building up of information in a relatively few cities, and we felt it was not justified to build up a partial picture of that kind.

I am sure I speak for the four Senators who are sponsors of the amendment, but if there are any questions, I shall be glad to try to answer them.

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

Mr. HOLLAND. I yield.

Mr. DIRKSEN. There was a request for a more limited housing survey, embracing, I believe, \$175,000 before another subcommittee. The subcommittee was trying to take care of a housing inventory, but it deferred to the Commerce subcommittee for whatever action it might take in that field, in the belief that there should be a survey. I am glad an agreement was reached, for, as we spend more money in the housing field and enlarge the number of Federal units, certainly the more worthwhile a housing inventory becomes, and I think it will be profitable for all concerned. That statement applies to those dealing with materials, those making contracts, and everybody else who may be interested.

Mr. HOLLAND. I thank the Senator. I fully agree with his comments, particularly since I know he will recall that when the full committee passed on the item, it was understood clearly, upon the facts then available, that the survey did not propose collection of data at this time on a truly national scale. The committee was regretful that it did not cover such an item, as we understood it, and so the item was acted upon unfavorably under a misapprehension as to what it covered. Actually, it covered this particular survey along with other items which the committee did not pass, but I believe the item of \$650,000 will fill a truly national need.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. PAYNE. Mr. President, I send to the desk an amendment and ask to have it stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 8, line 23, it is proposed to strike out "\$6,900,000" and insert in lieu thereof "\$7,500,000."

Mr. PAYNE. Mr. President, the purpose of the amendment proposing an increase of \$600,000 is to provide funds to the Business and Defense Services Administration, so that it can undertake the construction-statistics program as originally proposed in the budget.

Some of the greatest needs today for information about the economy have to do with the largest sectors. The construction industry, for example, is today about a \$60 billion industry, or about 15 percent of our total economy. It is essential that we know what is happening in this big industry, or else decisions taken by the administration and by the Congress will not be on a firm foundation.

The construction industry, the Department of Commerce, and the Joint Committee on the Economic Report have all, at various times, attested to the vital need for a substantially expanded construction-statistics program. The \$600,000 requested for this program of construction statistics would, I am assured, overcome most of the major deficiencies that everyone seems to agree are present. The proposed program would overcome the deficiencies in new construction estimates, which I understand are about 50 percent guesswork. It would measure, for the first time by reliable methods, the volume of expenditures for alteration, maintenance, and repair work. Finally, it would provide information on the kinds and volume of materials used in construction. All of this information is urgently needed by the Government in its current policy decisions and in its defense and mobilization programs. It is needed equally by industry for its market research planning and in its investment decisions.

The need for having this kind of information has been attested to on many occasions by leaders in industry and officials in the Government. Decisions that we in the Congress must make depend in many ways on the accuracy of the facts we have about the construction industry.

The Department of Commerce has tried to secure funds for this work on several occasions. Last year the Senate approved \$600,000 for this program. The House of Representatives disallowed the request in total, and no funds were approved by the conference committee.

This year the House approved \$350,000 of the \$600,000 requested by the Department. The bill before the Senate provides no funds for this program. I am sure that the decision made by the Senate last year to appropriate \$600,000 for this activity was the right decision then, and is still the right decision now.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter under date of May 9, 1956, submitted to the chairman of the subcommittee, by my distinguished friend, the Senator from Florida [Mr. HOLLAND], which appears on page 535 of the hearings.

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

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON THE
ECONOMIC REPORT,
May 9, 1956.

HON. SPESARD L. HOLLAND,
Chairman, Subcommittee on Department of Commerce and Related Agencies, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: I am writing to express my interest and the interest of the Joint Committee on the Economic Report in certain statistical programs included in the budget request for the Department of Commerce for the fiscal year 1957.

Statistical data are essential in appraising the welfare of the economy and in determining economic policy. Because of this, the Joint Committee has been increasingly concerned with the adequacy and accuracy of the data upon which it must rely. Through hearings, studies, and reports it has attempted to determine how adequate our present statistics are for the important purposes for which they are used, and many of the increases included for statistical programs in 1957 have resulted from the committee's studies and recommendations during the past 2 years.

In its report on the 1956 Economic Report of the President (S. Rept. No. 1606, p. 6) the Joint Economic Committee stated:

"We urge the Congress to give strong support to the proposals in the current budget for additional funds for improving our sources of economic intelligence. In the long run, such expenditures to enable early and correct diagnosis of imbalances will make a greater contribution to our economic stability and growth per dollar spent than the much larger sums needed to correct difficulties discovered only after they have become large and menacing."

We are pleased that many of the basic improvements needed have been passed by the House for the 1957 appropriations. I am concerned, however, that there are still a few places in the bill which the House passed that need strengthening if we are not to impair the statistical program proposed for 1957. Most of these instances are in programs to be conducted by the Department of Commerce, as follows:

(1) In the Office of Business Economics, the 1957 appropriation request was \$1,200,000—an increase of \$240,000 over the amount available in 1956. This increase was to provide for four projects of direct concern to the Joint Economic Committee—improving and remedying present inadequacies in (a) estimates of consumer expenditures in the national income and product accounts; (b) estimates of manufacturers' inventories; (c) estimates of expenditures for plant and equipment; and (d) estimates of changes in the business population. The House allowed only \$40,000 of this \$240,000 increase, which would be insufficient to bring about the immediate improvements which we have recommended in these areas.

(2) In the business and Defense Services Administration, the 1957 request included an increase of \$600,000 for construction statistics; and the House reduced this amount to \$350,000. This is a great improvement over any previous bill but since the present data for measuring changes in this significant economic activity are particularly weak, I hope it will be possible to provide the full amount necessary to remedy the major existing inadequacies. The Joint Economic Committee was unanimous in its support of this last year when we stated in Senate Report No. 1309 (p. 2):

"... One of the most important forces in our current prosperity has been the con-

tinued high level of construction. In any appraisal of the economic outlook it is essential to know as much as possible about the health of this industry. * * *

(3) Of particular interest to the Joint Economic Committee, too, is the request in the item for the Bureau of the Census for \$82,800 for monthly estimates of retail inventories, as recommended by the Subcommittee on Economic Statistics. The reduction of the request of the Census Bureau from \$1,800,000 to \$1 million for the National Housing Inventory would drastically curtail the amount of local area data which could be obtained from the survey, seriously limiting the usefulness of the information. The national data which could be obtained with the \$1 million are greatly needed, but so also are indications of the variations in the housing supply in different areas, which would require additional funds.

On behalf of the Joint Committee on the Economic Report, and of its Subcommittee on Economic Statistics, on which I have served since its founding 2 years ago, I sincerely hope that the Senate Committee on Appropriations may restore funds for as many of these programs as possible.

Sincerely yours,

JOHN SPARKMAN,
Subcommittee on Economic Statistics.

Mr. PAYNE. Mr. President, I asked to have the letter printed in the RECORD because the Senator from Alabama [Mr. SPARKMAN], who is the chairman of the subcommittee on housing of the Senate Banking and Currency Committee, and who is also active in the Select Committee on Small Business and the Joint Committee on the Economic Report, was very much interested in this particular proposal, and strongly supported it.

I also ask unanimous consent to have printed in the RECORD at this point an outline of what this particular program would accomplish; an editorial from the Washington Post and Times Herald of August 23, 1955, pertaining to the same subject matter; and, finally, an editorial appearing in Engineering News-Record of March 22, 1956, which further elaborates on this particular problem.

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

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

The Construction Statistics Program (\$600,000) will answer:

How much money is spent in new non-residential building? By State and local governments for schools, hospitals, sewer, and water projects, other public buildings. By public utilities for railroads and shops, powerplants, telephone exchanges, oil and gas pipelines. By private business and institutions for industrial plants, office buildings, stores, churches, schools, hospitals.

How much money is spent for alterations and repairs? By business, Government, and individuals on houses, stores, schools, public utilities, institutions.

How much material is used in industrial building? Lumber, cement, steel, bricks, copper, aluminum, glass.

ECONOMIC FACT FINDERS

Congress this year wisely reversed a trend and voted an increase in appropriations for improving the Government's economic statistics, the essential tools of all persons concerned with private or public economic programs and planning. President Eisenhower asked for an increase of \$4,722,000 for a "Government-wide effort to improve statistics in those areas where our work has been handi-

capped by incomplete information." Congress did not go all the way but did vote an increase of \$2,616,000 for current economic statistical programs. In view of the record of recent years, when severe reductions in the programs were voted, this year's record is encouraging. Two years ago, for example, Congress held up the appropriations for the census of manufactures, the census of business, the census of transportation and the census of mineral industries.

There was one major deficiency this year which Congress next year should correct. It is most unfortunate that funds were not provided for improving statistics on construction. As Representative BOLLING, chairman of the Economic Statistics Subcommittee of the Joint Committee on the Economic Report, said, "One of the most important forces in our current prosperity has been the continued high level of construction. In any appraisal of the economic outlook it is essential to know as much as possible about the health of this industry." Construction statistics lag too far behind the event to be of real value and reflect only substantial changes in construction activity.

This country has the most extensive and complete economic statistics of any country in the world. Their value to economists is enormous. Businessmen as well as Government officials rely on them in nearly all of their planning. Fortunately, under the leadership of the Joint Committee on the Economic Report there has been a much wider understanding in Congress of the necessity of improving them and keeping them constantly up to date. As John Maynard Keynes said in 1938, "I appeal to the Government in fervor of heart to lose no opportunity of adding to our knowledge of the essential facts and figures which alone can make the workings of the economic system intelligible."

WRITE YOUR CONGRESSMAN

A \$600,000 budget request by the Department of Commerce to improve its statistical service to construction will soon come up for Congressional decision via hearings before the House Appropriations Subcommittee. From every possible viewpoint it should be approved. Construction is the Nation's largest, busiest industry. Its efficient functioning is essential to the health of the Nation's economy. Its statistical guides are far from adequate. And, finally, the funds requested are modest in amount.

Last year, when the same request was made, the Senate approved it but the House turned it down. Now, in this year of seriously increasing materials shortages, these improvements are even more vitally needed—and one of the purposes planned for the increased funds is to learn what quantities of materials are required by various types of construction. The other main need for the increased funds is to improve accuracy in sampling and estimating the total volume of construction on the one hand, and the total volume of repair, maintenance, alteration and improvement of existing structures on the other.

With widespread shortages of materials and equipment existing at the very beginning of this year's construction season, thoughtful construction men must entertain grave doubts that our national capacity to produce construction materials is adequate to supply even today's volume of new construction and repair. If this is so, what of tomorrow's even greater needs? Will construction volume bump into a ceiling set by materials shortages?

Certainly better facts than our present industry statistics give us are needed to solve this basic problem.

The present monthly and annual estimates of total construction work "put-in-place" were designed to measure construction's contribution to gross national product. They were a depression baby, and now

the formula used to convert contract dollars into "work-put-in-place" is out of date and does not reflect the much faster tempo of today's construction operations. This alone could cause the construction-volume-increase statistics to lag behind materials use or delivery needs. Some of the money requested of this Congress would be used to make field studies to update this work put-in-place formula.

Present estimated construction totals are obtained by projecting huge samplings by private agencies of contracts awarded or work started. This is done without benefit of a good measure of how much volume comes from big projects, how much from small ones. So some of the new money would be used to get construction cross-section samples in selected areas to obtain better knowledge of the mix of big, medium and small jobs.

Some of this money would also be used to get a good measure of repair-maintenance volume and its demands on basic materials and equipment supplies. This is now the weakest segment of the construction statistics service provided by the Government.

Construction has outgrown guesswork in measuring the adequacy of its basic supplies. And since construction contributes so much to our national economic health, it is decidedly risky to continue taking its pulse on inadequate stethoscopes or reading its temperature on a leaky thermometer.

But if you want good instruments for checking the health of your industry you will have to ask for them. Write your Congressman and ask him to support this \$600,000 appropriation request for the Department of Commerce, Business and Defense Services Administration.

Mr. PAYNE. Mr. President, I shall not take further time, but simply urge that the appropriation for this item be restored by the adoption of the amendment I have just proposed.

Mr. HOLLAND. Mr. President, I dislike very much to oppose the distinguished Senator's request, but this particular item was carefully considered by the subcommittee and the full committee. I think the action of the subcommittee and the full committee in granting a \$300,000 increase for this particular activity, Business and Defense Services Administration, and then in earmarking it for two necessitous activities, one of them \$50,000 for the National Inventors' Council, the other \$250,000 for area development, indicates that we did not act hastily and without deliberation on this item.

We felt that a \$300,000 increase in a budget of this size was very substantial. After having heard the testimony, we felt that the two most necessitous needs proposed by the very large increase of \$900,000 which the agency requested, were the two we provided for in our action.

The \$50,000 for the National Inventors' Council is important from the standpoint of the advancement of inventions and the use and further development of inventions for all purposes in the Nation, but especially for the national defense. Up to this time, the part of the budget for this use has been advanced by the Department of Defense, but it has asked that this year the budget of the agency which actually handles the work take over the expense. Frankly, we feel that Congress prefers to have activities financed in the appropriation bill for the particular agency which is to use the funds.

The \$250,000 for area development meets a need which last year was debated at some length on this floor, particularly by Senators from areas where development equal to that which has been had in other parts of the Nation in the postwar years had not been attained. The \$250,000 meets the need which the Senate itself recognized last year, after rather extensive debate on that subject.

So far as building statistics are concerned, we did not feel that additional provision for that work was necessary. I think it is even less necessary now, in view of the adoption by the Senate a few minutes ago of the amendment proposed by the Senator from Maine, the Senator from Alabama, the Senator from Illinois, and myself, which amendment provides \$650,000 for a national intercensal housing survey. Of course, housing is a very large part of the construction industry.

So I hope my distinguished friend from Maine will not insist upon this item. If he feels that some recognition of this need should be made in this bill, I remind him that we shall have \$350,000 for this item in the conference between the Senate and the House of Representatives, and that that might well result in some funds for this purpose. If the conference does not make available any of the \$350,000, the supplemental appropriation bill now in the making should permit us to go into this field.

The present allocation of the funds added to the appropriation is the result of thinking and planning by the committee, and is the committee's view of the most necessitous needs covered by the very large increase requested by this particular agency.

So I hope the distinguished Senator from Maine will not insist upon his amendment at this time.

Mr. PAYNE. Mr. President, will the Senator from Florida yield to me?

The ACTING PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Maine?

Mr. HOLLAND. I yield.

Mr. PAYNE. My distinguished colleague has certainly touched upon about every facet of an analysis which could be undertaken, with one exception. The exception is the analysis and survey mentioned in this particular amendment, and having to do with construction-statistics programs.

I should like to set forth what some of these items are. Before doing so, let me say that subsequent to the action of the committee and the testimony which was placed before the committee in this regard, on Tuesday evening, as all of us well remember, this body sat in session until a late hour, in connection with its consideration of the highway construction bill. Further to emphasize the fact that there is great need for compiling up-to-the-minute statistics in the case of the construction industry, let me point out that the Senate on Tuesday evening passed the largest highway construction bill ever passed by this body. Undoubtedly that bill will be reported from conference in relatively the same shape in which it was when it was passed by the Senate. That measure will bring

about a further problem in connection with knowledge about the use of these materials.

Let me set forth some of the things a program of this type would make available. For instance, in the construction activity that is undertaken by State and local governments, the current statistics are entirely educated guesses at this time.

VISIT TO THE SENATE BY MEMBERS OF PARLIAMENTS OF CERTAIN NATO COUNTRIES

Mr. SMITH of New Jersey. Mr. President, will the Senator from Maine yield to me? Some distinguished visitors are waiting to enter the Senate Chamber.

Mr. PAYNE. I do not have the floor. The Senator from Florida [Mr. HOLLAND] has the floor, and has yielded to me.

Mr. HOLLAND. Mr. President, I gladly yield for that purpose to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I regret to interrupt the debate by my distinguished colleagues on the amendment which is now pending; but I rise to a question of personal privilege, and to state that there are at the entrance to this Chamber, a group of distinguished visitors whom I wish to introduce to the Senate.

Let me say that the Department of State of our Government is sponsoring a project to bring to the United States, for a period of 30 days, a group of distinguished members of the parliaments of several North Atlantic Treaty Organization countries, so as to enable them to obtain accurate impressions and information, at first hand, about current economic, political, and military affairs in this country. In addition, in broader terms, it is hoped that their experiences will further develop the understanding of these visitors of the basic cultural and social values in present-day America.

Mr. President, these gentlemen are now entering the Senate Chamber, following their visit to the House of Representatives. I am happy to introduce them. All of them are members of the parliaments of their respective countries. I wish them to have the courtesy of the floor of the Senate for a few minutes, in order that they may see how the operations of the Senate are conducted.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum giving the names of these representatives and information concerning their present positions and professional background.

The ACTING PRESIDENT pro tempore. Is there objection?

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

BIOGRAPHIC INFORMATION FOR PARTICIPANT IN NATO LEADERS PROJECT: GROUP II (1956) (MEMBERS OF PARLIAMENT)

Mr. Henri Fayat: Brussels, Belgium.

Present position: Member of the Foreign Affairs, Foreign Commerce and Colonial Committees of the Chamber. Mr. Fayat is a lawyer and has served in the Cabinets of several Ministers, beginning in 1939. He is Secretary of the Belgian Section of the NATO

Parliamentary Association and a member of the Study Commission for European Problems, which is sponsored by the Belgian Government to study European integration.

Professional background: At the outbreak of World War II, Mr. Fayat was Secretary to the Minister of Public Works and later a legal attaché in the Cabinet of the Minister for Foreign Affairs of the Belgian Government in exile in London, becoming Chief of Cabinet in 1943. In 1944, he was Chief of Cabinet of the Minister of Agriculture with the same Government. Mr. Fayat was elected Socialist member of the Belgian Chamber of Representatives from Brussels in 1946. In 1947 he was political counselor of the Belgian delegation at the International Trade Organization conference at Habana, Cuba.

Mr. Fayat was a delegate to the sixth session of UNESCO in 1951 and was Belgian delegate to the Seventh United Nations General Assembly in New York in 1952.

Mr. Frank Enfield: York-Scarborough, Canada.

Present position: Mr. Enfield has been a Liberal Member of Parliament for York-Scarborough in the Toronto area since 1953.

Professional background: Mr. Enfield studied at the University of Toronto and Osgoode Hall (law college), receiving a law degree. He has since been a practicing lawyer.

In his parliamentary work, Mr. Enfield has specialized in economic problems of Canada and the interrelationship with the economy of the United States. He is also interested in atomic energy, defense research, the DEW line, and continental defense.

Mr. Erhard Villiam Jakobsen: 61 Amagerbrogade, Copenhagen S., Denmark.

Present position: In 1953, Mr. Jakobsen was elected as a Member of Parliament on the Social-Democratic ticket. From 1946 to the present, he has been a civil servant in the Assessment Department of the Ministry of Finance.

Professional background: Mr. Jakobsen was president of the Social-Democratic students movement, Frit Forum, from 1943 to 1951; and, before that, he was a member of local leading bodies in the labor movement.

Mr. Jakobsen has published numerous articles for trade-union periodicals on taxation, the main problems of democracy, State and trade unions, the Atlantic Pact, and various economic problems. In addition, he has lectured extensively to members of his party, as well as trade-union members, on these topics and has given several talks over the Danish State radio.

Other: In 1954, Mr. Jakobsen visited SHAPE and has made several trips to England, Switzerland, and Germany.

Mr. Percy Daines: 49 Finchley Road, East-cliffe, Hampshire, England.

Present position: Labor Member of the British Parliament for East Ham North.

Professional background: Mr. Daines joined the Labor Party 35 years ago and has been active politically during the whole of this time. He was elected to Parliament in 1945. He has done much constructive work on social insurance schemes and monopolies and has spoken often on these subjects in the House.

Mr. Daines speaks often in Parliament on foreign affairs. His main theme is Russian communism and he stresses the need for awareness of this problem and unity of purpose with the United States. For 1 year Mr. Daines was the Government whip in Parliament.

An active cooperator, Mr. Daines served for many years as director of a large distributive cooperative society. He was a local counselor for 6 years and chairman of many important committees. Mr. Daines also was an insurance worker and inspector for some time and has been a trade unionist from the age of 16.

Dr. André Colin: 15, Avenue de Breteuil, Paris 7^e, and Ploudalmezeau, Finistère.

Present position: Député, Département du Finistère and member of the Finance Committee of the Assembly.

Professional background: M. Colin served as secretary general and later president of the Association of Catholic French Youth; simultaneously, he was a professor of law at Lille. He was active in the resistance organizing youth groups and the Republican Liberation Movement, later known as the MRP. M. Colin served as secretary general of the MRP. As a member of the Consultative Assembly after the liberation of Paris, he headed the Youth Committee of the Assembly.

In 1946 he was elected to the National Assembly and reelected in 1951 and 1956. M. Colin also served as Secretary of State in the Bidault Cabinet in 1946, as Minister of Merchant Marine in the Queuille Cabinet in 1948, Secretary of State for Interior in the cabinets of Queuille, 1951, Faure, 1952, and Mayer in 1953.

Dr. Stefan Dittrich: Auf der Rast 7, Koetting, Germany.

Present position: Dr. Dittrich is a practicing lawyer and a Bundestag deputy. He is a member of the CDU/CSU Bundestag faction.

Professional background: From 1932 to 1945, Dr. Dittrich studied jurisprudence and international law at Munich and Wuerzburg universities, graduating with a doctor of laws degree.

Dr. Dittrich has served as assistant judge of lower court at Regensburg and judge of county court at Deggendorf, Bavaria.

Dr. Roland Seffrin: Memellandallee 18, Hamburg-Altona, Germany.

Present position: Dr. Seffrin is a Bundestag deputy and a member of the CDU/CSU Bundestag faction. He is also a high school teacher.

Professional background: From 1925 to 1929 Dr. Seffrin studied German philology, law, and folklore at Munich University. He studied sociology and geography at Hamburg University, graduating in 1938 with a doctor of philosophy degree. Dr. Seffrin has taught in various high schools in Germany and was a lecturer at the German Academy in Neusohl (Slovakia) from 1941 to 1945.

Other: Dr. Seffrin has published various works on literature, among them studies of Storm and Möllere. In 1938 he published *The Catholic Population in the State of Hamburg*. He has also published some geographical-historical pamphlets.

Dr. Seffrin has traveled in France, Denmark, Sweden, Yugoslavia, and Slovakia.

Dr. George Katsafados: 89 Patission Street, Athens, Greece.

Present position: Dr. Katsafados was elected Deputy to Parliament from Piraeus this year, as a member of the ERE (National Radical Union).

Professional background: In 1955-56, Dr. Katsafados was Under Secretary for Social Welfare. Since 1951, he has been the Greek Rally deputy from Piraeus and in 1950 was MEA (Kanellopoulos) party deputy. He has been a member of Parliament since 1930.

Dr. Katsafados received his doctor of medicine from the Medical School of the University of Athens and took courses in medicine at Paris under eminent professors.

Other: Dr. Katsafados is a member of several Greek and French medical societies and served twice in the Greek Army as a military surgeon. He is an officer of the French Legion of Honor and has been awarded several medals for his service during World War II. Dr. Katsafados has published several treatises on urology.

Mr. Paul Ingolf Ingebreetsen: Stavanger, Norway.

Present position: Member of the Norwegian Storting (Parliament) as Liberal representative from Rogaland Province. Mr. Ingebreetsen is vice chairman of the Storting's Finance and Customs Committee.

Professional background: In 1927 Mr. Ingebreetsen received his bachelor of laws. He was a civil servant, higher police official, and assistant judge in Ryfylke County from 1928 to 1930. Since 1947, he has been a tax official in Stavanger, a position from which he is on leave. He is a member of the Stavanger City Council and has been very active in communal affairs and on a number of civic and other committees. Mr. Ingebreetsen was chairman of the Stavanger Young Liberals from 1934 to 1936 and chairman of the Stavanger Liberal Party from 1947 to 1949. He was first elected to the Storting in 1949 and reelected in the subsequent elections in 1953.

Dr. Alberto Pacheco Jorge: Avenida Dr. Rodrigo Rodriguez, 25, Macau, Portugal.

Present position: Deputy from Macau to the National Assembly (Congress); lawyer; acting public notary; president of Macau branch, Portuguese Red Cross.

Professional background: Acting attorney general from Macau, most recently in 1954; vice president of Macau municipal council, 1941-49.

Other: Dr. Jorge is a graduate of the School of Law of the University of Lisbon, a member of the Rotary International and the National Union. He has traveled extensively, including England, France, Italy, Switzerland, Spain, and the Philippines.

Dr. Celestino Bernardo Marques Pereira: Avenida Almirante Reis, 227-5° D., Lisbon, Portugal.

Present position: Procurator of the Camara Corporativa (corresponding to the House of Representatives). Dr. Pereira is first teacher of the National Physical Education Institute, general inspector of physical education, general inspector of gymnastics in the Federacao Nacional da Alegria polo Trabalho, and director of the physical education services of Portuguese youth. He is a voting member of the National Education Organization and a voting member of the Technic Council of Physical Education of the General Director Education of Sports and School Health.

Professional background: Dr. Pereira was Director of the National Physical Education Institute of Portugal and has taught in army training schools. He was general director of the international stage of military physical training of the Military Council of Physical Training. He is a member of many organizations in Portugal having to do with physical education and athletic activities.

Other: Dr. Pereira has published many articles and books and has traveled widely, making official studies, in Spain, France, Belgium, Holland, Sweden, Denmark, Germany, Austria, and Italy. He has made official trips to Africa on service with the National Education Ministry.

Dr. Kasim Kufrevi: Agri, Turkey.

Present position: Member of Land National Assembly. At present Dr. Kufrevi is a member of the executive committees of the American-Turkish and the Anglo-Turkish parliamentary groups and is also a member of the executive committee of the Turkish group of the Interparliamentary Union.

Professional background: Dr. Kufrevi was elected deputy from the Province of Agri in 1950 as a member of the Democratic Party and was reelected from the same Province in 1954. He recently resigned from the Democratic Party, however, and his status is now that of an independent member of the National Assembly.

In 1943 Dr. Kufrevi was appointed assistant to the chair of Turkish literature, faculty of letters, Istanbul University, and lectured on Islamic mysticism until 1950. From 1942 to 1950 he served as a member of the redaction and editorial committee of the Turkish Encyclopedia of Islam and contributed to that publication a considerable number of articles on theology, mysticism, and literature. He is a member of the Turkish His-

torical Society and the Islamic Research Society of India.

Dr. Kufrevi participated in the Vienna and Helsinki Conferences of the Interparliamentary Union which took place in the summers of 1954 and 1955, respectively.

RECESS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that at this time the Senate take a brief recess, subject to the call of the Chair, in order that the Members of the Senate now present may greet these distinguished visitors.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming? The Chair hears none.

Without objection, it is so ordered.

The Acting President pro tempore wishes to join the distinguished Senator from New Jersey in welcoming these gentlemen, members of the parliaments of various nations, to the Senate of the United States.

The Senate will now stand in recess for 10 minutes, subject to the call of the Chair.

Thereupon, at 2 o'clock and 16 minutes, the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 2 o'clock and 26 minutes p. m., when called to order by the Acting President pro tempore [Mr. BIBLE].

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1957

The Senate resumed the consideration of the bill (H. R. 10899) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1957, and for other purposes.

Mr. PAYNE. Mr. President, at the time of the recess the Senator from Florida [Mr. HOLLAND] had the floor, and he had kindly yielded to me. I shall now proceed to conclude the statement I was making.

Mr. HOLLAND. Mr. President, I continue to yield to the Senator. As I recall, he was impressing us with the importance of the road building program. I think we are all pretty well impressed with the importance of that program. However, the Senator from Maine is presenting it in such a colorful, imaginative, and attractive way that I am glad to listen to him.

Mr. PAYNE. I thank the Senator from Florida.

In addition to the new construction activities undertaken by State and local governments, which I mentioned earlier, new public utility construction would also be considered. At the present time final figures are not available until 2 years after the construction has taken place.

With respect to residential alteration and repair expenditures on existing structures, current statistics are not available until 9 months after the construction, and are of questionable accuracy.

With regard to industrial and commercial alteration and repair expenditures on existing structures, current an-

nual statistics are merely educated guesses.

The proposed program, under the suggested increase of \$600,000, would yield completely new statistics—not statistics available at the present time, but new statistics—in the following areas, for which no current figures are available at all:

First. The quantities of material consumed in the construction of selected types of structures and facilities—that is, how much cement, steel, copper, lumber, plumbing fixtures, and other materials and products are used in construction.

This program is proposed as a 4-year cycle of statistics. The work this year would be largely on industrial and commercial building projects.

Second. The average pattern of progress experienced with respect to each category of construction from the date of the contract award to the date of final completion.

Moderate improvements are planned in the following areas:

First. Industrial, commercial, and institutional building. The improvements will be limited to large projects, which make up about 75 percent of the total. Improvements in the small project sector await the results of the methods research part of the proposed program.

Second. Seasonal patterns of construction activity, and the underlying causes thereof.

The reasons I have set forth, plus the fact that we shall be confronted with the need for up-to-the-minute information in connection with the massive highway construction program, which we hope will be set in motion by the beginning of next year, are compelling reasons why it should be possible for this amount of money to be made available in order that a survey of these statistics may be up to the minute, may be factual, and may be of value to the Congress and to the administration in evaluating each of the programs before the Congress.

I thank my colleague from Florida very much for his courtesy.

Mr. SPARKMAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. SPARKMAN. With reference to the amendment offered by the distinguished Senator from Maine [Mr. PAYNE], I should like to say I am glad to support it wholeheartedly. I agree with what the Senator from Maine has said. I do not know the extent to which the matter was presented to the committee, or what facts or information seeking to back it up were given to the committee. However, I certainly believe this is the time when we need this type of information. From time to time we read in the press about certain conditions which may not be bad, but which, at the same time, should give us warning and suggest that we be very careful. In many such instances we do not have the information we ought to have.

The amendment offered by the Senator from Maine would be very helpful if the information were provided at the time when it was usable, and not, as the Senator from Maine has pointed out, 2 or 3 years later, after its worthwhileness had passed.

I should like to call attention to the fact that last year the Bureau of the Budget submitted a request for this type of information, and the Senate voted funds. The House did not do so. In conference, the funds were eliminated. Therefore nothing was allowed last year.

This year we have the reverse situation. The House has allowed \$350,000 of a budget request of \$600,000. This year the Senate knocked out the funds it had allowed last year.

The Joint Economic Committee, in its report issued January 5, 1956, has this to say about the matter:

We find it most unfortunate that no funds were provided for improvement in construction statistics. One of the most important forces in our current prosperity has been the continued high level of construction. In any appraisal of the economic outlook it is essential to know as much as possible about the health of this industry. Failure to provide any of the requested improvements leaves us with inadequate and scattered data, which reflect only long term trend or the largest changes in construction activity.

That is the conclusion which has been arrived at by the joint committee under the able chairmanship of the distinguished Senator from Illinois [Mr. DOUGLAS] after a very careful study of the whole field. As a matter of fact, the joint committee is charged by Congress with the responsibility of making a continued study of the economic conditions of the country. One of the difficulties we encounter is not being able to get usable information at the time when it is worthwhile. That is what the amendment of the Senator from Maine would correct. I express the hope to the able chairman of the committee, the distinguished Senator from Florida [Mr. HOLLAND] that he will be willing to accept the amendment of the Senator from Maine.

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

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I agree with the Senator from Maine and the Senator from Alabama. One of the difficulties we have with current statistics on construction gathered from private sources is that, very frequently, they give contrary information.

In the recession of 1954—and it has been established now that it was a recession by the admission of the President's Economic Adviser, Mr. Burns—one private index moved in one direction, and other private index moved in the opposite direction. Therefore, there was no clear consensus as to what was happening.

I hope the chairman of the subcommittee, if he does not accept the amendment—which I hope he will—will have some feeling of compassion in dealing with the matter in conference with the House.

Mr. HOLLAND. Mr. President, I appreciate the eloquence of the three Senators. However, I suspect that if they had made their eloquence heard in committee, when the committee was conducting its hearings, there might well have been a different result.

The fact is that the committee conducted long and extensive hearings in

trying to balance off the needs of the agencies. We gave very generous treatment to the agencies. My original statement showed that we have stepped up the appropriations as they came to us from the House by \$63,563,000.

We came into the Senate this morning somewhat with bowed heads, fearful that we would be castigated for having been more generous with the agencies than were our friends at the other end of the Capitol.

Now we hear great advocates of economy finding some fault—not serious fault, but some little fault, at least—because we have not been generous enough.

I may say, in trying to reply in a general way to my three eminent colleagues, that, in the first place, this matter has nothing to do with the road building program, except indirectly. At most, it would show what the needs were for cement and structural steel and the like in the part of the construction industry not represented in the housing survey, which itself accounts for a great number of these activities in connection with apartment and hotel building, and the like.

The fact is that very intensive research is going on in the appropriate Federal agency and in the appropriate State agencies throughout the Nation, in the field of road construction.

With further reference to the points so ably made by the distinguished Senators, I recall that by action of the Senate, within the last hour, on the amendment jointly sponsored by two of my eminent friends, the Senator from Illinois and the Senator from Alabama, the Senate has generously added \$650,000 for the accumulation of housing statistics, all with knowledge of the fact that there was a very elaborately built program costing approximately \$18 million for a housing survey in 1950 at the time of the decennial census, and we are now supplementing it with the intercensal survey. Our distinguished friends are now asking for more money in this field, which, important as it is, has been found by the committee, after careful investigation to be not quite so demanding and important as the other objectives of which we have taken care.

There is \$350,000 additional in the bill as passed by the House for this item, which, by the way, is an extension because there is already an agency doing this work. That amount will be in conference. If my distinguished friends will reduce to writing their eloquent appeals, supplemented by the persuasive arguments we have heard today, there will be some hope of retaining some of those funds in the bill as finally passed. But I hope they will not expect us to put in a \$600,000 item for the expansion of the agency.

I see some gleams of sympathy and understanding in the eyes and upon the faces of my friends, which I hope indicate that they will be willing to do two things: First, to present this matter in writing so that we may have it in a complete form for the conference, and, second, if the conference agreement is not satisfactory to them, that they come

forward with additional requests in connection with the supplemental bill.

Mr. SPARKMAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, there are two things I wish to mention. First, let me say that I appreciate the remarks of the Senator from Florida, the chairman of the subcommittee.

I should like to say that all the money which is included in the amendment offered by the Senator from Maine would not represent an increase over what the House appropriated. The Senator from Florida brings out the point that the bill represents an increase of, I think he said, \$63 million over what the House appropriated, but in this particular item there is a cut from what the House appropriated.

Mr. HOLLAND. May I say that approximately \$63.6 million is a net figure.

Mr. SPARKMAN. But this item took a cut. It is true that the amendment offered by the Senator from Maine would exceed that cut, but, nevertheless, as it stands in the bill before us, there is a cut.

I wish to invite the attention of the Senator from Florida to the fact that I wrote a letter to the committee, speaking in behalf of the Joint Economic Committee, which will be found on page 535 of the hearings. I tried in that letter to present the matter as clearly as I could. I am sorry that another engagement on that day made it impossible for me to be present before the committee, but I believe my position was understood by the committee and my letter was accepted and placed in the record.

I hope that this proposal may receive not only careful consideration but most sympathetic consideration by the chairman.

Mr. HOLLAND. I thank my distinguished friend, and I wish I were in position to accept the amendment, but, as I stated in the beginning, the committee was unanimous in all its actions. There were a dozen or more requests for the extension of present activities of various agencies of the Department of Commerce. We granted such extensions in a good many cases. We are not wiping out an activity. We merely are declining another requested increase. We have given the requested increases to two kindred items which we thought were more important. We may have erred. But, at least, they were smaller items, and they were stated to be very important. I felt very keenly about financing at the place where the work is being done rather than to have the Defense Department transferring the money.

I am not in a position to accept the amendment. I should be very happy to study the position of the Senators prior to the conference. I am sure I speak for my fellow conferees in that statement, because none of us wants to do violence to a worthwhile objective; but, after all, if we had granted all the requests made, I am sure the Senate would not have been glad to see us come before it with our report today.

So I hope the Senator from Maine will withdraw his amendment, follow the two courses I have suggested, and be assured of the sympathy of the subcommittee.

By the way, Mr. President, his distinguished colleague the senior Senator from Maine [Mrs. SMITH] is the ranking Republican member of the subcommittee, and I am sure she is sympathetic to the request I have just made.

We shall do the best we can in conference, while at the same time doing justice to the other members of the committee. As Senators know, there are 23 Members of the Senate on the Appropriations Committee. There action was unanimous. Very few of those Senators are present today. To accept the amendment would be going back on the unanimous expressions of the members of the committee.

We shall be sympathetic with the request. I think there is merit in it, and we should like to work it out in conjunction with other problems which we shall have before us.

Mr. PAYNE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. PAYNE. I personally am sympathetic with the problems which the committee faces and which it has faced in connection with many matters before it. I have great respect for the chairman of the subcommittee. I know the committee has put an enormous amount of work into the entire bill and into every request which has been made for funds. I understand full well that the chairman does not feel, in view of the action taken, that he can accept the amendment which was offered.

If the amendment is rejected by the Senate, it is my sincere hope, as I believe the chairman assured us earlier, that this question can be taken up in connection with the supplemental appropriation bill which will pertain to an activity of this type and will be given the consideration which it seems rightfully to deserve.

Mr. HOLLAND. I shall be very happy to do the latter, that is, to consider it sympathetically in connection with the supplemental appropriation bill, and also in the conference. But I hope the Senator from Maine will withdraw his amendment, because there are but a handful of Senators here today, and we would have difficulty in obtaining a quorum. I hope the Senator from Maine will not by his insistence bring us back to the consideration of the same item next week.

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

Mr. HOLLAND. I yield.

Mr. PAYNE. On the basis of the statement which the distinguished chairman of the subcommittee has made, and out of respect for members of the committee who are on the floor and who have worked on the problem, I shall not press the amendment at this time, but shall withdraw it, hoping that in connection with a supplemental appropriation bill the matter may either be taken up or may be taken to conference to see what can be arranged.

Mr. HOLLAND. The item is in conference to the amount of \$350,000.

Mr. PAYNE. That is correct.

Mr. HOLLAND. I thank the distinguished Senator from Maine.

The ACTING PRESIDENT pro tempore. The amendment offered by the junior Senator from Maine is withdrawn.

Mr. O'MAHONEY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I may say to the Senator from Maine that, as one speaking from experience, I feel that the advocates of his amendment are now in a very excellent position. I had somewhat the same contention to make a year ago with respect to the Bureau of the Census. The Senator from Florida, in a kind and good-humored way, denied my specific request, but assured me that, if the eventualities proved the additional work to be necessary, he would support my request.

As it happened, the work for which I was contending at that time was an expansion of the activities of the census of manufacturers. It has developed that with the cooperation of the committee and of the Bureau of the Census the work on the statistics showing the concentration of manufacturers has been handled in a most excellent manner by the Bureau of the Census.

In the report which the Senator from Florida has just filed, I find that, again, the Senator from Florida has, with his usual good sense, recognized the importance of gathering statistics in the proper way, so that the activities of the Government and the knowledge of the people may be sustained. I refer particularly to the paragraph on page 3 of the report, under the heading "Censuses of business, manufactures, and mineral industries."

The Subcommittee on Antitrust and Monopoly, of which I have the honor to be chairman, has requested the Bureau of the Census to carry on certain statistical research. That work is in progress. It has had the support of the Senator from Florida.

In the report, again, we find evidence of the sound sense of the Senator from Florida, as chairman of the subcommittee, in relating, so that all may know, the purpose of the work and how it will be carried on. There are nine separate units of investigation functioning.

I appeared before the subcommittee and expressed the belief that the report should be filed with the Subcommittee on Antitrust and Monopoly Legislation before being released for general consumption, so that the subcommittee might have the opportunity of coordinating all the figures and of expressing its opinion on the meaning of this concentration.

The committee has gone on record as sustaining that point of view. It has quite properly added that these figures should be presented to the Committee on Appropriations and to the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary, as well.

It is an example to the junior Senator from Maine and to those of us who are members of the Joint Committee on the Economic Report that we have as chairman of the Subcommittee on Department of Commerce Appropriations a comprehending man, a man of good humor, one who will help us to get the basic facts which are needed in determining economic matters for the good of the country.

I thank the Senator from Florida.

Mr. HOLLAND. I thank warmly the distinguished Senator from Wyoming. I never heard a more generous or gracious advocate. I express my gratitude to him.

Mr. President, I feel certain that my distinguished colleague, the senior Senator from Maine [Mrs. SMITH], the ranking minority member of the subcommittee, and who worked most capably in the subcommittee—I think, in fact, she carried more than her share of the responsibility and work—has some comment to make, so I am glad to yield to her. I yield the floor.

Mrs. SMITH of Maine. Mr. President, it has been my pleasure and privilege to work side by side on the bill with the chairman of the Subcommittee on Department of Commerce Appropriations, the distinguished senior Senator from Florida [Mr. HOLLAND]. He spent many hours and days in the preparation of the bill. Because of his knowledge of matters pertaining to commerce, and his clear and real understanding of State and Federal needs, the bill comes to the Senate with the unanimous approval of the subcommittee and the full committee.

The best way I can express my admiration for the work done by the senior Senator from Florida is to say that in the event the Republicans regain control of the Senate next year, and as ranking Republican on the subcommittee I should become chairman of the subcommittee, I hope that I can do nearly as well as he has done.

I also express my appreciation to the very capable members of the staff of the Committee on Appropriations, who have done so much to help the committee bring this very important bill to the Senate. I refer to Mr. John Witeck and Mr. William Kennedy.

There is one area of the bill on which I wish to make some extended remarks, the area having to do with appropriations for commercial aviation.

Most of us can remember a few years ago when there were predictions of gigantic expansion of air travel. We have seen a great expansion develop. But we have not seen a gigantic expansion develop—not what most of us thought would have happened by this time.

I think that the principal reason for this can be laid to the airlines themselves. There are not enough airlines with enough equipment and operating over enough routes to meet the demands of Americans for air travel.

Something will have to be done about this matter, whether it be the granting of certificates to more airlines to operate competitively over the same routes or in the acquisition by the existing route holders of more equipment with which to

accommodate the air traveling public and the demand for air travel space.

I am inclined to think that the answer lies in having more competition over the existing routes by more airlines instead of the present system of granting a quasimonopoly to a few favored airlines, with the concurrent discriminatory treatment against other airlines which have asked to provide service over existing routes.

We of Maine and northern New England are quite aware of this. We are aware of it because we are getting poor service on transportation south of Boston and New York. Those of us who travel by air to and from Maine, New Hampshire, and Vermont have found Boston and New York actually to be dead end streets or passenger dumping stations.

This is not the fault of the airline which serves these three States. Rather it is the fault of a system which fails to provide through flights between Maine, New Hampshire, and Vermont to Washington, D. C., Florida, and other points south.

