"SEC. 12. The 21st paragraph of the act of March 4, 1907, as amended (34 Stat. 1265, as amended by 52 Stat. 1235; 21 U. S. C. 91) exempting certain farmers, retail butchers and retail dealers from the inspection provisions of the Meat Inspection Act, is further amended by adding the following subsection thereto:

"'(d) the Secretary of Agriculture is hereby authorized to establish the basis on which certain categories of poultry raisers, retail poultry butchers, and retail poultry dealers are exempted from the inspection requirements of this act: *Provided*, That these exemptions shall be based on maximum volume limitations which are fair and reasonable in relation to other exemptions in this section: *And provided further*, That such exempt poultry raisers, retail poultry butchers and retail poultry dealers shall be subject to the provisions of the second paragraph of subsection (c) above for violations of the requirements of this act.'

"SEC. 13. The authorization included in the act of June 30, 1906 (34 Stat. 679, as amended by 48 Stat. 1225; 21 U. S. C. 95) is amended:

"(a) By striking out the phrase 'cattle, sheep, swine, and goats' and inserting 'cattle, sheep, swine, goats, and poultry';

"(b) By striking out the phrase 'meat and meat food products' and inserting 'meat or poultry, and meat or poultry food products.'

"SEC. 14. The act of June 5, 1948 (62 Stat. 344; 21 U. S. C. 98) providing for payment of costs of the inspection service by the United States, is amended by striking out the phrase 'meat and meat food products' and inserting 'meat and poultry, and meat and poultry food products.'

"SEC. 15. Section 306 of the Tariff Act of 1930 (46 Stat. 689; 19 U. S. C. 1306) dealing with the importation of meat and meat products is amended:

"(a) By inserting the words 'or poultry' in subsection (b) thereof after the words 'meat' or 'meats' wherever they appear;

"(b) By striking out the phrase 'cattle, sheep, and other domestic ruminants, and swine' in subsection (c) thereof, and inserting 'cattle, sheep, and other domestic ruminants, poultry and swine'; and in the same subsection (c) thereof, inserting after the word 'meats' the words 'or poultry.'

"SEC. 16. The compulsory poultry inspection provided for by this act shall commence on the first day of the 6th month after enactment hereof."

SENATE

(Legislative day of Monday, July 16, 1956)

WEDNESDAY, JULY 18, 1956

The Senate met at 9:30 o'clock a. m., on the expiration of the recess.

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

O Thou who art our shelter from the stormy blasts of this mortal life and our eternal home, from all the illusive shows of time and sense we turn unfilled once more to the refuge of Thy overshadowing presence. We come asking for a wisdom higher than our own. Inspire and guide with Thy counsel these Thy servants, the few among the many lifted to these high pedestals of influence and responsibility, to the end that they may be found faithful stewards of the Nation's trust. By their singleness of purpose, sincerity, and integrity may they be led to decisions that shall enlarge the borders of good will and help heal the wounds and bridge the gulfs of these embittered days. May all that is said and done in this historic Chamber of governance hasten the glad time when peace and justice and truth shall be blended into the divine harmonious pattern of Thine eternal kingdom. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 17, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 413)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith the 37th Report to Congress on Lend-Lease Operations for the calendar year 1955.

During the year under review collections and credits on lend-lease accounts amounted to approximately $47 million.

No further settlement agreements were completed during 1955 but notable progress was made toward reaching agreement with Poland for the settlement of its lend-lease indebtedness. Also, continuous efforts were made to reach agreement with Ecuador on settlement terms for certain overdue cash reimbursement postwar lend-lease obligations to the United States.

Most other countries made scheduled payments on account.

These and other matters of interest to the Congress and the public are covered more fully in the report.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 18, 1956.*

(Enclosure: 37th Report to Congress on Lend-Lease Operations.)

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of William E. Eaton, to be postmaster at Ivydale, W. Va., which nominating messages were referred to the appropriate committees.

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

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the morning session of the Senate today.

Mr. NEELY. Mr. President, I ask unanimous consent that the Committee on the District of Columbia may meet for a few minutes tomorrow afternoon while the Senate is in session.

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Sen Sun Chu from a report transmitted to the Senate on May 6, 1956, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

status (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate the petition of Paul L. Marshall, of New Orleans, La., praying for a redress of grievances, which was referred to the Committee on the Judiciary.