It is the old story of the fight on reservations between the short-haul and the long-haul connections. The airline that gets the short haul is understandably, though by no means approvingly, not interested in taking care of connectees from the long haul. The answer to the question of which is the short-haul airline and which is the long-haul airline depends upon whether the connection is made in New York or Boston.

We, of northern New England, are not advocates of any particular airline. But we do feel that we are entitled to through flight service out of Boston and New York. We are tired of being stranded in those cities in the never-ending frustration and fight over getting connections on other lines out of Boston and New York.

Nor do we appreciate a regulatory body taking an attitude of regarding the one relatively small airline that serves northern New England as a poor cousin merely to be tolerated by the big airlines which have no interest whatsoever in extending their flights into northern New England and giving better service to that part of the country.

In general, I am shocked at the callousness of the attitude of airlines, particularly the big airlines operating on the east coast—callousness to their passengers on such matters as reservations, overselling, flight connections, and withholding of flight information.

As I stated at the hearings, the airlines keep the traveling public in the dark. They maintain an iron curtain on weather information for their own convenience, and to prevent passengers from switching to railroad transportation when air travel becomes questionable because of weather and air traffic congestion. They maintain an iron curtain so that the traveler does not have a free choice of how to travel.

That is why, as I stated at the hearings, I believe the only hope for tearing down this iron curtain on weather information is by having the Civil Aeronautics Administration have a weather

and traffic reporting desk in the passenger area of every major airport—where the passengers can go for information, instead of being frustrated as they now are by the airlines.

I do not believe that either the Civil Aeronautics Board or the Civil Aeronautics Administration should be permitted to escape the responsibility of lifting the iron curtain on weather and traffic information imposed by the airlines.

Even the Chairman of the Civil Aeronautics Board at the hearings admitted that he himself had had this experience and had complained bitterly about it.

I have been assured that this will be given the fullest consideration by the authorities.

Another point that I stressed at the hearings, and which I bring to the attention of the Senate, is the reprehensible practice of airlines overselling and taking through-flight passengers off without advance notice, because of passenger stack-up resulting from overselling. The airlines even go to the extent of threatening to physically eject from a plane passengers who hold through-flight reservations—to eject merely to take care of the trouble caused by overselling at some point along the route by the airlines.

I regret to say that a national magazine which holds itself out as an accurate reporting and responsible publication—Newsweek—went out of its way to rewrite and distort a story filed by one of its capable and conscientious Washington correspondents on my expressions and efforts on calling for an elimination of this reprehensible practice of overselling by the airlines.

The New York office of Newsweek not only wrote an erroneous story, which, to the embarrassment, chagrin, and anger of its Washington correspondent, was a rewrite of his report, but it went out of its way to characterize my motivations in the matter as stemming from pettiness it attributed exclusively to women.

I am glad to say that I have received several letters from men commending my efforts to eliminate the reprehensible practice of overselling. A Colorado man, who until recently was an airline employee, wrote me:

It is very gratifying that someone of national significance has made an attempt to have the airlines stop their practice of overselling.

On April 1 I quit an airline position after having been with the company more than 10 years, and one of the chief points in my decision was the uncontrolled overbooking of passengers which has developed in the last 3 or 4 years. Since all airlines practice it, I do not wish to condemn any single one, so will not reveal the one I worked for. Nevertheless, to me, it is as much a crime to sell a seat that doesn't exist as to sell any real property that isn't there, or selling mortgaged goods.

May I commend you for your effort, and hope you are successful in finding a solution for this problem.

A Massachusetts clergyman wrote me:

Good for you on the airlines deal. I think it is a crime that they get away with murder on the ticket business.

Our daughter left Houlton last year to go to her home in Buffalo with her young son. When the plane reached Portland, Maine, she

was told that her seat had been sold, and that she would have to get off. She made a real fuss about it, and succeeded in staying on. My daughter Marjorie going to Buffalo from Boston was told at Albany that she would have to get off as her seat was taken. It was all paid for by her, why should she get off. She said to the official "What will I do? I don't know anybody here." She did not get off. Someone else had to.

I think the whole thing is unfair. I hope you can do something about it. It is a great nuisance to buy your ticket, and to read on the ticket that it is not a ticket.

I hope you will fight it through.

A businessman from Chicago, Ill., wrote me:

It was with a great deal of personal interest and pleasure that I read the item on page 21 of the May 28 issue of Newsweek regarding your experience with an airline reservation. My interest lies in the fact that I had a similar experience a few months ago when time was of particular importance. My pleasure stems from the fact that you are supporting a bill to penalize airlines that oversell passenger space.

That your experience is by no means an isolated case is borne out by the mishandling (the kindest word I can think of) I received at Christmastime. I am attaching copies of my letters of December 27, 1955, to the Chicago manager of passenger service and the president of Delta Air Lines, Inc., which present all the facts in the case. These letters are self-explanatory.

You might be interested in the explanation which I received from Delta. About 3 weeks after my unfortunate experience the local representative of Delta telephoned me (after I had again written the airline) to explain that they had oversold space and that I was selected for removal because I was "only going to Atlanta and was traveling alone." By implication I suppose that means that bachelors should not fly unless they wish to run the risk of being removed even though they have good reservations (which in my case was a month old and had been confirmed by the airline 3 times, the last time being only 4 hours before departure time).

I sincerely hope that you will be successful in your efforts to force the airlines to assume some responsibility to their passengers. To this end you have my permission to make whatever use you see fit of the attached letters.

I ask that unanimous consent copies of the letters to which he refers be incorporated in the RECORD at this point.

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

CHICAGO, ILL., December 27, 1955.

MR. C. E. WOOLMAN,
President, Delta Air Lines, Inc.
Atlanta, Ga.

DEAR SIR: You may or may not be interested in the attached copy of my letter to your passenger service manager in Chicago. However, I rather think you should be.

Very truly yours,

THOMAS J. TUCKER,

CHICAGO, ILL., December 27, 1955.

MANAGER OF PASSENGER SERVICE,
Delta Air Lines, Inc., Chicago, Ill.

DEAR SIR: I believe that some sort of explanation from you is in order in connection with the treatment I received last Wednesday night when I went home for the holidays. In all my experience, both as a passenger and as an airline employee (I was manager of systems and procedures for United Air Lines in Chicago for 4 years before being appointed assistant controller of Stewart-Warner Corp.), I have never, except in wartime, seen anything to equal it.

Here are the facts, which you can easily check and verify if you are so inclined:

On November 22 (please note date) I telephoned your Chicago office for a round trip reservation to Atlanta as follows:

Flight 65—Chicago to Atlanta (nonstop) for December 21.

Flight 116—Atlanta to Chicago for December 26 (originally flight 748).

The tickets were picked up on November 26. Attached is the passenger coupon, and I have my canceled check, also.

On December 14 your Chicago office telephoned me at work (La 5-600) to make certain that I would use my reservation, and I assured him that I would.

On December 21 at 6 p. m. (please note date and time), 4 hours before flight time, your Chicago office telephoned me at home (Su 4-1036) informing me that the flight was on time and requested that I be at the airport 45 minutes or so before scheduled departure time.

I arrived at Midway at 8:30 p. m. and immediately checked in. The clerk checking me in verified my reservation by telephone in accordance with your procedures.

Departure was called just before scheduled flight time, and as I walked to board the plane I was called back to the ticket counter and told that there was "some mixup in reservations" (and that is all I was told) and that I was being removed from that particular flight. I was also informed that I could be accommodated on flight 65B leaving at 11:30 p. m. with a stop at Cincinnati.

Your agent was kind enough to allow me to telephone Atlanta to relay this surprising bit of information to a relative who was planning to meet me at 1:30 a. m.

To make matters worse, although I asked my relative not to meet me, he inquired of your Atlanta office when flight 65B was scheduled to arrive and was told 3:15 a. m. Shortly before that time he went to the Atlanta airport and upon inquiry there was told that no such flight was coming from Chicago.

However, after some further checking he was told that it probably would be an hour or so late. With such indefinite information he had little alternative but to return home. As a result I took a cab (at 4:35 a. m.—3 hours from my scheduled arrival time on the plane for which I had held reservations) which, incidentally, cost \$4.65.

I anticipate your using the rush of the Christmas season as your explanation—that is, if you feel it necessary to reply to this letter at all. But that is no excuse for such mismanagement, mishandling, and inefficiency. Perhaps it would be well for you to study other airlines' systems.

If you were oversold, why did you wait until exact departure time to find it out and to remove me from the plane?

Why did your agent call me at 6 p. m., 4 hours before flight time on December 21, to tell me everything was in order?

Why, when I made reservations on a 4-engine, nonstop flight, was I transferred to a later (2 hours and 15 minutes, to be exact) 2-engine, Cincinnati-stop flight?

Could it be that some VIP displaced me? If so, why bother with reservations at all?

Could it be that your coach reservations are less sacred than first class?

I could well understand it if the weather or some such event caused cancellation of the flight. But it is a fact that the plane did leave, that I had reservations for almost a month, and that those reservations were verified and confirmed at least three times.

I make frequent visits to my parents' home in Rome, Ga., and have nearly always flown Delta. However, to borrow a phrase from Westinghouse: You can be sure . . . that from now on I will fly Eastern, and if I have any influence in business or socially, so will my associates.

Very truly yours,

THOMAS J. TUCKER.

I am sending a copy of this letter to Mr. C. E. Woolman who, I am sure, is deeply interested in the operation of your airline.

Mrs. SMITH of Maine. That condemnation of the practice of overselling is not a mere petty, vindictive attitude reserved exclusively for women, as Newsweek would seem to conclude, but, rather, that it is a serious matter, as I have characterized it, is attested to by a letter which I received this morning from the Chairman of the Civil Aeronautics Board. I want to read that letter to the Members of the Senate:

HON. MARGARET CHASE SMITH,
United States Senate,
Washington, D. C.

DEAR MRS. SMITH: In view of the instances of poor airline service which you mentioned at the Appropriations Committee hearing on May 11, we want you to know that the Board's Office of Compliance is investigating airline policies and procedures pertaining to overbooking of flights and the dissemination of flight information to the public.

The sale of more seats than available on flights has been a cause of concern to us for some time. Our staff has opposed and condemned any such practice in discussions and correspondence with airlines against whom complaints have been received. Such situations continue to recur, however. Although it may not be a serious industrywide problem, an investigation was deemed necessary, and therefore was begun several weeks ago.

Our Office of Compliance also has repeatedly emphasized to various airlines the importance of giving the public reliable and timely advice regarding weather conditions or equipment difficulties which may necessitate flight delay or other deviations from schedules. Some carriers have recognized that this is a pressing problem and are working to improve this phase of their service.

We shall be glad to advise you of our findings and any action taken as a result of these investigations.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

Thus in conclusion I want to say to the Members of the Senate and to the air traveling public that these matters of overselling and dissemination of flight information to the public are being investigated, with the objective of removing as much as possible the objectionable conditions that do presently exist.

If the Senate Appropriations Subcommittee on Commerce has contributed anything to this development, it surely will have performed a valuable service to the American public concurrent with its appropriating duties.

Mr. POTTER obtained the floor.

Mr. HOLLAND. Mr. President, will the Senator from Michigan yield so that I may follow up the able statement made by the Senator from Maine?

Mr. POTTER. I yield.

Mr. HOLLAND. Mr. President, like the Senator from Maine, I was deeply disturbed by the facts which came to our attention from various sources relative to the overselling of space on the airlines and the giving of preferential treatment to passengers, particularly if traveling in groups, and particularly if traveling relatively long distances. I joined the Senator from Maine in the request for an investigation along the lines she has so ably indicated.

I ask unanimous consent to have printed at this point in the RECORD a copy of

a letter, dated May 29, which I received from the Chairman of the Civil Aeronautics Board. The letter is in the same vein as the one received by the distinguished Senator from Maine and already placed by her in the RECORD.

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

CIVIL AERONAUTICS BOARD,
Washington, D. C., May 29, 1956.
Hon. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: At the Appropriations Committee on May 11, you expressed an interest in protection of the public from oversale of space by airlines. We, therefore, want you to know that the Board's Office of Compliance is investigating airline policies and procedures pertaining to this problem.

The Board is aware that the airlines do, from time to time, sell more seats than are available and has been concerned about this fact for some time. Our staff has opposed and condemned any such practice in discussions and correspondence with airlines against whom complaints have been received. Such situations continue to recur, however. Although it may not be a serious industrywide problem, an investigation was deemed necessary and was begun several weeks ago.

We shall be glad to advise you of our findings and any action taken as a result of our investigation.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

Mr. HOLLAND. Mr. President, I should like to say that our committee, in taking note of the failure of both the airlines and the Civil Aeronautics Administration to furnish appropriate weather information to travelers or potential travelers, inserted in our report the following, and now I quote from page 4 of the committee's report:

The committee has been advised of an indifference relative to providing weather information to plane passengers during their waiting periods at airports. The Civil Aeronautics Administration is requested to give attention to this matter and take the necessary steps to effect an improvement in this service to the public.

I call attention to the fact that the committee has taken this action, and to the further fact that in this field there are duties which relate to functions of the Civil Aeronautics Administration and also of the Civil Aeronautics Board. The Civil Aeronautics Board may very properly request further cooperation with the traveling public on the part of the airlines themselves, as a part of their service.

The Civil Aeronautics Administration—heeding, as I hope it will, the request and direction given in the Senate committee's report—will itself make weather information available, particularly at the principal airports throughout the country.

In closing on this point, Mr. President, I wish to say that while of course our country is extremely proud of the progress we have made in civil aviation, and is anxious that the carriers operate successfully and continue in increasing measure to serve the needs of the public, we must never forget, and neither must they ever forget that, unlike other

carriers in other fields, they are getting from the Public Treasury a great deal of assistance without which they could not operate. I refer now, not so much to subsidies, because I know that no commercial line which is now receiving subsidies wishes to remain in that position, and that practically all the trunk lines are not now receiving any direct subsidy—but to the fact that in this particular bill we are appropriating \$202,226,000, through the Civil Aeronautics Administration, for the supplying of aid in the construction of airports and better air-navigation facilities and the operation of those facilities and the regulation of air traffic, all of which are necessary adjuncts to the commercial air business. So it may be truthfully said that that great agency in the use of that tremendous amount of money is, in a measure, making possible the successful operation of the civil airlines.

I also call attention to the fact that in this very bill we recommend the appropriation of funds in excess of \$22 million, through the Civil Aeronautics Board, the largest part of which is for paying of direct subsidies to air carriers, and a substantial part of which is for salaries and expenses in carrying out the administrative duties of that body, which has jurisdiction over commercial air travel.

So I hope that both the carriers and the public will equally recognize that the Congress, while anxious to cooperate with, and to aid in, the continued progress of civil aviation, is also expecting civil aviation, commercial aviation, to adhere to the highest standards of public service, and that in its quick growth, we hope it will not be unmindful of the fact that sometimes it has not been sufficiently careful in observing the highest standards of service for the convenience of the traveling public.

Mr. POTTER. Mr. President, to the committee amendment on page 2, in line 17, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment of the Senator from Michigan to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, in line 17, it is proposed to strike out "\$7,475,000" and insert in lieu thereof "\$7,575,000."

Mr. POTTER. First, Mr. President, I should like to pay tribute to my distinguished colleagues, both the chairman of our subcommittee, the Senator from Florida [Mr. HOLLAND], and the ranking minority member, the Senator from Maine [Mrs. SMITH], for their leadership, their knowledge of the items which came before the subcommittee, and also for their genuine interest in bringing as good a bill as possible to the Senate. The work with respect to which they assumed leadership resulted in a bill which was accepted by the full committee without change.

At the time the bill was under consideration, when the subcommittee of which I am a member marked up the appropriation bill, we increased the item for the Bureau of the Census by \$62,000 for salaries and expenses. Since that time it has come to my attention that

even though an increase of \$62,000 was made, a very vital item has been excluded. I refer to the item for the publication known as County Business Patterns. That is the purpose of the amendment which I have offered. I have discussed the amendment with the subcommittee chairman and the ranking minority member of the subcommittee [Mrs. SMITH of Maine], and they have agreed to take the item to conference.

County Business Patterns is a publication which is particularly valuable to small business people throughout the country. It is used extensively by the small business people who do not have the personnel necessary to provide for themselves the statistical data which they need. Many large business organizations have the necessary personnel. County Business Patterns provides the only comprehensive coverage and information available from any source with respect to agricultural services, forestry, fisheries, mining, contract construction, manufacturing, public utilities, wholesale trade, retail trade, finance, insurance and real estate, services, and many other items. These data are used widely throughout the country in setting sales quotas, sales manpower, distribution, estimating potential markets by industry classifications, and measuring regional industrial growth for all major industries. I am delighted that the chairman and the ranking Republican member of the subcommittee have agreed to accept this amendment. It will prove of great benefit to small business.

Mr. HOLLAND. Mr. President, the distinguished ranking minority member, the Senator from Maine [Mrs. SMITH] and I have agreed to take this item to conference, for one reason only, and that is that it is not clear—at least to me—as to how far the \$90,000 allowed would go in carrying out the necessary functioning of the agency in the field to which the Senator has referred. The additional \$100,000, which would bring the total to \$190,000, would give us sufficient latitude to make certain in the conference that the necessitous part of this function, which has to do with the compilation of old-age and survivors insurance benefit information, may be provided, in order that information compiled on that subject may be made available.

Mr. POTTER. I thank the Senator for accepting the amendment. It is my understanding that it would cost an additional \$100,000, but I am sure the Senator from Florida, in conference, will be able to determine the exact cost of the publication, a copy of which I hold in my hand, and which is so valuable. The main interest is to make sure that the publication County Business Patterns shall continue.

Mr. BARRETT. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. The Senator from Michigan [Mr. POTTER] has the floor.

Mr. BARRETT. I desire to address a question to the Senator from Florida. I have received complaints from my State with reference to the public-relations activities of some few employees of the Civil Aeronautics Administration.

The complaint seems to be that some of the employees at our stations do not feel that they can give information to the general public with reference to weather conditions. It seems as though pilots on occasion have been unable to get such information from such employees.

The point with respect to which I wish to inquire specifically is this: Is there any intention on the part of the committee to prevent the employees of the Civil Aeronautics Administration from giving information to the public, even though it might not be strictly within the scope of their duties, provided it does not interfere with their work?

Mr. HOLLAND. Mr. President, if the Senator will yield to me, that particular phase of the activities of the Civil Aeronautics Administration did not, so far as I can recall, come before our committee. However, we did hear complaints of indifference in connection with furnishing weather information to travelers and potential travelers. Before the Senator entered the Chamber, I stated for the RECORD that we had inserted in our report a paragraph requesting the Civil Aeronautics Administration "to give attention to this matter and take the necessary steps to effect an improvement in this service to the public."

As to the propriety of giving information directly to the public, it seems to me that a great deal would depend upon the legislation covering the Civil Aeronautics Administration. The legislative committee which has jurisdiction of that field would be better able to determine that point. The Senator from Florida regrets to say to his friend that he does not recall with sufficient accuracy the details of the authorizing legislation to be able to state whether it is the proper function of the Civil Aeronautics Administration to give out directly to every inquirer information which it has collected from its stations.

We shall be glad to address an inquiry on that subject to the Civil Aeronautics Administration. I hope the distinguished Senator will likewise lodge a request with the appropriate legislative committee. Perhaps in one place or another he can obtain an early and clear answer to his very pertinent question.

Certainly private pilots should come within the classification of persons to whom all information developed at the Civil Aeronautics Administration observation stations should be made available. In the opinion of the Senator from Florida, that would seem to be reasonable. Of course, the limits of the responsibility of the Civil Aeronautics Administration are fixed by the legislation under which it was created. As to the details of that legislation, I am unable at this time to advise the distinguished Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. POTTER].

The Chair thought that if there were no objection to the amendment it might be disposed of at this time.

Mr. BARRETT. I have no objection, if it is desired to dispose of the amendment at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. POTTER].

The amendment was agreed to.

Mr. BARRETT. Mr. President, I wish to say to the distinguished Senator from Florida that I appreciate his remarks. However, I am certain there is nothing in the act itself which would authorize the Civil Aeronautics Administration to give this information to the general public. By the same token, it seems to me that the Appropriations Committee, as well as the appropriate legislative committee, would be justified in asking the Civil Aeronautics Administration to extend this information to pilots and to the general public, provided, of course, it does not interfere with their activities in the management of a station.

I will say to my colleague that my information is that in some few cases they have refused to do that very thing. I believe it is not in the public interest to refuse to do it. I do not believe they are justified in taking that position, although, as a strict matter of law perhaps they could very well say, "We will not do it because it is something we are not required to do."

Mr. HOLLAND. Mr. President, on this point I should be very happy to act for the committee in requesting immediate information and immediate response to any questions which the Senator will reduce to writing in this field, so that we can find out what the official attitude of the Civil Aeronautics Administration is.

I can easily see with reference to private pilots, if they should be taking off from a field where there is a station and where there are control facilities, of course they would be furnished information and would be subject to instructions that were given. However, I realize there are many fields where there do not exist right on the field itself the facilities for the control system, and I am not sure to what class of cases the Senator is referring. If he will give us a clear statement on the matter we will be very glad to assist him in any way we can.

Mr. BARRETT. I will do so. I appreciate the Senator's suggestion.

Mr. FLANDERS. Mr. President, I should like to call up my amendment to the pending bill.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The CHIEF CLERK. On page 9, line 7, it is proposed to strike out "\$900,000" and insert in lieu thereof "\$1,200,000."

Mr. FLANDERS. Mr. President, I am a member of the Joint Economic Committee. That committee is perhaps one of the largest users of the kind of information which is called for by the appropriation on page 9, line 7. The joint committee is by no means the only user of such information. It is pertinent to the operations of many of the committees of the Senate. We do, however, stand in the unique position of being responsible for using all of the elements of economic statistics with reference to production and labor and monetary considerations, and for working them together into a report on the entire

problem of maintaining production and employment.

I regret that the reduction in the item seemed wise to the appropriation committee, not merely from the standpoint of the budget request, but from the amount used last year.

Very briefly, I should like to refer to the uses to which the added amount of \$240,000 proposed by my amendment would be put. Fifty-five thousand dollars of it would be used for information on the rate at which consumers are spending their income for food, shelter, and other items in the family budget.

A second item calls for an additional \$95,000 for information as to the rate at which manufacturers or other businessmen are investing in factories and machinery with which to produce the larger national output we shall have in the coming years.

Our population is growing very rapidly indeed, and the reason for expanding production is twofold: One because of the increase in population, and the other because of the increase in the standard of living.

While there are reports privately obtained as to the intentions of business, it is important that we have a report also as to the actual expenditures, to determine whether the rate of investment is sufficient, or low, or exaggerated, or too optimistic.

The next item is \$70,000 for information on the rate at which unsold inventories are piling up in factories and warehouses. Such experience as I have had in the matter of business cycles and the ups and downs of business leads me to believe that this is an exceedingly important item—one about which we cannot afford to have any wrong ideas or insufficient information. The question of inventories, and their disposal, is a primary basis of judgment as to whether business is going to decline or increase.

Then there is also \$20,000 which would be applied to information on the rate at which businesses are failing and new businesses are being established.

It seems to me that the full amount asked for in the budget is justified. In view of the uncertainties which many people are pointing to with reference to the next year or two, I feel very strongly that the committee should be willing to accept some addition to what it has voted and reported to the Senate. Therefore I ask for the \$240,000 additional, to bring it up to the amount requested by the Budget Bureau.

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

Mr. FLANDERS. I yield.

Mr. SPARKMAN. Is it not true that the increase of \$240,000, requested by the Bureau of the Budget, as I recall, was strongly backed by every agency that appeared before the Joint Economic Committee; and, in fact, did not many of them point out to us that, because of the lack of these very statistics, it was very difficult, with any degree of accuracy, to reach a decision as to what the economic position was?

Mr. FLANDERS. I will say to the Senator from Alabama that it is my recollection—and he can correct me if I am wrong in my recollection—that the

United States Chamber of Commerce is particularly anxious to have the larger appropriation made.

Mr. SPARKMAN. The Senator from Vermont is exactly right. The United States Chamber of Commerce pointed out this lack, and strongly urged that Congress make up this deficiency.

I should like to ask the Senator from Vermont another question. Of course, he is familiar, as I suppose every other Member of the Senate is, with the monthly publication called Economic Indicators, which is published under the sponsorship of the joint committee. It contains each month a wealth of material. Is it not true that this material is based on just such studies as we are trying to provide, but with respect to which we are not able to get accurate estimates and accurate forecasts because of a deficiency in this respect?

Mr. FLANDERS. Mr. President, I feel that it is exceedingly important that that publication, which goes to all Senators and which I know some Senators use, should be accurate. I am not at all sure that the available amounts cover anything more than what a previous speaker referred to in another connection as "educated guesses." We want something better than that if we are concerned with the maintenance of production and employment.

Mr. DOUGLAS. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I gladly yield.

Mr. DOUGLAS. I think I should warn the Senator from Vermont that he is in danger of being accused of being a prophet of gloom because he made the statement that there was some uncertainty about the business outlook. I wish to warn him that if he keeps on that course, the chairman of the Republican National Committee, Mr. Leonard Hall, will shortly accuse him of being a prophet of doom and gloom, and that the Honorable JOSEPH W. MARTIN, of Massachusetts, may well go to Philadelphia and accuse him of being 1 of the 4 horsemen of the Apocalypse.

So I wish to warn my friend of the grave danger he is running, because very shortly the orators will take to the stump and say that everything is booming except the guns, and that we dwell in a land of milk and honey. So my good friend, in pursuing his scientific inquiries, may find himself up against the hard pressure of political conformity. I have great respect for the character of the Senator from Vermont, and I do not wish to have him speak unwittingly in view of the terrific barrage of gas and machine-gun fire which may shortly open up upon him.

Mr. FLANDERS. I may say to my friend from Illinois that I shall read with great interest the report of what I said, because it is my strong impression that I said "There are those who question."

Mr. DOUGLAS. The Senator has an escape hatch.

The Senator has preserved his standing in the church and probably will not be accused by Mr. Hall and the others. I am glad he has sufficient foresight to protect himself against the defamation which otherwise would fall upon his head.

Mr. President, I wish to congratulate the Senator from Florida on his excellent work for the committee, but I wish to invite attention to certain items.

We often hear from business sources in complaints that the subsidies to small farmers and welfare organizations are excessive and are bankrupting the country. I am sure these complaints are made in good faith, but I think it is important to realize the subsidies which are contained in this appropriation bill.

There is a direct subsidy to the airlines of \$17,400,000, about which I shall speak in more detail in a moment.

There are direct subsidies to ship construction firms of \$108,880,000, which the committee increased by \$54 million over the appropriation by the House.

There is another subsidy of \$124,000,000 for the operation of ships. So, if we take these direct subsidies into account, there is a total of \$250.2 million in this bill.

In addition to that, there are indirect subsidies for the CAA, as the Senator from Florida pointed out, for operation and regulation and for the establishment of air navigation facilities, which total \$168,608,000, and a further appropriation of \$30 million in grants-in-aid to airports.

So there is a total of \$448.8 million which I think could quite correctly be called subsidies to business.

When we remember, Mr. President, that the Post Office bill also contained huge subsidies, there is a very large total. Virtually the entire deficit of the Post Office Department is on second-, third-, and fourth-class mail. It used to be true that first-class mail more than paid its way. I am not quite certain of the definite figures, but certainly it almost pays its own way now. But the big deficit comes from carrying newspapers, magazines, and second-class matter at very much less than the cost which they occasion the Government.

There is also a large deficit on third-class mail, the unsealed advertising matter which we receive in such profusion in our mail, most of which is discarded, thrown into the wastebasket.

There, is, furthermore, a subsidy on fourth-class mail or parcel post, although that subsidy is diminishing.

From figures which I have seen I have strongly believed that the allowances for the transportation of mail on railroads are in excess of what they should be, and that, therefore, there is a hidden subsidy contained in these items as well.

We find the totals running into the hundreds of millions of dollars. If all these items were tabulated, the total would probably not be far from a billion dollars a year in subsidies to business. In addition to this there are a great many other subsidies which receive little opposition from those who object to those for the small farmers or for human welfare. In particular I should mention the just tax writeoff for businesses, the direct subsidy to United States Steel for deepening the Delaware River, the interest-free money for reclamation projects, the tariffs which subsidize business, the 107 percent of parity payments on wool, and the subsidies received by the big sugar and sugar beet growers. I

always find it amazing that some of those complain most vehemently about subsidies to the little fellow seldom complain about those which they receive themselves.

For the moment I am not going to object to these but I do not think it unfair to point out these business subsidies exist.

If I may turn to the subject of subsidies for airlines, the figures this year are a great improvement over those of last year. Last year the committee, as I remember it, recommended appropriations of approximately \$60 million. At that time the Senator from Delaware and I both said those subsidies were, in our judgment, excessive and that they should be reduced.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I shall be very glad to yield.

Mr. HOLLAND. I happen to recall the exact amounts which I know the Senator wishes to have in the RECORD.

The budget request for CAB subsidies was \$63 million. The amount recommended by the Senate committee and approved by the Senate was \$55 million. The amount coming out of the conference was \$52½ million.

Mr. DOUGLAS. I thank the Senator from Florida. In my opinion, these sums were excessive. I think no one would object if I pointed out that in practice these funds were not spent and that a very considerable carryover of some \$22 million is available for the coming year.

I wish to have the RECORD show that the criticism which I advanced last year has largely been borne out by developments.

I think the CAB has made an honest effort during the past year to reduce the amount of the subsidies and to bring them into manageable proportions. I am very glad that Northwest Airlines, for example, is now off subsidies, as I understand it, and is supporting itself. I think they deserve much credit for what they have done.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Not only is Northwest Airlines off the subsidy list; but later today I shall comment concerning the manner in which the Northwest Airlines application for a transpacific route has been handled. The one transpacific line which is off subsidy is being denied an opportunity for a decent route; while the Pan-Am Line is apparently meeting with much more favorable treatment.

I have merely interrupted the Senator's comments to note this, because I was just examining some material I have prepared on this particular case.

Mr. DOUGLAS. I thank the Senator from Minnesota. In times past, I have been very critical of the management of Northwest Airlines, but I pay tribute to them for getting off the subsidy list and for trying to reduce their costs and to make of themselves an enterprise which can stand on its own feet. Northwest Airlines deserves much credit.

When I have been critical of the airlines in the past, I think I should place them on a roll of honor in the future. I only wish that some of the other airlines, which seem to enjoy great favors from the CAB, could show a similar record.

I think possibly the discussion on the floor last year about the subsidies has had an effect upon the CAB. I know the chairman of the subcommittee has been working in this direction, too. It indicates, I believe, that discussions on items in the appropriation bills, instead of being acts of heresy, frequently have a salutary effect.

I think we have galvanized the General Accounting Office into a more detailed audit of the expenditures of the airlines. I hope we can continue in that direction. I think we have galvanized the CAB into taking more decisive action. I hope they will continue with their good work and will do still more. I wish to assure them that the eyes of the Senate and of the country are still upon them.

Mr. HOLLAND. First, I express my very great appreciation for the kind, cordial, and constructive remarks made by my friend, the distinguished Senator from Illinois. I would be the first to admit that I think good has resulted from the facts which he presented the last year. I think he has been very generous, likewise, in giving credit, where credit is due, to the former chairman of the CAB.

Mr. DOUGLAS. And to the subcommittee and to its chairman.

Mr. HOLLAND. I thank the distinguished Senator. Particularly do I thank him for that reference. But I was thinking, in the first instance, of other than legislative agencies.

The CAB has done outstanding work in the past year, in my opinion. The General Accounting Office has completed an audit which was in the course of preparation last year during the debate, and has published it and furnished it to the Senate. It throws a very great light upon many of the practices, some of which are completely approved, and some of which are diverted into different channels.

I think that good has resulted from the debate of last year and from the consequently greater effort which has been noted on the part of the regulatory agencies.

The commerce subcommittee of the Committee on Appropriations, charged with this particular duty, has also been particularly anxious to bring out all the facts on matters which were called in question last year. For instance, last year not only was the General Accounting Office requested to supply information relative to the hotel operating activities, which information, I believe, was made available at that time, but also the same request was made again this year for such information, and Senators will find it printed in the record, in the report of the General Accounting Office, which, after all, is the arm of Congress in this field with reference to that particular operation.

We also requested specific light on the question of the progress made in the

application of the offset decision. Senators may remember that it was stated in the debate last year that the then new chairman of the CAB, Chairman Rizley, now, I believe, a Federal judge, was appointed with particular reference to the fact that he had been one of counsel for the Government in the successful effort of the Government to have the offset principle allowed by the courts—and it had been allowed. Chairman Rizley was charged with the specific duty, among others, of making certain that the offset principle was placed in action with reference to the accounts of the carriers which were affected thereby. That has been done.

Senators will discover that the only items still remaining for discussion, for liquidation, and perhaps for litigation, total, as I recall, approximately only \$8,600,000. I am speaking, now, of old, hangover items.

The affairs of the CAB have been placed on a much more current basis. Of course, I think Congress is entitled to some credit for that, aside from the bringing out of the discussions on the floor, because the CAB last year was given a substantial personnel increase to aid them in the tremendous volume of accounting and clerical work which had accumulated over the years. The affairs of the CAB are now in much better shape. The affairs of the carriers generally, I think—and I know of no exception—seem to be well understood by the CAB. I believe they are being well handled by the CAB.

The General Accounting Office was also asked to give the committee its opinion upon the treatment of certain capital gains items which appeared in the accounts of one or more of the large carriers. Senators will find in the RECORD the information furnished by the General Accounting Office in that field, which indicated that the operations today by the carriers and CAB in that field have been approved by the General Accounting Office, and, furthermore, have been approved by the Federal courts. So the operation is following the course as laid down and approved by the courts in a particular case.

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

Mr. HOLLAND. I yield.

Mr. DOUGLAS. In order that the RECORD may be clear, is it not true that instead of the \$63,000,000, which the CAB asked for last year, this year they asked for only \$20 million, and the committee has now reduced that amount to \$17,400,000?

Mr. HOLLAND. The Senator from Illinois is correct. I am glad that that kind of cut has been made possible. I think, though, that the Senate and the public in general should know that we cannot expect a reduction to that level in subsequent years, because the heavy carryover which has resulted from the accentuated operation in the cleaning up of old troubles in this year will not take place next year; and the member of the staff who is most conversant with the operations estimates that the CAB next year will probably be back on a level of operations of \$35 million, or \$40 million.

Mr. DOUGLAS. I hope they can do still better than that.

Mr. HOLLAND. I hope so; but I think, in fairness to the CAB and the carriers, we should realize that it is not at all certain—in fact, I think it is almost certainly not true—that the present level shown in the appropriation bill can be maintained, because nothing but the carryover of a very large unexpended balance makes possible the reduction to the amount shown this year.

I shall make one more observation in this field, other than to express my very great gratitude to the Senator from Illinois. I am very much pleased that the CAB, the Maritime Administration, and the CAA all show a disposition to comply with the request of the Senate Appropriations Committee; that they play their full hand when they make their annual request; and that we know what their business is estimated to be for the year, so that they will not continue to come back to Congress with requests for deficiency and supplemental appropriations, which make it very difficult to follow their operations. Not only have they acceded to that request this year—and it may be remembered that two of the agencies did not have any requests in the supplemental bill which was considered by the Senate the other day—but also—and this pleases me more—the thinking of the able committee at the other end of the Capitol, which handles the same work as our committee, is much more nearly identical with ours. Senators will find, for instance, that the appropriation allowed by the able committee handling this appropriation at the other end of the Capitol on the item for public roads covers almost the entire asking for the year, without requiring a large supplemental amount to be appropriated next spring.

Likewise, in the case of the Maritime Administration appropriations, whereas last year we had to be in the invidious position of stepping up a greatly reduced appropriation coming to us, we did not have to be quite that kind in the operating differential field.

So, too, in the field of improved installations for the Civil Aeronautics Administration, it pleased me greatly to know that the two committees of both Houses were viewing the matter apparently alike—that we should speed the program, which I believe is a 5-year program, now under way for the installation of modern facilities. It was felt that we should keep up with the program, and both Houses are apparently moving in that direction without any difference of opinion.

I am glad to report that to the Senate, because I think that is as notable an improvement as is the change in performance on the part of the administrative agencies.

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

Mr. HOLLAND. I yield.

Mr. HUMPHREY. May I find out from the Senator whether the appropriations in the bill for the Civil Aeronautics Administration will be adequate to maintain and sustain the existing control towers at our civilian airports?

Mr. HOLLAND. Yes, it will. The Senator will recall that last year a suggestion was made for cutting out quite a number of those installations.

Mr. HUMPHREY. About 17.

Mr. HOLLAND. Or 19; whatever it was. There is no such effort this year.

There were several small intermediate landing fields which were proposed to be discontinued. I believe that item involved \$108,000. The CAA said they were no longer needed, but the Senate committee was ultraconservative in that field. The judgment of the full committee, which is always better than the judgment of any one Senator, was that there should be some delay in this field, and we declined to permit that one step of retrenchment suggested by the Civil Aeronautics Administrator. I think we all agree that if even one life is saved thereby, the \$108,000 will be well spent.

Mr. HUMPHREY. My reason for asking the question in reference to the control towers is that the Senator from Florida may recall that about 2 years ago there was a definite intention to close down the control tower at Duluth, Minn., where there is also a military installation. Needless to say, the mayor and the city council, the governing body of that community, were greatly disturbed, because there had already been 2 or 3 accidents because of bad weather conditions. I wanted to make sure that we would not be faced with that threat again this year.

Mr. HOLLAND. I will say to my distinguished friend that there is no threat in that field. To the contrary, there is no recommendation from the Bureau of the Budget or the CAA itself for discontinuance of installations of that kind.

Mr. HUMPHREY. I thank the Senator, and commend him for the hard work he has done on the bill.

Mr. HOLLAND. Mr. President, I should now like to address myself to the Senator from Vermont.

Mr. FLANDERS. I was about to ask if the Senator would do that. I hope the Senator's remarks will be friendly, and that he will accept the amendment I have offered.

Mr. HOLLAND. Certainly the Senator is 50 percent right. My comments will be extremely friendly. The Senator from Florida is unable to grant the request of the Senator from Vermont. He has had to refuse similar requests from the Senator from Illinois, the Senator from Alabama, the Senator from Maine, and I believe another Senator, whose amendment was not called up.

The Senator from Florida will simply have to say to his friend from Vermont that the committee took the invidious position of restoring \$63,563,000 net. The actual restoration was in excess of the \$64 million cut made by the House. However, the committee did that in a selective way, and restored those items which seemed to be highly necessitous.

The objectives so ably advanced by the Senator from Vermont were not in that necessitous category, or at least they were not necessitous in the opinion of the 23 members of the committee, who unanimously approved the report.

As I have had to say to other distinguished friends, two things might be

done. It has been mentioned that there is a difference of \$100,000 in amount which will be in conference between the Senate and the House. I shall be a conferee, and other Members of the Senate will be conferees. I am sure if the Senator will address to us letters, setting forth the complete nature of the activities which are embraced in his amendment, we shall be glad to give the fullest and most sympathetic consideration to anything he may suggest to us in that field.

Aside from that, the Senator from Vermont probably knows that a supplemental appropriation bill is in the making, and if he has any requests which are necessitous, he will at least be given a chance to be heard again on a request which he may make without insisting upon having the selection made on the floor.

Since the Senator from Vermont was not on the floor at the time, I think the Senator from Florida should advise the Senator from Vermont that he did accept one amendment, with the concurrence of the Senator from Maine, the ranking minority member. But the reason for that was that we were not sure whether the amount allowed for the objective was fully cared for, and we agreed to take to conference an item involving \$100,000, so we would be sure to be able to work it out, without leading the offerer of the amendment to any belief that it would be retained in conference.

No such question presented itself—at least I know of no such question—in the proposals of my distinguished friends from Alabama, Illinois, and Maine, in connection with the same type of work which the Senator from Vermont seeks to advance by his amendment. The matter may be pursued either by taking it to conference or as a supplementary budget item. I hope the Senator from Vermont will not insist on the item. Otherwise the Senate may have to wait until next Monday before it can pass on it.

Mr. FLANDERS. I thank the Senator from Florida, who has made 50 percent of my request effective. The Senator referred to an item of \$100,000.

Mr. HOLLAND. The \$100,000 item will go to conference.

Mr. FLANDERS. So at least an item of \$100,000 will be in conference. Is that correct?

Mr. HOLLAND. It will.

Mr. FLANDERS. I bespeak the continuance of the friendliness of the Senator, which I know will continue, and perhaps some recognition of the point of view I have tried to express, when the Senator becomes a member of the conference committee on the bill.

Mr. HOLLAND. I thank the distinguished Senator for withdrawing his amendment, if that is what he has done.

Mr. FLANDERS. I have.

Mr. HOLLAND. If he had carried his persuasion before the committee, I have no doubt the committee would have been more generous in passing on the item than it was, because it is exceedingly difficult for me, even under the conditions I have related, to refrain from granting the request of the Senator from Vermont.

Mr. FLANDERS. May I add that I have a very keen appreciation, not merely of the work which the Senator from Florida is doing, which I have reason always to appreciate, but also of this whole process of going through appropriation bills, which I think is one of the cruelest tasks which any Senator faces.

Why any Member of the Senate should wish to serve on the Appropriations Committee is beyond my understanding. However, I am glad that the distinguished Senator from Florida [Mr. HOLLAND] and the distinguished Senator from Maine [Mrs. SMITH] are members of it.

Mr. HOLLAND. I thank the Senator from Vermont for his kindness.

Mr. FLANDERS. Mr. President, I withdraw my amendment.

The PRESIDENT pro tempore. The amendment of the Senator from Vermont is withdrawn.

The bill is open to further amendment.

Mr. HOLLAND. Mr. President—

Mr. LEHMAN. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield.

Mr. LEHMAN. On yesterday and today I have received a number of telegrams about the pending appropriation bill. In that connection, I should like to request certain information from the Senator from Florida.

One of the telegrams reads as follows:

BROOKLYN, N. Y., May 29, 1956.

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Administration has requested appropriation of \$1.8 million to conduct national housing inventory. One million dollars was approved by House committee, but has been denied by Senate committee. This study is designed to update 1950 housing census and will be conducted in 35 metropolitan areas, including New York. Continuing heavy housing production since 1950 creates necessity of determining whether this production truly meets the needs of broadest possible segment of our population. On Thursday a resolution approving the administration request will be offered from floor of Senate. I strongly urge your support of it when presented.

GEORGE C. JOHNSON,
President, the Dime Savings Bank
of Brooklyn.

I am advised by the staff that this question was raised on the floor of the Senate, and that the committee agreed to restore to the bill a certain amount. I am not sure what the amount was.

Mr. HOLLAND. Mr. President, I appreciate the concern of the distinguished Senator from New York. The ranking minority member of the appropriations subcommittee, the distinguished Senator from Maine [Mrs. SMITH] and the chairman of the subcommittee, with the concurrence of other members who could be contacted, agreed to restore to the bill \$650,000, which is the portion of the \$1,800,000 which was proposed to be spent in a national effort on a 2 percent sampling basis, to check upon the homes and dwellings throughout the Nation, in order to bring up to date to that extent the information already contained in so voluminous a way in the 1950 Census.