RESOLUTION OF NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the National Committee of Americans of Polish Descent, New York, N. Y., relating to conditions in Poland.

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

RESOLUTION ADOPTED BY THE NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT

The recent tragic events in Poznan, which took the life of scores of victims, have revealed to the whole world the intolerable conditions which are prevailing in Poland.

The Communist system forcibly imposed on the homeland of our fathers is the result of the Yalta agreement, which sanctioned the division of the world and delivered Poland to Soviet Russia. The President of the United States took part in the Yalta Conference with Stalin and became a party to that agreement. This country, therefore, shares the responsibility for the present state of affairs in Poland.

If the present international situation does not permit the administration to take the initiative of fully liberating Poland, it is, nevertheless, its elementary moral duty to resort to diplomatic action whenever the Communist rulers of Poland flagrantly violate fundamental human rights, as had been recently done in the Poznan massacre of workers clamoring for a betterment of their living conditions. No government has the right to shoot its citizens when they demand bread, as did the strikers in Poznan.

We believe it to be our duty to appeal to you, Mr. Congressman, asking you to undertake an energetic action in cooperation with other Members of Congress, in order to bring about at least a diplomatic intervention of our administration with the Communist government in Warsaw, asking them for—

1. A full public explanation of the tragic events in Poznan, their origin and causes.

2. Severe punishment of those responsible for the shooting of the workers and civilian populations of Poznan.

3. The prevention of retaliatory measures, executions and other reprisals.

4. A guaranteeing to the citizens of Poland, and particularly the workers, of the right to put forward their justified political and economic demands.

5. An increase of the wages and an improvement of working and living conditions of the workers so as to bring them to a decent level, such as they enjoy in Western democracies and particularly in the United States.

6. The granting of full political rights to the people of Poland in accordance with basic democratic principles and the traditions of Poland's history and culture.

INCREASED POSTAL RATES—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the American Farm Bureau Federation, Washington, D. C., signed by John C. Lynn, legislative director, relating to the deficits of the Post Office Department, and increased mail rates.

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

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 16, 1956.

Hon. WILLIAM LANGER, *Member,*
Post Office and Civil Service Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: The American Farm Bureau Federation, representing 1,623,222 members in the 48 States and Puerto Rico, has a considerable interest in the United States Postal Service and has followed closely the action on H. R. 11380.

At the last annual convention the voting delegates of Farm Bureau adopted the following policy on postal legislation:

"The Post Office Department has made progress in its effort to reduce its operating deficit. We encourage further effort to improve efficiency and reduce operating costs.

"We will support an increase in rates for third-class mail if operating costs cannot be reduced sufficiently to eliminate the deficit in this classification."

Subsequently, at its March 28–30, 1956, meeting, the American Farm Bureau Federation board of directors gave special consideration to the postal rate increases as provided for in H. R. 9228, introduced February 9, 1956. These rate increases were approved and supported with the exception of third-class mail. In this category the board recommended that there be a 50 percent increase rather than the 29 percent as expressed by H. R. 9228 and continued in H. R. 11380. We believe that a 50 percent increase would more adequately reflect a desirable relationship between revenue and costs of this particular classification of mail, which, under the increases as proposed by the bill under consideration, will only increase the expense coverage to 73 percent of ascertained costs of the service.

In making this recommendation we are fully aware of the vital role advertising plays in the distribution of goods and services produced on our farms, in our factories and our mills. However, we see no valid argument in support of a taxpayer subsidy for distribution of advertising matter in lieu of a fair and reasonable rate for service provided by the Post Office Department.

Farm Bureau is fully aware of the value of the postal service to the rural people of this Nation and of the importance of not penalizing, through a harsh rate structure, those enterprises which mean so much to better rural and community life.

In this connection we commend the House for amending H. R. 11380 to exempt from the rate increases small newspapers of less than 5,000 circulation. Since these papers are an important information media at the local level and operate generally on a very limited financial base we believe they are entitled to the consideration offered them by this amendment.

Our chief concern is, like that expressed by many Members of the Congress, the need for balancing fiscal operations of the Post Office Department. It is alarming to note that within the past 10 years the American taxpayer has found it necessary to subsidize the Department through added debt to an amount in excess of $4 billion.

The American Farm Bureau Federation, therefore, recommends that, in the best interest of all users of our postal service, the committee take such favorable action as will make available to the Post Office Department the additional revenues provided by the rate increases as expressed in H. R. 11380, together with our recommendation that section 106, dealing with third-class rates, be amended to reflect a 50 percent rate increase in this classification rather than the 29 percent as provided in the bill being considered.

We ask that this letter be made a part of the record of testimony on this legislation.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

PARTITION OF GERMANY—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Steuben Society of America, relating to the division of Germany.

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

Whereas our Nation was founded upon principles which recognized certain basic inalienable human rights; and

Whereas these rights include the right of a people to determine their own form of government; and

Whereas the Steuben Society of America, composed of American citizens of Germanic ancestry, is pledged to zealously cherish and defend these rights which find their affirmation in the Declaration of Independence, the Constitution of the United States of America and its Bill of Rights; and

Whereas there has been imposed upon certain ethnic groups a system of government which has repressed or abrogated these rights, and our Nation has become a party to certain pacts and executive agreements; and

Whereas such pacts and agreements have been nullified due to their violation by certain participating parties, resulting in the continued division of Germany controlled by two distinct and opposing political ideologies, the East, established and maintained under an oppressive philosophy which repudiates and denies its subjects certain inalienable natural rights, and the West, dedicated to the enjoyment and furtherance of such rights; and

Whereas this has resulted in the continued physical separation of millions of people from their homes and possessions beyond the time limits set in such agreements; and

Whereas quasi-officialdom and propagandists both in Europe and at home are attempting to condition world opinion to urge upon Germany a cession of "some of its territories" and an abandonment of millions of its peoples to a tyrannous system of government as the price for unification; and

Whereas such ill-conceived actions are creating increasing disillusionment and despair among the German peoples which may decisively affect the final decision in the conflict between these opposing philosophies

and systems of government to the detriment of the entire free world; and

Whereas only a free, united, and democratic Germany can effectively fulfill its traditional role as a bulwark against Eastern ideologies and as a bridge between the peoples of the East and the West: Now, therefore, be it

Resolved, That the Steuben Society of America does hereby petition the President of the United States of America and the Congress of the United States of America to exert all of their inherent sanctions and powers, diplomatically, politically, legislatively, and economically to effect the speedy reunification of Germany, and to restore to those expelled from their homes these human rights, which no man or government has a right to bargain away; and be it further

Resolved, That an ultimately reunited German people must decide their own destiny and that only countries founded on the tenets of full and complete equality will be able to fulfill their task in the world of tomorrow; and be it further

Resolved, That we advocate the restoration of boundaries based upon political and territorial self-determination; and be it further

Resolved, That the Steuben Society of America condemns any policy of expediency designed to urge or compel any nation to accept a division or partition of its territories and the imposition of an alien form of government.

Respectfully submitted,

STEUBEN SOCIETY OF AMERICA,
ROBERT A. BAERWALDE,
National Chairman.
J. GEORGE M. STOLZ,
National Secretary.

NEW YORK, N. Y., *July 13, 1956.*

RESOLUTION OF BOARD OF HARBOR COMMISSIONERS, SUPERIOR, WIS.

Mr. WILEY. Mr. President, I was pleased to hear today from my good friend, L. R. McPherson, president of the Superior Board of Harbor Commissioners with regard to the desire of the board for an adequate survey of the facilities of that great port, so as to assure the best possible use of the port for peacetime and emergency period use.

I would like to underline emphatically the text of this resolution.

The State of Wisconsin is proud of the great port of Superior which figures so large in the economy and in the prosperity of my State.

Thanks, of course, to the St. Lawrence Seaway, the port of Superior is expected to emerge to still larger proportions in the entire Great Lakes economy.

I, for one, certainly want to make sure that the agencies of the United States Government facilitate the fullest possible use of the port by both governmental and private channels.

I am glad, of course, to advise that in May the Senate Public Works Committee adopted a resolution for a thorough survey by the Corps of Engineers of lake ports. Included, of course, in the ports of Wisconsin is Superior.

I send to the desk now the text of this parallel resolution, as forwarded to me by the Superior board and ask unanimous consent that it be printed at this point in the RECORD.