We did not agree to restore to the bill other parts of the item; but I think the Senator from New York will realize why that was our view. The full committee had declined to include any of the \$1,800,000, because at that time we understood all of it was to be spent only in selected cities; and a study of that sort would not extend widely enough to cover some of the fastest growing and most widely developed cities in the Nation. For instance, Buffalo, N. Y., was not included in the action taken by the House, although apparently Buffalo is a very rapidly growing city located in a very rapidly growing area, because we received many requests for its inclusion. Similarly, Miami, Fla., was not included; Dallas and Houston, Tex., were not included; San Diego, Calif., was not included; various other rapidly growing cities were not included. The best which could be said of the program was that it offered relief in a few places. But we felt that was not the national approach which should be made.

When we found that \$650,000 could be used to bring up to date the national statistics, on a national basis, we approved that. So, with the approval of the distinguished Senator from Maine [Mrs. SMITH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alabama [Mr. SPARKMAN], and myself, that amendment was accepted; and I am sure it will remain in the bill, because it is within the action taken by the House of Representatives.

Mr. LEHMAN. I thank the Senator from Florida very much indeed.

Mr. President, will the Senator from Florida yield further to me?

Mr. HOLLAND. I yield.

Mr. LEHMAN. I ask unanimous consent that the several other telegrams I have received on the subject just under discussion be printed at this point in the body of the RECORD, as a part of my remarks.

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

NEW YORK, N. Y., May 28, 1956.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:

The section of Bureau of Census appropriation for national housing inventory has been deleted by Senate Appropriations Committee. This housing information is vital to planning and housing activities in the city and metropolitan region. Strongly urge your support of reinstatement of this section on floor of Senate.

JAMES FELT,
Chairman, City Planning Commission.

NEW YORK, N. Y., May 28, 1956.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urge you to vote for restoration of funds for national housing inventory in appropriation bill for Census Bureau.

J. CLARENCE DAVIS, Jr.,
President, Citizens Housing and
Planning Council.

NEW YORK, N. Y., May 25, 1956.

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

An inventory of housing in metropolitan areas urgently needed for proper planning

to meet housing needs. On behalf of Welfare and Health Council of New York City respectfully urge restoration of funds for national housing inventory in Census Bureau appropriation for current fiscal year. Also recommend that original request for \$1.8 million be appropriated.

J. DONALD KINGSLEY,
Executive Director.

NEW YORK, N. Y., May 25, 1956.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

We urge that you vote to restore \$1,800,000 to Census Bureau appropriation, for vitally needed national housing inventory.

FRANCES LEVENSON,
Director, National Committee Against
Discrimination in Housing.

WASHINGTON, D. C., May 29, 1956.

The Honorable HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The following telegram sent today all members Senate Appropriations Committee: "The National Association of Home Builders and its 260 affiliated local and State associations urgently ask restoration by the Senate of the President's request for an appropriation for a national housing inventory by the Census Bureau (H. R. 10899, title I, Bureau of the Census). Following a period of unprecedented national expansion and growth, the Government and the industry itself are severely handicapped in having to rely on the now inadequate and outmoded statistics of the 1950 census. There is a pressing need for current data to insure sound decision making in housing matters. The Federal Government alone is in a position to make this survey and inventory. "We respectfully urge your support for restoration."

JOHN M. DICKERMAN,
Executive Director, National Association
of Home Builders.

Mr. LEHMAN. I thank the Senator from Florida.

Mr. HOLLAND. I thank the Senator from New York.

The PRESIDENT pro tempore. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 10899) was passed.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the President pro tempore appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HOLLAND, Mr. ELLENDER, Mr. MAGNUSON, Mr. STENNIS, Mrs. SMITH of Maine, Mr. BRIDGES, and Mr. KNOWLAND conferees on the part of the Senate.

INCREASE OF MINIMUM POSTAL SAVINGS DEPOSIT

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2087, Senate bill 1873.

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

The LEGISLATIVE CLERK. A bill (S. 1873) to increase the minimum postal savings deposit, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1873) to increase the minimum postal savings deposit, and for other purposes.

Mr. SMATHERS. Mr. President, I announce that it is the intention of the acting majority leader not to have the Senate proceed further with this bill today, but, instead, to have the bill considered further on Monday.

Mr. President—

The PRESIDENT pro tempore. The Senator from Florida has the floor.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday next, at 12 o'clock noon.

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

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORTS DURING ADJOURNMENT PERIOD

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Appropriations Committee be permitted to file reports during the adjournment of the Senate following today's session.

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

ORDER DISPENSING WITH CALL OF THE CALENDAR ON MONDAY

Mr. SMATHERS. Mr. President, I ask unanimous consent that on Monday next, the call of the calendar under rule VIII be dispensed with.

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

AUTHORIZATION TO SIGN ENROLLED BILLS

Mr. SMATHERS. Mr. President, I ask unanimous consent that the President pro tempore be authorized to sign enrolled bills during the adjournment of the Senate following the completion of its business today.

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

ANNOUNCEMENT REGARDING CONSIDERATION OF BILL AMENDING THE SOCIAL SECURITY ACT

Mr. SMATHERS. Mr. President, for the information of the Senate, I should like to announce that a number of Senators have been requesting information as to when the bill amending the Social Security Act will be considered by the

Senate. The best information we can give at this time is that there will be no opportunity to consider that measure before Wednesday or Thursday of next week. There has been some delay in the printing of the report on the bill. However, the bill will be brought up for consideration on the floor of the Senate as soon as the printing has been taken care of.

PRINTING AS SENATE DOCUMENT OF REPORT ON RENEGOTIATION BY JOINT COMMITTEE ON INTERNAL REVENUE TAXATION (S. DOC. NO. 126)

The PRESIDENT pro tempore. The Chair lays before the Senate the report of the Joint Committee on Internal Revenue Taxation, relating to renegotiation. Without objection, the report will be printed as a Senate document.

PROGRAM FOR MONDAY

Mr. SMATHERS. Mr. President, I announce for the information of Senators that it is possible that on Monday the Senate will consider Calendar No. 2060, House bill 8225, a bill to authorize the addition of certain lands to the Pipestone National Monument in the State of Minnesota; Calendar No. 2061, House bill 9822, a bill to provide for the establishment of a trout hatchery on the Davidson River in the Pisgah National Forest in North Carolina; Calendar No. 2076, House bill 6376, a bill to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes; Senate bill 3920, a bill to authorize the partition or sale of inherited interests in allotted lands in the Tulalip Reservation, Wash., and for other purposes, reported today without amendment; and Calendar No. 2058, House bill 3255, a bill to amend the Classification Act of 1949 to preserve the rates of compensation of certain officers and employees.

USE OF RADIO AND TELEVISION BROADCASTING STATIONS BY CANDIDATES FOR OFFICE IN FEDERAL ELECTIONS

Mr. HUMPHREY. Mr. President, on Tuesday of this week, very late in the evening, during Senate consideration of the highway bill, I introduced, on behalf of myself, the Senator from Montana [Mr. MANSFIELD] and the Senator from Alabama [Mr. SPARKMAN], a bill (S. 3962) to amend the Communications Act of 1934 with respect to the use of radio and television broadcasting stations by candidates for office in Federal elections. Because of the extreme importance and intense interest in this matter, I have requested that the bill be kept at the desk until the end of Senate business on next Tuesday, June 5, in order to enable other Senators to join in sponsoring it.

I am privileged to announce at this time that both the senior Senator from Oregon [Mr. MORSE] and the senior Senator from Montana [Mr. MURRAY] also join in sponsoring the bill.

I request unanimous consent that the text of the bill be printed at this point in the RECORD, as a part of my remarks.

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

Be it enacted, etc., That section 315 of the Communications Act of 1934 (47 U. S. C. 315) is amended to read as follows:

"Sec. 315. (a) If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall (except as provided by subsections (b) and (c)) afford equal opportunities to all other such candidates for that office in the use of such broadcasting station.

"(b) Subsection (a) shall apply to the use of a broadcasting station by any legally qualified candidate for the office of President or Vice President of the United States only if such candidate—

"(1) is (A) the nominee of a political party whose candidate for such office in the preceding presidential election was supported by not fewer than 4 percent of the total votes cast, or (2) supported by petitions filed under the laws of the several States which in the aggregate bear a number of signatures, valid under the laws of the States in which they are filed, equal to at least 1 percent of the total popular votes cast in the preceding presidential election; or

"(2) is a candidate for presidential or vice presidential nomination by a political party whose candidate for such office in the preceding presidential election was supported by not fewer than 4 percent of the total popular votes cast and—

"(A) is the incumbent of any elective Federal or statewide elective office of any State; or

"(B) has been nominated for President or Vice President at any prior convention of his party; or

"(C) is supported by petitions filed under the laws of the several States which in the aggregate bear at least 200,000 signatures which are valid under the laws of the States in which they are filed.

"(c) Subsection (a) shall apply to the use of a broadcasting station by any legally qualified congressional candidate only if such candidate is—

"(1) the nominee of a political party whose candidate for the congressional office sought by the legally qualified candidate received in the preceding general congressional election not less than 4 percent of the total votes cast for all candidates for that office in such election; or

"(2) supported by one or more petitions filed under applicable State law which in the aggregate bear a number of signatures, valid under the laws of the State, equal to at least 1 percent of the total votes cast for all candidates for that office in the preceding general congressional election.

For the purposes of this subsection, the term 'congressional candidate' means a candidate for election as a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

"(d) No licensee shall have any power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate.

"(e) The charges made for the use of any broadcasting station for any of the purposes heretofore set forth in this section shall not exceed the charges made for comparable use of such station for other purposes.

"(f) It shall be the obligation of each television network and each television station to make available without charge to each candidate for the office of President of the United States eligible to receive equal opportunity under subsection (b) one-half hour of time per week during September and

1 hour of time per week during October and 1 hour in November preceding election of any year in which a presidential election is being held. Time made available under this subsection may be utilized only by the candidate for President or the candidate for Vice President and shall be in such time segments (not less than 15-minute segments) and at such times as the candidate for President shall request not less than 15 days in advance, but no network or station shall be under any obligation to provide time in less than half-hour segments at any time when there is a regularly scheduled half-hour program on such network or station or to provide time in less than 1-hour segments at any time when there is a regularly scheduled 1-hour program on such network or station. Where a request for time is made to a network under this subsection, it shall be the obligation of each station affiliated with that network to clear the time requested: *Provided, however*, That if a station is affiliated with more than 1 network and the total time requested for clearance in any 1 week shall exceed the amount of time the station is obligated to make available under this subsection, the candidate for President shall determine the network to which the time is to be made available by the station. The candidate for President may request time under this subsection directly from a station or stations rather than through a network or networks, but in no event shall any network or station be required to carry programs without charge for more time than specified in the first sentence of this subsection. No network or station shall be held responsible for the non-fulfillment of any contract heretofore or hereafter made because of its inability to carry out said contract by reason of the obligations imposed upon such network or station under this subsection.

"(g) The Commission shall—

"(1) prescribe appropriate rules and regulations to carry out the provisions of this section; and

"(2) determine, and upon request of any licensee notify such licensee concerning, the eligibility of any candidate to receive equal opportunity under subsection (b) or (c) in the use of any broadcasting station."

Mr. HUMPHREY. Mr. President, today I should like to address myself briefly to the provisions of the bill and the justification for it.

Let me begin by saying that it is a companion measure to H. R. 11150, a bill introduced in the House of Representatives by Representative PRIEST on May 10, 1956. It is apparent that there is considerable interest in this measure in the House of Representatives, and I am earnestly hopeful that committee consideration on that side may occur momentarily.

In an election year, Mr. President, it is obvious to everyone that the wisdom reflected in a citizen's vote largely depends upon the information which comes to him during the course of the campaign. Campaigning techniques themselves have now been revolutionized by the medium of television. It has added many new dimensions to a candidate's public image. In projecting appearance, as well as words and voice, the television medium is rapidly becoming the single most important vehicle for the conduct of political campaigns.

I think we should also recognize quite frankly that television is a mechanism in which the American people have not only an interest but a property right. The television frequency which is granted exclusively and for private

profit to a television licensee under the Federal Communications Act is the property of the Government and the people of the United States. Just as a rental accrues to the United States Government from the leases of federally owned offshore oil-producing property, a modification in the terms of a current television license would be a kind of rental upon such property. In a sense, the bill I have offered would provide for such a public rental by requiring in certain limited cases applicable only to presidential and vice-presidential candidates the granting of free time for governmental purposes. Expert legal advisers have drafted and evaluated S. 3962. They have assured me that there is no legal obstacle to a modification of current licenses, requiring a rental in kind on what is now a completely unrestrained license, since there is no "contracts clause" limiting the Federal Government like that which limits the capacity of the States to change a contract.

EQUAL OPPORTUNITY

Mr. President, there are two major provisions in my proposed bill. The first would attempt to rescue radio and television stations from the predicament in which the present so-called equal-opportunity provision in the Communications Act places them. The present provision requires that any station which permits any candidate for public office to use its facilities must afford to any other candidates equal facilities. In numerous instances in the past the stations have been loath to grant the use of their facilities to bona fide major party candidates because of the possibility that they may have to grant equal time to any other applicant, no matter how insignificant or spurious his so-called candidacy might be. I can appreciate that we must always safeguard the right of minority party candidates to obtain appropriate public attention. Nevertheless, it is obvious that a change in the present provision of the Communications Act is called for.

Hence S. 3962 would require a station which permits one legally qualified candidate for public office to use a broadcasting station "to afford equal opportunities to all other candidates for that office." This provision is made applicable, however, only to the following candidates:

(a) Presidential and vice presidential nominees of any political party whose national votes in the preceding presidential election amounted to at least 4 percent of the total votes, or presidential and vice presidential candidates supported by petitions in each State containing signatures equal to at least 1 percent of the total popular vote cast there in the preceding presidential election;

(b) Candidates for presidential and vice presidential nomination by a political party whose candidate in the preceding presidential election obtained at least 4 percent of the total popular vote cast, provided that, first, such candidate for nomination is an incumbent of an elective Federal or elective statewide office; or, second, such candidate for nomination has been previously nominated for President or Vice President by his party; or, third, such candidate for

nomination is supported by petitions bearing an aggregate of 200,000 signatures.

(c) Congressional candidates, that is candidates for election as Senator or Representative in, or Delegate or Commissioner to, the Congress of the United States, who have either been, first, nominated by a political party whose previous candidate for the congressional office in the preceding general congressional election won at least 4 percent of the total votes cast for that office; or, second, supported by petitions containing signatures equaling at least 1 percent of the total votes cast for all candidates for the appropriate office in the preceding general congressional election.

Mr. President, in connection with the first part of my bill concerning equal opportunity, there are also appropriate provisions preventing any television or broadcasting station from censoring material broadcast. There are also provisions requiring that the charges made for campaign broadcasts shall not exceed the charges made for a comparable use of the station for other purposes.

FREE TIME

Mr. President, the second major section of my bill would make available without charge to each candidate for the office of President of the United States who is eligible to receive equal opportunity under the above provisions, the following campaign time:

One-half hour of time per week during September, 1 hour of time per week during October, and 1 hour of time during November, each year in which a presidential election is held. The qualified candidates for President under this bill could request time either of the entire network or of specific stations. The detailed provisions are included in the bill governing such requests.

There are several specific limitations written into the bill which would safeguard the station from the interruption of hour or half-hour programs for smaller amounts of political time, and the time made available under this section may be used only by the candidate for President or the candidate for Vice President.

The free-time provision in my proposed bill would not prevent a station or network from selling additional time for use to the presidential or vice presidential candidates, or, of course, to other candidates for Federal office, who are not included in the free-time provision. The equal opportunity requirement would, however, apply throughout.

We cannot overestimate the importance of allowing the American people to hear the leading presidential candidates without being subject to the financial limitations burdening any particular candidate or party. All of us know that television is rapidly assuming the bulk of the expense in campaigning for public office. In some cases it is threatening to force public servants to rely more and more heavily upon the financial contributions of special interests.

I think there is a clear difference between the radio and television situation and the situation of newspapers and other publicity media. In the radio-

television case, the American people have made a gift of the exclusive use of certain channels to the licensees involved. This gift is for a temporary period of time only, and I think it is upon this that the American people may, if they wish, attach to such a lucrative gift certain conditions important to the public welfare. The condition of free time for the discussion of public issues is a reasonable one. Indeed, it has now become more than that, I think it has become essential.

I differentiate radio and television free time from anything relating to a newspaper because a newspaper is a private enterprise, in which no Federal license is involved. No particular gift from the Federal Government, such as an air channel or any other particular benefit, is involved.

Mr. President, I ask other Senators to consider this bill very carefully because it deals with the problem that will be of increasing importance to the future of American democracy. I shall welcome the support of those Senators who wish to join me, Senator MANSFIELD and Senator SPARKMAN, with whom I am sponsoring this measure.

Mr. President, I now wish to address myself to another subject.

The PRESIDENT pro tempore. The Senator from Minnesota has the floor.

PAN AMERICAN AND NORTHWEST AIRLINE ROUTES

Mr. HUMPHREY. Mr. President, earlier today, in colloquy with the Senator from Illinois [Mr. DOUGLAS], I said I wished to make comment with reference to the Trans-Pacific case which had been handled by the Civil Aeronautics Board and subsequently dealt with at the White House at Cabinet level.

The unusual and mysterious handling of some international air route cases in the White House, particularly the Trans-Pacific case, is a matter of growing concern to me, as I know it is to others on both sides of the aisle here today.

I should like to call the attention of the Senate to an article by Drew Pearson which appeared in the Washington Post on May 24, 1956. This article refers to the so-called Trans-Pacific case now pending before the Civil Aeronautics Board, and discusses the unusual role which the White House has played in the case.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks the section of Drew Pearson's article which refers to the White House and the Trans-Pacific case.

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

PAN AM JOB GOES TO IKE'S NEPHEW (By Drew Pearson)

Pan American Airways, which knows how to use people with influence almost as well as it knows how to fly airplanes, has recently hired three interesting people. They are:

1. The nephew of President Eisenhower, Milton Eisenhower, Jr.

2. Robert Murray, former Under Secretary of Commerce and the man who helped get the White House to reverse, temporarily, a Civil Aeronautics Board ruling for Northwest Airlines and against Pan American.

3. Roger Lewis, former Assistant Secretary of the Air Force, who held a key position in the Eisenhower administration when important contracts were given to Pan American on guided missiles and overhauling Air Force motors.

The interesting thing to watch is whether these new and influential persons will cause the White House and the CAB now to side with Pan American when it comes to awarding the Great Circle route via Alaska to Japan.

Northwest Airlines originally was given this route at a time when Pan American could have got it but didn't apply. Instead it took what looked like the more lucrative route across the Pacific via Honolulu.

WHITE HOUSE REVERSES

But as transoceanic planes improved, the Great Circle route has become the most efficient to Japan; so Pan American has had astute, charming Vice President Sam Pryor camping out in Washington trying to get Pan American the right to fly this route.

Just a year ago, the CAB awarded the route to Northwest Airlines for 7 years. Whereupon, Secretary of Commerce Sinclair Weeks who, like Pryor, has served on the finance committee of the Republican National Committee, persuaded the White House to reverse the CAB decision. He also got reversed a CAB decision to let Northwest continue its route from Seattle to Honolulu. Under Secretary of Commerce Murray helped Weeks in persuading the White House.

However, this caused such a furor that President Eisenhower stepped in personally and reversed his own White House advisers.

Since last year's failure, Pan Am has hired Ike's own nephew, plus the former Assistant Secretary of the Air Force, plus former Under Secretary of Commerce Murray, the man who intervened at the White House so effectively in favor of Pan American a year ago.

Pan Am has now applied to the CAB for the right to fly the Great Circle route over the back of Northwest. The hearings are in progress and it will be interesting to see what happens.

Mr. HUMPHREY. Mr. President, there is too much at stake for any of us to permit mishandling of international air route cases through errors in judgment, improper influence, or just plain meddling, as the strange manner in which the Trans-Pacific case has been handled would seem to indicate.

Not only is the economic welfare of airlines involved, but the outcome of this case will have a direct bearing on our national defense. It will have a far-reaching effect on the future of aviation, both in this country and the foreign field.

From the very beginning of the present case, the CAB's attempts to follow the mandates of the Civil Aeronautics Act and maintain a balanced competitive air pattern in the Pacific have met with White House interference and reversals.

What is behind such maneuvering? What has prompted the White House to ignore the Board's considered findings and to ask for revised directives instead? Are sources outside the Government attempting to influence final CAB decisions by making an end run around the CAB? If so, this body is entitled to know.

In the light of CAB recommendations and financial reports on file with the CAB, a few of these White House decisions demand a full explanation.

As Senators know, the accepted air policy in the Pacific is the maintenance of two strong but separate and competing air routes from the United States to the Far East. Northwest Airlines was an original applicant for a certificate over the great circle route, and Pan American World Airways was an applicant for both routes—the great circle course and the central Pacific route.

In 1946, the Board recommended Northwest over the great circle route and Pan American over the central Pacific, but ruled against Pan American monopolizing both routes.

When the certificates were up for renewal in 1953, Northwest again was an applicant for the Great Circle route and Pan American an applicant for both. Pan American's certificate over the central Pacific route was renewed, but again its application to duplicate Northwest's route was turned down by the Board.

At the same time the Board recommended a permanent certificate for Northwest on the great circle course.

In January of 1955, the President refused to approve a permanent certificate for Northwest, and based his decision on an assumption that subsidy was for Northwest operations.

The Senate will recall and it was brought out today during the consideration of the appropriations for the Department of Commerce that Northwest no longer has any subsidy for its overseas operations.

Other international carriers, by the way, were granted permanent operating rights while still on subsidy.

However, Northwest was not receiving subsidy at the time its permanent certificate was denied, and it still is today the only United States subsidy-free carrier without permanent rights to its international points.

In regard to Pan American's application to duplicate Northwest's service, the Board had recommended that it be denied. The President, however, again did not follow the Board's recommendation. Instead, he held his decision in abeyance until February of this year.

In asking the Board earlier this year to reconsider Pan American's application, the President indicated that he had been advised that new circumstances and new developments have arisen that may make at least some of the considerations previously raised by the Board no longer applicable.

Mr. President, I believe we should know who advised the President in this respect; I am sure it was not the Civil Aeronautics Board. Was it members of his staff? And if so, who advised the members of his staff, and what kind of information exchanged hands?

I am aware that Pan American claims discrimination or unfair competition by being restricted to the Central Pacific route, and that it cannot remain off subsidy unless it is granted authority to operate over the shorter route. But are Senators aware that Pan American already has the authority to operate a

route from San Francisco to Tokyo, via Midway, that is only slightly longer than the one it seeks?

Are Senators aware that revenues derived from Pan American's Pacific operations for 1955 amounted to \$58,551,000 with a net operating income, without subsidy, of \$5,076,000?

Northwest's revenues for the same period amounted to \$21,357,267 with a net loss of \$244,000 before taxes.

It is evident that Pan American does not need to gain access to Northwest's small market in order to stay off subsidy. Why, then, has the Board been asked to reconsider this issue? Is there a move underway to give Pan American, which is still a heavily subsidized carrier, complete control of all Pacific traffic and thereby create a monopoly at the expense of a completely subsidy-free carrier?

I wish the record to be absolutely clear that I am not selecting Pan American for any kind of abusive treatment. It is a great carrier. It has done marvelous work. It has been worthy of all possible consideration, but it is not worthy of special treatment, particularly when the facts do not permit that kind of treatment.

When the White House most recently returned this issue to the CAB, the Board expanded the case so as to also consider possible relief for Northwest in the event that Pan American's application was granted. Northwest does not want relief. It wants a certificate. But this was quickly stopped by the White House in a letter to the Board and signed by Gerald Morgan, special counsel to the President, who directed the Board to consider only the issues relevant to Pan American's application.

So far as I know, this is the first time the White House has directly intervened in any case before the CAB—and to come from a staff member at that. I am sure there is nothing in the Civil Aeronautics Act that provides for such a procedure.

In view of this unusual sequence of events, the Nation deserves nothing less than a complete report from the White House, explaining not only what appears to be strongly discriminatory action against an independent, self-supporting airline, but also in making a farce out of the lengthy and deliberate hearings and decisions of the Civil Aeronautics Board.

Mr. President, I should like to note that, according to the column to which I alluded previously, several developments have taken place in connection with Pan American in recent days which may be very interesting. For example, Robert Murray, former Under Secretary of Commerce, who helped to get the White House to reverse temporarily the CAB ruling for Northwest Air Lines and against Pan American has been hired by Pan American.

Mr. Roger Lewis, former Assistant Secretary of the Air Force, who held a key position in the Eisenhower administration when important contracts were given to Pan American on guided missiles and overhaul of Air Force motors is now with Pan American. Furthermore, a nephew of President Eisenhower, Milton

Eisenhower, Jr., is now with Pan American.

These may be totally unrelated matters, and I am making no particular accusation. I merely say that, coming from a State where the main base of Northwest Air Lines is located, with thousands of people interested in what is done in connection with the CAB certificate matter, because the Northwest base means jobs for our people, and this air line means jobs for our people, and, furthermore, because the air line has done a good job for the government and for the country, I believe justice should be done.

All I ask is that justice be done, and that an explanation be given. If the explanation can be validated as worthy and honorable, and if the explanation justifies reconsideration of CAB rulings, then, indeed, we shall withhold any further comment. However until that explanation is forthcoming, we intend to comment and we intend to ask what I consider it to be very important questions, because the Civil Aeronautics Administration Act does not provide for the procedure which is now being used in this particular case.

ADJOURNMENT TO MONDAY

Mr. BARRETT. Mr. President, in accordance with the previous order, I move that the Senate now adjourn until Monday, June 4, at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, June 4, 1956, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate May 31 (legislative day of May 24), 1956:

FEDERAL MARITIME BOARD

Clarence G. Morse, of California, to be a member of the Federal Maritime Board, for a term of 4 years expiring June 30, 1960.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 31, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, who art daily bestowing upon us the manifold blessings of Thy grace and goodness, help us to feel that it is our highest wisdom to enthrone Thy will and our noblest responsibility to establish the kingdom of justice and righteousness upon the earth.

Show us how to promote the spirit of understanding and unity in the heart of humanity and may all the members of the human family be bound to one another in mutual concern, seeking together those blessings which none can ever find or enjoy alone.

Grant that we may never yield ourselves to the enervating and debasing attitudes of the cynic and the defeatist, who would have us believe that our

search for peace and good will is a forlorn quest and hope.

Make us more acutely sensitive and more eagerly responsive to Thy voice, calling us to give ourselves with courage and devotion to the task of safeguarding the heritage of freedom which we are privileged to enjoy.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Tuesday, May 29, 1956, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10660. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints on title I, Mr. CHAVEZ, Mr. KERR, Mr. GORE, Mr. MARTIN of Pennsylvania, Mr. McNAMARA, and Mr. BUSH; and on title II, Mr. CASE of South Dakota, Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11177) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 5 to the above-entitled bill.

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 56-14.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1957

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill (H. R. 9390) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1957, and for other purposes, have until 12 o'clock to-

morrow night in which to file a conference report on that bill.

The SPEAKER pro tempore (Mr. McCormack). Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. GORDON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tomorrow in which to file a report on the bill (H. R. 10766) to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRAFFIC DEATHS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, we are all horrified at the number of deaths on the highways. There is no doubt that death stalks the highways today, and it seems to me we do very little about it except talk. I am wondering if life has become cheap as it is in Russia. I have introduced a resolution which creates a select committee to report back to the Congress on methods and means that can be used to prevent such deaths. Other resolutions have been introduced, but little comes of them. A woman was killed outside of my house, and for over a year signs were put up authorizing 25 miles an hour as the speed limit, but they have paid no attention to it. It is just as bad as it was before. We celebrated Memorial Day and dedicated our lives to the protection of our soldiers and our country. It seems that the least we can do is to see that in peaceful pursuits and in business pursuits more people are protected and our children are safe.

The resolution referred to is as follows:

House Resolution 519

Whereas the Nation is witnessing a terrible increase in the number of traffic accidents occurring on its highways which must be abated: Therefore, be it

Resolved, That there is hereby created a select committee to be composed of 7 Members of the House of Representatives to be appointed by the Speaker, 1 of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study to determine means which are feasible and necessary to promote maximum safety on the highways of the Nation.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its

investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Mr. Speaker, the clergymen in Massachusetts are making constant statements of caution to prevent accidents on the highways, and also the press, but accidents and deaths continue.

The following are the statistics on highway deaths and injuries furnished by Department of Commerce, Bureau of Public Roads:

Deaths in 1955:

| | |
|----------------|-------|
| January..... | 2,820 |
| February..... | 2,300 |
| March..... | 2,640 |
| April..... | 2,740 |
| May..... | 3,050 |
| June..... | 2,980 |
| July..... | 3,400 |
| August..... | 3,530 |
| September..... | 3,400 |
| October..... | 3,880 |
| November..... | 3,600 |
| December..... | 3,960 |

Total..... 38,300

Source of above figures: Public Safety, magazine published by the National Safety Council, June 1956 issue, page 32.

Injuries in 1955: Total on record for year 1955, 1,039,126.

(These figures include 32 States and the District of Columbia. Not broken down into months as some States do not report monthly figures, and only 32 States reporting.)

Source of above figures: Public Safety, May 1956 issue, page 36.

MILITARY PERSONNEL CLAIMS ACT OF 1945

Mr. FORRESTER. Mr. Speaker, I call up the conference report on the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2216)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and

agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Page 1, strike out lines 3, 4, and 5 and insert "That section 1 (a) of the Military Personnel Claims Act of 1945 (59 Stat. 225), as amended, is further amended by striking out '\$2,500' and inserting in lieu thereof '\$6,500.'"

And the Senate agree to the same.

E. L. FORRESTER,

HAROLD D. DONOHUE,

WILLIAM E. MILLER,

Managers on the Part of the House.

PRICE DANIEL,

JOHN L. MCCLELLAN,

HERMAN WELKER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

The bill as passed the House would remove the \$2,500 limitation upon the amount which may be recovered under the act. It also proposed to permit the recovery of the full amount of any claim in excess of \$2,500 in the case of an individual whose claim may have been settled in the interim period after July 3, 1952, and prior to the date that this proposed legislation would be enacted and become effective.

The Senate amendment would limit the settlement to \$4,000, and at the conference the amount of \$6,500 was agreed upon.

E. L. FORRESTER,

HAROLD D. DONOHUE,

WILLIAM E. MILLER,

Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to print certain charts and tables in the remarks that were printed in the RECORD on last Tuesday. I neglected to ask permission at that time.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RIVALRY IN THE MILITARY SERVICES

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I do not share in the concern which has been expressed in many quarters about rivalry between the military services. I do not base this statement on conjecture or hearsay. The Defense Subcommittee on Appropriations, of which I am a member, has held hearings on this matter following disclosures of conflicting views in and out of the services. Those hearings

have shown a healthy rivalry in new and important fields. America is developing new weapons and new techniques. Of these, none is more important than the field of guided missiles. There is serious doubt that America is ahead in this field. Yet, it is one race that we cannot afford to lose. The most dangerous thing to the peace of the world would be Soviet supremacy in the field of guided missiles. It is because of this fact that I am not disturbed by rivalry within the services for progress and prestige in the development of guided missiles and other new weapons and techniques. While I am convinced there is not serious overlapping, I could even condone a certain overlapping and duplication if it would help to insure that America will stay abreast and eventually surpass all other powers in these fields. We do not under any circumstances want military services whose leaders simply "go along" instead of fighting vigorously for their viewpoints and for the most rapid development of the weapons which may mean the difference between success or failure in future conflicts.

EXTENSION OF DEFENSE PRODUCTION ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 505) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9852) to extend the Defense Production Act of 1950, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. MADDEN] is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I call up this resolution which makes in order consideration of the bill H. R. 9852, which is an extension of the Defense Production Act of 1950.

The resolution provides for an open rule and 1 hour of general debate on the bill.

H. R. 9852 as reported from the Committee on Banking and Currency with amendment, extends the Defense Production Act of 1950 for 2 additional years until June 30, 1958, and would make the same 2-year extension in the authority to purchase strategic materials under section 303 of the act.

The bill would continue the priorities and allocation authority which is im-

portant to the procurement programs of the Department of Defense and the Atomic Energy Commission. This is accomplished by requiring producers of steel, copper, and aluminum to set aside certain percentages of their production for the filling of defense orders which are given preference in delivery.

Authority for lending and loan guaranties to provide incentives to expand productive capacity are also continued by the extension of the act, as well as the procurement authority. Through these means the threat of wartime shortages of strategic and critical materials is reduced.

The committee amendment to the bill pertains to persons who are trained under the executive reserve program of the agencies having mobilization responsibilities, as set up in the Defense Production Act of 1955. It provides that these trainees will be required to file the same statement of financial interests as persons who serve in the Government without compensation.

The committee report complies with the Ramseyer rule and I urge the adoption of House Resolution 505 so the House may proceed to the consideration of H. R. 9852.

Mr. Speaker, I reserve the balance of my time, and I now yield 30 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, there are no requests for time on this side. There is no objection to this bill. I yield back the remainder of my time.

Mr. MADDEN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, some 2 weeks ago I invited the attention of this House to the grave hardships being worked on our rural citizens by the closing of rural post offices and the curtailment of mail service. You may recall that I cited figures to demonstrate that the post-office closings in the name of economy save less than two-tenths of 1 percent of the Post Office budget. This minute saving is made at the expense of tremendous hardship on millions of American farm families.

Since my statement of 2 weeks ago, I have obtained certain official facts and figures that show this curtailment of rural mail service to be even more shocking than was apparent at that time.

Mr. Speaker, official figures reveal that in many instances the closing of rural post offices did not result in any saving whatever, but instead caused sizable increases in the cost to the Department for the mail service that was substituted.

In my own State of Georgia the official figures reveal that in no less than 11 instances, the closing of small post offices resulted in increased expenses to the Post Office Department.

Let me illustrate by two specific examples in the First District of Georgia, which I have the honor to represent in this body.

Let me cite the case of Ogeechee, Ga., in Screven County. With loud protestations of economy, the Post Office Department closed this small post office last year. In so doing the Department

ignored my emphatic protests of this action, and the Post Office Department callously disregarded the pleas and petitions of the post office patrons of this fine community.

Mr. Speaker, let me tell you what the result of this so-called economy move has been.

Official Post Office Department figures show that the cost of providing mail service to the patrons of the Ogeechee Post Office is \$4,000 a year more since the post office was closed.

Is not this incredible? The Post Office Department deprives the community of Ogeechee of its post office in the name of economy. Then the inadequate rural route service with which they replace the post office costs \$4,000 more than the cost of maintaining the post office.

Mr. Speaker, I just wonder if the many highly press-agented economies that the Eisenhower administration claims are as costly to the taxpayers as closing the post office at Ogeechee, Ga.

As briefly as possible, let me invite attention to another so-called economy move in my district.

After my repeated protests the Department closed the post office at Woodcliff, Ga., again in Screven County.

Here, official figures reveal, the rural mail route service substituted for the post office at Woodcliff which had served these patrons so many years, cost the taxpayers \$6,000 more than did the operation of the post office which they closed.

Let me remind you that there were nine other instances in the State of Georgia alone in which the cost of the service substituted for the discontinued post office amounted to more than the cost of operation of the post office that was closed.

Mr. Speaker, these figures conclusively demonstrate that in many instances the claims of savings in closing rural post offices are nothing less than direct misrepresentation of the facts.

You may recall that in my earlier remarks I cited figures from the official hearings and a statement by Mr. Norman R. Abrams, the Assistant Postmaster General, to demonstrate that the so-called savings effected by depriving millions of our rural citizens of adequate postal service amounted to less than two-tenths of 1 percent of the annual budget of the Post Office Department.

I quoted Mr. Abrams to show that the closing of more than 3,000 post offices resulted in a saving of only \$4,267,000. We all know that the 1957 Post Office Department budget is \$3 billion.

Let me reemphasize that the hardships worked on our rural citizens by this curtailment of mail service far outweighs the alleged savings by the Post Office Department. It is my conviction that the needs of the people should be the paramount consideration in providing mail service.

The Post Office Department was not established as a profit-making agency.

Certainly, I agree that the Post Office Department and all Government departments should be operated on a basis of strict economy. But when the Congress

establishes a needed service agency and provides the funds for its operation, it should be operated for the benefit of the American public.

We Members of the House are much more aware of the needs of our constituents than are Republican appointees out to make a record of economy regardless of the disaster worked on the rank and file Americans.

It is deplorable the way in which this administration has ignored the sincere recommendations of Democratic Members regarding postal service. No less than 40 times have I written strong protests against the closing of rural post offices. But my protests, except for minor exceptions have gone unheeded.

My 40 written protests were supplemented by personal appeals to the Post Office officials time after time. Again, my efforts in behalf of my rural constituents were in vain.

Sure, some type of rural mail service was substituted in most instances. But rural routes were lengthened beyond all reason. Mail was delayed. In all too many instances, rural subscribers to daily papers received their newspapers a full day after publication.

Are not our rural residents as much entitled to current news as their city cousins? It is my conviction that they are.

You know that excessively long routes inevitably result in delayed mail service. This is not mere inconvenience. This results in direct hardships on millions of Americans.

Picture the plight of a rural housewife who has ordered some necessary article from a store or mail-order house in the city. It is likely that the package is delivered c. o. d. What must she do? She must walk to the mail box, and there wait until the rural carrier arrives so that she may make payment for her purchase.

When that carrier is delayed beyond his usual time, which is all too often the case on lengthy routes, she must wait for lengthy periods. Frequently she must keep her vigil in bad weather.

Mr. Speaker, should this hardship be worked upon the citizens of the richest country in the world? Should our rural citizens be deprived of the prompt mail service that is the symbol of every civilized country in the world?

I think not. It is my conviction that our rural citizens are as much entitled to prompt mail service as are the residents of our cities.

It is not just the protests of a single Democratic Congressman that go unheeded. This arrogant Republican Post Office Department treats the highest ranking officials of this House in a most cavalier fashion.

Last September the esteemed chairman of our Committee on Post Office and Civil Service directed the Postmaster General to desist closing these rural post offices until the committee could complete an inquiry into the effect of this practice on rural Americans.

These instructions from our committee chairman were blithely ignored.

Mr. Speaker, I repeat my protest of several days ago. We have seen the callousness with which this administration regards our farmers as concerns the bil-

lions of dollars they have lost because of falling farm prices.

Must we Members of the House submit to the conscienceless policy of the Post Office Department in depriving our rural citizens of adequate mail service?

I say "No." Let us take measures to restore adequate rural postal service without further delay.

I pledge to the proper committees of this House my warmest and most vigorous support for measures that will once again provide adequate mail service to the forgotten Americans of the Eisenhower administration, the farm families of our great country.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9852) to extend the Defense Production Act of 1950, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9852, with Mr. PRESTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. WOLCOTT] for 30 minutes.

The gentleman from Kentucky is recognized.

Mr. SPENCE. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, this bill would extend from June 30, 1956, to June 30, 1958, the Defense Production Act of 1950.

The Defense Production Act was passed to coordinate our economic power in the interest of our national security. It has served, I think, a very good purpose, and while it may be criticized on the ground that some of its functions have not been exercised as they should have been, certainly there is no Member of Congress who would consider not extending this act. By its power of allocations and priorities it has directed the economic power and the productive activities of the United States in the direction of national defense.

Its purpose was to stimulate all of the productive activities and direct them in the lines that are essential for our security. Its purpose was also to stimulate and expand the smaller plants whose production amounts to a great deal with reference to the national production and whose stimulation means much to the strengthening of the economy of our Nation.

This is the fifth time this act has been extended. There was some effort in the committee to extend it for 1 year in order that it might be reexamined every year. We have the Joint Committee on Defense Production, the watchdog com-

mittee, whose duty it is to investigate and keep in touch with the activities of this agency and report to the Congress.

I do not think the argument that we should extend it for only 1 year because it should be investigated annually is sound. Through this committee we are in constant touch with the agency's activities. I think that a 1-year extension might also be considered by the enemies of free government as an indication that we are weakening our efforts to preserve our liberties and our way of life.

This bill comes to you with only one amendment. There is in the agency an organization that works without pay—the WOC's. They are businessmen drawn from various industries and are usually men of wealth who have large holdings in various enterprises. They are required to divulge their interests and business associations. The good man actuated solely by patriotic motives, I am sure, would be willing to make these disclosures. For where a man's treasure is there his heart is also. No man can serve two masters. I do not sympathize with those who say that we should not subject these gentlemen who come here to help their country to any inquisitorial investigation as to their holdings. I think they ought to be glad to tell what their holdings are in order that we might know whether or not they have any interest in conflict with the interests of the Government. Certainly that does not demean them at all. It is often spoken of as though it might be a reflection on them. It is not a reflection on an honest man to put him under bond for the faithful discharge of his duties in connection with the handling of money. I never heard of anybody making that argument. It is essential that they should divulge their interests. There is another group known as Executive Reserves. They are trainees for contemplated future service in the agency. These are the men who might in the future be called upon for advice. In this bill there is also an amendment requiring the Executive Reserves as well as the WOC's to divulge their interests and holdings. I am informed that there will be an amendment offered to this amendment which will require the Executive Reserves to make but one disclosure and would relieve them from making periodic disclosures as required in this bill as reported. I hope that the amendment exempting the Executive Reserves from periodic disclosures will be agreed to, and that this bill as so amended will pass.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I have no requests for time at this time.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, there is no doubt that this law must be extended. There is doubt, however, as to whether or not it should be extended for 1 year or for 2 years.

In that connection, our distinguished chairman has already indicated to you that we do have a Joint Committee on Defense Production that is supposed to

pay attention to the matters that are covered by this bill all the year around. I am certain they are doing the best they can and will call to the attention of our committee and the Congress any changes requiring our attention that may occur, whether the law is extended for 1 year or for 2 years.

Mr. Chairman, I want to take a minute or two to call the attention of the committee to the fact that although we do have a good law here and a law that must be extended, and that we do have a Joint Committee on Defense Production that is inquiring about its operation, in the administrative part of our Government, this law and the problems presented by its operation and its administration are not getting the kind of serious attention that they deserve and require.

In asking for the extension of the law, the executive department necessarily takes the position that we are still in a state of emergency; that we still require constant attention to the matters that may bring about a much worse situation internationally than exists today. Yet, when we ask the heads of the departments that come before us as to what they are doing, they tell you that they are studying and worrying and studying. When you seek details, you find that they are almost completely ignoring the matter.

Not the least of these problems presented under this Defense Production Act is the matter of scarce materials, and one of those materials is steel scrap, another is nickel. Despite the fact that we have had an alarming increase in price, and an alarming increase in the amount of exports, we still are unable to get from the executive department any factual report as to what the situation is or what they intend to do about it or what they should do about it.