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

RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF SUPERIOR, WIS., REQUESTING ASSISTANCE OF THE UNITED STATES MARITIME ADMINISTRATION, THROUGH ITS DIVISION OF PORT DEVELOPMENT, FOR A SURVEY AND DETERMINATION OF THE NECESSARY HARBOR FACILITIES FOR THE EFFICIENT DEVELOPMENT OF THE PORT OF SUPERIOR FOR NATIONAL DEFENSE AND FOREIGN AND DOMESTIC WATER TRANSPORTATION

Whereas by River and Harbor Act of Congress, approved June 3, 1896, the separate harbors of Superior and Duluth were created a joint port which has developed into a port second only to the port of New York in point of tonnage shipments; and

Whereas pursuant to Wisconsin statutes the city of Superior has created the Superior Board of Harbor Commissioners, with statutory jurisdiction over all publicly owned harbor property, and its control, management, improvement, and operation; and

Whereas the port of Superior, Wis., is located at the most westerly end of Lake Superior, and nearly one-third of the distance from the Atlantic to the Pacific Oceans, and with a potential trade territory as far west as Butte, Mont., and as far south as Denver, Colo., based on a rail rate advantage; and

Whereas we believe that port facilities for our port should be projected, planned, and developed for the efficient and economical handling of foreign and domestic water traffic and for national defense in the event of war: Be it therefore

Resolved, That the United States Maritime Administration and its Division of Port Development be, and they hereby are, requested to aid and assist in determining the area attributable which can best be served by the port of Superior, and the type and location of port facilities to efficiently and economically handle the traffic, both foreign and domestic; further

Resolved, That a copy of this resolution be sent to Senators WILEY and MCCARTHY and to Congressman O'KONSKI.

Passed and adopted this 18th day of June 1956.

L. R. MCPHERSON,
President, Superior Board of Harbor Commissioners.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 9918. A bill to authorize the Secretary of the Interior to negotiate and execute a contract with the Riverside Irrigation District, Ltd., of Idaho, relating to the rehabilitation of the district's works and other matters (Rept. No. 2618).

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

H. R. 8474. A bill to quiet title and possession with respect to certain real property in the State of Alabama (Rept. No. 2619).

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

S. 4012. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada (Rept. No. 2631).

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

H. R. 9591. A bill to amend the act of August 31, 1954 (68 Stat. 1037), relating to the acquisition of non-Federal land within the existing boundaries of any national park, and for other purposes (Rept. No. 2620).

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

S. 4215. A bill to amend the act of July 15, 1954, authorizing the sale of certain vessels to Brazil (Rept. No. 2625);

H. R. 9801. A bill to authorize and direct the Panama Canal Company to construct, maintain, and operate a bridge over the Panama Canal at Balboa, C. Z. (Rept. No. 2628);

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 merchant vessels in the interest of national defense, and for other purposes (Rept. No. 2632); and

H. J. Res. 613. Joint resolution to authorize the vessel operations revolving fund of the Department of Commerce to be used for expenses in connection with the chartering of merchant ships under jurisdiction of the Secretary of Commerce (Rept. No. 2627).

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

S. 3831. A bill to provide for the establishment of a fish hatchery in the State of West Virginia (Rept. No. 2626).

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

S. J. Res. 177. Joint resolution to authorize the Secretary of Commerce to sell certain war-built tankers (Rept. No. 2636).

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

S. 3827. A bill to authorize the construction of a shellfish research laboratory and experiment station in the Chesapeake Bay area (Rept. No. 2630).

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

H. R. 11947. A bill to extend and amend the Renegotiation Act of 1951 (Rept. No. 2624).

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

S. 4221. A bill to amend the International Wheat Agreement Act of 1949 (Rept. No. 2623).

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

S. Res. 73. Resolution to refer to the Court of Claims the bill (S. 542) for the relief of the Trust Association of H. Kempner (Rept. No. 2634).

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

S. 1256. A bill to provide for the appointment of additional circuit and district judges (Rept. No. 2633).

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

S. 3593. 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 (Rept. No. 2635).

COMPULSORY INSPECTION OF POULTRY AND POULTRY PRODUCTS (S. REPT. NO. 2622)

Mr. CLEMENTS, from the Committee on Agriculture and Forestry, reported favorably, without amendment, an original bill (S. 4243) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, which was read twice by its title, and placed on the calendar.