We have a similar situation as to standby controls. Everybody in the executive department that comes before our committee admits that in the event the current emergency should develop into hostilities or in the event of an attack, or in the event of war, we would have to have control legislation. Despite that, no one in the executive department has given any serious consideration to what such a law should provide, what regulations will be needed for implementation, how the law should be executed and administered. They will tell you we do not need any standby controls on the books now. Mind you, standby controls are not something that you put on the books and make effective immediately, but a standby control law is one which would be enacted by the Congress, but made effective by the President if the Congress was not in session or by the Congress simultaneously with a declaration of war if that should come, and we all hope it will not come.

Nevertheless, nobody in the executive department is prepared to say to any Member of the Congress, "In the event of an emergency happening tomorrow, we are prepared to submit to you a proposed bill which will cover the situation adequately." They tell you that they are aware of the situation, but, as was

said by Secretary Weeks, when he appeared before our committee, the best he could tell us was, and I quote:

Like all matters relating to preparedness and defense establishment, these things—

Meaning standby control legislation—come up from time to time, but I never recall having seriously considered standby controls.

I think that is a very sad reflection upon the executive department of our Government when things of this kind have not had serious consideration by the men who are charged with the duty of giving their time and attention to these very important matters.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman.

Mr. GROSS. Did the gentleman say whether he is going to offer an amendment to limit the extension to 1 year?

Mr. MULTER. I did not mention that fact. I was told that someone would offer such an amendment. I do not intend to offer the amendment to limit it to 1 year because of the representation to us by the distinguished chairman of our committee and by the distinguished gentleman from Georgia [Mr. Brown] who is chairman of the Joint Committee on Defense Production, that they will continue to give close attention to this matter. Therefore, I personally do not intend to offer an amendment limiting the extension to 1 year instead of 2 years. I would support such an amendment if it were offered.

Mr. GROSS. An amendment to limit it to 1 year?

Mr. MULTER. Yes. That would automatically bring the matter before the next Congress, in the first session of that Congress.

Mr. GROSS. I thank the gentleman.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. OLIVER P. BOLTON].

Mr. OLIVER P. BOLTON. Mr. Chairman, I have asked for this time merely to ask a question of the gentleman who just spoke, Mr. MULTER. I believe I heard the gentleman quote Secretary Weeks; where was that testimony?

Mr. MULTER. I quoted from page 180 of the hearings before our committee on this extension.

Mr. OLIVER P. BOLTON. Actually, standby controls would come under the jurisdiction of Mr. Flemming, would they not?

Mr. MULTER. No; I do not think so. I would say that Mr. Flemming also has jurisdiction over the matter, that Mr. Flemming as the Director of Defense Mobilization should certainly give attention to this. I can give similar quotations from Dr. Flemming's testimony, at another page of the record.

Mr. OLIVER P. BOLTON. I would be interested in that quotation because it is my memory during the testimony of Dr. Flemming before our committee, that we questioned him at some length concerning this matter and the impression which I gathered was that the matter had received very serious consideration and was still under study.

Mr. MULTER. I will agree that the gentleman did tell us that the matter is still under study.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. VANIK] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VANIK. Mr. Chairman, it is with certain misgivings that I support H. R. 9852, the extension of the Defense Production Act for 2 years.

A reappraisal of the Defense Production Act is long overdue. The wide-scale economic effect of the activities of this important function should be carefully scrutinized. The administration of this law has gone far beyond its originally stated concepts. Defense mobilizing is used in our economy to prop up sagging conditions in various businesses and industries.

In the stockpiling of strategic metals, the emphasis seems to be on the establishment of a program of price supports for certain mining industries. The need for a price-support program for the development of a domestic metals industry may be justified, but the kind of activity should bear a proper label and should not be classified as "production for defense."

It is high time to calculate the cost of the accelerated amortization program and to determine whether there is a more efficient way to create productive facilities in the interests of national defense. Defense Mobilizer Flemming testified that tax certificates have already been granted to the extent of \$18 billion or 60 percent of the cost of expanded facilities. In view of the fact that these certificates have been granted at a high-income period, it may be assumed that a good portion of the cost of this expansion would have otherwise flowed to Government as taxable income. Dr. Flemming stated he did not know whether it would have cost less for the Government to have collected the taxes due and paid for the expanded facilities on a direct contract basis.

The recent wide-scale grant of quick depreciation certificates for expansion of power facilities is certainly questionable. Most public utilities already operate on a cost-plus basis. The tax amortization certificates were granted in many cases where expansion would have been undertaken without them. The granting of these certificates constitutes a needless bonus to this large and powerful industry.

The use of mineral price supports and "quickie" tax amortization to prop up segments of our industrial life over and beyond the requirements of national defense are in the nature of wonder drugs applied to an economy supposedly in good health. The repeated use of these wonder drugs on a healthy patient serves to establish a resistance which will make them ineffectual in a period of grave emergency.

Productions for defense should not be charged with the added cost of economic

stabilization. I am not opposed to the cost of economic stabilization or props for certain industries, but these items should carry a proper label.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, H. R. 9852 would extend the Defense Production Act for 2 years, and has been favorably reported by the Committee on Banking and Currency. I favor an extension of the Defense Production Act for the period favorably reported by the committee.

The Defense Production Act was first approved on September 8, 1950. For more than 5 years this act has been one of the main tools in the development of our defense mobilization program. This program has constituted an effort by the Government to meet the needs of military security with the minimum interference with our free-enterprise civilian economy. This has required considerable expansion, since there have been increased military requirements and increased production for consumers.

In providing for our defense through expansion programs, the Defense Production Act has provided incentives such as loans, loan guaranties, contractual commitments, and exploration. To accomplish these purposes, a borrowing authority fund of \$2.1 billion was provided under section 304 of the act. This fund has enabled the Government to consummate transactions estimated at more than \$7½ billion as of December 31, 1955.

It has been estimated that during the past fiscal year approximately two-thirds of the materials purchased for the stockpile to meet minimum stockpile objectives came from Defense Production Act inventories.

The priorities and allocations authority of title I of the act is of great importance to the Department of Defense and the Atomic Energy Commission. Under authority of the Defense Production Act, the defense materials system, as operated by the Department of Commerce, accomplishes the important purpose of requiring producers of certain basic items to set aside certain percentages of their production for the filling of identified defense orders. The loan-guaranty provisions of section 301 of title III of the act are used extensively by the Department of Defense. Through December 31, 1955, guaranties aggregating \$2 billion had been authorized by the Department of Defense under this section.

The committee report sets forth that as of the close of 1955, purchases aggregating \$4 billion had been completed under section 303 of title III of the act, with another \$2.8 billion remaining in process.

H. R. 9852 does not change the voluntary-agreements program under which 23 agreements are now in force, and would continue the Executive Reserve program. H. R. 9852 also extends for 2 years the period of time over which expansion contracts under section 303 of the act may extend.

The 1955 amendments to the Defense Production Act recognized the need for preparedness programs designed to re-

duce the time required to mobilize in the event of an attack.

The maintenance of a strong and flexible defense program requires that current military and atomic energy programs proceed without interruption and that a broad and diversified mobilization base be established which will reflect new requirements resulting from changes in technology and strategy. The authorities provided in the Defense Production Act are essential to meet these objectives.

The Director of the Office of Defense Mobilization and the Secretary of Commerce appeared before the committee in support of the 2-year extension of the act.

On the basis of the unquestioned defense need of an extension of the Defense Production Act, I urge that H. R. 9852 be passed, thereby extending the Defense Production Act for a period of 2 years.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to ask a question of the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE]. Did I correctly understand him to say that he would offer an amendment that would make the bill more palatable to the manufacturers? I understood him to say there were certain provisions in the bill that would require the manufacturers to give information that they might not wish to give.

Mr. SPENCE. I understand such an amendment will be offered. I am not going to offer it.

Mrs. ROGERS of Massachusetts. I think it will be very dangerous. The manufacturers may have to give out a good deal of information publicly, and this means their competitors will have an advantage. The gentleman does not know whether such an amendment will be offered?

Mr. SPENCE. This would not require any privileged information, it would not require any trade secrets, it would only require information as to what he actually owned. It would be in conflict with the best interests of the country if he was acting in accordance with his own interests and not in a public spirit.

Mrs. ROGERS of Massachusetts. People do not have very much privacy nowadays, it seems to me, in anything. I hope there will be an amendment to safeguard it. But, I would also like to ask the gentleman if there is anything to provide a stockpiling for the civil defense. I am appalled by the fact that they do not have any stockpile in the case on an emergency.

Mr. SPENCE. There is nothing in the bill with reference to that.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. WOLCOTT. I think the gentleman and the chairman of the committee are talking about two entirely different things. The gentleman is talking about this program in which the administration encourages people with peculiar knowledge of production of articles which are considered to be strategic and

so on, and people who have the know-how with reference to such matters to come into the Government. The gentleman, as I understand it, is talking about compelling someone to give information. There is nothing in the bill to compel anybody to give any information. As a matter of fact, there are safeguards in the bill in respect to those who work without compensation. If a certain material is declared to be critical and information concerning it is classified, there is a fine, I believe, of \$10,000 for giving out such information.

Mrs. ROGERS of Massachusetts. Then, they do not have to give out any information about their product unless they wish to do so.

Mr. WOLCOTT. Not under any provision of the bill that I know of.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That the first sentence of subsection (a) of section 717 of the Defense Production Act of 1950, as amended, is hereby amended by striking out "June 30, 1956" and inserting in lieu thereof "June 30, 1958."

SEC. 2. Subsection (b) of section 303 of the Defense Production Act of 1950, as amended, is hereby amended by striking out "June 30, 1963" and inserting in lieu thereof "June 30, 1965."

With the following committee amendment:

At the end of the bill, insert the following new section:

"Sec. 3. Subsection (e) of section 710 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: 'No such person shall become a member of the executive reserve unless he has complied, to the extent applicable, with the same requirements as apply with respect to persons appointed under subsection (b) of this section.'"

Mr. OLIVER P. BOLTON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER P. BOLTON to the committee amendment: Page 2, before the period in line 7, insert a semicolon and the following: "this sentence shall not be construed as requiring any member of the executive reserve to file a statement of changes in interests in conformity with the last sentence of paragraph (6) of subsection (b)."

Mr. OLIVER P. BOLTON. Mr. Chairman, in explanation of this amendment, may I say the committee amendment to the bill merely makes the disclosure provisions, which are applicable under present law to those serving without compensation, also applicable to those who come into the Executive Reserve. The amendment which I have offered, and which I believe has been agreed to, would withdraw the provision which would require members of the Executive Reserve to report every 6 months. The feeling, at least on my part, and the reason I went along with the committee amendment, is that it is our job to preserve the integrity of the reputation of those who

are in Government, and if there is a challenge of their integrity which can be met easily, I see no reason against it. Therefore, since the disclosure of one's holdings is such an easy step, I thought this could be gone along with and would not keep men out of the Executive Reserve. However, after the amendment was adopted, we noticed that under the language, members of the Reserve would be required to file changes in their holdings every 6 months regardless of whether they were in Washington and regardless of whether they had any connection with Government business at that time except for a membership in the Executive Reserve. This amendment would withdraw that requirement and not make it necessary for members of the Reserve to report unless they were serving as men without compensation in Government.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I gladly yield, sir.

Mr. SPENCE. The Executive Reserve have no employment. They are those who it is anticipated might be employed.

Mr. OLIVER P. BOLTON. They merely agree that in time of emergency they will serve in a certain job.

Mr. SPENCE. I do not think they ought to have to disclose what they have every time they visit the agency, and I am for the gentleman's amendment.

Mr. OLIVER P. BOLTON. I thank the gentleman. Therefore, I gather the gentleman would support this amendment.

Mr. SPENCE. I said I was in favor of it and I will support the gentleman's amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. GROSS. Well, is this a training program or a visiting program, or what is it?

Mr. OLIVER P. BOLTON. The Executive Reserve is a training program similar to that of Reserve officers, for those who are willing ahead of time to accept responsibility within Government should an emergency develop which would require their services. They come to Washington, or some other point designated, for approximately 2 weeks, although the time is not specifically designated, for orientation and reorientation in the department in the service that they would give to the Government.

Mr. GROSS. The chairman of the committee refers to it as a sort of a casual thing, a meeting at which they do little more than visit.

Mr. OLIVER P. BOLTON. That is certainly not my understanding. I think I can compare it to the mobilization tables of a National Guard Division. If one takes it down to the company level, in times of peace you have certain officer allotments, but the men are chosen to fill other officer jobs in case of mobilization, and the troop strength is increased.

Mr. GROSS. Can the gentleman tell me how many there are in this reserve training program?

Mr. OLIVER P. BOLTON. I regret I do not have those figures, but the Executive Reserve is at present under formation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. McCORMACK. Am I to infer that in this particular status they have nothing to do with policy?

Mr. OLIVER P. BOLTON. It is my understanding that they do not have anything to do with policy.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. MULTER. There is a table in the hearings on this bill indicating the number of WOC's who have actually served up to the present time in various capacities.

Mr. OLIVER P. BOLTON. If I might interrupt, this is no indication of their status in the Reserves.

Mr. MULTER. No, but I was about to say, if you look at that table you can get a fair idea of the number of men who must be trained for the full mobilization, because we will certainly need more men than they have already serving in these various capacities. It is fair to assume we are training as many as we are now using. I might suggest that Dr. Fleming testified that the Department recognized we should not put these trainees under the same or similar restrictions as those of the WOC, and the President had issued an Executive order under which he issued regulations which had to apply—

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. MULTER) Mr. OLIVER P. BOLTON was recognized for 5 additional minutes.)

Mr. MULTER. Dr. Fleming indicated he had already issued a regulation or directive covering the trainees, and when asked a question, at page 61 of the hearings, he said he would have no objection to the Executive order being written into law. That is what we tried to do by the committee amendment, but, as the gentleman indicated, the committee amendment goes a little too far. The gentleman's amendment to the committee amendment will take care of that situation, and with the committee amendment as amended by the gentleman's amendment, I think then we will have the protection we need as against WOC and trainees so that nobody can complain.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. TALLE. I want to say in support of what the gentleman from Ohio said in reply to the question of the majority leader that it was stated repeatedly at the hearings that the trainees, that is, the Executive Reserve, have nothing to do with policy.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. Gladly.

Mr. BEAMER. I take it the gentleman's amendment and the committee's amendment were offered in an effort to

protect the so-called WOC. Is that correct?

Mr. OLIVER P. BOLTON. Actually it has no reference to the WOC, sir; it refers purely to men who will agree to serve within the Executive Reserve.

The committee amendment extends to the men who agree to serve in the Executive Reserve the same requirements of reporting the companies in which they own holdings as do WOC's.

This amendment which I am discussing, however, would remove from the members of the Executive Reserve the requirement that they bring the status of their holdings up to date every 6 months. In other words, if you agree to serve in the Executive Reserve and you are living in Indiana and do not go on active duty, you do not go for training within that 6-month period, there would be no need for you to make a new report.

Mr. BEAMER. The reason I asked the question was that these are men who serve without compensation. I know some of them who served the Government at great sacrifice to their respective companies. Unfortunately the press and even Members of Congress on the floor of the House have taken occasion to criticize these people.

If this continues we are going to find it increasingly difficult to find people of merit who will give of their time to the Government; and I wonder if we should not attempt to think a little bit in terms of praise of these people. I hope the gentleman's amendment will indirectly, if not directly, encourage these men to come to the Government and give of their efforts and abilities.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As far as the WOC's are concerned there can be no thought of impugning the honesty of their motives. There are some of us, however, who feel that dollar-a-year men should be confined to service in actual wartime. However, I have no criticism to offer of that.

The criticism I offer is where any man puts himself in the position of undertaking to serve two masters. I am not saying anyone did, but there is some evidence that some have. That is a thing that we have got to watch. I know I cannot serve two masters. Whenever I find myself in that position, which is very rarely, I absolve myself. I think there is an ethical consideration that I should absolve myself from making any decision where I am in any position of serving two masters.

So that is the situation that has got to be watched in the case of men coming here passing upon policy or taking any action where the Government is involved and where a company with which they are connected is directly or indirectly involved. That is the important question and that is the key question.

I do not recognize the right, the power, or the ability of any other human being to serve two masters. I know I cannot, and I do not recognize the ability of any other human being to do so. That to me is the kernel of the question.

But there is another consideration, whether outside of actual wartime, such people should be used. I recognize that I have never made any statement about the present situation, about the employment of WOC's because I realize it is a debatable question and that is where a man puts himself in the position of serving or giving others the color of right to think they are serving two masters. That is where criticism justifiably arises, as I see it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: At the end of the bill insert the following:

"Sec. 4. Section 712 of the Defense Production Act of 1950 is amended by adding at the end thereof the following new subsection:

"(f) The Secretary of Commerce shall make a special investigation and study of the production, allocation, distribution, use of nickel, of its resale as scrap, and of other aspects of the current situation with respect to supply and marketing of nickel, with particular attention to, among other things, the adequacy of the present system of nickel allocation between defense and civilian users. The Secretary of Commerce shall consult with the Joint Committee on Defense Production during the course of such investigation and study with respect to the progress achieved and the results of the investigation and study, and shall make an interim report on the results of the investigation and study on or before July 15, 1956, and shall, on or before December 31, 1956, make a final report on the results of such investigation and study, together with such recommendations as the Secretary of Commerce deems advisable. Such reports shall be made to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House of Representatives if the House is not in session)."

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. TALLE. May I say to the majority leader that my understanding of the effect of his amendment is this: The proposed study would be made by the Department of Commerce under the supervision of the Joint Committee on Defense Production; is that correct?

Mr. McCORMACK. That is correct.

Mr. TALLE. I thank the gentleman.

Mr. McCORMACK. The gentleman states it correctly in a few words. It will have a very salutary effect, and I think out of it will come many beneficial results.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Although we have provided that the joint committee set up under section 7-11 of the act may do this and seek the advice and counsel of

the experts of the Department of Commerce at their disposal, the only difference between what the joint committee must do or is expected to do under 7-12 of the act and the gentleman's amendment is that the Department of Commerce would initiate the study instead of the joint committee; is that right? They would work together in the same manner as they would under 7-12?

Mr. McCORMACK. This amendment does not in any way take away any of the authority that now exists in the joint committee under existing law. It is a direction to the Secretary of the Department of Commerce to make an investigation, but at all times the joint committee has its power to act under existing law or under the organic act. It in no way diminishes the power of the joint committee under existing law. As the gentleman says, it does require the Department of Commerce to make the investigation. All the time the joint committee is in position to act under existing law, as the gentleman from Iowa has well said. The joint committee can go further, if it desires; but this is under the supervision of the joint committee. I think the statement made by the gentleman from Michigan reconciles itself with the statement made by the gentleman from Iowa. Certainly both statements are consistent with the views I entertain.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. MULTER. The gentleman's amendment is a very good one and I trust it will bring about salutary effects in the overall program. I hope, however, that despite the discussion that has taken place here today the Department of Commerce in deciding to make this survey is not going to use the very people who are using the nickel and who are creating the shortage in supply and diverting it. I hope they will not have a survey by the very people in the industry who bring about at least some of the demand for the nickel.

Mr. McCORMACK. I would assume that Sinclair Weeks, whom I know, has enough judgment not to do that.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. SPENCE. I am sure there is no objection to the gentleman's amendment. I shall support it.

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of the amendment. I see no objection to it.

Mr. Chairman, there is a great shortage of nickel in this country. It is estimated that the free-world production of nickel for this year will be 440.5 million pounds. Last year it was 400 million pounds. And the United States secures nearly 70 percent of this amount.

The following figures, compiled by the Department of Commerce, reveal that for the 8 years beginning in 1948 and ending in 1955 the United States has received from 59.8 percent to 86.2 percent of the free-world supply of nickel. In 1948 it received 81.9 percent, in 1949

86.2 percent, and so on, the lowest being 66.5 percent in 1953.

Mr. Chairman, for many months it has been fully recognized by the responsible Government agencies that the available supply of nickel has fallen far short of meeting the combined requirements of the defense and civilian demand. For more than a year the demands of industry have increased each quarter until it is now estimated that a 30-percent deficiency exists between the requirements and the supply available for nondefense uses. This situation has been the outgrowth of the high level of our economic activity in practically all segments of the economy, and to even a greater extent by the constantly higher defense take each quarter since early 1955.

Since defense requirements have first priority on the market-price nickel, the available supply of market-price nickel has become less and less as the military "take" has increased. To meet this situation the Office of Defense Mobilization has made available to industry substantial quantities of premium-price nickel, starting late in 1955, by authorizing the producers to make diversions of such nickel scheduled for stockpile delivery under long-term Government contracts.

The major consuming industries for nickel include stainless steels, low alloy steels, nonferrous uses, high-temperature and electrical-resistance alloys, and electroplating.

Because of the hardship problems which the nickel shortage has created throughout the civilian nickel industries, it is understood that hundreds of letters have been received by the Business and Defense Services Administration in the Department of Commerce expressing concern over the apparent cutbacks in their normal nickel deliveries and the financial losses this has entailed. Many of you have received similar letters, particularly from the nickel plating industry, which appears to have suffered severely in view of the expanded demands during the period of short supply.

A review of the correspondence in the files of the Department of Commerce by the staff of the Joint Committee on Defense Production indicates that the electroplaters feel that they are being unduly penalized while other businesses not dependent on nickel have been in a position to expand production.

Unfortunately, the majority of the electroplating demands are primarily for nondefense uses, and, therefore, the platers have been forced to turn to premium price nickel as the defense needs have required a greater proportion of the market price nickel. There are, however, two classes of premium price nickel: First, that which is being diverted to industry by the Government which ranges in price at around \$1.35 per pound for nickel anodes; and, second, the so-called gray market nickel which is reported to range in price as high as \$3.50 per pound. This gray market nickel, according to the Department of Commerce, consists primarily of secondary nickel produced from nickel scrap and imports from French, Japanese and West German sources.

The letters from the electroplating industry requesting Government aid in alleviating the shortage problem fall into five general groups, as follows:

First. Firms claiming severe cutbacks from past delivery schedules—market price nickel;

Second. Firms claiming that total allocations, including Government diverted premium price nickel, are less than previous periods;

Third. Firms requiring increased quantities of nickel to meet increased consumer demands;

Fourth. Firms requiring additional nickel to operate expanded facilities; and

Fifth. New firms entering the plating business for the first time.

The following excerpts are from correspondence picked at random by the staff of the Joint Committee on Defense Production from the files of the Department of Commerce, and typical of the concern expressed by the plating industries regarding the problems created by the current shortage. In replying to letters, the Department of Commerce has recognized that it will be some months in the future before the foreseeable supply of nickel is expected to meet the demands of the defense, civilian, and stockpile requirements.

One plating company wrote the Department of Commerce in part on January 26, 1956, as follows:

We are appealing to this Department for help in the nickel situation.

Before allocations were removed, we were allotted 480 pounds of nickel per month. At that time, 1953, 480 pounds of nickel per month was sufficient, but since that time our business has increased until now our monthly requirements are around 1,100 pounds per month and our allotment has been cut to 30 percent of the original 480 pounds.

We used to supplement our usage by getting the small users amount (100 pounds) of nickel from two other sources but these have cut us off now. As a result of this, we have to go into the gray or black market whichever you wish to call it and pay \$3 per pound plus freight as against \$0.926 per pound freight prepaid when received from legitimate sources. The problem is getting serious because we cannot afford to continue in business buying upwards of a thousand pounds of nickel per month at \$3 per pound.

With a \$30,000 a month business and a 10 percent profit, \$3 nickel can put you out of business.

The silliest argument is that there is a shortage of nickel, therefore the black market. If there is a shortage, how come there is so much available if you want to pay through the nose.

What can you do for us?

The Department of Commerce replied on February 2, 1956, as follows:

This is in reply to your letter of January 26, regarding your nickel problems.

Because of the large number of inquiries received on the subject of your communication, this agency has prepared a mimeographed statement discussing the current nickel situation. A copy of this statement is enclosed which I believe covers the points raised in your letter with the exception of the basis entitlement which you refer to as being 480 pounds. Review of the National Production Authority records dated March 18, 1953, established your entitlement at that time to 242 pounds.

Our investigation of February 1 showed that you received * * * 450 pounds of nickel contained in anodes and chemicals for December, 1955; 350 pounds for January, 1956; and 284 pounds for February. The December allotment included 100 pounds of premium priced nickel scheduled for stockpile delivery during that month. Such nickel was not available in January but should be available in February which will increase your allotment for that period.

We wish to assure you that this Agency is continuing to make every effort to find means of relieving industry from the current nickel shortage. However, we regret that we cannot be of more direct assistance to you at this time.

The plating company wrote further on April 6, 1956, as follows:

I have your letter of February 2, 1956, in answer to ours of January 26, 1956, and since we are having more trouble than ever meeting our requirements I have been reviewing some of your statements.

You state we received 450 pounds of nickel in December 1955. We did but the shipment December 9th should have been received in November 1955. The figures you use do not coincide with our records but that is beside the point. What I want to know is, are we entitled to the entire amount allotted in metal or is it the choice of the supplier to decide whether we get it in metal or salts. Further, you refer to the mimeographed copy on the nickel situation. With all due respect to the statements made, does it occur to those who set up the controls that the nickel used in nondecorative plating for corrosion resistance is just as important to the washing machine industry as it is when allotted to the makers of stainless steel which to a large extent is used for decorative purposes.

Further, if the nickel we receive is based on our usage back in 1951, how does the auto industry get the nickel for their increased production, also where does Oldsmobile and Ford get the nickel for their new installations which did not exist in the years when allocations were in effect?

We want 1,000 pounds of nickel per month and I don't see why we should be forced to purchase it through the black market any more so than the big industries. What is the explanation?

The Department of Commerce replied on April 25, 1956, as follows:

This will supplement our response of February 2 to your letter of January 26, in answering your further inquiry of April 6 on the subject of nickel.

The plating supplier in making his allotments of nickel makes his own determination of the ratio of metal to salts since he must ascertain the most economical balances in operating his business. Thus, if the supplier manufactures chemicals and all of his customers took only metal, it is conceivable that the supplier could thus be forced out of the chemical business. The Government's interest in the distribution of nickel for nondefense uses is that it be made on an equitable basis and for this purpose nickel contained in salts is considered together with that in the form of metal.

With respect to the nickel available to the automobile industry, we can assure you that the Government post-audits made of the plating suppliers' accounts, which incidentally are voluntarily permitted by the suppliers, have shown that the automobile companies have received only their equitable share of new nickel for plating determined on the same basis as for all other platers. The nickel available for nondefense uses which is equitably distributed consists of that offered at the normal market price and the premium price material scheduled for

stockpile delivery which is diverted to industry. Aside from this nickel we do not have any authentic information on other sources.

It is rumored that at least some of the automobile companies receive appreciable quantities of anodes derived from domestic scrap and from nickel imported from Japan, France, and West Germany. However, you would have to consult with the respective automobile companies for specific details and information regarding their sources of additional nickel.

As you doubtless know, Government is without authority to direct or request a supplier to provide any particular quantity of nickel for nondefense uses. The supplier, as previously stated, does, of course, have a moral obligation to equitably distribute his nondefense share of nickel. Our periodic post audits of their accounts which are voluntarily permitted by the suppliers, show that they are doing a very creditable job in maintaining an equitable pattern of distribution. Unfortunately the suppliers, because of short supply, do not have sufficient nickel to provide the general needs of all of their customers and any effort to take care of one who pleads hardship must be done at the expense of their other customers who also are having difficulty in meeting their needs. Government of course is seeking a solution to this problem of nickel shortage by obtaining diversions to industry of nickel scheduled for stockpile delivery. Due to the current rate of increase in defense orders the civilian economy has not been receiving the added benefit anticipated from these increased diversions.

Under the circumstances set forth, I regret that we are unable to assist you in securing any additional nickel required to take care of your needs and we can only suggest that you seek to obtain the defense rated orders to supplement your allotment of non-defense nickel.

The long-term solution to the problems which exist as a result of inadequate supplies of nickel to meet defense and civilian requirements is through the expansion of nickel supplies. Large sums of money have been expended under the Defense Production Act to increase nickel supplies. The Joint Committee on Defense Production has held meetings in recent weeks with the Director of the Office of Defense Mobilization and the Secretary of Commerce on this subject, and announcements have since been made of an expansion of nickel supplies. The Joint Committee on Defense Production previously considered the Nicaro, Cuba, expansion, which is now underway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. McCORMACK].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. PRESTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9352) to extend the Defense Production Act of 1950, as amended, and for other purposes, pursuant to House Resolution 505, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON ARMED SERVICES

Mr. PRICE. Mr. Speaker, I ask unanimous consent that Subcommittee No. 1 of the Committee on Armed Services have permission to sit during general debate this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Walter subcommittee of the Committee on the Judiciary have permission to sit during general debate today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FARM CREDIT ACT OF 1956

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 508 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10285) to merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be con-

sidered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Oregon [Mr. ELLSWORTH], and at this time I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order H. R. 10285, a bill out of the Committee on Agriculture, to consolidate the lending agencies. It is a third step in a program initiated by the committee. So far as I know, there is no opposition to the rule. I therefore reserve the balance of my time.

Mr. ELLSWORTH. Mr. Speaker, as the gentleman from Arkansas has explained to the House, this rule, which calls for 2 hours of general debate, would make in order the consideration of the bill (H. R. 10285) dealing with production credit corporations, Federal intermediate credit banks, and production credit associations.

There is no objection to the rule on this side and I have no requests for time.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I have read the bill and the report which accompanies it. I believe that on the whole, the committee has done a creditable job with a most complicated subject and I hesitate to place my judgment in opposition to the committee's decision. Nevertheless, I am disturbed by certain aspects of the bill and I have asked for this time in order to ask some questions. May I ask the chairman of the committee to inform the House of the surplus funds which are now owned by Federal agencies; are they owned by the production credit corporations or by the intermediate credit banks?

Mr. POAGE. There are some surpluses owned by the intermediate credit banks and some by the production credit corporations.

Mr. YATES. Will the gentleman tell the House the amount of surplus funds owned by the intermediate credit banks and the amount owned by the production credit corporations?

Mr. POAGE. My recollection is that \$49 million is for the intermediate credit banks and about \$12 million for the production credit corporations. I may have that reversed.

Mr. YATES. So that \$61 million in surplus funds which are now the property of the United States Government will be used for the benefit of the merged corporation; is that correct?

Mr. POAGE. That is approximately correct, yes.

Mr. YATES. Under the proposal set forth in the bill, class A stock will be issued to the Governor of the Farm Credit Administration. Class B stock will be issued to production credit associations. The surplus funds now belonging to the Government would be made available to the new corporation and production credit associations will be allowed to share in the surplus, will they not?

Mr. POAGE. Only in the case of liquidation could there be any question

about the ownership of those surpluses, because they go into the capital structure and do not come out except in case of liquidation.

Mr. YATES. Cannot dividends be paid out of surplus?

Mr. POAGE. No.

Mr. YATES. Only out of earnings?

Mr. POAGE. That is right.

Mr. YATES. I saw no such provision in the bill. May I next ask the gentleman, in the event of liquidation do not the financial institutions as well as the cooperatives share in the surpluses?

Mr. POAGE. That is right.

Mr. YATES. Why should funds which belong to the Federal Government be handed over to private financial institutions for their private use and profit?

Mr. POAGE. For this reason: There are at present 94 of what they call the other financial institutions. Those are privately owned institutions that are re-discounting with the intermediate credit bank. Over a period of years there have been something over 1,200 such institutions.

Remember that the first 10 years or more of the life of this institution there were no production credit associations, and they did business only with these private institutions because there was nobody else to do business with. These institutions, the 94 that are still in business, have of course over the years built up a part of these surpluses. The bill provides that in case of liquidation, and only in case of liquidation, the surpluses, the then existing capital, should be divided in proportion to the business the institutions have done with the bank, and that would include the business that these 94 institutions have done even prior to this time.

Mr. YATES. The fact remains that \$61 million in surplus funds which belong to the taxpayers are being made available for the use of private financial institutions. It is possible, too, that private financial institutions may be able to withdraw such funds under certain conditions. Certainly they can do so in event of dissolution or liquidation. Would it not be better for these surplus funds to be transferred now to the Treasury of the United States for the benefit of the taxpayers or earmarked for payment at some later time? Why should not the new corporation develop its own surplus?

Mr. POAGE. We do not think so because these surpluses were built up by the businesses and by these institutions.

Mr. YATES. The surplus funds represent payments made to the Government for the use of its money or credit. The gentleman's argument would place the Federal lending processes in the same category as Christmas savings account. Under this proposal, interest paid for the use of Government funds or credit would be deposited with Government lending institutions only until Christmas or another such holiday and then be repaid to those who use the money or credit. Are Government lending institutions to be in a separate class than private lenders in not being entitled to a return? Apparently this is

the purport of the gentleman's contention. Certainly the surpluses belong to the Government.

Mr. POAGE. The banks belong to the Government. The Government is going to get every dollar of its stock back. We are going to repay to the Government every dollar that the Government put into the business. The Government did not build these surpluses. These institutions built the surpluses and the people who did business with them are the people who built the surpluses.

Mr. YATES. Who owns the surplus now?

Mr. POAGE. The United States has title to them, of course. This is exactly what we had in the case of the land banks. It is just exactly what we had with the banks for cooperatives and whether, rightly or wrongly, this House has embarked on a policy of making these surpluses pass with the stock, when the Government is repaid the money that the Government put into them. Now the Government has been repaid all the money that it put into the land banks and all of the surpluses went to the owners of the land bank.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. YATES. Mr. Chairman, may I have 1 more minute?

Mr. TRIMBLE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. YATES. It seems to me that the gentleman's arguments are quite unsound. Can it be argued that surpluses accumulated by private banking institutions belong to the depositors and borrowers because the banks did business with them? Of course, not. Under the same reasoning, would not the gentleman say that the Home Owners Loan Corporation, which was liquidated with a profit of over \$14 million to the Government, should return this money to the homeowners? Would the gentleman say, under the same line of reasoning, that the small firms which pay interest to the Small Business Administration upon loans made to them should also share in accumulations derived from interest paid that they own such funds? Should the Government lending agencies loan money directly and without interest? If interest is paid, are the borrowers entitled to a return of such interest later? Apparently that is what the gentleman is arguing for.

These funds are properly the property of the Treasury of the United States. They should not be used for the benefit of private financial institutions or given to them without arrangements being made for their repayment.

Mr. POAGE. Of course, they are not being paid back. They are actually being kept.

Mr. YATES. They are being used for their benefit, are they not? In the event of liquidation, the funds will go to these institutions.

Mr. POAGE. And the Government is getting back every dollar that it has put in.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10285) to merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 10285, with Mr. MULLEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is recognized for 1 hour, and the gentleman from Kansas [Mr. HOPE] will be recognized for 1 hour.

Mr. COOLEY. Mr. Chairman, in view of the fact that the gentleman from Kansas [Mr. HOPE] is absent on official business, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will control the time on his side.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman permit me to yield 1 minute at this time?

Mr. COOLEY. Yes, it is perfectly agreeable to me.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 1 minute to the gentleman from New York.

Mr. KEATING. Mr. Chairman, I rise at this time in order to inquire of the gentleman from Louisiana if he can inform the House regarding the program for next week.

Mr. BOGGS. For the benefit of the Members, the program for next week is as follows:

On Monday, there is no legislative business due to the fact that there is a primary in Iowa. On Tuesday, the Consent Calendar and the Private Calendar will be called and there will be one bill taken up under suspension of the rules. That bill is H. R. 10766 to compensate the Vatican for damages done during World War II.

There will be no vote on that day because of primaries in several States—California, Montana, New York, South Dakota.

Beginning on Wednesday, general debate on the Mutual Security Act of 1956. That will probably continue through Thursday and Friday. If we have finished it, H. R. 9952, the Armed Forces Reserves readjustment pay, will be considered.

Conference reports may be considered at any time.

Mr. KEATING. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, the bill as we bring it to you today is but the third and last of a series of 3 bills, all taken together, which will ultimately transfer the Government ownership of all of the Farm Credit institutions into the hands of those who are borrowing from those institutions. The Farm Credit Administration is composed of the land banks, of the Bank for Cooperatives, and the production credit agencies, which in turn are composed of the intermediate credit banks and production credit corporations. The production credit portion of the Farm Credit relates to those agencies that provide short-term credit for the making of crops. Of course, the land banks involve real estate loans on land; the banks for cooperatives involve those banks which finance such institutions as dairy cooperatives, livestock cooperatives, and some fruit and vegetable cooperatives.

It has long been the hope that all of those institutions might become farmer owned. It is the feeling of the Committee on Agriculture that it is well that they should become farmer owned. The land banks are now all farmer owned. There is no Government capital in your 12 land banks. The banks for cooperatives are on their way to becoming farmer owned as the result of legislation passed by this Congress last year. They are paying out the Government stock.

There were certain complications and certain unresolved questions last year which made it impracticable for the committee at that time to report out legislation that would accomplish farmer ownership of the production credit corporations and the intermediate credit banks. This year those questions have been resolved. The Governor of the Farm Credit Administration and his assistants have carried on a series of meetings all over the United States, in every one of the 12 credit regions, in which the local people have been invited to come in and express their views on this matter of transferring the stock. Over the past year I think those meetings have been very successful, and there has been a very fine understanding on the part of people in all parts of the United States, and certainly a great portion of the differences of opinion that existed last year have been eliminated.

I do not mean that everybody everywhere in the United States is entirely satisfied with this legislation. Obviously, when you reach a problem of this magnitude, some people will find fault with some of the details. There are many details that need working out. Most of them were worked out in these meetings of which I spoke. It is true the Bureau of the Budget took exactly the same position that the gentleman from Illinois [Mr. YATES] took, and felt that we should provide that in case of liquidation the surplus funds should go to the public treasury. Our committee felt that this would be an unfair thing particularly at this late date. Whether the question was decided properly or not in the case of the land banks—whether it was properly decided in the case of the banks for co-

operatives—it is now a closed matter. We just do not feel it would be fair to say to those people, the borrowers from the intermediate credit bank, that we are going to apply to you a more harsh rule than has been applied to those who have paid out their credit institutions in the past.

Whether or not this Congress, this very House, was correct in voting this very principle last year for cooperatives is a closed issue. Last year we said to the people who were borrowing from the banks for cooperatives that they should simply pay back the money they borrowed from the Government. Why should we now say that "you who have been depending on this source of credit for your day-to-day operations should now be required to pay back not only what you borrowed from the Government but pay the Government all of the earnings that have been made on your money during the last few years"? We feel that that would be an unfair situation.

Frankly, I feel that in the very beginning we were right when we said to land banks that "you pay back what you get from the Government and the Government will be glad if you do that."

We set this up as a program whereby the farmers of America could have an available credit system, and the quicker we get back the Government money the quicker we can make the money available to others. It has been paid back by the land banks and it will be paid back by the intermediate credit banks if you allow this bill to be passed as written.

This bill consolidates the existing intermediate credit banks and the production credit corporations; it sets up one facility instead of two because we now have two institutions in each of the farm credit areas rather than simply one as we do for the land banks; we have an intermediate credit bank which was established not to deal with the production credit associations but to deal with private institutions.

Why? Because we had only private institutions rediscounting here for some 10 or 12 years after the creation of the production credit system. It was not until about 1933 that we created the farmer-owned production credit associations in the various localities and created a Government supervisory institution known as the Production Credit Corporation, not a banking institution, but a supervisory institution.

We have under this bill consolidated the intermediate credit banks and the production credit corporations into one new institution, believing that by so doing we will be able to reduce the cost of operation, that we will have a more efficient operation with only one rather than with two institutions in each of the districts.

I think that is a sound proposition; I think it is going to save us some money. There are those who have raised objections to this bill on the ground that when we consolidate the two institutions we will not need as many people as we did formerly, and some would be thrown out of employment. To me that is a rather poor objection. We want to save

all we can. We should not employ more people than we need. If we are going to effect economies, and we believe we should effect economies, then some of these people who are unnecessary under the new and more efficient operation certainly do not need to stay on the bank's payroll and they will have plenty of time to make a readjustment and get other employment. There is no better time for them to make such an adjustment than now when we have an opportunity for them to get employment elsewhere. The bill provides that it will not become effective until the first of January. These people will have 6 months within which to seek other employment and have an opportunity to readjust their living. There will not be a great many of them, but whatever the number they can make the readjustment. I think it is estimated it will save \$40,000 to \$60,000 a year to the banks.

These banks are going to be owned by the farmers of America, not by the taxpayers of America. It does not seem to me that I as a representative of the taxpayers ought to be determining who the farmers, who are going to own these banks, are going to have to employ. We are saying now: "You will employ whom you please." I think that is the only fair thing to say. Control of the banks should go with the ownership into the hands of new owners. The board of directors that is charged with the responsibility of running these institutions should have the authority to employ those they feel will most efficiently operate the institutions.

Then there has been the question of the name of the new consolidated institution. Very frankly, more than a year ago I suggested that we use the name "Production Credit Bank" because I think that the name "Production Credit" carries a little more meaning than "intermediate credit." There are a good many of the local associations now that say we ought to use that name. I would like to see that name used. But we came to the board of directors and the governor of the Farm Credit Administration and they pointed out if we changed the name of this institution we might have difficulty getting money.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. POAGE. Mr. Chairman, you will bear in mind that these institutions get the money that they lend not from the Federal Treasury but from the sale of debentures which are the obligations of the intermediate credit banks. There is an established market for the debentures of the intermediate credit banks. There is none for the debentures of the production credit banks. I have never had occasion to deal with that kind of big financing, but those who know have suggested that the bond market and the debenture market are extremely sensitive to any kind of change and a change of name might result in an increase in the interest rate, a half or a quarter of a percent. I do not believe any farmers were so anxious for a particular name that they would want to pay the extra interest rate. I do not know of any

farmer who could afford to do that simply for the benefit of a name he liked better. So the committee did not change the name even though many of us felt we would like to change it. I hope we may look forward to the day when the farmers have paid out these banks and have made them entirely farmer owned. At that time we might well consider the advisability of changing the name because then we will in all probability be in a much stronger position to make this move.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. What happens to the Federal Land Banks?

Mr. POAGE. Not a thing in the world under this bill because this bill does not touch the Federal Land Banks. The Federal Land Banks have already been taken care of and are already entirely farmer owned.

Mr. ROGERS of Colorado. The gentleman spoke of the merger.

Mr. POAGE. The merger is between the intermediate credit banks and the production credit corporations.

Mr. ROGERS of Colorado. That will hereafter carry on the functions of the two?

Mr. POAGE. The new corporation will carry on. That is right.

Mr. ROGERS of Colorado. They have operated separately or independently, you may say, of each other?

Mr. POAGE. Yes. In the past the intermediate credit banks have been the banks of discount, the production credit corporations have been the supervisory agency to supervise the production credit associations which are the local institutions that make the direct loans. The intermediate credit banks have not been banks of original lending. They have discounted the paper that originated at the level of the production credit associations.