REPORT ENTITLED "DEFENSE ESSENTIALITY AND FOREIGN ECONOMIC POLICY" BY JOINT ECONOMIC COMMITTEE (S. REPT. NO. 2629)

Mr. DOUGLAS, from the Joint Economic Committee, submitted a report entitled "Defense Essentiality and Foreign Economic Policy," relating to the watch industry and precision skills, which was ordered to be printed.

INTERNATIONAL FOOD AND RAW MATERIALS RESERVE

Mr. HUMPHREY, from the Committee on Foreign Relations, reported an original resolution (S. Res. 316), which was placed on the calendar, as follows:

Resolved, That it is the sense of the Senate that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations for the purpose of acquiring and storing in appropriate countries raw or processed farm products and other raw materials, exclusive of minerals, with a view to their use in—

(1) preventing extreme price fluctuations in the international market in these commodities;

(2) preventing famine and starvation;

(3) helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals);

(4) economic and social development programs formulated in cooperation with other appropriate international agencies.

Participation by the United States in such an International Food and Raw Materials Reserve shall be contingent upon statutory authorization or treaty approval, as may be appropriate.

REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, 80th Congress, 1st session, the following reports were received by the Secretary of the Senate:

JULY 10, 1956.

COMMITTEE ON AGRICULTURE AND FORESTRY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Harker T. Stanton	Professional staff member (from Apr. 23).	$7,036.68
Henry J. Casso	Professional staff member (from May 1).	2,179.19
Porter M. Hedge	Professional staff member.	1,532.38
Cotys M. Mouser	Chief clerk	5,411.74
James M. Kendall	Assistant chief clerk	5,278.00
Betty M. Mason	Clerical assistant	2,644.66
Blanche M. O'Berg	do	3,329.74
Ida McCall	do	3.2,7012

Funds available for expenditure at beginning of period	$18,365.91
Additional funds authorized during period	
Total available for expenditure during period	18,365.91
Expended during period	16,771.96
Balance available for expenditure at end of period	1,593.95

ALLEN J. ELLENDER,
Chairman.

JULY 1, 1956.

COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
TEMPORARY EMPLOYEES		
Paul E. Kamerick	Staff member (to Feb. 29).	$2,101.16
Gardner C. Turner	Staff member	6,704.76
Lewis C. Prell	do	5,115.61
REGULAR EMPLOYEES		
Everard H. Smith	Chief clerk	7,399.98
Thomas J. Scott	Assistant chief clerk	7,150.62
Francis S. Hewitt	Assistant clerk	6,704.76
Edmund T. King	do	6,348.06
Kenneth J. Bousquet	Professional staff member.	6,704.76
Earl W. Cooper	do	6,808.80
Herman E. Downey	do	6,704.76
Leonard E. Edwards	do	6,348.06
Joe E. Gonzales	do	6,258.90
Grace E. Johnson	do	5,363.45
William J. Kennedy, Jr.	do	6,348.06
Cecil C. McDaniel	do	6,704.76
Harold E. Merrick	do	6,704.76
Robert E. O'Hara	Professional staff member (to Feb. 9).	1,452.70
Raymond L. Schafer	Professional staff member.	6,348.06
Thomas F. Shannon	do	6,036.00
John M. Witeck	Professional staff member (from Mar. 1).	4,142.88
William W. Woodruff	Professional staff member.	6,704.76
Gloria S. Butland	Clerical assistant	2,713.14
Leon DeVille	do	2,610.42
Mary G. Gatton	do	2,713.14
Mary F. Holloway	do	2,713.14
Ruby C. Hutchinson	Assistant clerk	2,246.04
Mamie L. Mizen	do	4,596.40
Rebul H. Nichols	Clerical assistant	2,713.14
Rose M. Parker	Clerical assistant (from Apr. 16).	1,044.85
Jane Symmes	Clerical assistant (to Apr. 15).	1,462.79

CARL HAYDEN,
Chairman.

JULY 1, 1956.

COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report on miscellaneous expenses during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

MISCELLANEOUS EXPENSES

Unexpended balance of amount authorized by S. Res. 129, June 26, 1947, as of Dec. 31, 1955	$24,151.49
Amount expended Jan. 1 to June 30, 1956	0
Balance unexpended as of June 30, 1956	24,151.49
Unexpended balance of amount authorized by Legislative Appropriation Act, 1956, as of Dec. 31, 1955	381,640.79
Amount expended Jan. 1 to June 30, 1956	14,026.80
Balance unexpended as of June 30, 1956	367,613.99
Unexpended balance of amount authorized by Reorganization Act and S. Res. 136, as of Dec. 31, 1955	7,989.52
Amount expended Jan. 1 to June 30, 1956	4,194.09
Balance unexpended as of June 30, 1956	3,795.43

CARL HAYDEN,
Chairman.