Mr. ROGERS of Colorado. I thank the gentleman because I was not clear as to what happened to the Federal Land Banks.

Mr. POAGE. Nothing. This bill does not touch the Federal Land Banks and does not touch the Bank for Cooperatives.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, my colleague, the gentleman from Texas [Mr. POAGE], has already given an outline of the purposes of this legislation. I want to take just a moment to say that in my short experience on the Committee on Agriculture this legislation has been given as thorough analysis on the part of the committee as most any legislation we have had before us.

Mr. Chairman, somewhat this same objective was incorporated in legislation which was before the committee a year ago, which legislation resulted in the Farm Credit Act of 1955. However, in portions of the bill before the committee at that time dealing with the Federal Intermediate Credit Bank and the Production Credit Corporation there were certain areas which the committee felt

needed further study and further consideration on the part of the folks out in the country and others deeply interested in this system. Consequently, the provisions of the legislation before us a year ago dealing with this area were stricken from the bill, and the Farm Credit Administration officials were asked to review this matter in further detail and study, which they have done. The legislation before us today is the result of that very careful review and study not only on the part of those who, you might say, were in higher levels of the system, but these propositions, these thoughts and ideas which are developed in this legislation today, were taken out into the various communities which these production credit associations serve. Representatives from the production credit associations, delegates from the districts within the farm credit districts were all brought together, not once but at least twice, to thoroughly consider every provision of this proposition.

Mr. Chairman, this bill comes before you today not with the unanimous approval of all of the participating production credit associations but certainly, in my humble opinion, it is with the substantial approval of the various groups. True, as the gentleman from Texas [Mr. POAGE], has stated, some individual associations would prefer decisions otherwise than the provisions in this bill, but I think that the objectives are attained, and the basic objective is that in this step we are completing the job of providing the legislative framework by which all units of the farm credit system can become farmer owned and by which the capital subscribed by the Federal Government into this system can be retired to the Treasury.

I want to commend the chairman of the subcommittee, the gentleman from Texas [Mr. POAGE], and members of the subcommittee in the thorough consideration of this legislation. We have spent many hours considering the details. We have not proceeded hurriedly with this bill. We heard all of those who were interested in being heard. We considered their propositions, and have taken their recommendations and incorporated them, insofar as the committee felt they could be incorporated, and keep the legislative objective intact.

So this bill comes before the House today, having had very careful preparation, very careful consideration in the country by the farm people, very careful consideration by the Farm Credit Board, and very careful consideration by the subcommittee and the full committee.

As has been stated, its objective is to merge the Production Credit Corporation and the Federal Intermediate Credit Bank, and it does this on a progressive basis. I should say that it does it immediately by the suspension or the closing out technically of the separate corporations and bringing them together in the new corporation which will be designated the Federal Intermediate Credit Bank.

It provides for the liquidation of the Government capital by gradual means, initial payment being made by the Production Credit Associations to start off this step toward complete ownership, and

then the remaining liquidation of the Government's interest will be on the basis of the system's ability to retire this capital without losing the capability of the system to serve the farmers for which it is established.

I do not think it is necessary that I go into any further detail. I believe this legislation has been very soundly considered. It has been very carefully analyzed and comes before this committee and this House after due consideration on the part of the farm people, the Farm Credit Board, and your legislative committee dealing with this problem.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MCINTYRE. I am happy to yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman was on the subcommittee considering this proposed legislation. I just want to make it clear again, as the gentleman has so well stated, that there was no objection to the bill. As a matter of fact, the proposals made in this bill were agreed to after a long period of study by the Farm Credit Administration.

Mr. MCINTIRE. That is right.

Mr. AUGUST H. ANDRESEN. There was no objection filed in the committee by any member of the committee to the provisions of this bill.

Mr. MCINTIRE. That is right.

Mr. AUGUST H. ANDRESEN. So we can say that the bill was agreed to unanimously by the committee and comes here with a unanimous report of the committee.

Mr. MCINTIRE. That is certainly my understanding.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MCINTIRE. I am glad to yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that the Bureau of the Budget did file with the committee a letter making recommendations for changes in the bill, or some other bill? I want to ask the gentleman whether that is a fact and whether the committee did consider the views of the Bureau of the Budget in their deliberations.

Mr. MCINTIRE. Let me say in reply to the gentleman from New York that I am not familiar with any communication, although there may have been such, between the Bureau of the Budget and the committee on this point. I am familiar with the fact that the Bureau of the Budget had some points in which they were interested also. I believe those were presented in an executive communication sent to the Speaker of the House. Two bills were sent up through this executive communication. Both bills were introduced. One bill is the one we have before us today, H. R. 10285, introduced by the gentleman from North Carolina [Mr. COOLEY], and a bill which I introduced, H. R. 10392, which represent the position or the thoughts, you might say, of the Farm Credit Administration in regard to this proposed legislation. A bill, H. R. 10623, introduced by the gentleman from Pennsylvania [Mr. KING], carries the provisions of the Bureau of the Budget relative to this legislation.

I may say to my colleague that the views of the Bureau of the Budget were considered by the committee and each item was discussed. They were discussed in hearings with representatives from the Farm Credit Administration in order that we have full comprehension of just what those provisions incorporated and the intention. It was the conclusion of the committee in reporting the bill which is before us today that in their opinion the provisions in this bill were more applicable to the objectives which we have in this legislation.

Mr. KEATING. I thank the gentleman for that frank statement and explanation. I think it is important, as I know the gentleman does, that the views of the Bureau of the Budget be considered in connection with any legislation, although the primary responsibility rests with us to legislate. I hope that when the bill goes to the other body an opportunity will be given there for further consideration of the views of the Bureau of the Budget.

Mr. MCINTIRE. May I reemphasize that the views of the Bureau of the Budget were carefully and objectively considered by this committee in developing this legislation.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of H. R. 10285, a bill to merge production credit corporations and Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations; and for other purposes.

The Federal Farm Credit Board in December 1954, pursuant to Public Law 202, 83d Congress, made recommendations relating primarily to the banks for cooperatives and production credit corporations. The recommendations of the Board, with respect to the production credit corporations, were not enacted into law because there were so many objections voiced at the hearings last year by the Committee on Agriculture that the matter needed further study.

I was one of those who thought that this matter required further study and had been requested by the Production Credit Association in the Eighth District of Florida to petition for further study of this matter on a grass roots level. I was especially anxious to see that the production credit associations were protected in any reorganization plan because I feel that these associations are what we might call the "grass roots" of the Farm Credit Administration. I was very much concerned last year, too, with the proposed changes at that time because I was fearful that these changes might cause a high interest rate to be charged to our farmers. I felt that the proposed changes in the Farm Credit System recommended last year, as they would apply to our production credit associations, would not give these associations their proper share of the control over credit policies.

I wish to congratulate the Federal Farm Credit Board for making a restudy of this matter, and for recommending

to us legislation which is substantially that recommended in H. R. 10285. I believe this proposed legislation has an overwhelming grass roots approval on the part of our 498 production credit associations. In this connection, I would like to point out that I have been informed by the Florida Federation of Production Credit Associations, representing the 10 associations in Florida, that they approve this legislation. I have also had special letters of approval from the Gainesville Production Credit Association, with headquarters in Gainesville, Fla.; the Northeast Production Credit Association, with headquarters in Palatka, Fla.; the Florida Citrus Production Credit Association, with headquarters in Orlando, Fla.; and the North Florida Production Credit Association, with headquarters in Live Oak, Fla. I feel, therefore, that I can speak for the many hundreds of farmers in all of Florida when I say that they are in favor of this legislation.

This bill that we are now considering will help those engaged in agriculture, I think, obtain a sound dependable source of credit. The legislation will combine the Federal intermediate credit banks and the production credit corporations in order to increase the efficiency of operation and facilitates the retirement of Government capital. I believe that this legislation would encourage and promote the continued growth and development of the production credit associations as self-supporting cooperative lending institutions operating on a sound credit basis, with maximum local authority to determine credit needs and loan policies consistent with the maintenance of a national production credit system.

Finally, this legislation will continue to provide other financing institutions making loans to farmers and ranches with the right to borrow from and rediscount with the combined entity on a basis comparable with the production credit associations.

One of the great needs of the American farmer today is as we all know dependable credit. Anything that we can do to help him obtain that credit on a good business basis is, I think, an action that should be taken immediately. I strongly support the passage of H. R. 10285, and I hope the House will give it enthusiastic approval.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, apropos of the comment just made by my colleague from Maine [Mr. McINTIRE] in reply to a question by the gentleman from New York [Mr. KEATING] concerning the views of the Bureau of the Budget, while I am not on this immediate subcommittee, it does seem to me that a matter of policy has already been established in this instance. For that reason, if none other, I am inclined to think that the opposition as expressed by the Bureau of the Budget is more of a pro forma registered objection than any actual attempt to change the status of this particular legislation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. It is a fact, I understand, that the United States Department of Agriculture is supporting the measure. It has also been supported by the Federal Farm Credit Board. I am inclined to agree with the gentleman's remarks regarding the opposition of the Bureau of the Budget that it is more or less pro forma.

Mr. HARVEY. Yes, I think that is a correct statement. I was going to elaborate on that briefly. But, the earnings of the other two branches of the Farm Credit Administration were not treated as being necessarily returned to the Treasury. Certainly, if we are going to follow that policy, as we have followed it in the past in the instance of the two other branches of the Farm Credit Administration—whatever opinions any of us might have with regard to the policy—equity would certainly demand that we treat production credit in this instance on the same basis. I am very happy to see this final draft of the three part treatment of farm credit legislation come about. It has been, particularly to me since I have participated in the past in various branches of the farm credit activities as a borrower, very gratifying to see how successfully these branches have operated. It is gratifying to see the great contribution they have made to the well-being of agriculture throughout the Nation. It has been operated successfully, proving beyond question of doubt that farmers can operate their own cooperative credit organizations. The fact that the farmers are now returning the original capital to the Government, and are prepared to operate as an independent credit agency constitutes the attainment of a fine objective.

I would like to comment briefly on the fact that there was brought to my attention from some production credit agencies in Indiana a request for an amendment to be added to this bill. It was given consideration by the committee. It had to do with changing the method of selecting members for the various regional farm credit boards. By way of clarifying the record, I would direct my question to my colleague from Texas [Mr. POAGE] with whom I previously discussed this proposal.

Mr. POAGE. I presume the gentleman is referring to the amendment of our colleague, the gentleman from Kansas?

Mr. HARVEY. That is correct.

Mr. POAGE. That amendment is the same proposal that was first offered to the land bank bill and then to the co-op credit bill, and which has been turned down in the past. We do not feel it ought to go on this bill. We feel it is unsound all the way around because under that amendment an employee of one of these institutions would be able to sit on the board of directors that determined what his duties might be and what his policies should be. In fact, he would be sitting there instructing himself how to operate. We did not think that was a sound provision. We felt that these institutions should be

farmer managed as well as farmer owned.

Mr. HARVEY. In other words, it had to do with what we deemed to be a proper separation of powers as between policymaking and the administration of the credit organizations.

Mr. POAGE. That is right.

Mr. HARVEY. I thank the gentleman very kindly.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I want to thank my colleague the gentleman from Texas [Mr. POAGE] for the splendid manner in which he has handled the pending measure through the subcommittee. This is a well-considered bill and should be enacted.

This bill is the culmination of several years of study and work on the part of the Committee on Agriculture, the farm organizations, officials of the Department of Agriculture, and of the Farm Credit Administration, and many other persons and groups interested in a sound and effective farm-credit program.

One of our major objectives has been to make it possible for farmers themselves to have the greatest possible opportunity for ownership and control of farm-credit agencies.

The Farm Credit Act of 1953 was the first big step in this direction. It established the Farm Credit Administration and the Farm Credit Board as agencies virtually independent of the Department of Agriculture. It established in specific terms the policy of Congress that farmers should have greater responsibility in the ownership, control, and operation of the credit system and that Government capital in the system should be retired as rapidly as possible.

In the Farm Credit Act of 1955, this policy was put into effect with respect to the banks for cooperatives. That act provides for the retirement of Government capital in those banks and for the assumption of ownership and greater control by those who use the banks—largely farmers themselves.

This bill completes the picture. It provides for the consolidation of the production credit corporations and the intermediate credit banks, for the retirement of Government capital from the merged institution, and for gradual assumption of ownership by the farmer-borrowers.

The production credit corporations were established under the Farm Credit Act of 1933 to organize, capitalize, and supervise the production credit associations in order to provide agriculture with a permanent and dependable source of short-term credit on a cooperative basis.

The function of the corporations to organize and capitalize the production credit associations has been largely achieved. Four hundred and forty out of the 498 PCA's are now entirely member-owners.

The most important remaining function of the corporations is that of assisting in supervising the production credit associations. Supervision and training in credit and operating matters have been important factors in the growth and development of the local associations, both as to their financial strength and

in extending sound credit service to agriculture. The production credit corporations prescribe general loan policies for the associations and guide them in the application of sound credit principles. The corporations make credit examinations of outstanding loans on behalf of the Government and review lending and collection policies of the associations. The corporations also assist in the training of employees, prescribe and approve loan interest rates, approve the compensation of personnel, and generally guide the associations in the conduct of their business and service to agriculture. We believe that important supervisory functions must be continued and the legislation makes adequate provision therefor.

The bill has the support of the Farm Credit Board, the Department of Agriculture, most of the farm organizations, and many others. Some of its features were objected to by the Bureau of the Budget, but the position of that agency has been carefully and thoroughly considered by the committee and rejected in favor of the existing provisions of the bill. It is a bill which I bring before the House with considerable pride and with the hope that it will be promptly enacted.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I have no further requests for time.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I have the greatest respect and the highest esteem for the gentleman from North Carolina [Mr. COOLEY], and for the gentleman from Texas [Mr. POAGE], who have brought this bill to the floor. In my opinion, they know as much about agriculture and agricultural matters as any other Member of the House and I dislike very much to disagree with them on matters within their specialty. Nevertheless, I must do so in this case, because this bill deprives the taxpayers of this country of some \$61 million in surplus funds which have been accumulated as a result of financial dealings benefiting the production credit associations, the intermediate credit banks, and the farmers of this Nation. These are taxpayers' funds. They should be earmarked for the benefit of the taxpayers and paid to them now or later.

I recognize the desirability of the plan of merger and private ownership contained in this bill. I am aware, too, that the success of the proposal may well depend upon the ability of the merged banks to command large accumulations of funds or sources of credit and that these, in all probability, must come from the Government. The fact remains that the \$61 million in surpluses that have been accumulated are taxpayers' funds. The plan of merger in the bill should either provide for payment of the funds at once to the Treasury of the United States in the event they are not required to carry out the merger, or should provide for their being earmarked for payment in the future, if they are presently needed. The bill fails to do this. It gives away the taxpayers' funds. It assumes that the taxpayers have no interest in this bill at all. In the words of the gentleman from Texas [Mr.

POAGE] the bill presupposes that these surpluses were built up by and for the benefit of the production credit associations and by other financial institutions, one would think, without the help of the Government at all. The gentleman says these associations and institutions are entitled to the use of the funds during the life of the merged banks, and ultimately to receive them upon dissolution or liquidation. The fact is, Mr. Chairman, that these funds do not belong to the members of the production credit associations or to the other financial institutions. These are taxpayers' funds, accumulated through the use of taxpayers' money or taxpayers' credit.

Under this bill it is intended that two grades of capital stock shall be issued. The Government will receive class A stock. Members of the production credit associations will receive class B stock. Under the plan the class A stock owned by the Government will be redeemed in time and under certain conditions. When this occurs, the millions of dollars in surplus funds will inure to the holders of the class B stock.

The gentlemen of the committee have stated that this bill provides for the ownership by farmers of their credit facilities. How can they reconcile this assertion with the provision which appears on page 13 giving the right to other financial institutions to share in the assets of the bank upon liquidation or dissolution? It is true that the term "other financial institutions" may be farmer organizations. It is equally true that they may not be farmer controlled. They may be the normal private banking institutions making money by loaning money.

Furthermore, what happens if the newly merged banks are liquidated voluntarily? Remote as this possibility may be, it is nevertheless present. The purpose of this bill is to keep open channels of credit for farmers through private ownership of credit facilities. Yet there is nothing in this bill that would prevent voluntary liquidation and access thereby to the Government surplus funds. If there is a voluntary dissolution at some future time, the \$61 million received from the Federal Government would go to the stockholders and to other qualified financial institutions. The taxpayers would receive nothing.

In the colloquy I had with the gentleman from Texas [Mr. POAGE], I asked him whether or not the surplus could be used for the payment of dividends. He indicated to me that in his opinion the surpluses could not be used for this purpose. He referred me to page 11, lines 6, and 7, reading:

No part of such surplus of any bank shall be distributed as patronage refunds.

I do not believe this provision restricts the payment of dividends from surplus funds. Dividend payments are not necessarily the same as patronage refunds. It is true that borrowers from this bank may also be stockholders. Insofar as they receive their proportionate share of any rebates that might come through the mutualization of the institution, they receive patronage refunds, not dividends. As stockholders, however, they

could only receive dividends, not patronage refunds. Dividends could very well be paid from surplus funds.

Moreover, on page 23 I notice that class C stock may be sold to investors. Investors are not necessarily borrowers from the bank. Dividends can be paid to investors who own class C stock. The prohibition against the use of the surplus for patronage refunds does not cover this situation.

In my view, the taxpayers of this country are entitled to the \$61 million in surplus funds that have been accumulated by the Federal intermediate credit banks and the production credit corporations. If the merged banks want to use these funds, they should agree to repay them in the future. But this bill treats these surplus funds as gifts, from the taxpayers to the new banks, rather than as loans. I cannot agree with this concept and I shall vote against the bill.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I take the time of the committee on this occasion to inquire about 2 or 3 provisions of this particular bill. I understood earlier in the discussion that there had been little or no opposition to the measure. I might say there has been quite a lot of interest in my district concerning this measure, that there was some rather vigorous opposition voiced by certain groups in the district and in the State of California. That opposition primarily came from livestock associations and range associations with reference to what they felt to be certain unfair provisions of the bill. Since that time I understand that the bill has been amended to cover that particular situation, and I would like to ask the gentleman from Texas to explain if he will the provision which I believe is discussed here in the report in section 103 on page 7, and whether or not he knows if it has allayed the opposition of certain range groups.

Mr. POAGE. I think it is fair to say that the amendment placed in the bill in the committee did at least materially reduce the opposition that has been suggested. I would not want to say that it has satisfied everyone, because obviously it did not; but it went a good deal further than some people thought we should go. The gentleman from Illinois has just expressed the contrary view that we should not have gone as far as we did. We did however provide that in case of liquidation, which is the only way in which these surpluses can pass out of the capital structure of the institutions, because you cannot pass these surpluses out in the way of dividends without some authority under the law, and the authority as I see it just is not here.

It is true that there probably is not a direct prohibition against it, but these institutions have no authority except such as we give them, and we did not give them any authority to pass these surpluses on except in case of liquidation. In that event we make it clear as to how the surplus and all of the assets shall be divided.

We did provide that in the event of liquidation these other financial institu-

tions—and they are the ones the gentleman speaks of—shall share in the division of these assets in proportion as the business they have done with the particular intermediate credit bank bears to the total amount of business that has been done over a period of years. It happens that the gentleman lives in a district that has the largest volume of business with the other financial institutions; I believe it runs about 23 percent in the Berkeley banks. It happens that the banks in my area run next, which is somewhere around 20 percent. Some of the banks in the United States are not doing 6 percent of their business with other financial institutions. As a result in those areas a very small amount would go to these other financial institutions. In the gentleman's area nearly one-quarter of the surplus would of course go to the other financial institutions in case of liquidation only.

I think the committee has done everything that could reasonably be asked in setting up that formula.

Mr. SISK. I thank the gentleman for that explanation because, as he has suggested, it was of considerable concern to certain people in my district. I have, of course, a great number of people out there who are thoroughly in favor of the bill. On the other hand, there were these groups which did feel some concern about its effect upon them and upon their people. I appreciate very much the explanation of the gentleman. It is my hope it will work in that way. Certainly, as I understand it, this would apply only in case of liquidation which is not actually probable, is that a correct statement?

Mr. POAGE. That is a correct statement.

Mr. SISK. I thank the gentleman.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill follows:

Be it enacted, etc., That this Act may be cited as the "Farm Credit Act of 1956."

Declaration of policy

SEC. 2. It is declared to be the policy of the Congress to continue to provide agriculture with a sound, dependable, and effective source of credit; to promote the efficiency of the farm credit system by merging production credit corporations in Federal intermediate credit banks and to facilitate farmer ownership of the merged banks and retirement of Government capital therein; to encourage and promote the continued growth and development of the production credit associations as self-supporting cooperative lending institutions operating on a sound credit basis with maximum local authority to determine credit needs and loan policies consistent with the maintenance of a national production credit system; and to continue to provide other financing institutions making loans to farmers and ranchers with the right to borrow from and rediscount with such merged banks on a basis comparable with the production credit associations regardless of the ownership of such banks. The

provisions of this act shall be construed in keeping with this declaration of policy.

TITLE I—PRODUCTION CREDIT SYSTEM

SEC. 101. Merger of production credit corporations in Federal intermediate credit banks—(a) Transfer of assets: The production credit corporation in each farm credit district is hereby merged in the Federal intermediate credit bank of the district and all assets, funds, contracts, property, and records belonging to such corporation, except stock in production credit associations, are hereby transferred to and vested in such bank. All obligations and liabilities of the production credit corporation shall be assumed by the Federal intermediate credit bank of the district. Stock held by each production credit corporation in production credit associations is transferred to the Governor of the Farm Credit Administration to be held by him on behalf of the United States, and the Governor shall cancel an equal par amount of stock of the corporation.

(b) Services to and supervision of production credit associations: In order to carry out the declared policy of this act with respect to the production credit associations, the Farm Credit Administration shall, by appropriate provisions in the charter and by-laws, or otherwise, provide for such organization and assignment of functions within the Federal intermediate credit banks as will assure proper supervision of and assistance to the production credit associations in a manner which will enable them to make sound credit available to farmers and ranchers. The income derived from the surplus transferred from the production credit corporation to the Federal intermediate credit bank of the district shall be used to pay expenses of the bank in providing such supervision and assistance, and expenses in excess of such income may be paid out of other resources of the bank.

(c) Officers and employees: Notwithstanding any other provision of law, the employment of the officers and employees of each Federal intermediate credit bank and each production credit corporation is terminated on the effective date of this act and the board of directors of the Federal intermediate credit bank shall, not later than 60 days prior to the effective date of this act, take all necessary action to reemploy as of such effective date such of the officers and employees so terminated in such capacities as the board determines they are qualified and needed to carry out the functions, powers, and duties of the Federal intermediate credit bank. Such reemployment shall be subject to the approval of the Farm Credit Administration.

SEC. 102. Section 205 of the Federal Farm Loan Act, as amended, is amended to read as follows:

"Capital stock

"Sec. 205. (a) Classes of stock; ownership; dividends; and retirement of stock: Each Federal intermediate credit bank is authorized to issue class A and class B stock as follows:

"(1) Class A stock shall have a par value of \$100 per share and shall be issued to and held by the Governor of the Farm Credit Administration on behalf of the United States. Stock of all Federal intermediate credit banks held by the Secretary of the Treasury shall be transferred to the Governor and may be reallocated by him in such manner as he determines necessary to meet the needs of the respective banks. The Governor shall then exchange such stock of each bank for an equal par amount of class A stock of the bank. Stock of each production credit corporation held by the Governor (less the amount canceled pursuant to section 101 of the Farm Credit Act of 1956) shall be exchanged for an equal par amount of class A stock of the Federal intermediate credit bank in which such corporation is merged pursuant to section 101 of such act. No dividends shall be paid on class A stock.

Annually at the end of its fiscal year each such bank shall determine the amount of its class A stock which shall be retired. Whenever the total of the capital stock, participation certificates, surplus, and reserves of the bank is more than one-sixth of the highest month-end balance of debentures and other obligations issued by or for the bank, outstanding during the immediately preceding five years, the minimum amount of class A stock to be retired shall be the total amount of class B stock and participation certificates issued for that year. All class A stock shall be retired at par. The proceeds of such class A stock retirements of each bank shall be paid into the Treasury as miscellaneous receipts until there is so paid a sum equal to the amount of class A stock of the bank issued in exchange for stock of the production credit corporation. The proceeds of any further such stock retirements shall be paid into the revolving fund established by section 5 (e) of the Farm Credit Act of 1933, as amended. The Governor of the Farm Credit Administration is authorized to purchase from time to time class A stock in any bank in such amount as he determines is needed to meet the credit needs of the bank and such revolving fund shall continue to be available for such purchases as provided in said section 5 (e). The Governor may at any time require the bank to retire such class A stock if, in his judgment, the bank has resources available therefor, and the proceeds of such retirements shall be returned to such revolving fund.

"(2) Class B stock shall have a par value of \$5 per share and may be issued only to production credit associations in series and amounts approved by the Farm Credit Administration. Such stock shall be issued only at par and may be transferred to another production credit association with the approval of the issuing bank. Whenever a bank has no class A stock outstanding it may pay like dividends on class B stock and participation certificates in an amount not to exceed 5 per centum in any year if declared by the board of directors. Dividends on class B stock and participation certificates shall not be cumulative. Within 60 days after the effective date of the Farm Credit Act of 1956, the production credit associations shall subscribe to class B stock in the banks in an aggregate amount equal to 15 percent of the total amount of class A stock in all banks. Such required amount of subscriptions shall be allotted among the several districts in the proportion that the average amount of the bank's loans to and discounts for the production credit associations of the district, outstanding during the immediately preceding five fiscal years, is of the average of such loans and discounts of all banks outstanding during such 5-year period. The amount so allotted to each district shall be further allotted to each production credit association on the basis of the proportion that its average indebtedness (loans and discounts) to the bank during the immediately preceding five fiscal years is of the average of such indebtedness of all production credit associations to the bank during such 5-year period. Each production credit association shall subscribe to class B stock in the bank of the district in the amount so allotted to it. One-third of the purchase price of such stock subscription shall be paid at the time of such subscription, one-third shall be paid within one year after the effective date of said act, and the balance shall be paid within two years after such effective date. Such class B stock shall be issued as payments therefor are made. Any production credit association chartered after the effective date of the Farm Credit Act of 1956 shall thereupon purchase class B stock in the bank in the amount of \$5,000, and such amount shall be adjusted at the end of 5 years thereafter to an amount determined

by applying to its average indebtedness to the bank during such 5-year period the same percentage as the percentage which the initial subscriptions of other production credit associations was of their indebtedness, as provided in this subsection: *Provided*, That this provision shall not apply to any association owning stock in the bank in such required amount as a result of merger, consolidation, or reorganization of one or more associations. After all class A stock has been retired, the bank may retire class B stock at par and participation certificates at a face amount under policies established by the Farm Credit Administration. Class B stock and participation certificates shall be retired without preference and in such manner that the oldest outstanding stock or certificates at any given time will be retired first. In case of liquidation or dissolution of any production credit association or other financing institution, the stock or participation certificates of the bank owned by such association or institution may be retired by the bank at the fair book value thereof, not exceeding par or face amount, as the case may be.

"(b) Lien on stock and participation certificates: Each Federal intermediate credit bank shall have a first lien on all stock in the bank owned by each production credit association and on all participation certificates owned by other financing institutions as additional collateral for any indebtedness of the holders thereof to the bank: *Provided*, That the bank shall make no loan or advance on the security of its own stock or participation certificates. In any case where the debt of a production credit association or other financing institution is in default, the bank may retire and cancel all or a part of the stock of the bank held by the association or of the participation certificates held by the other financing institution at the fair book value thereof, not exceeding par or face amount, as the case may be, in total or partial liquidation of the debt."

SEC. 103. Section 206 of the Federal Farm Loan Act, as amended, is hereby amended to read as follows:

"Application of earnings"

"SEC. 206. (a) Annual application: At the end of its fiscal year, each Federal intermediate credit bank shall determine the amount of its net earnings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such net earnings as follows: (1) To the restoration of the amount of the impairment, if any, of capital stock and participation certificates, as determined by its board of directors; (2) to the restoration of the amount of the impairment, if any, of the surplus account established by this subsection, as determined by its board of directors; (3) 25 percent of any remaining earnings shall be used to create and maintain a reserve account equal to 25 percent of the outstanding capital stock and participation certificates of the bank; (4) If said bank shall have outstanding capital stock held by the United States during the whole or any part of its fiscal year, it shall next pay to the United States as a franchise tax, a sum equal to 25 percent of its earnings then remaining, not exceeding, however, a rate of return on such Government capital calculated at a rate equal to the computed average annual rate of interest on all public issues of public debt obligations of the United States issued during the fiscal year of the United States Treasury ending next before such tax is due, as certified to the Farm Credit Administration by the Secretary of the Treasury; (5) dividends on class B stock and participation certificates may be declared as provided in section 205 (a) of this act; and (6) any remaining net earnings shall be distributed as patronage refunds as provided in subsection (b) of this section. Notwithstanding the

provisions of item (3) of this subsection, if at the end of any fiscal year the sum of the surplus and the reserve account of any bank is less than its outstanding capital stock and participation certificates, the bank shall continue to apply such 25 percent of its net earnings to the reserve account until the sum of the surplus and the reserve account is equal to its outstanding capital stock and participation certificates. Each bank shall, on the effective date of the Farm Credit Act of 1956, establish a surplus account consisting of its earned surplus account, its reserve for contingencies, and the surplus of the production credit corporation transferred to the bank. No part of such surplus of any bank shall be distributed as patronage refunds. In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves), such loss shall be absorbed by: first, charges to the reserve account; second, charges to surplus other than that transferred from the production credit corporation of the district; third, charges to surplus transferred from the production credit corporation of the district; fourth, the impairment of class B stock and participation certificates; and fifth, the impairment of class A stock.

"(b) Patronage refunds: Whenever at the end of its fiscal year a Federal intermediate credit bank has class A stock outstanding, patronage refunds declared for that year shall be paid in class B stock to production credit associations and in participation certificates to other financing institutions borrowing from or rediscounting with the bank during the fiscal year for which such funds are declared. The recipients of such patronage refunds shall not be subject to Federal income taxes thereon. Whenever at the end of its fiscal year a Federal intermediate credit bank has no class A stock outstanding, patronage refunds declared for that year may be paid in such class B stock and participation certificates or in cash as determined by the bank. All patronage refunds shall be paid in the proportion that the amount of interest earned by the bank on its loans to and discounts for each production credit association or other financing institution bears to the total interest earned by the bank on all such loans and discounts outstanding during the fiscal year. Each participation certificate issued in payment of patronage refunds shall be in multiples of \$5 and shall state on its face the rights, privileges, and conditions applicable thereto. Patronage refunds shall not be paid to any other Federal intermediate credit bank, or to any Federal land bank or bank for cooperatives.

"(c) Distribution of assets on liquidation or dissolution: In the case of liquidation or dissolution of any Federal intermediate credit bank, after the payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par and all participation certificates at face amount; any surplus established pursuant to subsection (a) of this section shall be paid to the holders of class A and class B stock pro rata, and any remaining assets shall be distributed to the holders of class B stock and the holders of participation certificates pro rata."

SEC. 104. (a) Section 201 (b) of the Federal Farm Loan Act, as amended, is hereby amended by adding at the end thereof the following sentence: "The directors shall have power, subject to the approval of the Farm Credit Administration, to adopt such bylaws as may be necessary for the conduct of the business of the banks."

(b) Section 202 (a) of the Federal Farm Loan Act, as amended, is hereby amended to read as follows:

"SEC. 202. (a) The Federal intermediate credit banks, when chartered and established, shall have power, subject solely to the restrictions, limitations, and conditions

contained in this act or as may be prescribed by the Farm Credit Administration not inconsistent with the provisions of this act—

"(1) to discount for, or purchase from, any production credit association organized under the Farm Credit Act of 1933, as amended, with its endorsement, any note, draft, or other such obligation presented by such association; and to make loans and advances to any such association secured by such collateral as may be approved by the Governor of the Farm Credit Administration;

"(2) to discount for, or purchase from, any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, and any association of agricultural producers engaged in the making of loans to farmers and ranchers, with its endorsement, any note, draft, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, including the breeding, raising, fattening, or marketing of livestock; and to make loans and advances to any such financing institution secured by such collateral as may be approved by the Governor of the Farm Credit Administration: *Provided*, That no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of this section, unless such loan or advance is made to enable the financing institution to make or carry loans for any agricultural purpose; and

"(3) to make loans to and discount paper for any other Federal intermediate credit bank, any Federal land bank, or any bank for cooperatives organized under the Farm Credit Act of 1933, as amended, all upon terms and at rates of interest or discount approved by the Farm Credit Administration."

(c) Section 202 (c) of the Federal Farm Loan Act, as amended, is amended by changing the word "three" to the word "seven."

(d) Section 204 (a) of the Federal Farm Loan Act, as amended, is amended to read as follows:

"SEC. 204. (a) Loans and discounts by any Federal intermediate credit bank shall bear such rates of interest or discount as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but the rates charged financing institutions other than production credit associations shall be the same as those charged production credit associations."

(e) Section 204 (b) of the Federal Farm Loan Act is hereby repealed.

(f) Section 13 of the Federal Farm Loan Act, as amended, is hereby amended by inserting in paragraph "Seventeenth", after the words "Federal land banks", a comma and the words "to Federal intermediate credit banks, or to banks for cooperatives organized under the Farm Credit Act of 1933, as amended."

SEC. 105. (a) Section 2 of the Farm Credit Act of 1933, as amended, is amended to read as follows:

"SEC. 2. The Governor of the Farm Credit Administration, hereinafter in this act referred to as the 'Governor,' is authorized and directed to organize and charter 12 banks to be known as 'banks for cooperatives'. One such bank shall be established in each city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in section 5 of the Farm Credit Act of 1937, as amended, shall be ex officio the directors of the respective banks for cooperatives. Such directors shall have power, subject to the approval of the Governor, to employ and fix the compensation of such officers and employees of such banks as may be necessary to carry out the powers and duties conferred upon such banks under this act."

(b) Section 3 of the Farm Credit Act of 1933, as amended by striking from the first sentence the words "the production credit corporations and" and by striking from the second sentence the words "corporations and".

(c) Section 4 of the Farm Credit Act of 1933 is hereby repealed.

(d) Section 5 of the Farm Credit Act of 1933, as amended, is amended (1) by changing "\$120,000,000" in subsection (a) thereof to "\$60,000,000"; (2) by striking from subsection (b) thereof the words "the production credit corporations and"; (3) by changing "\$40,000,000" in subsection (e) thereof to "\$100,000,000"; and (4) by striking from subsection (e) thereof the words "and/or paid-in surplus".

(e) Section 6 of the Farm Credit Act of 1933, as amended, is amended to read as follows:

"Investment by Governor in stock of production credit associations"

"SEC. 6. The Governor may purchase class A stock of any production credit association in such amounts as he determines are required to meet the credit needs of farmers in the area served by such association. Payments for such stock purchased by the Governor shall be made out of the revolving fund authorized by section 5 (a) of this act and such stock shall be held by him on behalf of the United States. The Governor may at any time require any production credit association to retire and cancel any class A stock held by him in such association if, in his judgment, the association has resources available therefor, and the proceeds of such stock retirements shall be paid into such revolving fund."

(f) Section 20 of the Farm Credit Act of 1933 is amended by changing the fourth sentence to read as follows: "Such articles shall be signed by the individuals uniting to form the association and a copy thereof shall be furnished to the Governor."

(g) Section 21 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "production credit corporations" and substituting in lieu thereof the words "the Governor"; and (2) by deleting the last sentence thereof.

(h) Section 22 of the Farm Credit Act of 1933, as amended, is amended by striking out the words "production credit corporation", wherever they appear therein, and substituting in lieu thereof "Federal intermediate credit bank".

(i) Section 23 of the Farm Credit Act of 1933, as amended, is amended (1) by changing the first sentence to read as follows: "Each production credit association shall, under such rules and regulations as may be prescribed by the farm credit board of the district with the approval of the Farm Credit Administration, invest its funds and make loans to farmers for general agricultural purposes and other requirements of the borrowers."; (2) by deleting the second sentence; (3) by striking from the third sentence the word "corporation" and inserting in lieu thereof the words "Federal intermediate credit bank"; and (4) by changing the period at the end of next to the last sentence to a colon and adding the following: "Provided, That an association may, under rules and regulations issued by the Farm Credit Administration, make loans to any class B stockholder secured by warehouse receipts covering agricultural commodities stored in bonded warehouses without the purchase of additional class B stock."

(j) Section 34 of the Farm Credit Act of 1933, as amended, is hereby amended by adding before the semicolon at the end of "(b)" the words "or to Federal land banks or Federal intermediate credit banks".

(k) Section 41 of the Farm Credit Act of 1933, as amended, is hereby amended by add-

ing before the semicolon at the end of "(b)" the words "or to Federal land banks or Federal intermediate credit banks".

(l) Section 60 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "the production credit corporations,"; (2) by striking from the second sentence the words "association, or corporation" and substituting in lieu thereof the words "or association"; and (3) by striking from the third sentence the words "production credit corporation or", "or corporation," and "corporation or", wherever they appear therein.

(m) Section 61 of the Farm Credit Act of 1933 is amended (1) by striking from the first sentence the words "production credit corporation,"; and (2) by striking from the second and third sentences the words "association, or corporation", wherever they appear therein, and substituting in lieu thereof the words "or association."

(n) Section 62 of the Farm Credit Act of 1933, as amended, is amended by striking out the words "production credit corporations,".

(o) Section 63 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "the production credit corporations,"; (2) by striking from the first and second sentences the words "associations, or corporations" and "associations, and corporations," and substituting in lieu thereof, the words "or associations" and "and associations," respectively; and (3) by changing the last sentence to read as follows: "The exemption provided herein shall not apply with respect to any production credit association or its property or income after the class A stock held in it by the Governor has been retired, or with respect to any bank for cooperatives or its property or income after the stock held in it by the United States has been retired."

(p) Section 65 of the Farm Credit Act of 1933, as amended, is amended (1) by striking out the words "production credit corporation,"; and (2) by striking out the words "association or corporation", wherever they appear therein, and substituting in lieu thereof the words "or association".

(q) Section 86a of the Farm Credit Act of 1933 is hereby repealed.

SEC. 106. (a) Section 5 of the Farm Credit Act of 1937, as amended, is amended (1) by striking from subsection (d) (2) (B) the words "production credit corporation of the district" and substituting in lieu thereof the words "Governor of the Farm Credit Administration"; and (2) by striking from subsection (h) the words "production credit corporation".

(b) Section 6 of the Farm Credit Act of 1937 is amended (1) by striking from the first sentence of subsection (a) the words "production credit corporation,"; (2) by striking from the third sentence of subsection (a) the word "three"; (3) by striking from the first sentence of subsection (b) the words "the bank for cooperatives, and the production credit corporation" and substituting in lieu thereof the words "and the bank for cooperatives"; and (4) by striking from the last sentence of subsection (b) the words "production credit corporation".

SEC. 107. (a) Section 8 of the Farm Credit Act of 1933 is amended by striking out the words "production credit corporation", wherever they appear therein, and substituting in lieu thereof the words "Federal intermediate credit bank."

(b) Subsection (a) of section 16 of the Farm Credit Act of 1933 is amended to read as follows:

"(a) Any other provisions of law to the contrary notwithstanding, after the effective date of this act any production credit association may, with the approval of the Farm Credit Administration, issue nonvoting pre-

ferred stock, to be known as class C stock, which may be purchased and held by the Governor of the Farm Credit Administration and by investors: *Provided*, That the issuance of such stock shall be authorized by vote of not less than two-thirds of the outstanding shares of class A stock of the association (other than shares held by the Governor of the Farm Credit Administration) by the holders thereof in person or by proxy and by vote of not less than two-thirds of the outstanding shares of class B stock of the association by the holders thereof in person or by proxy; and for this purpose holders of class A stock (other than the Governor of the Farm Credit Administration) and holders of class B stock shall be entitled to one vote for each share of stock held by them. Payments for such stock purchased by the Governor shall be made out of the revolving fund created by section 5 (a) of the Farm Credit Act of 1933, as amended, and the proceeds from the retirement of any such stock shall be paid into such revolving fund."

SEC. 108. Section 601 of the Department of Agriculture Organic Act of 1944, as amended, is hereby amended (1) by striking from subsection (a) the words "production credit corporations," wherever they appear therein, and the word "corporations,"; (2) by striking from subsection (b) the words "the Federal intermediate credit banks, and the production credit corporations" and substituting in lieu thereof the words "and the Federal intermediate credit banks"; and (3) by striking from subsections (b) and (c) the words "and corporation", "and corporations", and "corporation", wherever they appear therein.

SEC. 109. Sections 658 and 1014 of title 8, United States Code, are hereby amended by striking from each such section the words "or in which a production credit corporation holds stock."

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. (a) The Government Corporation Control Act, as amended, is amended (1) by striking from section 101 the words "Federal Intermediate Credit Banks; Production Credit Corporations,"; (2) by inserting in section 201 immediately following "(3)" the words "Federal Intermediate Credit Banks, (4)"; (3) by changing "(4)" in section 201 to "(5)"; and (4) by striking from sections 302 and 303 the words "production credit corporations,".

(b) After the effective date of this act, the Federal intermediate credit banks may utilize their funds for administrative expenses without regard to the limitations contained in any other act of Congress governing the expenditure of appropriated funds.

(c) Paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended (1) by inserting in next to the last sentence, immediately before the words "Federal Home Loan Banks", the words "thirteen banks for cooperatives or any of them or the"; and (2) by changing the last sentence to read as follows: "The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development which are at the time eligible for purchase by a national bank for its own account: *Provided*, That no association shall hold obligations issued by said bank as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund."

SEC. 202. (a) This act shall become effective on January 1 next following its enactment.

(b) For purposes of applying the amendment in section 103 of this act, that part of the fiscal year 1957 preceding the effective

date of this act shall be deemed to be a separate fiscal year.

SEC. 203. (a) If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(b) The right to alter, amend, or repeal this act is hereby expressly reserved.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment:

Page 2, line 1, strike out "farmer ownership" and insert in lieu thereof "increased farmer participation in the management, control, and ownership."

Page 3, line 5, strike out "to be held by him on behalf of the United States."

The committee amendments were agreed to.

The Clerk read as follows:

Committee amendment: Page 12, strike out lines 16 to 25, inclusive and the word "rata"; and on page 13, insert the following: "In the case of liquidation or dissolution of any Federal intermediate credit bank, after payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par and all participation certificates at face amount; any remaining assets of the bank shall be distributed as provided in this subsection. Any of the surplus established pursuant to subsection (a) of this section (excluding that transferred from the production credit corporation of the district) which the Farm Credit Administration determines was contributed by financing institutions, other than the production credit associations, re-discounting with or borrowing from the bank on the effective date of the Farm Credit Act of 1956 shall be paid to such institutions, or their successors in interest as determined by the Farm Credit Administration, and the remaining portion of such surplus (including that transferred from the production credit corporation of the district) shall be paid to the holders of class A and class B stock pro rata. The contribution of each such financing institution under the preceding sentence shall be computed on the basis of the ratio of its patronage to the total patronage of the bank from the date of organization of the bank of the effective date of the Farm Credit Act of 1956. Any assets of the bank then remaining shall be distributed to the holders of class B stock and the holders of participation certificates pro rata."

Mr. YATES. Mr. Chairman, I rise in opposition to the committee amendment.

The committee amendment makes available the assets of the merged banks in the event of liquidation or upon dissolution not only to the production credit associations and the Government—if it has not yet been repaid on its stock—but also to the other financial institution. For the most part "other financial institutions" are the usual private banks which have loaned money to the farmers and which have made profits as a result of such loans. Why should they be given an additional profit? Certainly they never expected the added generous portion which this amendment grants to them. It will permit them to share in the distribution of the Government surplus funds in the event of the closing of the bank.

Mr. Chairman, it is more important that the taxpayers should be considered. The surplus funds belong to them and there should be an appropriate revision of this section in order to protect their

interests, rather than those of other financial institutions. The committee amendment should be defeated.

Mr. POAGE. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, this is the identical question that was raised by the gentleman from California and this is the amendment which was referred to. The difference of opinion here actually refers to the question of whether or not you feel that the Government of the United States should go into this business as a profitmaking proposition or whether the Government went into this farm-credit business in order to render a service without expense or without profit to the Government. The committee took the view that the Government went into this, not to make a profit, but, rather, for the purpose of providing a service, if possible, without loss to the Government. This bill provides it shall be without loss to the Government, and so does the amendment. The very first thing in the amendment says "in the case of liquidation or dissolution" the assets shall go to the class A stockholders. The class A stockholders consist of the United States Government. If the Government investment has not been paid off at liquidation, the first money must go to the United States Government. It cannot go elsewhere. Until the Government is paid in full there cannot be a dollar go even to the borrowers of the institution. Only after the Government is paid in full can there be any distribution of any assets. Then they shall go, according to this amendment, to the holders not only of the class B stock but to the holders of certificates, and those holders of certificates are these other financial institutions, and the certificates will be merely a right in case of liquidation to share in the distribution of assets on the basis of the business that they have done with the institution.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. YATES. Does not the original committee draft provide for the funds to go to the United States Government and to the farmer cooperatives alone on a pro rata basis rather than to the other financial institutions as well?

Mr. POAGE. No; I do not so understand. I understand the original draft provides that the class A stock is to be paid in full.

Mr. YATES. Which is held by the Government?

Mr. POAGE. Yes. And shall be paid in full, and once it is paid off, the original draft of the bill would have paid all the rest of the assets to the class B stock.

Mr. YATES. The farm cooperatives then would get the balance?

Mr. POAGE. Yes.

Mr. YATES. But the amendment offered by the committee would permit private banking institutions to share in the funds on liquidation, would it not?

Mr. POAGE. That is exactly right. That is the difference. The Government's position is not changed by the amendment one iota. The question is simply whether these institutions, which in some of the districts are doing nearly a quarter of the business, and which in

some districts are only doing a small part, should share in the earnings built up as the result of their business in case of liquidation or whether they should be completely ignored.

Mr. YATES. But are they not making money on the business they are doing?

Mr. POAGE. I presume some of them have and some have not. There have been over 1,200 and apparently there are only 94 left. So presumably some of those 1,100 did not make money, or they would have stayed in business. But, be that as it may, they are all trying to make money.

Mr. YATES. But the fact is that 94 are still in business, and they are the ones who will share in this distribution.

Mr. POAGE. I think that is right, but I do not think that it is necessarily a profitable business regardless of who is running it. The committee feels, regardless of the original merits of this matter, that it would be grossly unfair at this late date to come in and to say to those farmers who have borrowed money and to these institutions that have rediscounted their paper with the Intermediate Credit Bank, that we are going to change the rule and make it different from that which we prescribed back when the Government sold the land banks. I understand the gentleman from Illinois feels that we should follow a different policy, although I grant you that this amendment only relates to the difference between the surpluses of the various borrowers. We are not trying to penalize anyone, whether or not they may have made a profit. All of these institutions have rendered a service to farmers who needed credit.

Mr. SISK. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to call attention to the fact that in the matter of these so-called profits that these other institutions have made, we are not dealing normally with a group of large private banking institutions; that actually, I would like to say to my friend from Illinois, we are dealing primarily with agricultural credit groups and livestock companies, and so on, which generally are farmers or agriculturalists who have organized financial institutions which have been cooperative in this field. Actually very few of them are so-called commercial banking institutions. And, they have contributed down through the years to the surplus which we are talking about now, and certainly to me I think they are entitled to share in case of liquidation, in case of distribution of this surplus, and I hope the amendment will be accepted.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 16, line 2, strike out "seven" and insert "five."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 16, line 12, strike out all of lines 12 and 13.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 14, strike out "(f)" and insert "(e)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 20, insert:

"(f) Section 203 of the Federal Farm Loan Act, as amended, is amended (i) by inserting in subsection (a) thereof, after the words 'outstanding consolidated debentures', the words 'or other similar obligations'; and (ii) by inserting in subsections (d) and (e) thereof, after the word 'debentures' wherever used therein, except in the last sentence of subsection (d), the words 'or other similar obligations.'"

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 18, line 18: after "act," strike out the remainder of the line down to and including "States" on line 20.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 19, line 22, insert a period after "borrowers."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 19, line 23, after the semicolon insert "and."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 19, line 25, strike out the semicolon, insert a period and strike out the remainder of the sentence.

The committee amendment was agreed to.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 4 transpose lines 24 and 25.

Mr. POAGE. Mr. Chairman, this is merely a corrective amendment. The printer printed the lines in the wrong place.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas.

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 11, line 7, after the word "refunds", strike out the period and insert "or as dividends."

Mr. YATES. Mr. Chairman, the gentleman from Texas [Mr. POAGE] and I have discussed this matter. It was his opinion that the bill prohibited the payment of dividends. I find no such provision in the bill. Therefore, in order to make sure that his understanding is correct, I offer an amendment to insert the words "or as dividends." Previously the gentleman indicated to me that he had no objection to this provision.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. POAGE. I have not any objection. I am sure none of the committee has any objection. It does exactly what we intend to do.

Mr. YATES. I thank the gentleman for accepting my amendment. I believe it adds a necessary safeguard to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming: On page 5, line 1, after the word "banks", strike out the period, insert a semicolon and "Provided, however, That no such reallocation shall be made by the Governor until this act has been in effect for a period of 5 years."

Mr. THOMSON of Wyoming. Mr. Chairman, I appreciate that the bill before the House for consideration deals with a highly technical and complicated subject. I further appreciate that legislation of such a nature cannot be well written on the floor of the House. I am further appreciative of the fact that the committee has given the subject of this bill very careful consideration and that such technical matters can best be considered in committee.

I take this means of bringing up the subject of this amendment for discussion at this time because of certain dangers that I believe may be encountered if this amendment is not incorporated in legislation as it is finally passed. At this time, due to economic conditions that exist in certain segments of our farm economy, if there is anything that we would not want to be responsible for, that would be to increase the cost of credit to people in farming and ranching activities. It is the thinking of my constituents who are identified with this very important program that such would be the effect of this legislation unless this amendment is incorporated. The section to which the amendment applies grants authority to the Governor of the Farm Credit Administration to reallocate the stock of all Federal Intermediate Credit Banks. The amendment would defer the exercise of the authority for a period of 5 years from the effective date of the legislation.

From what I have heard from my constituents directly associated with the Production Credit Association, I believe that they subscribe to the theory of ultimate complete ownership of the system by the production credit associations and their members. They however question the advisability of forcing the purchase of these agencies on the associations at this time, because of the belief that it will increase the cost of their operations which will necessarily be reflected in an increased interest rate to their members and borrowers.

Wyoming is in district No. 8. It is estimated that if the Governor of the Farm Credit Administration is given authority to immediately transfer capital, then, under this reallocation authority, this district No. 8 would lose about \$3,500,000 in capital which would result in a loss of approximately \$87,500 in income annually. The effect would then be double-

barreled in that operating costs would go up as a result of the legislation and income would go down. This they believe would necessarily result in an increase in interest costs to the borrowers. The effect of this could be to enhance the capital in some districts to their advantage at the expense of other districts.

The effect of this amendment would be to defer the reallocation of capital for a period of 5 years. The 5-year period would allow time to develop expense-saving techniques. During this period the income from this additional capital would be available to offset the expenses usually incurred during any initial period of operation. Those district banks requiring additional capital structure now would not and should not be neglected. They could obtain paid-in surplus funds from the revolving fund to satisfy their needs.

This amendment was presented to the committee. I appreciate the consideration which was given to it. I do, though, believe that it should be given additional consideration as I am sure that no Member of Congress would want to increase interest rates to any section of our farm economy.

Because of the technical nature of the subject, I do not believe that it would be fair to expect the Members of this House to vote upon the amendment at this time and with the information that can be supplied here on the floor in the short presentation allowed under the rules. I offer the amendment to call it to the attention of the House at this time and to the attention of the appropriate committee of the other body. I sincerely hope that the committee of the other body will give it full consideration when the legislation is considered before that committee. Because of the fact that it is a technical subject, it is not my intention to bring the amendment to a vote at this time and if granted leave by the House, I expect to withdraw the amendment without bringing it to a vote.

Again I want to express my appreciation for the careful consideration that has been given to this legislation by the House committee and the attention given by the committee to this amendment.

Mr. MCINTIRE. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Maine.

Mr. MCINTIRE. I certainly assure the gentleman from Wyoming that the matter to which he refers was given consideration in the committee. It involves the matter of reallocation of capital as between the respective Federal Intermediate Credit Banks.

I think I could make this observation from some opportunity to observe the operations of this system, that the reallocation of this money, which will be within the discretion of the Governor and those associated with him, it will be done very carefully to protect the soundness of the operations of the Federal intermediate credit bank in the gentleman's district. I can appreciate that this is a point about which the people in the gentleman's district in Wyoming are concerned, but I do think the legislation as set forth in this bill provides for the effective use of this capital and that

his district will not be hurt in this process.

Mr. THOMSON of Wyoming. I especially thank the gentleman from Maine for his observation and his consideration of this problem as a member of the committee. As I said previously, our people, I believe, favor the farmers' taking over the ownership of these banks. They are merely questioning when and how it should be done. I thank the gentleman very much.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from New York.

Mr. KEATING. I commend the gentleman on his alertness in bringing this to our attention and the very effective way in which he has done. I hope that if the gentleman does withdraw his amendment the views he has expressed will receive consideration when the other body takes up this matter.

Mr. THOMSON of Wyoming. I thank the gentleman from New York.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. PRICE] having assumed the chair, Mr. MULTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 10285) to merge Production Credit Corporations in Federal Intermediate Credit Banks; to provide for retirement of Government capital in Federal Intermediate Credit Banks; to provide for supervision of production credit associations; and for other purposes, pursuant to House Resolution 508, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHRISTOPHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 247, nays 4, answered "present" 1, not voting 180, as follows:

[Roll No. 56]

YEAS—247

| | | |
|----------------|-----------------|-----------------|
| Abbutt | Fjare | Minshall |
| Abernethy | Flynt | Morrison |
| Adair | Fogarty | Multer |
| Alger | Forand | Mumma |
| Allen, Calif. | Ford | Murray, Ill. |
| Andersen, | Forrester | Murray, Tenn. |
| H. Carl | Frazier | Natcher |
| Andresen, | Frelinghuysen | Nelson |
| August H. | Friedel | Nicholson |
| Andrews | Gamble | Norblad |
| Ashley | Gary | O'Brien, Ill. |
| Aspinall | Gathings | O'Hara, Ill. |
| Auchincloss | George | O'Konski |
| Avery | Gordon | Ostertag |
| Ayres | Grant | Passman |
| Bailey | Green, Oreg. | Perkins |
| Baker | Gross | Pfost |
| Baldwin | Haley | Poage |
| Barrett | Hand | Poff |
| Bass, N. H. | Hardy | Polk |
| Beamer | Harris | Preston |
| Bennett, Fla. | Harrison, Nebr. | Price |
| Bennett, Mich. | Harrison, Va. | Priest |
| Blatnik | Harvey | Quigley |
| Blitch | Hays, Ark. | Ray |
| Boggs | Hayworth | Rees, Kans. |
| Bolling | Hébert | Reuss |
| Bolton, | Henderson | Rhodes, Pa. |
| Frances P. | Hiestand | Riehlman |
| Bonner | Hill | Riley |
| Bow | Holmes | Robeson, Va. |
| Boykin | Horan | Robison, Ky. |
| Boyle | Huddleston | Rodino |
| Bray | Hull | Rogers, Colo. |
| Brooks, La. | Ikard | Rogers, Fla. |
| Brooks, Tex. | Hyde | Rogers, Mass. |
| Brown, Ga. | Jackson | Rogers, Tex. |
| Brown, Ohio | James | Rooney |
| Brownson | Jensen | Schenck |
| Broyhill | Johnson, Calif. | Scherer |
| Budge | Johnson, Wis. | Schwengel |
| Burdick | Jonas | Scott |
| Burnside | Jones, Ala. | Selden |
| Bush | Jones, Mo. | Short |
| Byrne, Pa. | Judd | Shuford |
| Byrnes, Wis. | Kean | Siler |
| Cannon | Kearney | Simpson, Ill. |
| Carrigg | Keating | Sisk |
| Cederberg | Kee | Smith, Kans. |
| Celler | Keogh | Smith, Miss. |
| Chase | Kilday | Smith, Va. |
| Chatham | Kilgore | Spence |
| Chelf | Kluczynski | Springer |
| Chenoweth | Knox | Staggers |
| Chudoff | Knutson | Steed |
| Church | Laird | Sullivan |
| Clark | Landrum | Talle |
| Clevenger | Lankford | Teague, Calif. |
| Colmer | LeCompte | Thompson, |
| Cooley | Long | Mich. |
| Coon | Lovre | Thompson, N. J. |
| Cooper | McCarthy | Thompson, Tex. |
| Coudert | McConnell | Tollefson |
| Cramer | McCormack | Trimble |
| Cretella | McDonough | Tuck |
| Cunningham | McDowell | Udall |
| Dague | McGregor | Van Pelt |
| Davis, Ga. | McIntire | Van Zandt |
| Davis, Tenn. | McMillan | Vorys |
| Davis, Wis. | McVey | Vursell |
| Dawson, Utah | Machrowicz | Walter |
| Devereux | Mack, Ill. | Weaver |
| Dies | Mack, Wash. | Westland |
| Dingell | Madden | Wickersham |
| Dondero | Magnuson | Wier |
| Dorn, N. Y. | Mahon | Wigglesworth |
| Dorn, S. C. | Mailliard | Williams, Miss. |
| Ellsworth | Marshall | Williams, N. J. |
| Engle | Mathews | Winstead |
| Fallon | Meador | Withrow |
| Fenton | Morrow | Wolcott |
| Fernandez | Miller, Md. | Wright |
| Fino | Miller, Nebr. | Young |
| Fisher | Mills | |

NAYS—4

Bosch
Christopher

Thomson, Wyo.
Yates

ANSWERED "PRESENT"—1

Pelly

NOT VOTING—180

| | | |
|-------------|---------|-------------|
| Addonizio | Anfuso | Bass, Tenn. |
| Albert | Arends | Bates |
| Alexander | Ashmore | Baumhart |
| Allen, Ill. | Barden | Becker |

| | | |
|---------------|----------------|-----------------|
| Belcher | Hale | Patterson |
| Bell | Halleck | Philbin |
| Bentley | Harden | Phillips |
| Berry | Hays, Ohio | Pilcher |
| Betts | Healey | Pillion |
| Boland | Herlong | Powell |
| Bolton, | Heseltan | Prouty |
| Oliver P. | Hess | Rabaut |
| Bowler | Hillings | Radwan |
| Buckley | Hinshaw | Rains |
| Burleson | Hoeven | Reece, Tenn. |
| Byrd | Hoffman, Ill. | Reed, N. Y. |
| Canfield | Hoffman, Mich. | Rhodes, Ariz. |
| Carlyle | Hollifield | Richards |
| Carnahan | Holland | Rivers |
| Chiferfield | Holt | Roberts |
| Cole | Holtzman | Roosevelt |
| Corbett | Hope | Rutherford |
| Crumpacker | Hosmer | Sadlak |
| Curtis, Mass. | Jarman | St. George |
| Curtis, Mo. | Jenkins | Saylor |
| Davidson | Jennings | Scrivner |
| Dawson, Ill. | Johansen | Scudder |
| Deane | Jones, N. C. | Seely-Brown |
| Delaney | Karsten | Sheehan |
| Dempsey | Kearns | Shelley |
| Denton | Kelley, Pa. | Sheppard |
| Derounian | Kelly, N. Y. | Sieminski |
| Diggs | Kilburn | Sikes |
| Dixon | King, Calif. | Simpson, Pa. |
| Dodd | King, Pa. | Smith, Wis. |
| Dollinger | Kirwan | Taber |
| Dolliver | Klein | Taylor |
| Donohue | Krueger | Teague, Tex. |
| Donovan | Lane | Thomas |
| Dowdy | Lanham | Thompson, La. |
| Doyle | Latham | Thornberry |
| Durham | Lesinski | Tumulty |
| Eberhart | Lipscomb | Utt |
| Edmondson | McCulloch | Vanik |
| Elliott | Macdonald | Velde |
| Evins | Martin | Vinson |
| Fascell | Mason | Wainwright |
| Feighan | Metcalf | Watts |
| Flood | Miller, Calif. | Wharton |
| Fountain | Miller, N. Y. | Whitten |
| Fulton | Mollohan | Widnall |
| Garmatz | Morano | Williams, N. Y. |
| Gavin | Morgan | Willis |
| Gentry | Moss | Wilson, Calif. |
| Gray | Moulder | Wilson, Ind. |
| Green, Pa. | Norrell | Wolverton |
| Gregory | O'Brien, N. Y. | Younger |
| Griffiths | O'Hara, Minn. | Zablocki |
| Gubser | O'Neill | Zelenko |
| Gwinn | Osmer | |
| Hagen | Patman | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Heseltan for, with Mr. Pelly against.

Until further notice:

Mr. Fountain with Mr. Arends.

Mr. Barden with Mr. Simpson of Pennsylvania.

Mr. Durham with Mr. Halleck.

Mr. Deane with Mr. Wolverton.

Mr. Carlyle with Mr. Allen of Illinois.

Mr. Alexander with Mr. Becker.

Mr. Denton with Mr. Belcher.

Mr. Dowdy with Mr. Kilburn.

Mr. Rabaut with Mr. Krueger.

Mr. Whitten with Mr. Wilson of Indiana.

Mr. Vinson with Mr. Taylor.

Mr. Lanham with Mr. Osmer.

Mr. Pilcher with Mr. Dolliver.

Mr. Rains with Mr. Hess.

Mr. Garmatz with Mr. Bentley.

Mr. Hays of Ohio with Mr. Betts.

Mr. Flood with Mr. Jenkins.

Mr. Fascell with Mr. Hosmer.

Mr. Elliott with Mr. Hoffman of Illinois.

Mr. Kirwan with Mr. Hoeven.

Mr. King of California with Mr. Hillings.

Mr. Thompson of Louisiana with Mr. Hoffman of Michigan.

Mr. Sikes with Mr. Sheehan.

Mr. Shelley with Mr. Reece of Tennessee.

Mr. Sheppard with Mr. Reed of New York.

Mr. Roberts with Mr. Derounian.

Mr. Rivers with Mr. Gavin.

Mr. Gregory with Mrs. Harden.

Mr. Watts with Mr. Berry.

Mr. Herlong with Mr. Baumhart.

Mr. Jennings with Mr. Kearns.

Mr. Jarman with Mr. Williams of New York.
 Mr. Karsten with Mr. Utt.
 Mr. Jones of North Carolina with Mr. Taber.
 Mr. Addonizio with Mr. Rhodes of Arizona.
 Mr. Albert with Mr. McCulloch.
 Mr. Dodd with Mr. Patterson.
 Mr. Miller of California with Mrs. St. George.
 Mr. Molloy with Mr. Saylor.
 Mr. Morgan with Mr. Fulton.
 Mr. Zablocki with Mr. Dixon.
 Mr. Willis with Mr. Canfield.
 Mr. Tumulty with Mr. Morano.
 Mr. Roosevelt with Mr. Miller of New York.
 Mrs. Griffiths with Mr. Latham.
 Mr. Hagen with Mr. Corbett.
 Mr. Kelley of Pennsylvania with Mr. Scrivner.
 Mr. O'Neil with Mr. Seely-Brown.
 Mr. Philbin with Mr. Holt.
 Mr. Donohue with Mr. Hale.
 Mr. Holland with Mr. Sadiak.
 Mr. Ashmore with Mr. Smith of Wisconsin.
 Mr. Bell with Mr. Wharton.
 Mr. Boland with Mr. Wilson of California.
 Mr. Bowler with Mr. Younger.
 Mr. Byrd with Mr. Pillion.
 Mr. Burleson with Mr. Prouty.
 Mr. Carnahan with Mr. Mason.
 Mr. Doyle with Mr. Lipscomb.
 Mr. Delaney with Mr. Chipperfield.
 Mr. Buckley with Gubser.
 Mr. Donovan with Mr. Bates.
 Mr. Zelenko with Mr. Johansen.
 Mr. O'Brien of New York with Mr. Widnall.
 Mr. Dollinger with Mr. Scudder.
 Mr. Healey with Mr. Curtis of Massachusetts.
 Mrs. Kelly of New York with Mr. Hinshaw.
 Mr. Anuso with Mr. Cole.
 Mr. Klein with Mr. Curtis of Missouri.
 Mr. Davidson with Mr. Wainwright.
 Mr. Powell with Mr. Radwan.
 Mr. Feighan with Mr. Oliver P. Bolton.
 Mr. Evans with Mr. Hope.
 Mr. Hollifield with Mr. King of Pennsylvania.
 Mr. Sieminski with Mr. Crumpacker.
 Mr. Green of Pennsylvania with Mr. McDonough.

Mr. PELLY. Mr. Speaker, I have a live pair with the gentleman from Massachusetts, Mr. HESELTON. If he were present, he would have voted "aye." I voted "no." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

TO SECURE A VOTE ON CIVIL RIGHTS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, we are all aware that this session of the Congress has only a few weeks remaining. Yet, one of the most important matters before this House has not yet been brought to the floor. H. R. 627, a bill to strengthen and protect the civil rights of all Americans, has now been reported from the Judiciary Committee. This bill is supported by the administra-

tion. It has the support of Members on both sides of this House. It is not and should not be a partisan issue. It should be brought promptly to the floor for debate and passage.

I want to include in my remarks the statement below, signed by Congressmen of both parties, stating our intention to file a discharge petition on H. R. 627 and our reasons for our action.

Mr. Speaker, the people of the United States are watching us and depending on us to act promptly and vigorously on this bill. They, too, know that time is short and that this bill is of the greatest importance. They rely on us to be sure that we act in good time. In order to keep faith with the people of this country we are taking this action to demonstrate, without partisan consideration, our determination that no precaution will be neglected to make sure that we meet our obligation and that this Congress consider and pass this needed legislation to assure to every American that, in the exercise of his personal rights, his Government offers support and protection.

MAY 29, 1956.

TO SECURE A VOTE ON CIVIL RIGHTS

On behalf of those Members interested in civil-rights legislation who attended a meeting held on Tuesday, May 29, the following statement is authorized:

It is the earnest hope of all Members that the Rules Committee will shortly grant a rule and that the leadership will schedule a vote on H. R. 627, the civil-rights bill. We particularly emphasize this because all Members prefer to follow the established and normal legislative procedure. It is for this reason that, in spite of tremendous pressure from our constituents, we have waited until the very last moment before initiating a procedure authorized by the House rules for the specific purpose of satisfying unusual situations.

We have, therefore, agreed in order that there may be a certainty of bringing H. R. 627 before the House for a decisive vote, that a petition to discharge the Rules Committee from further consideration of H. R. 627 will be placed on the Clerk's desk Tuesday, June 5. This is the very latest date possible in order to insure consideration of this petition as authorized by the Rules of the House on the fourth Monday in June—June 25. This will give barely 1 week to secure the necessary 218 signatures to qualify for consideration by June 25. Again, we would emphasize that this procedure is not intended as showing a lack of confidence in the Rules Committee, and we emphasize that the petition becomes inoperative if the Rules Committee acts at any time prior to 7 legislative days before June 25. It does, however, make sure that any difficulties encountered in the Rules Committee can be overcome by a majority of the House membership sufficiently prior to the closing rush of the session. We feel that the real sincerity of Members of both parties in their devotion to civil rights will be indicated by their willingness to sign this stand-by petition.

There will also be formed within a few days a parliamentary and steering committee charged with the responsibility of informing all Members on the parliamentary situation and with the responsibility for guiding the legislation on the floor of the House. Congressman MELVIN PRICE, Democrat, of Illinois, and Congressman THOMAS M. PELLY, Republican, of Washington, will act as cochairmen of the parliamentary and steering committee. On behalf of themselves and other Members who indicated the desire to be present

and to assist the program, the following have affixed their signatures:

JAMES ROOSEVELT; MELVIN PRICE; THOMAS M. PELLY; Mrs. JOHN B. (LEONOR K.) SULLIVAN; RAY MADDEN; LAURENCE CURTIS; SAMUEL N. FRIEDEL; CHARLES B. BROWNSON; JOHN F. BALDWIN, Jr.; CHARLES C. DIGGS, Jr.; BARRATT O'HARA; ROY W. WIER; Mrs. EDITH GREEN; HARRISON A. WILLIAMS; ELMER J. HOLLAND; FRANK THOMPSON, Jr.; STEWART L. UDALL; B. F. SISK; HENRY S. REUSS; CHARLES A. BOYLE; CHARLES A. VANIK; DON HAYWORTH; JOHN D. DINGELL; RICHARD BOLLING.

ADJOURNMENT OVER

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week and the following week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight Friday night, June 1, 1956, to file a conference report on the bills H. R. 6143 and H. R. 7247.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ITALIAN REPUBLIC

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, this Saturday marks the 10th anniversary of the Italian Republic. This is an occasion for great rejoicing in the free world, as we contemplate the gigantic steps taken by our friends in Italy along the road to stability and security.

One of the primary objectives of post-war United States foreign policy has been to strengthen the free world against the spread of communism in order to attain for all the world a measure of peace and protection. Italy has been a strategic area in this struggle to prevent the expansion of Communist influence, and the rebuilding of her shattered economy has thus been a task of the highest priority. The achievements of the Italians in this work have been

truly remarkable and though our aid has helped them, the accomplishment and the credit should be largely theirs.

Economic recovery was certainly not easily obtained. Not only had the democratic processes in this noble land been frozen for 22 years under Fascist domination, but of course, the war disrupted the Italian economy completely. 4 million homes were destroyed, inflation was rampant and unemployment widespread in 1946, when the new Italian Republic came into being. Although the situation seemed hopeless, Italian determination and energy, coupled with outside aid, succeeded in making the nation's economy active and dynamic once again.

Italy's comeback in the short span of 10 years has been amazing. I have visited the country four times in the postwar years and have always seen on all sides signs of progress. Industrial production has been doubled, agricultural development is up 20 percent and deposits and savings have increased 71 times. Economic progress continues today, with emphasis on reclamation and irrigation undertakings in agriculture, development of public utility services and extension of public works.

Tangible evidence of Italian economic recovery is shown in statistics recently released by OEEC which include Italy among the countries which have made the greatest progress in the postwar period.

All of us are familiar with the ways in which the economic instability which existed in Italy after the war was exploited by the Communists. They fomented a series of strikes, riots and violence designed to obstruct economic recovery and destroy confidence in the new democratic government. Fortunately, Premier Alcide De Gasperi's Christian Democrat Party held the line against the Communists and the Italian people united and worked hard to put their country back on its feet.

Communism, of course, is still a threat to the Republic, though less so than before. The brightening of the economic picture and the strong stand of the country's leaders have greatly decreased the menace. A number of protective measures have been adopted. These include placing East-West trade under government control, to deny that important source of revenue to the Communist underground; strengthening the Italian police so that the Reds dare not challenge it; screening personnel holding positions of responsibility in the government; and decreasing the hold of Communist dominated unions over organized labor.

Despite these problems of economic recovery and communism which have been with the Republic since its birth, Italy has been an active leader in programs for European integration and cooperation. She has been a vigorous member of the Council of Europe, OEEC and the Coal and Steel Community. She was one of the first to ratify membership in the Western European Union.

By signing the Atlantic Pact in 1949, Italy pledged her powers to the common cause of the Western democracies. Although her struggles to gain economic

and political stability imposed great limitations, Italy has made substantial contributions to NATO. Assistance from the United States has aided greatly in enabling the Italians to rebuild their military strength and meet their NATO commitments. Today, Italy's army is reequipped and reorganized. All branches of her armed forces have high morale, and have become efficient and well trained. They are an effective and integral part of the defense structure of Western Europe.

Today, as the anniversary of the establishment of the Republic approaches, the Italian economy is stable, communism has been held in check and Italy is an important member of the Western alliance. These accomplishments, achieved in but 10 years, are gratifying to all people of the free world.

Giovanni Gronchi, Italy's straight-talking President, who made such a fine impression when he addressed us not long ago, said on that occasion:

Italy can be trusted, because of the capacity and willingness to work of their managers, technicians, and labor, and also because of her faithfulness to democratic ideals and her firm determination to defend and expand their accomplishments.

With these qualities—proven so ably in 10 dynamic years of progress since 1946—Italy shall not fail in her quest for peace, serenity and security. In that quest, the United States will always be at her side, aiding whenever possible, so that Italy shall remain with us, a stalwart champion of freedom and a vigorous defender of the democratic ideal.

On this Saturday, the 10th anniversary of the proclaiming of the Italian Republic, we wish her Godspeed, good luck, and continued success as she forges ahead to the bright future which must surely lie ahead.

UNFAIR PRACTICES IN RETAIL AUTOMOBILE INDUSTRY

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I have today introduced in the House of Representatives a bill which is intended to relieve the retail automobile industry of many of its unfair practices. It amends the Federal Trade Commission Act to proscribe automobile bootlegging and certain other automobile marketing practices. From personal knowledge I am well aware of the specific problems facing the industry and I earnestly believe that the subject bill will go a long way toward correcting many of the unfortunate situations.

In order that automobile dealers may be advised of the various features of the bill, Mr. Speaker, I am including an analysis of the measure which explains its provisions section by section.

A. ANALYSIS OF BILL

First. In general, the bill is a new section to be added to the Federal Trade

Commission Act. It provides that certain practices by automobile manufacturers and automobile dealers are unfair methods of competition and unfair acts or practices in commerce. It provides for the policing of these practices by two methods: recourse to the Federal Trade Commission and recourse to the courts.

The unfair trade practices specified are: the forcing of unwanted products on automobile dealers; the sale by automobile dealers of cars in bootleg channels without affording the manufacturer an opportunity to repurchase; the refusal of the manufacturer to so repurchase if financially able to do so; the requiring of dealers to maintain service and warranty facilities without an equitable system of compensation from manufacturers; the cancellation of dealers' franchises for reasons not specified therein and where there has been reasonable performance of those conditions; and the termination of a dealer's contract without effectuating a fair liquidation of the assets of the dealership.

B. ANALYSIS OF SPECIFIC PROVISIONS

Section 1: One of the results of our study and analysis of automobile marketing practices disclosed that a principal complaint of dealers was that they were required to accept merchandise which they did not wish. This was particularly true as related to the practice of bootlegging.

Paragraph (1) is designed to prohibit manufacturers from coercing, intimidating or discriminating against any of its dealers in order to force such dealers to accept merchandise which the factory wishes them to take and which they do not desire.

The techniques employed by the factories to accomplish the distribution of unwanted merchandise are many, diverse and often devious. The most direct and blunt technique used is to state, "you will accept what we assign to you or else lose your franchise." All gradations from that extreme to mere persuasions are used by the manufacturers to force the dealers to accept unwanted merchandise.

Another technique employed is the so-called tie-in method. To illustrate: if there is a fast-moving model and the dealer desires four of those vehicles, and the manufacturer has a slow-moving model, or trucks, then the manufacturer states, "in order to receive the 4 fast-moving models, you will have to take 2 trucks or 2 of the slow-moving models." Paragraph (1) is designed to prohibit the practice of tie-in sales.

It is to be noted that the phrase "any product of any kind" is used rather than the phrase "motor vehicles." This was purposely so worded because the practice of forcing is not confined to motor vehicles. It also is engaged in by manufacturers with respect to automotive parts and accessories and advertising media.

The factories have demanded that various advertising programs be participated in by its dealers in quantities and amounts satisfactory to the manufacturer.

The wording of paragraph (1) is simple, direct, and inclusive enough to

place in a position of complete independence and freedom of action a dealer with respect to his factory regarding commodities which he orders and accepts. The effect of this paragraph will be to also confer an independence of business judgment upon the dealer not currently enjoyed. In doing this it must be recognized that along with this independence of business judgment goes the responsibility of being held accountable for the exercise of this judgment. The dealer can no longer shift the blame upon the factory because of the quantity of any product that he finds himself with.

The effect of the enforcement of this paragraph also tends to remove one of the principal explanations offered by bootleg dealers as to why they bootleg—namely, they were forced to take more automobiles than they wanted and could sell by normal means and through normal channels.

When coupled with the second paragraph, paragraph (1) will bring about the abolition of the practice of bootlegging. As we know, bootlegging has been acclaimed to be the number one ill of the automobile industry for the past 3 years.

It must be clearly recognized that the language used in paragraph (1) does not in any way preclude or encroach upon the right of the manufacturer to engage in proper selling techniques in order to persuade its dealers to purchase its products. The language selected "to induce by means of coercion, intimidation, or discrimination" is designed to embrace all forms of improper persuasion to purchase and accept for delivery products of any kind.

Section 2: This section prohibits a dealer from bootlegging new automobiles. It requires that two steps be employed before a dealer may sell, other than to another dealer of his same make, a new car to be resold as a new car. First, the dealer must afford his factory an opportunity to repurchase the car at the price paid therefor and second, the factory, if able to do so, must repurchase. If the factory is unable to repurchase then the dealer is at liberty to sell.

This provision places the major responsibility for the amount of production upon the manufacturer. It would take a long stride forward in the area which has perennially been the most demoralizing problem of the automobile industry, that is, the conflict of interest between the manufacturer and the dealer with regard to the number of cars to be produced and sold each year.

In actual practice under this provision, a dealer could lose \$50 to \$100 on each car he resells to the manufacturer because of freight, storage, interest, and insurance charges. This, coupled with the fact that a dealer must sell cars to the public to make any money, is adequate to insure reasonable selling effort on the part of the dealer.

Mr. Harlow H. Curtice, president of General Motors, in his testimony before the subcommittee urged legislation along these lines. He described it as "a proposed new clause which, in effect, required the dealer to offer cars back to us at dealer's cost before disposing of them in bootleg channels." He also said "such

a clause would have the effect of minimizing possible overproduction and maldistribution. The dealer would be careful to order only cars that he could expect to sell at retail. The manufacturer's representatives in the field responsible for distribution would avoid maldistribution in order not to be in the position of repurchasing or refusing to repurchase cars. The factory would schedule production carefully to avoid overproduction."

Furthermore, General Motors more than a year ago agreed, on its part, to accept new cars back at dealer's cost. This included freight costs to dealership concerned, and to the subsequent outlet. Therefore, as a matter of practice, this bill requires the manufacturer to do even less than what General Motors presently offers to relieve its dealers of excess stocks.

Smaller manufacturers have little difficulty with bootleg sales, and a good deal less difficulty in scheduling production than do the big three. Also, under the application of this section, they would not have to compete with the bootleg market of big three cars.

Section 3: Requires the manufacturer to establish a reasonable system of compensating all of its dealers for maintaining personnel and facilities required to discharge warranty obligations.

This section is designed to eliminate loss incurred by a nonselling dealer in discharging the warranty responsibility for an automobile sold by another dealer. At the same time it ensures to the using public that facilities, parts and accessories and trained personnel will be readily available to maintain and service automobiles throughout their useful life.

Section 4, subsection A: In effect, this section will force automobile manufacturers to spell out in specific terms the provisions in the franchise, the breach of which is grounds for canceling the franchise. The dealer is entitled to know specifically what his rights and duties are when he invests his money and time in a dealership. Also, because the contract will be specific, and not "to the manufacturer's satisfaction," the dealer will have the right to sue for breach of contract in a State court in whose jurisdiction he resides if the manufacturer breaches the contract. Also, he would of course have redress to the Federal Trade Commission as well.

Section 4, subsection B: This subsection exacts of the dealer a standard of reasonable performance of the myriad obligations contained in the franchise. Consequently, if a dealer fell one car short of any sales quota imposed on him by the franchise in a given month, but in other months exceeded his quota, or generally kept up with it, he would not be subject to cancellation. This would at least be a question of fact for the court to determine in the event the dealer elected to bring action under this bill.

Section 5: This section recognizes the economic interdependence between manufacturer and dealer after termination. This has been long recognized in the trade. For example, the General Motors contract of 1954 devotes more than 4 of its 20 pages to the rights and duties of the parties after termination. Fur-

thermore, the committee has had much testimony regarding the economic veto which the manufacturer has and uses over prospective purchasers—thus taking the disposition of the dealership off of the free market, both as to purchasers and as to amount to be paid by purchasers. General Motors has recently taken forward steps along these very lines, especially regarding termination because of death.

The words "fail to renew" are contained in this section. It should be noted that there is no prohibition against the failure to renew. It merely imposes upon the manufacturer a recognition of his duties to help effect an equitable liquidation of the dealer's assets that go along with his rights in the disposition of the business. It is therefore not felt that any constitutional gamut is run by this section.

RACKETEERING IN LABOR UNIONS

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, last week I discussed the case of Victor Riesel and introduced a resolution authorizing an investigation by the Committee on Education and Labor of racketeering in labor unions. Members will recall that Mr. Riesel, a New York labor columnist, was permanently blinded on April 5 when sulfuric acid was thrown in his face. The incident followed a radio broadcast in which Riesel attacked racketeering in the International Union of Operating Engineers. He said later he was convinced that his denunciations of extortionists in the union had provoked the assault.

I wish to call the attention of the Members to an editorial entitled "The Falcon Is Hooded." This editorial appeared in the May 25 edition of the Washington Report, which is published weekly by the United States Chamber of Commerce. I should like to include that editorial at this point in my remarks:

THE FALCON IS HOODED

Last April 5, someone pitched the contents of a vial of sulphuric acid in the eyes of a newspaper reporter.

The reporter was Victor Riesel, of the New York Daily Mirror, whose labor column has been widely syndicated among newspapers of various political persuasions.

The incident occurred on the heels of a radio broadcast by Mr. Riesel in which he referred to certain labor leaders who had been convicted of extortion. Mr. Riesel recently has been told that he has lost his sight for life.

While one man's eyes have been burned out, the fact of the Riesel case is this:

The vision of the entire American public has been diminished and obscured.

Some say that Mr. Riesel's column has sometimes been pro-labor. Others say it has sometimes been anti-labor. That would appear to balance. That he was an expert in his reporting field has not been questioned.

No question of pro-labor or anti-labor is involved in the Riesel case. He was a reporter.

No more. No less. In pursuit of his profession, he was, as all legitimate reporters are, the eyes and ears of a sizable share of the American people—who cannot be in two places at one and the same time.

A falcon has been hooded with a mask that can never be untied.

What happens now?

Rewards for the apprehension of the acid-thrower have been piling up. Sympathetic comment has been widely printed.

Is that enough?

It would appear that the very institution of the free press—on which our basic liberties are founded—has been assailed.

This is an outrage to organized labor—and to organized business.

If the "someone" who threw the acid in Victor Riesel's eyes was indeed a henchman for a labor union, that union is in the same class as an enterprise condemned by a better business bureau for including poisonous ingredients in a supposedly edible product.

In particular, it would appear that this violence against a reporter is the responsibility of the American newspaper profession.

What happened to Mr. Riesel could happen to any reporter—now.

Is the newspaper profession going to deliver to the courts and the court of public opinion the "someone" and "the someones behind the someone" who tossed the acid? Or will the story fade away into the limbo of yesterday's sensations, forgotten in the excitement of today's events?

In its great respect for the newspaper profession, Washington Report believes that the newspaper profession, and only the newspaper profession is equipped, to trade down the source of this violence to the first amendment.

In its faith in the newspaper profession, Washington Report believes that the newspaper profession will maintain an unceasing hunt for the rude hands and vicious minds that dared to trespass on the rights of an institution devoted to the enlightenment of us all.

Mr. Speaker, the editorial raises a very important question: Is freedom of the press being attacked or jeopardized when a newspaperman has acid thrown in his face, apparently in retaliation for what he says in newspaper articles or radio broadcasts? What has been the psychological effect, on other newspapermen, of the attack on Victor Riesel? Has their freedom to print certain facts been restricted as a result of fear of such attacks?

These are extremely significant questions. I agree with the editorial in Washington Report that this matter should be studied by the Nation's newspapers. A few years ago the Freedom of Information Committee of the American Society of Newspaper Editors considered the question of whether freedom of the press was violated when a newspaper editor was called before a congressional committee and was questioned about things he had written. This was an important question and deserved the attention it received. However, the Riesel case seems to raise equally important questions. Offhand, I should think that fear of being blinded by sulphuric acid would be at least as restrictive to the freedom of the press as being called before a congressional committee. It is my intention to write Mr. J. Russell Wiggins, a member of the Freedom of Information Committee, and suggest that his committee look into this matter.

Mr. Speaker, the blinding of Mr. Riesel, and the possible intimidation of our Nation's press because of such acts of violence, also raises questions regarding the responsibility of Congress. I have today introduced a resolution suggesting that freedom of the press may have been jeopardized by the Riesel case. The resolution authorizes and directs the House Judiciary Committee to investigate the attack on Mr. Riesel, and to make recommendations as to whether any special steps should be taken to protect newspapermen from intimidation and assault.

The Nation's press performs a vital role under our system of government. It must be protected. The Nation itself would suffer if intimidation of our newspapermen were to be permitted. The House Judiciary Committee might well examine the advisability of extending certain protections to our newspapermen. It could consider, for example, making it a Federal crime to assault a newspaperman because of activities carried out in the line of duty.

If the resolution which I have introduced is adopted, the Judiciary Committee might also seek answers to the following questions:

First. Was freedom of the press actually jeopardized by the assault on Riesel?

Second. What has been the general psychological effect of the Riesel case on other reporters?

Third. How effective are State and local law enforcement officers, generally, in protecting newspapermen?

Fourth. What can and should Congress do in protecting newspapermen from intimidation? Should they be afforded certain Federal protections?

Fifth. Should it be made a Federal crime to assault or attempt to intimidate a newspaperman in connection with activities performed in the line of duty?