JULY 2, 1956.

COMMITTEE ON ARMED SERVICES

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Atkinson, Herbert S.	Assistant chief clerk	$4,400.97
Be Lieu, Kenneth E.	Professional staff member.	5,411.79
Braswell, T. Edward, Jr.	do	6,808.85
Dantzic, Maurine E.	Clerical assistant	2,636.11
Darden, William H.	Professional staff member.	6,808.85
Johnson, Edna E.	Clerical assistant	2,507.66
Schweigert, Esther N.	do	2,353.51
Welker, Mary M.	do	2,379.19
Wingate, Harry L., Jr.	Chief clerk	5,411.79

Funds available for expenditure at beginning of period	$6,760.57
Additional funds authorized during period	
Total available for expenditure during period	6,760.57
Expended during period	5,215.56
Balance available for expenditure at end of period	1,545.01

RICHARD B. RUSSELL,
Chairman.

JUNE 30, 1956.

COMMITTEE ON ARMED SERVICES

PREPAREDNESS INVESTIGATING SUBCOMMITTEE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Anton, James	Special counsel [1]	$56.16
Barker, Sophia E.	Stenographer [2]	1,175.71
Canaday, Alyce D.	Clerical assistant	2,353.50
Clark, Joyce	Stenographer	1,942.44
Cofer, John D.	Chief counsel [3]	1,626.55
Cooper, Genevieve	Secretary	2,507.64
Engle, Wallace L.	Investigator	3,740.76
French, Stuart P.	Special counsel [4]	2,282.55
Gilleas, Benjamin J.	Attorney	4,203.18
Hamilton, Fowler	General counsel [5]	3,253.09
Hiller, Vera M.	Stenographer [6]	1,649.51
Jeffries, Jo Ann V.	Clerk-typist	1,942.44
Kelly, E. Russel	Assistant chief counsel.[7]	4,695.60
Looney, Robert E.	Attorney [8]	376.14
McGillicuddy, Daniel F., Jr.	Acting chief counsel	4,203.18
Neal, Robert M.	Attorney	3,226.98
Potts, Ramsay D., Jr.	Associate counsel [9]	3,328.75
Sircom, Edith M.	Stenographer [10]	2,213.21

[1] Services terminated Jan. 2, 1956.
[2] From Apr. 3, 1956.
[3] From Apr. 9 to May 21, 1956.
[4] From Apr. 9, 1956.
[5] General counsel of Subcommittee on the Air Force from Apr. 5, 1956.
[6] Services terminated May 15, 1956.
[7] Services terminated May 31, 1956.
[8] From June 4, 1956.
[9] Associate counsel of Subcommittee on the Air Force from Apr. 3, 1956.
[10] Services terminated June 27, 1956.

Funds available for expenditure during period Jan. 1 to Feb. 29, 1956, under S. Res. 72 and S. Res. 203	$95,060.78
Expended during period Jan. 1 to Feb. 29, 1956, under S. Res. 72 and S. Res. 203	14,206.81
Balance unexpended, Feb. 29, 1956	80,853.97
Additional funds authorized during period Mar. 1 to Jan. 31, 1957, under S. Res. 215	176,000.00
Expended during period Mar. 1 to June 30, 1956, under S. Res. 215	39,363.30
Balance available for expenditure at end of period	136,636.70

RICHARD B. RUSSELL,
Chairman.