SOVIET SPY NETWORK IN AMERICA

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the old saying that complaints depend sometimes on "whose ox is gored," is called to mind by testimony taken before the Internal Security Subcommittee of the Senate, recently made public.

Some of us remember the howling and the yowling of the leftwingers and the anti-anti-Communists when Senator JOE MCCARTHY was calling attention to the activities of some of the Communists at Fort Monmouth.

What a furore was created by the left-wing press. Remember how JOE was condemned, misused, abused, and lied about? Well, now apparently a similar job is being done by a highly respected and competent Member of the other body who is heading this committee and by some of his equally patriotic and vigilant associates.

On May 21, Constantine Brown, an astute observer and accurate narrator, commented on the situation as follows:

[From the Washington (D. C.) Evening Star of May 21, 1956]

SOVIET SPY NETWORK IN AMERICA—TESTIMONY OF FORMER RED AGENTS SEEN AS VINDICATION OF MCCARTHY

(By Constantine Brown)

A sensational story of 2 years ago, widely publicized in the press and on television, was the Army-McCarthy hearing which eventually ended in condemnation of the Wisconsin Senator by the Senate.

The basis for that spectacular row between an investigating committee and the Army Department, headed by Secretary Stevens, was the accusation by Senator MCCARTHY and his staff that the Army was coddling Communists who had imbedded themselves at Fort Monmouth.

The Army said it started the investigation because MCCARTHY had used "undue influence" to get a commission for one of his staffers, David Schine. At the same time, it insisted that there had been no espionage at Fort Monmouth and that only a routine error had been made in the promotion of Maj. Peress.

Last Thursday the testimony under oath of a former Soviet employee of the Soviet Signal Corps Research Institute in Moscow was read into the record of the Internal Security Subcommittee of the Senate, and then made public. For security reasons the witness did not appear in public hearing and his evidence was given under the assumed name of "Andriyev." When he fled from the U. S. S. R. and how he reached this country are also kept secret.

The testimony bore out entirely the accusation of Senator MCCARTHY that there had been large-scale espionage at Fort Monmouth since 1944 when Mr. Andriyev first joined his outfit. One of his functions was to examine a series of documents in foreign language "90 percent of which were of American origin and 10 percent of British and French origin."

When asked by Committee Counsel Robert Morris whether they had originated at Fort Monmouth or the Signal Corps, the reply was: "One batch emanated from Fort Monmouth and the other from RCA. I could not tell you exactly which RCA laboratories because I don't remember."

When Mr. Morris asked for an approximation of the quantities of documents examined and translated by the witness over a period of years the reply was "thousands."

The Army Department was queried by reporters soon after the end of Thursday's hearings. Its spokesman pointed out that during the war we exchanged military information with the U. S. S. R.; hence it would have been natural that the Soviet Signal Corps Research Institute should have in its possession data about our then novel radar and other such things.

But in his sworn testimony Andriyev stated: "The documents came from the Sepetsotel (secret police section) and had to do with high power, supersonic frequency, and ultra-high frequency tubes that are used for radar. Some of them would be photocopies or photostats that evidently came in originally from the United States; others were enlargements, blowups from microfilms which got into the Soviet Union from America and were developed and enlarged at some local Soviet level. The vast majority of them had classification marks such as 'secret,' 'top secret,' or only 'confidential.'"

When asked how he thought they came into possession of his agency the answer was: "The only thing I can tell you is that when we would tell the secret police officer in what you may call a facetious way 'where

did you steal them' he would say 'shut up; it is none of your business. Your business is to try to find out how to use them. It is our business how to get them.'"

Insofar as Andriyev could tell the Senate Internal Security Subcommittee the flow of documents continued through 1945 after he had been transferred from the Signal Corps Research Institute to the manufacture of radar parts.

It is, of course, accurate that we did give the U. S. S. R. some technical information of minor importance. The Pentagon's official policy was to keep away from the Russians our major technical inventions and know-how. This was, however, a policy which the Soviet agents in this country knew how to counteract. What they could not obtain officially they got through ideological stooges who had sensitive positions in the Government.

The revelations of the former Soviet official will change nothing, of course, in McCARTHY's status as a "censored Senator." The Republicans in the Senate feel that they cannot afford to raise the question that he was censured too hastily and that there was some real foundation for the accusation of Communist infiltration at Fort Monmouth because they would go counter to the wishes of the executive branch of the party. The Democrats have no reason to pull the chestnuts out of the fire for an opponent whose activities cost them some seats in the 1952 election.

Yes, sometimes it makes a difference who is doing the prodding. Let us all be thankful that the job JOE undertook is being carried on.

STATUS OF FORCES AGREEMENTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. BOW] is recognized for 45 minutes.

Mr. BOW. Mr. Speaker, the Committee on Foreign Affairs has now reported to the House the Mutual Security Act of 1956. I am amazed to find in the report this statement. I quote:

The committee urges that the status-of-forces problem be faced directly and considered on its merits. It should not be used as a device for attacking the mutual security program.

Considering the facts, this statement borders on hypocrisy.

Before commenting further on this report however I want to remind this body that the NATO Status of Forces Agreement, signed in London in 1951, was a complete abandonment by our country of the rule of international law that the armed forces of a friendly nation, stationed in the territory of another with the latter's permission, are subject only to the laws of their own country. This rule had been recognized and ably restated by our great Chief Justice Marshall in the case of *The Schooner Exchange v. McFaddon* (11 U. C. 116). In our jurisprudence it has never been questioned. It has been cited with approval by many authorities in other countries.

I will read you a paragraph from a brief on this subject which was once prepared by our State Department. I quote:

To summarize, it will have been seen from what has been said above that by the almost unanimous opinion of writers on interna-

tional law, and jurists that have dealt with the subject, members of the armed forces of a state on foreign territory with the consent of the territorial sovereign are immune from the local jurisdiction in criminal matters. These views are based on and supported by international practice as well as reason.

Our Defense Department too has stated this rule in the United States Manual for Courts-Martial, 1951. The manual has never been changed, in spite of the Status of Forces Agreements and reads in paragraph 12 as follows:

Under international law, jurisdiction over members of the Armed Forces of the United States or other sovereign who commit offenses in the territory of a friendly foreign state in which the visiting armed force is by consent quartered or in passage, remains in the visiting sovereign.

If this right had not been given away by our representatives there would now be no status of forces problem.

The committee has had every opportunity during the past year to face the status-of-forces problem directly—and to give the House an opportunity to express the sentiments of all. Last year, on May 18, 1955, I introduced House Joint Resolution 309 which would have directed the President to seek a modification of the Status of Forces Agreement, and similar agreements, which surrender our servicemen abroad to the criminal jurisdiction of foreign courts. The purpose of this resolution was to reclaim such jurisdiction and thereby restore to our servicemen the constitutional rights of which they had been deprived. If such modification could not be secured, then the President would have been authorized to denounce the treaty. All this procedure, mind you, being strictly in accordance with the provisions of the Status of Forces Agreement. Identical resolutions were subsequently offered by 14 of my colleagues.

Extensive hearings were held by the Foreign Affairs Committee but no report was made to the House. If you did not see the news release at the time, you may not know that the committee on March 8, 1956, voted against reporting my resolution to the House. Nineteen members of the committee thereby deprived 416 other Members of the House of the opportunity of voting on the resolution and thereby meeting the issue squarely.

These 19 committee members ignored the preponderance of the testimony developed during the hearings. They ignored the wishes of the majority of this body which had been plainly expressed last year in adopting by a vote of 174 to 56 the amendment which I offered to the first Reserve bill, to restrict the sending of troops abroad to countries which exercised criminal jurisdiction over our men.

I regret that the Members of the House may not have the time to study the testimony developed at the hearings on House Joint Resolution 309. In my opinion the hearings established these facts:

That prior to the negotiation of the Status of Forces Agreement the United States had always exercised exclusive jurisdiction over members of its Armed Forces everywhere abroad.

That surrendering jurisdiction to foreign governments was forced on the Defense Department by internationalists in the State Department who were currying favor abroad by deprecating our resources and capabilities and cutting us down to the level of our dependent allies.

That there is no evidence that we were forced to surrender our rights or that any nation demanded it, although that is suggested by defenders of the treaty.

That the various agreements were negotiated without investigation of foreign laws or prison conditions and without consideration of the cost to our servicemen in losing their constitutional protections.

That the Senate Foreign Relations Committee was not properly advised by advocates of the treaty when it considered ratification.

That our troops abroad are protecting foreign nations where they are stationed and boosting foreign economies by the spending that results from their duty there; and resulting benefit to us as a defense line is secondary and even highly questionable if it should be needed.

That there is no question that a serviceman loses even the minimal rights granted by our Constitution when he is tried in a foreign court. Studies of the Judge Advocate General's Department confirm this.

That prisoners actually serving sentences in England, France, and Japan have said they would have preferred to have been tried by our own court-martial. They were not concerned that if found guilty they might possibly have received more severe sentences. They felt they would not have been found guilty except after a fair trial, and would have been tried by their compatriots. Most of them believed they had been deprived of a proper defense.

That there is no evidence that a request for a modification in the agreements as to jurisdiction over our troops would result in a demand for their withdrawal or other consequences with which defenders of the agreements try to frighten us.

That there is a growing demand from the citizens of our country for a change in these agreements, as more people become aware of the situation.

That House Joint Resolution 309 was the appropriate way in which to advise the President that it is the will of the Nation that these treaties and agreements be changed or terminated, and to empower him to take action.

Those are the facts which the hearings brought out most forcibly, and the reasons why the fight to modify these status agreements must be continued, by whatever means may be left to us, since the committee has closed the door on a vote on my resolution, House Joint Resolution 309.

Having made it impossible for you to vote independently on the issue, the committee now says it should not be used as a device for attacking the mutual security program. Yet the committee is now using this present report on the Mutual Security Act as a vehicle for attacking House Joint Resolution 309 on which it

failed to make a report. Presumptuously, the committee says: "You dare not mention the Status of Forces Agreements or the plight of our servicemen abroad, but we will use the Mutual Security Act as a shield to protect the Status of Forces Agreement."

This belated mention by the committee of the hearings which were held on House Joint Resolution 309 contains such misleading and untrue statements that I feel obliged to disobey their admonition and to comment thereon. I hope to straighten out what appears to be very confused thinking.

Either to stifle an attack of conscience for refusing to report House Joint Resolution 309 to the House, or in a clever move to stifle further efforts to secure a change in these Status of Forces Agreements, the committee on April 13, 1956, appointed a subcommittee whose responsibility seems somewhat limited. According to the present report this subcommittee is charged with "keeping informed of decisions by our courts"—including the Supreme Court—"on certain pending cases which are relevant to this issue."

I call your attention to the cases which are listed in the report as receiving the continued attention of the subcommittee. The first three, referred to as the Toth, Krueger and Covert cases, involve only the question of the right to try civilians in military courts under present laws. Any connection with the Status of Forces Agreement is very remote. The right of foreign governments to prosecute our servicemen or their dependents, or the civilian components of our Armed Forces, in foreign courts is not considered.

I fail to understand why the subcommittee should continue to observe the Keefe case. It reached a conclusion in 1954. Keefe has now finished serving his term of imprisonment in a French jail, has been returned home, and has been discharged as an undesirable—just a shade less than a dishonorable discharge. This case did arise because of the Status of Forces Agreement, however. It was probably the first action to open the eyes of the American people to the fact that our servicemen abroad had been made second-class citizens. Once turned over to a foreign court for trial an accused became an involuntary expatriate. Even the President could not have pardoned Keefe—or any other serviceman surrendered to foreign jurisdiction.

The fifth case listed, known as the May case, involving four servicemen tried in a Japanese court, should certainly be watched. It raises the very interesting question as to the validity of the present agreement with Japan. However, a decision on the validity of the Japanese agreement will have no bearing on the validity of the NATO Status of Forces Agreement or other similar Executive agreements.

The present report contains the Defense Department statistics showing that up to November 30, 1955, there were 10,249 of our servicemen subjected to foreign jurisdiction. You are supposed to be impressed by the fact that 266 of these were tried and sentenced to confinement, because that is only 2.59 per

cent of the total. If only 266 were imprisoned after trials which denied them the privileges of our Constitution does that make the treaty less onerous? And what of the 2,595 who were tried and punished by fine? Does the fact that they paid only in money make the loss of their constitutional rights more bearable?

The report does not tell you that in the same period only three servicemen of foreign countries met with any criminal prosecution in this country. This shows up as ridiculous the reciprocal features of the agreement which its proponents love to prate about.

Neither does the report tell you that in some foreign countries it is common practice to try a civil claim for damages along with the prosecution for crime. That is one of the reasons for so many arrests and charges—a form of blackmail. An accused can pay and sometimes secure a waiver of the charges, hoping his own court-martial authorities will ignore the charges. That happens you know. Or the accused can stand trial and have his guilt determined on testimony of witnesses who have a financial stake in securing his guilt.

The Army commander in France has stated that the French procedure of combining trial of criminal and civil actions is a persistent source of irritation and dissatisfaction, that civil issues are permitted to influence criminal issues, and vice versa, contrary to basic concepts of American jurisprudence.

We all know that a greater degree of proof is required in our country to convict a man of crime than to take his dollars for a civil claim. Yet Monroe Leigh, carrying the title of Assistant General Counsel for International Affairs, Department of Defense, is not concerned by the practice abroad. He told a Senate committee, and I quote him:

I have not been able to see why the joining of these two actions is inherently unjust.

That is an example of the callous type of thinking of some of our internationally minded officials. Mr. Leigh's sympathies certainly do not lie with our servicemen. He was indoctrinated by the State Department quite early, during his employment in that Department, where the idea of surrendering the rights of our servicemen abroad was first spawned. There are other graduates of the State Department school of thought serving now in legal capacities with the Defense Department, who continue to combat the natural wish of service commanders to exercise complete jurisdiction over their forces.

The report says that the hearings did not bring to light a single instance where it is claimed that an American serviceman believed to be innocent had been imprisoned by a foreign court. That is following the executive department's line which claimed at the hearings that there was not one single instance of any accused receiving an unfair trial. The reports of the observers in some of the trials abroad quickly squelched that claim. Various violations of the agreement were reported and other irregularities disclosed by these observers. If the committee is trying to ignore these re-

ports I will tell them again, as I had to do at the hearings, of one case in Japan where the accused were convicted on testimony which the observers of the trial described as, and these are their words, "not only preposterous and fantastic, but in some respects patently impossible." The observers further said that the conviction was "manifestly unwarranted and unfair, not matter under what rules of law the court is operating." One of the accused, sentenced to 8 years imprisonment, carried an appeal to the court of highest jurisdiction in Japan, which affirmed the findings and sentence of the lower court. The Defense Department has admitted that the original defects in the trial amounting to a denial of justice were not cured.

The use of the expression "believed to be innocent" in this paragraph is also illuminating. The proponents of the Status of Forces Agreement are all too prone to assume the guilt of every serviceman who is arrested by foreign police officers. Is a man's guilt proven by a conviction in a foreign court, in a hostile atmosphere, with faulty interpretation, where the accused is not always confronted by the witnesses against him, cross-examination is a joke, there is no presumption as to the innocence of the accused, no burden of proof on the prosecution, and other constitutional rights are lost?

The committee does recognize that every American feels a natural resentment against the fact that American boys are being tried in foreign courts and imprisoned in foreign jails. The committee further says that if the practical problem of maintaining our present defense posture could be disregarded, the decision on the status of forces issue would involve only the application of logical analysis to legal precedents and moral principles. That is a shameful statement. The committee would not consider legal precedents or moral obligations to our servicemen unless it is expedient to do so. I repeat that this is a shameful thing. For the Committee on Foreign Affairs of this body to base its decisions or reports on expediency.

Now what precedents are they ignoring. There was never any precedent for such a sellout as the Status of Forces Agreement in the history of our country. I believe the precedents which the committee has ignored are the statement by Chief Justice Marshall of the rule of international law which is applicable to this issue—the other decisions in the courts of our land—the position taken by our Government in the Supreme Court of Canada which was approved by a majority of that court—the principle of international law that appears in the United States Manual of Courts-Martial. Stated most simply, that principle of law is that the armed forces of a friendly nation, stationed in the territory of another with the latter's permission, are subject only to the laws of their own country.

There are moral principles involved, of course. One of these may be the matter of drafting or enlisting a man in the service of his country, sending him abroad through no choice of his, then denying him the protection of our Con-

stitution and laws. Another is the creation of two classes of servicemen, subjecting those at home and those abroad to different systems of justice. But I say there are more than moral principles involved. There is your oath to support the Constitution—your obligation to make the rules for the Government and regulation of the land and naval forces. But the committee votes on principles of expediency.

The committee asks in its report what will be the consequences of reopening the issue without following the procedures for modification set forth in the treaty. There is another misleading assumption. I want to remind the committee now that House Joint Resolution 309, which the committee has prevented you from considering, was based entirely on the procedure for modification provided for in the treaty. It scrupulously followed the language of the sections providing for modification and denunciation of the agreement. If the issue is raised now in any other fashion, which the committee does not approve, it is solely the committee's responsibility for refusing to permit you to vote on my resolution.

There are some revealing admissions in this report—that the bargaining power of the United States has diminished in important respects during recent years; that nations are less willing to sacrifice their sovereign rights than they once were, that in nearly all of the countries where our troops are stationed a speaker receives hearty applause if he speaks against subservience to the United States and advocates an independent course. These are all very good reasons why we should promptly demand a change in the Status of Forces Agreements of all kinds so that we can reclaim the right to exercise complete jurisdiction over our own.

Why should we be the ones to sacrifice our sovereign rights to appease those who are unwilling to relinquish their rights. If our bargaining power is steadily declining it is high time that we bargain for the return of our rights before the bargaining power expires entirely. If some nations fear that our air bases are likely to draw attack in time of war how do we know that they have not made secret agreements with certain nations not to permit us to use the bases when we need them most. If other nations where our troops are stationed—and I say it is for the benefit of such nations, aiding in their defense, bolstering their economy with their spending—if such nations are now so unfriendly as to refuse to grant our request for a change in criminal jurisdiction over our troops—then we had better get out of those countries now. They will kick us out anyway whenever they deem expedient—probably when the chips are down and we might need to be there for our own protection as well as theirs.

I am not going to speak at this time on the merits of continuing the foreign aid program. You all know that giving away billions of dollars has not produced any noticeable good will for America or loyalty to our principles, and that there is no guarantee that our military aid will not in the end be used against us, rather than for us. It is therefore all the more tragic that the giveaway program should

have included human rights, the constitutional privileges of our servicemen. They have been needlessly and uselessly sacrificed.

We should have learned by this time that a foreign policy which is founded on appeasement and charitable hand-outs will never succeed. Firmness, strength and good hard business principles are called for now.

Since the committee has brought the status of forces issue into this report but has stifled the consideration of the issue by any other means, I intend to offer an amendment to the Mutual Security Act which will give this body an opportunity to express its opinion on the subject. What does it profit the United States to maintain in the freedom of the peoples of other nations if we sacrifice the rights of our own citizens, guaranteed by the Constitution, when they serve in our Armed Forces, assigned to duty in those nations abroad.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. BUDGE. I wish to compliment the gentleman from Ohio on the struggle which he has been making to protect the constitutional rights of the servicemen of this Nation, and I join with him in the hope that during this session of the Congress the corrective measures which he has outlined can be adopted.

Mr. BOW. I thank the gentleman from Idaho not only for his remarks at this point but for the valiant fight he has been making with me to try to regain for American servicemen their rights.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. GROSS. I, too, wish to commend the distinguished gentleman from Ohio not only for the statement he is now making, but for his unrelenting fight to secure justice for American servicemen overseas. The gentleman spoke of criminal jurisdiction a moment ago. I am sure he knows that there is now pending in Japan a case wherein the Japanese courts have confiscated the pay of an American Army officer for having fired four alleged Japanese Communists from their jobs at an American air base in Japan. Now, that is going beyond the question of criminal jurisdiction and becomes a question of civil jurisdiction as well. I am sure the gentleman is acquainted with that case.

Mr. BOW. I appreciate the gentleman's comments. I am familiar with the case. The gentleman from Iowa [Mr. GROSS] called it to my attention and I immediately called the Defense Department to get the facts to why an American soldier, an American captain, who tried to fire four alleged Japanese Communists employed in the construction of one of our airfields, should have his pay held up by a Japanese court. I was advised by the Department of Defense that they knew nothing about it so I will say to the gentleman that we have asked them to alert themselves and find out why an American serviceman's pay can be attached when he attempts to protect our Nation.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman. Mr. ADAIR. Should it not be pointed out that many of these men who were tried were men who were drafted and sent to those countries without their own voluntary consent? They were sent there as men who were put into the uniform of our country and then under military orders were dispatched here and there throughout the world as their commanding officers saw fit?

Mr. BOW. The gentleman from Indiana is quite right, and the point he makes is very pertinent to the subject we are discussing. Here we have the case of a man who, against his will, is drafted and put into the uniform of the United States, and then, under direction and against his will, is sent to a foreign country where he is unfamiliar with the language and the law, and if he gets into difficulties he is tried in a court where he does not understand the language, does not understand what the judge is saying; he does not have the protection of the Bills of Rights or the Constitution. In many cases he is judged to be guilty until he has proven his innocence. He is not presented with an indictment. He does not have the right of a trial by jury. In many cases a confession taken from him under duress may be used against him. Many other God-given rights we have in the Constitution of the United States are taken away from him.

I quite agree with the gentleman from Indiana that those are important questions to be raised.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. GROSS. In the only report that the Committee on Foreign Affairs has rendered on this subject, which is to be found as a part of the report on the pending Mutual Security Act of 1956, there is set forth this language:

International tension has lessened and none of our allies anticipates military aggression by the Soviet Union in the near future. As a consequence, the nations are less willing to sacrifice their sovereign rights than they once were.

Mr. BOW. That is right. May I say further, taking this language in the report of the committee that we are going to consider next week:

In nearly all the countries where our troops are stationed a speaker receives hearty applause if he speaks against subservience to the United States.

In other words, we are to be told that if someone gets up and says, "Let us not go back to the international law as it has been recognized," they receive great applause, because they have the right to deprive American citizens of their constitutional rights.

Mr. GROSS. Is it any less important that we in this Congress and American citizens look upon the sovereign rights of our people as do foreign nations? Let me repeat in connection with this the language in the report:

As a consequence, the nations are less willing to sacrifice their sovereign rights than they once were.

Why should we be any less willing to sacrifice our sovereign rights?

Mr. BOW. I agree with the gentleman. It simply means that as time goes on there will be less chance of regaining our rights for the men we have overseas.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. BUDGE. There has been considerable conversation both on the floor and in other places, and it is very strongly intimated in the majority report coming from the Committee on Foreign Affairs, that the renegotiation of all of these various treaties would be required in order to correct this situation. I should like the gentleman's comment on this query: Would it not be possible to limit the expenditure of foreign-aid funds to those nations only who do not seek to avail themselves of this provision which is contained in the Status of Forces Treaty?

Mr. BOW. I think the gentleman is quite right. Under the provisions of the treaty there is that provision which says that those countries may waive their right to this jurisdiction. Under that if we should say we will withdraw this aid to those countries who do not waive, then the point the gentleman has now established, and has made in the past, is quite correct and they could waive jurisdiction and we could regain our rights in those countries over our American servicemen.

Mr. BUDGE. Mr. Speaker, will the gentleman yield further?

Mr. BOW. I yield.

Mr. BUDGE. In other words, it would be the conclusion of the gentleman from Ohio that no renegotiation of any treaty would be necessary to accomplish what the gentleman seeks to accomplish under the foreign aid bill.

Mr. BOW. That is correct, and under the suggestion made by the gentleman now, this report we have been discussing also says that their hearings did not bring to light a single instance where it was claimed that an American serviceman believing in his innocence had been imprisoned in a foreign court. They claimed that there was not one single instance of their receiving an unfair trial. But the reports of observers, as I have already mentioned, show otherwise.

Mr. BUDGE. Mr. Speaker, will the gentleman yield again?

Mr. BOW. Certainly.

Mr. BUDGE. If the statement contained in the majority report of the Foreign Relations Committee as to the attitude toward the United States and toward its servicemen is true, then certainly there should be some safeguard to protect the servicemen from any such attitude as is expressed in that report. In other words, if a speaker is applauded in these foreign nations when he says his country should not in any way vacillate toward the United States, then I submit it might be pretty difficult for an American serviceman to gain any sort of impartial trial in the tribunals of that nation.

Mr. BOW. The gentleman is quite right, and I appreciate his further contribution.

So I say again, Mr. Speaker, we have a situation here where the committee

itself has had this testimony. The gentleman from Indiana, Mr. ADAIR, visited these prison camps and talked to some of these men who have been tried in foreign courts. I now yield to the gentleman from Indiana for comment.

Mr. ADAIR. If the gentleman would yield on that question, what the gentleman has just said is completely true. I had occasion to visit a Japanese prison last December in which prison there were on that date more than 50 American boys incarcerated. I had occasion to talk to a number of them, and almost without exception, as the gentleman from Ohio has so well pointed out, they felt that they had not had a fair trial in keeping with American standards of trial and justice. It was not so much the fact that they were imprisoned as it was the matter of the principle of the thing. I think we should stress that, Mr. Speaker, the fact that here is a principle involved, also a principle of whether or not we are going to permit our men to be tried under a system of law that is foreign to the one under which they grew up; and, as the gentleman has said, one which we have assured them would be theirs in the event that they were to be tried.

Mr. BOW. I thank the gentleman. And is it not true—and I think my colleagues will agree with me—that by the Status of Forces Agreement we set up two classes of citizens in our military? We have the boy who is inducted and serves in this country who has the protection of the Constitution. The Bill of Rights extends to him. If he is sent overseas, he loses those rights. So we have two classes of citizens among our military.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. GROSS. Why would the Congress be confronted, may I ask the gentleman, with a bill to provide legal counsel for these men if they have been given a fair trial, these servicemen and their dependents, in foreign courts?

Mr. BOW. The Defense Department said it was to protect United States personnel against possible disadvantages. The gentleman very properly held that bill up for a while, then went along with it so we could give them some semblance of protection. But that does not satisfy us. The fact he can have legal counsel appointed for him by the military does not carry with it the constitutional rights of which he has been deprived under the Status of Forces Agreement.

Mr. GROSS. The gentleman is correct. I maintain it does demonstrate that they have not had fair trials, else there would be no need for a bill to provide counsel for them.

Mr. BOW. The bill itself is an admission that something had to be done. Yet we are told that this question should be faced directly. Why does not the Foreign Affairs Committee give us the opportunity to let this House face it directly? Why, since May of 1955, after this House prior to that time had by an overwhelming majority voted against the Status of Forces Agreement, does that committee still resist this bill and not give the House a chance to face it

directly? I say to my colleague that this language that we should face it directly is certainly against the will of this House. We want to face it. Let them bring it on to the floor of the House so that the Representatives of the people of the United States can say whether they believe these constitutional rights should be lost to American soldiers or not.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. SCHENCK. I want to commend and certainly congratulate the gentleman from Ohio for the splendid job he is doing and has done on this matter. He is not only a distinguished member of the Appropriations Committee on which he has done great work but he is also a distinguished Member of this House who has tried in every possible way to serve this Nation with the kind of statesmanship that is needed. So I want to commend him not only for the fine representation he gives to his district but also for the fine work he does as a Member of this body.

Mr. BOW. I thank the gentleman.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. ADAIR. I, too, certainly want to add my commendation to the gentleman for the work he has done in trying to bring this matter to a successful and honorable American conclusion.

Just one thing more. The gentleman has made reference to the activities and the findings and the hearings held by the Committee on Foreign Affairs of the House. I do not need to call to the gentleman's attention the fact there are some of us upon that committee who do not agree with the majority views. There are some of us who feel that this matter of turning our servicemen over to foreign governments for trial under the Status of Forces Agreement, or under other administrative agreements, is wrong and ought to be corrected.

Mr. BOW. I agree with the gentleman. I think I should make the RECORD straight. I do know, although it is not a matter of record, that we had support in the committee for House Joint Resolution 309. Members of the committee have expressed themselves on the floor and in the committee and in the RECORD favoring regaining for our American servicemen their rights. I think those members of the committee should be complimented for what they have done. When I speak of the Foreign Affairs Committee denying the House the right to work its will, it is the majority who have refused to permit the bill to come out so we could meet it directly.

Mr. Speaker, I simply want to say, since the Foreign Affairs Committee has made the statement and urges that the status of forces problem be faced directly and considered on its merits, that I attempted that last year, and I was assured they would have hearings. Therefore I did not offer the amendment to a bill, having had that assurance. They had hearings. We have had them a long time ago. They have been completed.

But, as I say, no bill has been reported to the House, so I cannot meet it directly. But, I am going to go against the advice offered by the Committee on Foreign Affairs. I am not going to offer an amendment for the purpose of attacking the mutual-security program. I may say very frankly I have never voted for it, but I am not going to attack the program as the program itself. However, I am going to offer an amendment, and that no one can say that they have been taken by surprise and did not have a chance to study the amendment, and realizing that perhaps in general debate there will not be much time given for this discussion, I want to call the attention of the House to the amendment I am going to offer so that no one can say that this is an attack upon the mutual-security program. This is the amendment I will offer:

It is further the sense of the Congress that the rights of our own citizens guaranteed by our Constitution should not be sacrificed while the rights of freedom and self-government are secured to the peoples of other nations and that in order to insure justice, maintain the constitutional rights and privileges for our citizens who are serving with our Armed Forces in other countries and promote the general welfare that the President should forthwith, as provided for by article XVII of the Status of Forces Agreement, signed at London June 19, 1951, address to the North Atlantic Council a request for revision of article VII of such agreement for the purpose of eliminating or modifying article VII so that the United States may exercise exclusive criminal jurisdiction over American military personnel stationed within the boundaries of parties to the treaty; (2) that the President should take similar action with regard to all other treaties or international agreements to which the United States is a party and which give criminal jurisdiction over our Armed Forces to foreign governments which are parties thereto; (3) that failure of such negotiations to obtain exclusive jurisdiction for the United States should be grounds for the denunciation of or withdrawal from such treaties and international agreements as provided for by article XIX of the Status of Forces Agreement and similar provisions in other agreements.

My colleagues, that is the amendment which I will offer at the proper time to the bill as being the policy of this Government and that I shall ask my colleagues to support. It is not an attack on mutual security, but it is an attempt to regain for our American servicemen their constitutional rights which have been bartered away and to return again to sound international law which has been established by the Supreme Court.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. Mr. Speaker, I would like to congratulate the distinguished gentleman from Ohio for the fight he has made on the status of forces treaty matters since the time when he first posed an amendment to an appropriation bill in the last session. I also wish to associate myself with the remarks he has made and hope that we can make satisfactory arrangements to straighten out the situation concerning the American serviceman who has been inducted against his will. I again congratulate the gentleman from Ohio

for the efforts he has made to take care of these servicemen.

Mr. McVEY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Illinois.

Mr. McVEY. I want to congratulate the gentleman from Ohio on his very able statement regarding a most important subject. I should like to ask him this question: Has the Senate of the United States ever passed upon these Status of Forces Agreement that the gentleman has mentioned?

Mr. BOW. The Senate of the United States in the NATO agreement has passed upon it and approved it. I would say, however, and I think it is rather evident, that the information that they had before them was not completely accurate. I think the remarks of Senator BRICKER on May 7, 1953, in the Senate, are very pertinent. He said:

I do not criticize any member of the Foreign Relations Committee for not exercising due care and diligence in reporting this treaty favorably to the Senate. In the light of statements made by Government witnesses at the hearings, the committee's action was sound and logical. Unfortunately—and this is very important—the committee's action was based on false and misleading representations. As to whether the misrepresentations were deliberate, or grounded in stupidity, I express no opinion.

They might have been prompted by those who were in the State Department—and who are still there—when these agreements were worked out, as a way of vindication. They might have been suggested, Mr. President, in an effort to cover up the executive agreements already illegally made.

But the Senate did pass upon it with some dissent. I have forgotten what the vote was. But since the gentleman raises the question, may I point out one thing that I think is very important here: The Senate has ratified the Status of Forces Agreement in NATO, but in the case of Japan, although a treaty was settled with Japan, the status of forces arrangement with Japan has never been submitted to the Senate of the United States. It was not entered into by the President; it was not entered into by the Secretary of State, but is an arrangement signed by an ambassador.

That is the kind of an arrangement we have with Japan. So this House and the Senate have never passed upon that. It came after the NATO agreements were signed.

Mr. McVEY. I thank the gentleman and say to him that I shall be very pleased to support his amendment.

Mr. BOW. I thank the gentleman from Illinois.

TAKING CARE OF THE VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, to revise and extend my remarks and to include a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday was Memorial Day and in the different cities and towns that I visited and the parades that I saw, I

never saw a more dedicated spirit among those who participated in the laying of wreaths in the cemeteries, those who participated in the parades and among the people along the line of march who watched; a spirit that indicated that for the future they wanted to see our veterans cared for in every way. Many men and many women came up and with tears in their eyes thanked the Congress for the legislation that had already been passed. Others expressed a great fear that as a result of the Bradley Report legislation might be passed that would take away what they have already, such as compensation to those seriously disabled, compensation to widows, and perhaps entirely wiping out compensation in non-service-connected cases, and presumptive cases, and many other parts of the very cruel Bradley Report which, if carried into effect, would work a tremendous hardship.

The same spirit was evidenced on Armed Services Day and thousands of people, without exception, felt that something should be done for the veteran such as the so-called Legion pension bill. That is a bill with many limitations, but it would serve a great need and do a measure of justice.

I shall include another day under permission to extend my remarks, a letter that I had from a GI thanking the Congress for his chance to get an education. Mr. Speaker, I hope that my bill or some other bill providing for a 5-year extension of that program will be passed in order that many may avail themselves of the benefits of education in order to be able to compete with others who did not lose their chance for education because of the war.

The letter referred to is as follows:

CONCORD, MASS., May 28, 1956.

HON. MRS. EDITH NOURSE ROGERS,
House of Representatives, United States
Congress Office Building, Washington,
D. C.

MY DEAR MRS. ROGERS: On June 3, 1956, through the generosity of my great country, I will graduate from Boston University. My entire formal education was provided for by the American people through the legislation organized and passed by Congress for veterans of the Second World War.

The purpose of this letter is to express my deep gratitude to the Members of the Congress of the United States for giving so many of us this opportunity. A copy is being sent to the other Members of Congress from the Commonwealth of Massachusetts.

It is with the greatest sense of loyalty and pride that I thank God for the right to be an American citizen.

Sincerely yours,

PETER BENTON.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DRIGGS (at the request of Mr. McCORMACK), from Thursday to Monday, on account of official business.

Mr. SCHERER, for June 4, 5, and 6, on account of hearings of Un-American Activities Committee in St. Louis, Mo., on said dates.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legis-

lative program and any special orders heretofore entered, was granted to Mr. VORYS, for 30 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WRIGHT.

Mr. RAY and to include an editorial.

Mr. BOGGS and to include extraneous matter.

Mr. JONAS on the subject of Youth Appreciation Day.

Mr. PELLY and to include extraneous matter.

Mr. ZELENSKO.

Mr. HOLTZMAN (at the request of Mr. MULTER) and to include extraneous matter.

Mr. RODINO (at the request of Mr. MULTER) and to include extraneous matter.

Mrs. ROGERS of Massachusetts and to include resolutions passed by the Conference of New England Women, and a speech.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 11177. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes.

ADJOURNMENT

Mr. COLMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 29 minutes p. m.), under its previous order, the House adjourned until Monday, June 4, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1916. A letter from the Acting Postmaster General, transmitting a report of two instances of overobligations of allotments by operational units within the Post Office Department during the quarter ended December 31, 1955, pursuant to section 3679 of the Revised Statutes (31 U. S. C. 665); to the Committee on Appropriations.

1917. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the joint resolution providing for membership and participation by the United States in the American International Institute for the Protection of Childhood and authorizing an appropriation therefor"; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. H. R. 10949. A bill to amend section 633 of title 28, United States Code, prescribing fees of United States commissioners; with amendment (Rept. No. 2248). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H. R. 9137. A bill to waive section 142 of title 28, United States Code, with respect to the United States District Court for the Western District of North Carolina holding court at Bryson City, N. C.; without amendment (Rept. No. 2249). Referred to the Committee of the Whole House on the State of the Union.

Mr. KIRWAN: Committee of conference. H. R. 9390. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1957, and for other purposes (Rept. No. 2250). ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H. R. 11537. A bill to provide certain increases in annuity for retired employees under the Civil Service Retirement Act of May 29, 1930, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BALDWIN:

H. R. 11538. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claims of certain employees (and former employees) of the Mare Island Naval Shipyard, Vallejo, Calif., for unpaid compensation for overtime services performed by them between June 1, 1945, and March 16, 1948; to the Committee on the Judiciary.

By Mr. BOGGS:

H. R. 11539. A bill to transfer certain machinery from the dutiable list to the free list; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 11540. A bill to amend section 650 of title 14, United States Code, entitled "Coast Guard", relating to the Coast Guard supply fund; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS of Texas:

H. R. 11541. A bill to amend section 124 (c) of title 28 of the United States Code so as to transfer Shelby County from the Beaumont to the Tyler division of the eastern district of Texas; to the Committee on the Judiciary.

By Mr. BYRD (by request):

H. R. 11542. A bill to provide certain increases in annuity for retired employees under the Civil Service Retirement Act of May 29, 1930, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 11543. A bill to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or non-dischargeability of provable debts; to the Committee on the Judiciary.

By Mr. COOLEY:

H. R. 11544. A bill to improve and simplify the credit facilities available to farmers, to amend the Bankhead-Jones Farm Tenant Act, and for other purposes; to the Committee on Agriculture.

By Mr. HAYWORTH:

H. R. 11545. A bill to provide an income-tax deduction for amounts paid as tuition or fees to educational institutions above high-school level and for amounts paid for books required by such institutions; to the Committee on Ways and Means.

By Mr. KEOGH:

H. R. 11546. A bill to provide a deduction for income-tax purposes, in the case of a dis-

abled individual, for expenses for transportation to and from work; and to provide an additional exemption for income-tax purposes for a taxpayer or spouse who is physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

H. R. 11547. A bill to amend section 1481 of the Internal Revenue Code of 1954 (relating to mitigation of the effect of renegotiation of Government contracts) and section 3806 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. POFF:

H. R. 11548. A bill to provide for the establishment of a new fish hatchery in the vicinity of Paint Bank, Va.; to the Committee on Merchant Marine and Fisheries.

By Mr. PRIEST:

H. R. 11549. A bill to improve the health of the people by assisting in increasing the number of adequately trained professional and practical nurses and professional public health personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMPSON of Pennsylvania:

H. R. 11550. A bill to exempt certain purchases by public museums and galleries from the excise tax on jewelry and related items; to the Committee on Ways and Means.

By Mr. SISK:

H. R. 11551. A bill to quiet title and possession with respect to certain real property in the county of Fresno, Calif.; to the Committee on Interior and Insular Affairs.

H. R. 11552. A bill to quiet title and possession with respect to certain real property in the county of Fresno, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas:

H. R. 11553. A bill to provide for transportation of certain members of The National Flying Farmers' Association, and their aircraft, from the United States to Europe and return; to the Committee on Armed Services.

By Mr. BONNER (by request):

H. R. 11554. A bill to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of passenger vessels in the interest of national defense, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FOGARTY:

H. R. 11555. A bill to amend the Federal Trade Commission Act, with respect to certain unfair methods of competition and certain unfair practices in the distribution of new motor vehicles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. FRELINGHUYSEN:

H. Res. 518. Resolution to authorize the Committee on the Judiciary to investigate and study the facts and circumstances of the attack on Victor Riesel on April 5, 1956, and the effect of such acts of violence on freedom of the press in the United States; to the Committee on Rules.

By Mrs. ROGERS of Massachusetts:

H. Res. 519. Resolution creating a select committee to conduct an investigation and study of highway safety; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mrs. FRANCES P. BOLTON:

H. R. 11556. A bill for the relief of Alessandro Maraessa; to the Committee on the Judiciary.

By Mr. BOWLER:

H. R. 11557. A bill for the relief of Maizie Au-Young; to the Committee on the Judiciary.

By Mr. COLMER:

H. R. 11558. A bill to relinquish any right, title, and interest which the United States

may have in and to certain land located in Forrest County, Miss., in order to clear the title to such land; to the Committee on the Interior and Insular Affairs.

By Mr. CRETELLA:

H. R. 11559. A bill for the relief of Giuliano Romanacci; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 11560. A bill for the relief of Salvatore D'Angelo; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 11561. A bill for the relief of Damaso P. Perez and Mercedes Ruth Cobb Perez; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 11562. A bill for the relief of Nedelko Knezevich; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 11563. A bill for the relief of Cecelia Vaccaro; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 11564. A bill for the relief of Brenda Theresa Monaghan; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 11565. A bill for the relief of Stylianos Panagis Antipapas; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H. R. 11566. A bill for the relief of Elvira A. Belford; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 11567. A bill for the relief of Maria Carmela DiMascolo; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 11568. A bill for the relief of Mary Derzay and Anton Derzay; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. Res. 520. Resolution to refer H. R. 4507 to the United States Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1095. By Mr. BOW: Petition of G. W. Baker and others of Tuscarawas County, Ohio, for a separate pension program for World War I veterans; to the Committee on Veterans' Affairs.

1096. By Mr. HARRISON of Virginia: Petition of 63 veterans submitted by Augusta-Staunton (Va.) Post No. 2216, Veterans of Foreign Wars, urging enactment of a separate and liberal pension program for veterans of World War I and their widows and orphans; to the Committee on Veterans' Affairs.

1097. By Mr. SHORT: Petition of Donald G. Taylor, Springfield, Mo., and other citizens of Greene County, Mo., urging immediate enactment of a separate and liberal pension program for veterans of World War I and their widows and orphans; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

As We See It

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 31, 1956

Mr. MARTIN of Pennsylvania. Mr. President, the National Guardsman, in its June 1956 issue, has as its guest editor the distinguished Senator from Delaware [Mr. FREAR]. His subject is "As We See It." This editorial deserves the attention of all Americans. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

As We See It—I AM THE GUARD

(EDITOR'S NOTE.—Guest editorialist for this issue of the National Guardsman is Delaware's United States Senator J. ALLEN FREAR, Jr. He writes a weekly commentary for his constituents, and has granted permission to reprint one which, while intended primarily for Military Reserve Week, has applicability every week.)

As many of you know, the 7-day period from April 22 to 28 has been designated as "Military Reserve Week." The purpose of this activity is to stimulate increased interest and participation in the Reserve components of our Armed Forces and thus help strengthen the national security. I am happy to devote this statement to Military Reserve Week because it provides an opportunity for me to express publicly and proudly a few words of support and encouragement for the National Guard of Delaware and of the Nation as a whole.

The guard is easily one of America's most famous military institutions. From the earliest beginnings of our Nation, the guard has functioned in an important and vital role as a partner with other units of our national defense. Known as civilians in peace and soldiers in war, the National Guard has established itself both as a State organization and as a federalized adjunct of the country's overall military system.

From time to time as our military planners review and revise the organization of our Armed Forces, mention is made of the

future role which the National Guard may take in the overall defense picture. One hears rumors from time to time that the necessity for the existence of the National Guard is not as great as heretofore and that in fact the guard, as a separate organization, can be replaced.

However, those who advocate either replacing or integrating the guard with the Regular Reserve Forces of the Nation fail to take into account its importance as a unit of the State as much as it is an arm of the National Government. It should be remembered that the National Guard has provided the bulk of our fighting troops at the beginning of almost every national emergency, that is, war. In addition, in times of disaster or internal upheaval of a civilian nature, troops of the National Guard are available and ready for service to their respective States and communities. In Delaware our National Guard organization stands as one of the finest anywhere in the United States. Units of our National Guard, particularly its ground forces, have a long history of proudfest accomplishments.

During the current observances of Military Reserve Week, the Army National Guard will undertake a drive for volunteers for the Army 6 months' training program and for the enlistment of men who have had previous military service in any of the Armed Forces.

The Air National Guard is seeking enlistment of prior servicemen and young men between 17 and 18½ years without prior service. Members of the National Guard have emphasized to me that young men of Delaware can fulfill their military training and service obligation through membership in the Army National Guard or the Air National Guard. Interested young men in the State may find it of value to discuss the question of new or added military service with members of our National Guard during the present week.

While I am happy to note the recruitment possibilities for the National Guard which are currently being highlighted, I want most of all in this brief message to emphasize the importance of having the National Guard's identity retained by our defense planners. Delawareans who are familiar with my general views on the relationship of the Federal Government to the several States, will know of my inherent belief that the power of our democracy lies in the authority of the States themselves as 48 separate entities working for the common welfare. As I see it, the National Guard through its long history has been developed to meet the varying require-

ments which arise from time to time in the States themselves. Secondly, it functions under the Federal Government in time of national crisis.

A significant description of this famous American institution has been prepared against a pictorial background of its many functions over years past. In our office here in Washington we have a framed copy of this declaration which is entitled, "I Am the Guard." In concluding these remarks I want to quote directly from its closing lines:

"Wherever a strong arm and valiant spirit must defend the Nation, in peace or war, wherever a child cries or a woman weeps in times of disaster, there I stand . . . I am the Guard. For three centuries a soldier in war, a civilian in peace—of security and honor, I am the custodian, now and forever . . . I am the Guard."

June 2, 1956, 10th Anniversary of Italian Republic

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. RODINO. Mr. Speaker, one of the most remarkable comeback stories of the postwar years has been the restitution of Italy into good standing as one of the democratic nations of the Western community. Its record of internal reconstruction and rehabilitation and international cooperation, since the birth of the new Republic on June 2, 1946, has been outstanding. There is no doubt that the world has gained a new and stable democracy.

This Italian comeback was no easy task. The war had shattered Italy's economy; inflation was rampant, and the rate of unemployment was unusually high. Furthermore, this economic disorder bred political instability, hunger, and despair, providing fertile ground for the expansion of communism on the peninsula. Eagerly and industriously, however, the Italian people under the

astute political guidance of Alcide de Gasperi—the first Premier of the Italian Republic—set to work to rescue the suffering country from the brink of chaos.

We can, incidentally, take pride that our aid program helped the Italians in their struggle to get back on their feet.

In addition to achieving internal economic stability the infant Italian Republic has gained prestige internationally. Italy became a partner in the North Atlantic Treaty Organization and eagerly supported a policy directed toward military and economic integration with Western Europe. Again with United States assistance, under the Mutual Defense Act, Italy has equipped her army, navy, and air force with modern military equipment and material and has become an effective unit of the Western defense system.

Today is the 10th anniversary of the birth of the Italian Republic. When one considers that Italy has achieved internal economic stability and international recognition in these few years, it makes the story of her comeback even more astonishing.

It is with intense pleasure that I join with all America in applauding Italy's tremendous progress on this anniversary day.

Nineteenth Anniversary of I Am An American Day

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. BOGGS. Mr. Speaker, Sunday, May 20, 1956, marked the 19th anniversary of I Am An American Day.

As national chairman of the Helios Foundation and I Am An American Day Committee, I should like to pay tribute to Mrs. Paul d'Otronge Seghers, founder of I Am An American Day for her untiring work in awakening true Americanism among the citizens of our great country.

The celebration this year drew over 500 distinguished guests to the estate of Mr. and Mrs. Seghers at Sunnyside Farm, Huntington, Long Island, where they assembled to renew their faith in the ideals upon which our country has been built and to become still more devout disciples of the American way of life.

The theme of this 19th annual celebration was "Peace with Freedom for All" and was dedicated to the Latin American Republics and the Dominion of Canada, whom we joined in paying homage and tribute to the people of the captive European Nations.

I quote below a few of the many testimonials received from distinguished citizens of our country:

HON. EARLE C. CLEMENTS, United States Senator from Kentucky:

"Peace with freedom for all" is a completely appropriate theme for the annual I Am an American Day program.

"A peace that would mean enslavement of the bodies and souls of freedom-loving peoples of the world would be a living death. As we work toward peace in the world, we must ever be on the alert to guarantee that the rights of all people to life, liberty, and the pursuit of their own happiness shall be safeguarded."

HON. IRVING M. IVES, United States Senator from New York:

"On this significant day, when each of us expresses his gratitude for the Divine fortune which has made him an American and has blessed America, our thoughts turn with compassion to others less fortunate. We think particularly of the millions of silenced and oppressed human beings behind the Iron Curtain."

"I am most pleased that the sponsors of the 'I Am An American Day' celebration for 1956 chose as their theme 'Peace with freedom for all.' On this day, when Americans give thanks that they have peace and freedom, we pray that the people behind the Iron Curtain may likewise soon enjoy those blessings."

"In addition to our prayers, we send those people our sympathy for their plight and our encouragement for their efforts to shake off their bondage."

HON. HENRY M. JACKSON, United States Senator from Washington:

"It is only fitting on this 19th 'I Am an American Day' that our theme should be 'Peace with freedom for all.'"

"We need to remind ourselves today and every day that there are vast areas of the world where people are not free."

"This is especially true at a moment when the new turn in Soviet foreign policy is in danger of obscuring the fact that 100 million freedom-loving peoples are still captive behind the Iron Curtain."

"We say to the world: If the Soviet Union really wants to show good faith, it can return to these peoples the freedom that once was theirs. This is an important message to tell the world. But this alone is not enough."

"Equally important, we must continue to protect and strengthen our freedoms at home as a symbol of hope for captive peoples everywhere. And we must pledge our untiring efforts to help free them from their bondage."

HON. THOMAS H. KUCHEL, United States Senator from California:

"The whole world recognizes the courage and tribulations of the oppressed peoples behind the Iron Curtain. The free world joins with them in prayer that once again soon they will see the light of liberty and freedom from fear."

"Our generation continues making progress in determining and overcoming those modern dangers to the cause of our freedom. The basic hazards of Communist aggression and intrigue is not one for the people of the United States alone. They are the concern of all free peoples, and it will be in concert with them that we shall continue to oppose the Communist ideology. Each succeeding American generation has preserved American freedom, and has resolutely clung to the same self-evident truths which the patriots laid down 170 years ago. Ours has been a history of progress and we mean, under the providence of God, to continue that progress in the years and generations which lie ahead."

HON. WARREN G. MAGNUSON, United States Senator from Washington:

"More people than many of us realize in today's world cherish the words, 'I am an American'—perhaps even more than some of us who obtain that right at birth."

"In this respect, it is significant that many who utter the words, 'I am an American' at the 1956 observance will be members of naturalization classes to whom the words 'liberty' and 'freedom' have a vastly deeper

feeling because of actual background experiences on foreign soil."

"This individual can also add the word 'tolerance' and really means it because in his mind it is synonymous with the phrase, 'I am an American.'"

"America looks to the persecuted and the oppressed for its very founding. Since that time, much of its greatest achievements have come from men and women—the Dr. Einsteins—who teach us the true meaning 'I am an American' by living the words in addition to speaking them."

HON. GEORGE SMATHERS, United States Senator from Florida:

"On this 19th I Am An American Day, it is fitting that we in the United States extend our prayers to those behind the Iron Curtain who live in bondage and who have lost, or never known, the rights of free men accorded in our own country."

"While we enjoy—and sometimes take for granted—our individual sanctity under the Constitution, we must not forget that the flame of liberty has been extinguished in many parts of the world. No nation is an island unto itself, and when the bell tolls for a free people abroad, it tolls for us in America too."

"Peace with freedom for all"—this theme of the 19th I Am An American Day sums up the ideal for which we stand firm. I know that the observance will achieve success equal to last year's drive by the Helios Foundation for unity in the Western Hemisphere."

HON. H. ALEXANDER SMITH, United States Senator from New Jersey:

"I am happy to send these words of greeting to the Helios Foundation on the occasion of the 19th I Am An American Day."

"It is with special gratification that I note this year's theme, Peace With Freedom For All, and the tribute your group is paying to the millions of captive people behind the Iron Curtain."

"We must never cease our peaceful efforts to restore to those people the freedom, independence and self-determination they once enjoyed before their subjection to Communist totalitarianism."

HON. THOMAS B. STANLEY, Governor of Virginia:

"The annual observance of I Am An American Day affords the opportunity of rededicating ourselves to the underlying principles of free citizenship and of bringing to the attention of our neighbors of the Americas, as well as people throughout the world, the great contribution we can make with them to safeguard individual liberty and national integrity."

"I am glad to join with the sponsors of this celebration in reemphasizing the imperishable values we enjoy as Americans and I invite the people of Virginia to take the occasion to reaffirm their adherence to the basic tenets of government and freedom which are responsible for our status as a bastion of liberty today."

HON. STUYVESANT WAINWRIGHT, Member of Congress from New York:

"As usual it is a pleasure to send the message to you and the wonderful people doing the work of the Helios Foundation."

"I can think of no greater message than to report to you the sentiments of a young 11-year-old lad who won Suffolk County's Americanism contest."

"He said:

"Of all the many things for which America stands, that which means most to me is liberty."

"At the age of 11 I am not too familiar with the deeper meanings of personal liberty. But I do know from a study of my history books that men have been fighting and dying for it since the beginning of history."

"Now that I am reading current events and newspapers reporting from all over the world, I have been surprised and saddened to

learn that peoples in the other countries do not enjoy the same personal freedom that I take so much for granted. To think that there are lands where men may not travel without police cards, may not worship God as they choose and may not be governed by officials of their own election is enough to prove to me that personal property is America's greatest blessing.

"I am proud to pledge allegiance and ask God's guidance on the great system of government that promises each of us so much."

"Doesn't this accurately report our mutual feelings in this great matter of Americanism?"

Congregation Shaare Hatikvah and Its Rabbi Emeritus, Dr. Siegmund Hanover

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. ZELENKO. Mr. Speaker, it is my pleasure to bring to the attention of the House of Representatives the great contribution toward humanity, religion, and Americanism made by the Congregation Shaare Hatikvah and its rabbi emeritus, Dr. Siegmund Hanover.

Dr. Siegmund Hanover, rabbi emeritus of the Congregation Shaare Hatikvah, 4290 Broadway, New York City, is celebrating his golden jubilee as a rabbi. He was born in Wandsbeck, a suburb of Hamburg, Germany, where his father was the officiating rabbi. The deep religious spirit of his environment followed him throughout his whole life. He studied at the Rabbiner Seminar of the University of Berlin, an institution of world renown at that time. An outstanding student, he was chosen to become the assistant to the officiating rabbi, Dr. Rosenthal, of the Jewish congregation of Cologne, Germany. More than any other city on the Continent, Cologne was the center of the spiritual Jewish youth movements in this era. His office was interrupted when World War I broke out and he was serving as a chaplain in the German Army.

Soon after the war and his return to Cologne, he was installed as rabbi of the county and city of Wuerzburg, a well-known city in northern Bavaria. Unfortunately, the Nazi put an abrupt end to his career in Germany and after a short stay in England, he came to the United States where he became a citizen in due time.

Shortly after his arrival in New York City, he was called upon by the Congregation Shaare Hatikvah—Gates of Hope—which was founded by a small group of refugees, to be its spiritual leader. Under his guidance, the congregation developed into one of the largest and leading traditional immigrant congregations. Its members held a testimonial dinner in the honor of their very esteemed rabbi on May 27, 1956, at the Hotel New Yorker, New York City. At the specific request of Dr. Hanover, the proceeds of the dinner will go toward the building fund of the congregation. The construction of a new Jewish center and

synagogue is already underway at West 179th Street near the George Washington Bridge. The new building will be dedicated as a monument to those who have perished during the persecutions of our time.

This Midweek Holiday

EXTENSION OF REMARKS

OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. RAY. Mr. Speaker, under the unanimous consent granted me, I urge that all Members and all others who read the RECORD give careful attention to the following editorial which appeared in the New York Daily News on May 30:

THIS MIDWEEK HOLIDAY

The main purpose of today's legal holiday, of course, is the honoring of our Nation's dead. The growing United States custom, however, is to regard Memorial or Decoration Day also as the year's first chance for a real look at the out-of-doors. And, when May 30 happens to fall on a Friday or Monday millions of Americans are able to enjoy a 3-day break.

This year, though, those extended joys are out. Our erratic Gregorian calendar has granted just a 1-day holiday for 1956. For 99 percent of us, it'll be back to work tomorrow.

And if you'll flip your calendar leaves a bit, you'll discover that other possible 1956 triple-decker holidays have been washed out. This Fourth of July will fall on a Wednesday. Christmas arrives on Tuesday. Only Labor Day, because it's always scheduled for a Monday rather than a date of the month, will provide one of those refreshing 72-hour vacations.

The proposed world calendar

| FIRST QUARTER | | | | | | | | | | | |
|----------------|----|----|----|----------|----|----|----|-----------|----|----|----|
| January | | | | February | | | | March | | | |
| S | M | T | W | T | F | S | S | M | T | W | T |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 6 | 7 | 8 | 9 | 10 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 12 | 13 | 14 | 15 | 16 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 | 19 | 20 | 21 | 22 | 23 |
| 29 | 30 | 31 | | | | | 26 | 27 | 28 | 29 | 30 |
| SECOND QUARTER | | | | | | | | | | | |
| April | | | | May | | | | June | | | |
| S | M | T | W | T | F | S | S | M | T | W | T |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 5 | 6 | 7 | 8 | 9 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 12 | 13 | 14 | 15 | 16 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 | 19 | 20 | 21 | 22 | 23 |
| 29 | 30 | 31 | | | | | 26 | 27 | 28 | 29 | 30 |
| THIRD QUARTER | | | | | | | | | | | |
| July | | | | August | | | | September | | | |
| S | M | T | W | T | F | S | S | M | T | W | T |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 5 | 6 | 7 | 8 | 9 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 12 | 13 | 14 | 15 | 16 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 | 19 | 20 | 21 | 22 | 23 |
| 29 | 30 | 31 | | | | | 26 | 27 | 28 | 29 | 30 |
| FOURTH QUARTER | | | | | | | | | | | |
| October | | | | November | | | | December | | | |
| S | M | T | W | T | F | S | S | M | T | W | T |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 5 | 6 | 7 | 8 | 9 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 12 | 13 | 14 | 15 | 16 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 | 19 | 20 | 21 | 22 | 23 |
| 29 | 30 | 31 | | | | | 26 | 27 | 28 | 29 | 30 |

*The year-end world holiday, W or Dec. 31 (365th day), follows Dec. 30 every year.

**The leap-year world holiday, W or June 31 (an extra day), follows June 30 in leap years.

Dozens of proposals for calendar reform have reached Congress and other countries' legislative bodies, and have been approved

tentatively by some United Nations members. One is the World Calendar, reproduced above.

DATES HAVE SHIFTED

It would cure most of the exasperations of the ancient job the Western world is struggling along with now. The calendar you have on your wall or desk was first whipped together some 2,000 years ago for Roman Emperor Julius Caesar by a Greek mathematician, one Sosigenes. It was reworked by Pope Gregory XIII in 1582, and was imposed on the American colonies by Great Britain in 1752. The British at that time decreed that the day following September 2, 1752, should be called September 14—a loss of 11 days.

That messed up George Washington's birthday (originally February 11, 1732) among others, and also casts a different light on the feelings of some religious and historical organizations that our present days of the week have always been set that way.

On the other hand, some of today's orthodox religious groups do point out that time switches such as those proposed by the World Calendar with its "Worldsday" would seriously disrupt their present 7-day sabbatical cycle.

Calendar reform advocates and representatives of the faiths affected have, so far, failed to reach agreement on the Sabbath question. The best minds on both sides, however, are still working on the problem.

In the meantime, our own United States Congress could be doing us a real and more immediate favor by decreeing that all legal holidays except those of religious significance shall hereafter fall on Mondays, like Labor Day.

CONGRESS CAN ACT

In most cases, there would be little problem. Even now, for instance, our Independence Day is celebrated on a Monday whenever our inconsiderate calendar happens to spot July 4 on a Sunday. A regular Monday observance of this holiday would give us all a 3-day break at the steaming stretch of year when we need that respite most.

It's too late to do anything about Memorial Day this year. But, should you feel sufficiently resentful as you slog back to the job tomorrow, why not inquire of your Congressman what, if anything, he is doing to eliminate such calendar annoyances in years to come?

H. R. 6588, which I introduced on June 1, 1955, would provide that all legal holidays except those of religious significance shall fall on Mondays. That bill has aroused a good deal of interest over the country. Similar legislation is now pending before several State legislatures. There has been some, but not much, opinion adverse to the plan but it has not assumed serious proportions. Personally, I should like to see the calendar reform adopted, but I am quite sure that would take a long time. In the meanwhile, I hope sufficient interest will be stirred up in H. R. 6588 and similar bills to induce their passage.

Dr. John Milburn Price

EXTENSION OF REMARKS

OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. WRIGHT. Mr. Speaker, this month Dr. John Milburn Price completed

41 years of service to the School of Religious Education which he founded at Southwestern Baptist Theological Seminary in Fort Worth.

He has been, in truth, a pioneer in this portion of the Lord's vineyard. In 1915, under his direction, Southwestern became the first school among Baptists to offer vocational training in religious education.

In 1917 it became the first school in America to offer a religious education diploma.

In 1919 it became the first Baptist seminary to offer a doctors degree with a major in religious education.

In 1921 it conducted the first vocational conference on religious education and the first demonstration kindergarten in a Baptist seminary.

In 1922 it developed the first vacation Bible school among Baptists, and this is the oldest of such institutions.

In the following year, it began reaching out to those not blessed with the academic prerequisites and became the first school to offer special seminary courses for noncollege graduates.

In 1950 Southwestern erected on its campus the first building in America designed exclusively for teaching religious education, and in the following year it became the first school of religious education among Southern Baptists to become accredited.

All of this is a tribute to the magnificent leadership of John Milburn Price.

While a Marston scholar in Brown University, Providence, R. I., J. M. Price was inspired by the thought that he should train lay men and women to become Sunday school teachers. And in less than 3 years, while completing his theological training at Southern Baptist Theological Seminary, Louisville, Ky., the door of opportunity was opened through which he might enter and realize the achievement of his life's dream.

Dr. L. R. Scarborough, president of Southwestern Baptist Theological Seminary, Fort Worth, Tex., wrote Price a letter, which said in part, "It is now our purpose to establish a school of Christian Pedagogy. I think we have hold of the small end of a big proposition. We will have to do pioneer work and break new ground." Then he asked J. M. Price to organize the School of Religious Education in Fort Worth.

The offer was challenging and divinely inspired but somewhat disconcerting. Others were requesting his services, too, and a decision had to be reached immediately. He had been elected as Sunday school secretary for Kentucky (his home State) and he longed to stay there. Friends in Canton, China, urged him to join their faculty at the seminary there.

J. M. Price was a praying man and he turned to God often in those heavy hours in order that he might find his Lord's will. When the answer came there was no doubt in his mind that he was to go to Southwestern Baptist Theological Seminary. For, then, he could be in Texas, Kentucky, China, at the same time, through the students he would train and sent out.

In August 1915 he arrived in Fort Worth, Tex., to pioneer and break new ground in religious education for the

Kingdom of God. The first year only 5 courses were taught and today 129 courses for vocational training in religious education are available to a student, as he desires to select.

Since 1915 there have been 6,000 students to enroll in Southwestern's School of Religious Education with 2,250 of them graduating. There are 880 students enrolled in the school today. These trainees have revolutionized Sunday school and training union work in the Southern Baptist Convention, at home and abroad.

Since 1920 the Southern Baptist denomination has increased from 3 million to 8 million members. Total gifts to all causes have increased from \$35 million per year in 1920 to \$332 million in 1955. The phenomenal growth is due, in part, to the teaching ministry of the church as provided by the teachers receiving vocational training in religious education, mainly in Southwestern Baptist Theological Seminary.

There are five Southern Baptist seminaries in America. Southwestern Seminary sends out 47 percent of the Baptist missionaries around the world. Of those going from Fort Worth, Tex., 50 percent, totaling 300 in foreign fields alone, have been trained in religious education.

Southwestern's School of Religious Education is first in the South—largest in the world among schools of religious education. It stands as a permanent memorial, vibrantly alive, to the man who dared to establish his life "by way of the throne of God," John Milburn Price.

Address of Hon. Edith Nourse Rogers, of Massachusetts, at Dedication of Billerica, Mass., High School

EXTENSION OF REMARKS OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by myself at the dedication of the new high school at Billerica, Mass., on May 30, 1956:

Mr. Hines, Commander Walker, Mr. O'Brien, veterans and other distinguished guests, students of the Billerica High School, and other schools, ladies and gentlemen:

It is always a very great pleasure for me to come to Billerica and visit with all of you who have been such wonderfully fine and loyal friends over so many years. This is indeed a great occasion both for this community and for me. It is extremely thrilling for me to contemplate the full meaning, if that is possible, of the event we are celebrating here this afternoon. To be invited to address you on this significant and unusual occasion is for me a great honor—an honor which I shall always remember.

In the complex social and economic structure of our country there is no unit of that structure more important and more basic than the family unit. Upon the development and strength of the family unit depends the strength and future of America. As fathers and mothers you are concerned

and anxious to have your children receive the very best preparation, the best possible education for the responsibilities they must eventually assume and the leadership they must provide. Your children are concerned too and are anxious to obtain the very best preparation for that future time when they must be the leaders and shoulder the responsibilities of not only this community but also those controlling our Nation's destiny.

Just as it has been in the past, it is more a fact today that superior leadership is very scarce. As our country continues to grow and develop, as life and conditions continue to change, the need becomes greater and greater for persons well trained in their respective professions and possessing excellent judgment, able to make the right decisions and able to initiate and originate new methods and new solutions, for the complex problems of our civilization. Basic and fundamental education is now, more than ever before, a necessity. It is a requirement if our country is to maintain its top position in world affairs.

Education may be divided into three necessary parts. There must be the ability and the will to learn among the youth and our Nation's young men and women. There must be adequate numbers of excellently trained teachers in a profession made attractive in principle as well as a way of life. There must be adequate physical facilities, such as buildings, libraries, and laboratories, such as this fine new high-school building we are here to dedicate this afternoon. America possesses all of these, but not in the right proportions or in adequate numbers.

There are increasing numbers of students with the ability and will to learn. There are not enough teachers, largely because the present income of teachers is not sufficient to guarantee a comfortable way of life in comparison with other professions. This fault must be corrected. There is still much to be done in the construction of adequate physical facilities. This new Billerica High School is an example of the improvement that is taking place all over the country. As time goes on the education of the children of America will continue to improve, and as a result our country will be a greater and finer nation.

Only a few days ago with mixed emotions we read of the successful explosion of a hydrogen bomb dropped from an airplane with a devastating force of 20 megatons. We were astounded, shocked, proud, and, without question, sad. These were our mixed emotions. Exemplified by this explosion and many other great achievements is the tremendous march of the knowledge of science in our country today. In his perseverance, constantly raising the curtain of the unknown, man has reached the frightening crossroads where if he makes the wrong decision he will destroy himself, for within his hands there is this power.

In the vast area of physical and scientific knowledge there are many secrets. As mankind discovers these secrets and unlocks the forces they hold, man can either use these forces for benefit or destruction. To unlock the doors to fission and fusion, the intelligence of man has given to civilization a very great power. If this power is used to make for mankind a greater and more beneficial type of civilization, then these discoveries are indeed fine and good. If, on the other hand, these forces which are now completely in the control of the intelligence of mankind are used for destruction, then indeed they are wrong and bad.

If in his knowledge and wisdom and perseverance mankind has discovered forces which, uncontrolled, will force those of you here and in every community throughout America to carve out caves of safety in the sides of the great rocks or construct shelters deep in the ground, just as mankind lived in the days of his dawn on this earth, can

it then be said that with all his knowledge man has indeed progressed? At the crossroads which I mentioned stand all of us, you and I. As we choose our path we must be right. The path we choose for our Nation to take must be right. The decisions we must make now which concern all of us must be right. The alternative to right is now completely beyond all comprehension.

If we concentrate upon these tremendously important decisions which face us as individuals and as a nation, now and in the future, we can so easily comprehend the significance of this unusual event we are celebrating this afternoon. On this Memorial Day afternoon, we are engaged in the dedication of a magnificent new building devoted entirely to education, one of the great essentials in our American way of life. But this education so important to mankind, must be channeled into benefits and not be the cause or the way of the annihilation of civilization.

Many of you here this afternoon are parents of young men and women who will experience all there is in this great new education institution. Many of you here are parents of children who will be absorbing much of the knowledge that is to be offered here in the years to come. And here today also are present, students who will experience the next 4 years in this magnificent new structure devoted to basic knowledge. Also here are children, tomorrow's young men and women, who will also have the wonderful privilege and honor of attending this wonderful new high school. All of you parents and students, both present and those of the future, have cause to be proud and cause to be happy that this great institution is actually in reality and waiting for you in this fine community of Billerica. You are proud and glad that this new institution is going to touch very basically all of your lives and that you are going to be a part of it forever.

In an inspection of this new high school here in Billerica, it is only natural for many of us to look back over the years, at a comparison of this great modern institution with all its conveniences and physical equipment, to the high school of our day and its facilities. Compare, if you will, the buildings and equipment you used in your respective communities in your high-school days, as well as those which were available to your parents and grandparents, with this new modern high school. In any such comparison we know progress has in fact taken place, as it has taken place in every field of human endeavor. It would be, indeed, thrilling for me, and I know it would be thrilling for all of you parents here this afternoon, if we could somehow turn back the years and go back to high school in this wonderful new modern high-school building. Just as this would make our hearts skip a little faster, I am sure this wonderful new high school is a source of pride and an anticipated, exciting experience for you children, those students who will in fact have the great advantages in this modern new Billerica High School in the years to come.

This is an age of science. It is often referred to as the atomic age. It is an age when man's competition against man, requires knowledge and judgment to survive. Important as science is, important as is the whole field of knowledge, there are other values which are just as important, and are a significant part of our successful living and the future of our country. These values relate to a strong and well developed body, to a strong and well trained mind, to a great spirit that fears only God. These values relate to such qualities of life as fine character, the intellectual honesty and the courage to know the right and to stand and die for the right. These values relate to conscience, to understanding, to kindness, to thoughtfulness, to unselfishness and to moral integ-

ity. These values all are involved in the necessity of community cooperation, in the work of the Nation, and in the peace of the world. Without these values man will use the great power he now possesses to destroy his own civilization. It is upon these values that man must depend, if his world and his civilization are to be saved through the control of these gigantic forces he holds within his power.

Here in this beautiful new Billerica High School all of these values which I have mentioned will be developed in the young men and women who have the honor and the glory of attending this new modern institution. Science, literature, languages, history, and all of the arts represent fields of basic knowledge. All are necessary and all have their use in the educational process. Important as learning is, however, it is more important to know how to use one's knowledge properly for the benefit of improving life and living during one's time and privilege upon this earth. Here in this new Billerica High School all of you parents will see your children enter as children and graduate 4 years later as well trained, well balanced young men and women. In addition to basic knowledge gained, they will possess strong bodies, strong minds, a strong faith and a God-fearing spirit. They will be prepared and ready to take their next step, whatever it may be, in the direction of future leadership.

Just as we compare this new Billerica High School with the physical facilities of years gone by, it is also possible to compare the quality and methods of instruction and teaching, for in this noble profession there also have been great strides of progress. In the days years ago, one teacher gave instruction in all of the subjects in the curriculum, and in some cases instructed all of the classes. There was one teacher for the entire high school. Today our teachers are specialized and only teach the subjects in which they are specialists. They are fine scholars in their respective subjects and are expert in their knowledge and presentation of all the elements involved in their particular subjects of instruction. As a result of this specialization, teachers in our high schools today, as well as in our colleges and universities, only instruct in 1 or 2 subjects but in doing so teach hundreds of students.

A teacher in the modern high school is a part of a very important and a very great profession. Just as our Government has done much, and is doing more and more to improve the physical facilities of high schools, through the erection of fine new modern buildings, such as this new Billerica High School, so also must the Government aid in every way possible, in the improvement and the making more attractive, the noble profession of high school teaching. This is progress which cannot be overlooked. It is progress that must be accomplished in the near future. I am confident it will be done.

As we look across the valleys to the far off horizon and focus our attention on the possibilities of the future we know in fact that, knowledge is power. Among the young men and women who will have the privilege and opportunity of attending this fine new Billerica High School, and among the young men and women in communities like Billerica all over the Nation, America must depend upon its leadership of the future. Among the students of future years, who will graduate from here, there may be a great scientist, there may be a great teacher, there may be an inspired leader of the church, there may be a great actor, there may be a great doctor or lawyer, or a great musician. Among these students there might be a future Member of Congress, a future United States Senator, yes, there might be a future President of the United States. It is from among these students our leaders in all walks of life must come. The teaching they receive here, the inspiration

and values they develop here, the fundamentals they acquire here, all will have a bearing upon the type and quality of the leadership they bring to our country in the life of tomorrow.

Ladies and gentlemen, like you I love my country, the great principles of its foundation, the great accomplishments it has achieved over the years for the benefit of mankind everywhere, its enormous sacrifices and contributions to maintain and establish freedom, its freedom of religion and the right of everyone to worship God in their own way and all of the rights and privileges we enjoy as Americans.

I am proud of our power and strength as a Nation. I am proud we possess the power of the hydrogen bomb. But over and above this pride, I am proud that our America will never use this power aggressively, to injure or cripple mankind anywhere. I am proud of the fact our leadership today possesses the balance and judgment necessary to make the right decisions at the crossroads.

Many despair of the future. Many are fearful man is on the threshold of his own destruction. I do not possess this fear. On the contrary, I possess the confidence the march of scientific discovery and knowledge in America will always be shaped and molded into benefits for mankind. This confidence I possess is inspired by the countless numbers of the young men and women of America I have talked with, observed, and appraised, like those here in Billerica, who will have the privilege and honor of attending this magnificent new high school. I have this confidence because I know that within their ranks is endless material for greater, wiser, and more unselfish leadership than any we have experienced and known thus far.

The young men and women who are attending our high schools today, know full well the great responsibilities they must shoulder in the near future. They are preparing themselves. They are getting ready and when their time comes, I know they will be ready. It is because of this confidence that I have in them, the young men and women of today and tomorrow, that I know our great country is safe. I know they will find the solution to ultimate peace throughout the world. I know that in the life to come, they will meet their tests and challenges successfully, and the march of knowledge and science will be channeled into peaceful processes, for the benefit of mankind throughout the world.

Youth Appreciation Day

EXTENSION OF REMARKS

OF

HON. CHARLES RAPER JONAS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. JONAS. Mr. Speaker, last Sunday, May 27, 1956, was observed in Charlotte, N. C., as Youth Appreciation Day. Similar recognition was given youth in a number of other North Carolina cities, in five other States, and in a Province of Canada.

The idea of designating a special day for adults to pay tribute to youth was originated by T. Earl Yarborough, a fine public-spirited citizen of Charlotte. Mr. Yarborough thought up this idea last year when he served as director of Optimist Club boys work in North Carolina. He thought it would be appropriate to use a date for Youth Appreciation Day between the dates designated as Mother's

Day and Father's Day in order to focus attention upon the importance of home and family relationships.

The Yarborough proposal was endorsed by the Charlotte Association of Civic Clubs. Harold Smoak, another outstanding civic leader of Charlotte and president of the Charlotte Optimist Club, was designated as chairman of a committee to inaugurate the program in Mecklenburg County. Mr. Yarborough served as State chairman and devoted his attention to selling the idea to other communities in our State.

The observance of Youth Appreciation Day in Charlotte in 1955 was so successful that it attracted the attention of Optimist International. The officers of that fine civic organization were so impressed by the possibilities for good in such a movement that they decided to throw the great weight and influence of Optimist International behind it. The Optimists do not plan to claim this program as an exclusive promotion but are inviting support from all other interested groups in their efforts to expand the observance of Youth Appreciation Day throughout the country and abroad.

Governor Hodges of North Carolina has endorsed the idea and issued a proclamation calling upon all parents to "rededicate themselves to the responsibilities of parenthood and urging all citizens to join in the celebration, to become aware of youth as earnest, helpful citizens, to recognize their accomplishments, and to credit them with friendly confidence."

Earl Yarborough explains the idea behind Youth Appreciation Day as an effort to encourage adults to express their faith in youth. He points out that 95 percent of our youths are not delinquent and that it is not fair for this great majority to be denied the recognition due them because of the dramatization of the problems created by the other 5 percent. "There is a need to dramatize decency instead of delinquency," Mr. Yarborough says, and then proceeds to take positive action to inaugurate a movement to do just that—a movement I predict will spread across the entire country."

This movement will spread because we have long needed a Youth Appreciation Day—a day on which we can take time out of our busy lives to tell our boys and girls how much they mean to us and to our country's future.

Many adults think that stern discipline is the only answer to the problem of juvenile delinquency. I do not discount the importance of discipline but am inclined to believe that it should be mixed with a generous portion of understanding and confidence. A little praise occasionally for a job well done might also pay dividends.

"As the twig is bent so is the tree inclined." As the youth of this great country of ours develop into wholesome and disciplined strength, so will our national safety be assured and thus will our country prosper.

A salute to T. Earl Yarborough and his associates who had the imagination to think up this idea in the first place and the initiative to put it into effect.

Recognition of Organizations of Postal and Federal Employees

EXTENSION OF REMARKS OF

HON. LESTER HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. HOLTZMAN. Mr. Speaker, I am today introducing in the House of Representatives a bill which would amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees.

This is a companion bill to the one introduced by Congressman GEORGE M. RHODES, of Pennsylvania, and would extend to any national employee organization representing postal or other Federal employees, the right to present in behalf of such members any grievances to the department or agency concerned.

In my opinion, passage of the union recognition bill would do much to boost the morale of our Government workers, and, in addition, would permit them to discuss, through their representatives, the policies affecting their working conditions, safety, in-service training, labor-management cooperation, methods of adjusting grievances, transfers, appeals, granting of leave, promotions, demotions, rates of pay, and reduction in force.

Employees of the Federal Government as well as those in private industry are entitled to job protection, and I believe that this will be a step in the right direction.

I urge the members of the House Committee on Post Office and Civil Service, to which the legislation has been referred, to give it prompt and serious consideration at this time, with a view toward reporting it out in the near future.

The bill is as follows:

A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees

Be it enacted, etc., That section 6 of the act of August 24, 1912 (U. S. C., 1946 edition, title 5, sec. 652), as amended, is hereby amended by adding a new subsection to read as follows:

"(e) (1) The right of officers or representatives of national employee organizations or local officers of such national organizations representing employees of a department or agency or subdivision of such department or agency, to present grievances in behalf of their members without restraint, coercion, interference, intimidation, or reprisal is recognized.

"(2) (A) Within 6 months after the effective date of this act, the head of each department and agency shall, after giving officers or representatives of employee organizations having members in such department or agency an opportunity to present their views, promulgate regulations specifying that administrative officers shall at the request of officers or representatives of the employees' organizations confer, either in person or through duly designated representatives, with such officers or representatives on matters of policy affecting working conditions, safety, in-service training, labor-management cooperation, methods of adjusting grievances, transfers, appeals, grant-

ing of leave, promotions, demotions, rates of pay, and reduction in force. Such regulations shall recognize the right of such officers or representatives to carry on any lawful activity, without intimidation, coercion, interference, or reprisal.

"(B) Disputes resulting from disagreement between employee organizations and departments or agencies on the policies enumerated in subsection (e) (2) (A) shall be referred to an impartial board of arbitration to be composed of one representative of the department or agency, one representative of the employee organization, and one representative appointed by the Secretary of Labor who shall serve as chairman. The findings of the board of arbitration shall be final and conclusive.

"(3) Charges involving a violation of this subsection shall be referred to an impartial board of arbitration to be composed of three members, one to be selected by the organization making the charge, one to be selected by the head of the department or agency involved, and the third, who shall act as chairman, to be designated by the Civil Service Commission. The findings of this board of arbitration shall be final and conclusive as to the fact of violation and the head of the department or agency involved shall take such action as may be necessary to cause the suspension, demotion, or removal of any administrative official found by the board of arbitration to have violated this subsection.

"(4) This subsection shall not apply to the Central Intelligence Agency or the Federal Bureau of Investigation."

H. R. 12078 Will Stop Profiteering of Foreign-Flag Ships

EXTENSION OF REMARKS OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1956

Mr. PELLY. Mr. Speaker, non-United States flag privately owned commercial ocean vessels, with low-wage foreign crews, are charging rates for transporting United States Government-owned or financed cargoes substantially the same as the rates charged by American-flag privately owned commercial ocean vessels.

If, as I understand to be the case, the owners and operators of American flag ships are finding ample cargo available and are able to charge rates which return them substantial profits, then certainly the owners of foreign registered ships must be reaping a harvest from United States Government cargoes at the expense of the American taxpayer, because the rates of a crew on a non-United States flag vessel aggregate approximately \$20,000 a month less than the wages of a crew of one of our United States flag vessels.

In effect, an American owner can register his ship under a foreign flag and then by replacing American seamen with a foreign crew he can reduce his cost of operation and increase his profits to the tune of nearly a quarter of a million dollars a year. That situation is deplorable because that profit is at the expense of American seamen and, likewise, is at the expense of our Federal Treasury—and

to add insult to injury, it is United States Government cargoes which are making possible such profiteering by foreign-flag ship operators.

I have sought, Mr. Speaker, to correct the situation. Earlier this year I introduced a bill to force our foreign competition, if it accepted our United States Government cargoes, to pay our scale of wages. Unfortunately, there has not been widespread support to date for that type of solution which is patterned after the Davis-Bacon area labor standard provision used in Federal construction and other legislation.

Meanwhile, the problem of foreign steamship profiteering has become more aggravated and, accordingly, I have developed a new legislative approach which offers, I think, a more practical remedy. This new idea is incorporated in H. R. 12078, a bill which I introduced yesterday and to which I call all Members' attention.

As the membership knows, Mr. Speaker, under the United States Cargo Preference Act, or, as it is generally referred to, the 50-50 cargo law, American ships to qualify for any preference must be

available and agree to transport the cargo at reasonable rates. My bill provides, in effect, that foreign-flag vessels to qualify must have rates that are in line with the rates charged by American-flag ships so that the margin of profit of the former is not greater proportionately than the margin of profit of our privately owned commercial oceangoing ships for comparable service in comparable geographic areas, such margins of profit being based on determinations of the Secretary of Commerce, taking into account wage differentials.

I submit, Mr. Speaker, that this legislation is fair and would accomplish three desirable objectives: First, American shipowners would be discouraged under such a provision of law from transferring their vessels to foreign registry by reducing their profit incentive; second, the bill would relieve the United States Treasury and the poor long-suffering taxpayers of this country of paying exorbitant transportation and profits to operators of foreign ships; and, third, the measure would expand our active American merchant marine and increase job opportunities for American seamen.

My purpose in introducing H. R. 12078 at this late date in the session is to allow time for study and Department reports, so the House Committee on Merchant Marine could give the bill early attention next year. At the moment there is considerable demand for cargo and passenger space, so that our seafaring personnel may not be too concerned or fully conscious of future unemployment possibilities. But if the American people come to a realization that in a measure they are subsidizing not only our merchant marine but the ships of other nations and ships flying foreign flags, then there is a danger of a popular move to cut off Government assistance of every nature and to all. In effect, our United States ships are being driven off the seas right now and indirectly and in a large measure it is our own Government cargoes transported on foreign ships which are causing this situation.

Let us stop this profiteering before it boomerangs. H. R. 12078 may well hold the answer to the problem.

SENATE

MONDAY, JUNE 4, 1956

Rev. Rafe C. Martin, pastor, St. John's Presbyterian Church, Reno, Nev., offered the following prayer:

Not with ponderous words nor phrases of piety, Almighty God, but with simplicity of mind and humility of heart we seek Thy blessing, for the people of this Nation in general, and especially for the Senate here assembled; that Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the safety, honor, and welfare of the people; that all things may be so ordered by their endeavors, upon the best and surest foundations, that peace and happiness, truth and justice, virtue and piety may be established among us.

These and all other necessities for them and for us, we humbly ask in the name of Jesus Christ, the Ruler of all. 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 31, 1956, was dispensed with.

REPORTS OF COMMITTEE ON APPROPRIATIONS SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 31, 1956,

The following reports of the Committee on Appropriations were submitted on June 1, 1956:

By Mr. HILL:

H. R. 9720. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957,

and for other purposes; with amendments (Rept. No. 2093).

By Mr. STENNIS:

H. R. 10003. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1957, and for other purposes; with amendments (Rept. No. 2094).

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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

On May 28, 1956:

S. 2286. An act to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned vehicles;

S. 2327. An act for the relief of Takako Iba; and

S. 3237. An act to provide for continuance of life insurance coverage under the Federal Employees' Group Life Insurance Act of 1954, as amended, in the case of employees receiving benefits under the Federal Employees' Compensation Act.

On May 29, 1956:

S. 1883. An act for the relief of Pietro Rodolfo Walter Stullin and Renate Karolina Horky.

MESSAGE FROM THE HOUSE

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

H. R. 9852. An act to extend the Defense Production Act of 1950, as amended, and for other purposes; and

H. R. 10285. An act to merge production credit corporations in Federal intermediate credit banks, to provide for retirement of

Government capital in Federal intermediate credit banks, to provide for supervision of production credit associations, and for other purposes.

HOUSE BILLS REFERRED

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

H. R. 9852. An act to extend the Defense Production Act of 1950, as amended, and for other purposes; to the Committee on Banking and Currency.

H. R. 10285. An act to merge production credit corporations in Federal intermediate credit banks, to provide for retirement of Government capital in Federal intermediate credit banks, to provide for supervision of production credit associations, and for other purposes; to the Committee on Agriculture and Forestry.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business for action on nominations on the Executive Calendar under the heading "New Reports."

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

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

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