LYNDON B. JOHNSON,
Chairman, Preparedness Investigating Subcommittee.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
John H. Yingling	Chief clerk	$7,400.00
Robert A. Wallace	Staff director	7,144.92
Paul Cyr	Assistant clerk	6,808.85
William F. McKenna	Counsel	6,808.85
James B. Cash, Jr.	Professional staff member.	6,808.85
Donald L. Rogers	Counsel	6,808.85
Henrietta S. Chase	Clerical assistant	3,432.52
Florence Barr	do	3,175.61
Pauline C. Beam	do	3,124.23
Caro M. Pugh	do	3,124.23

Funds available for expenditure at beginning of period	$567.22
Additional funds authorized during period	------
Total available for expenditure during period	567.22
Expended during period	549.40
Balance available for expenditure at end of period	17.82

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

SUBCOMMITTEE ON HOUSING

(Under authority of S. Res. 57, agreed to March 18, 1955)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to January 31, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jack Carter	Staff director	$1,134.80
Milton P. Semer	Chief counsel	916.82
Clarence M. Dinkins	Assistant counsel	812.79
Olin Cavness	Staff assistant	717.14
Dudley L. O'Neal, Jr.	Attorney-investigator.	632.03
James H. Walter	Staff assistant	623.46
Clarence R. Jacobs	Accountant	554.95
Frances K. Topping	Economist	537.83
Dorothy L. McCaffrey	Clerical assistant	417.94
Mildred Mitchel	do	400.81
Dixie J. Thomas	do	383.68
Doris I. Thomas	do	383.68

Funds available for expenditure at beginning of period	$37,927.61
Additional funds authorized during period	------
Total available for expenditure during period	37,927.61
Expended during period	10,218.65
Balance available for expenditure at end of period	27,708.96

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

SUBCOMMITTEE ON HOUSING

(Under authority of S. Res. 57, agreed to March 18, 1955, and S. Res. 209, agreed to February 8, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from Feoruary 1, 1956, to February 29, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jack Carter	Staff director	$1,134.80
Milton P. Semer	Chief counsel	916.82
Clarence M. Dinkins	Assistant counsel	812.79
Olin Cavness	Staff assistant	717.14
Dudley L. O'Neal, Jr.	Attorney-investigator.	632.03
James H. Walter	Staff assistant (to Feb. 23).	477.79
Clarence R. Jacobs	Accountant	554.95
Frances K. Topping	Economist	537.83
Dorothy L. McCaffrey.	Clerical assistant	417.94
Mildred Mitchel	do	400.81
Dixie J. Thomas	do	383.68
Doris I. Thomas	do	383.68
Dean F. Cromer	Staff assistant (from Feb. 24).	167.33

Funds available for expenditure at beginning of period	$10,380.60
Additional funds authorized during period	------
Total available for expenditure during period	10,380.60
Expended during period	9,012.19
Balance available for expenditure at end of period	1,368.41

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

SUBCOMMITTEE ON HOUSING

(Under authority of S. Res. 160, agreed to February 17, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from March 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jack Carter	Staff director	$4,539.20
Milton P. Semer	Chief counsel	4,524.67
Clarence M. Dinkins	Assistant counsel (from Mar. 2).	3,224.06
Dean F. Cromer	Staff assistant	2,868.56
Dudley L. O'Neal, Jr.	Attorney-investigator.	2,528.12
Clarence R. Jacobs	Accountant	2,219.80
Mildred Mitchel	Clerical assistant	1,603.24
Dixie J. Thomas	do	1,534.72
Doris I. Thomas	do	1,534.72

Funds available for expenditure at beginning of period	$91,666.67
Additional funds authorized during period	------
Total available for expenditure during period	91,666.67
Expended during period	30,235.01
Balance available for expenditure at end of period	61,431.66

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

(Under authority of S. Res. 23, agreed to February 4, 1955)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to January 31, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Matthew Hale	Counsel	$1,134.80
Arthur J. Wilson	Staff assistant	774.36

Funds available for expenditure at beginning of period	$22,307.66
Additional funds authorized during period	------
Total available for expenditure during period	22,307.66
Expended during period	12,038.23
Balance available for expenditure at end of period	10,269.43

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

(Under authority of S. Res. 23, agreed to February 4, 1955, and S. Res. 209, agreed to February 8, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1956, to February 29, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Matthew Hale	Counsel	$1,134.80
Arthur J. Wilson	Staff assistant	774.36

Funds available for expenditure at beginning of period	$8,431.22
Additional funds authorized during period	------
Total available for expenditure during period	8,431.22
Expended during period	3,997.01
Balance available for expenditure at end of period	4,434.31

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON BANKING AND CURRENCY

(Under authority of S. Res. 155, agreed to February 21, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from March 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Matthew Hale	Counsel	$4,539.20
Arthur J. Wilson	Staff assistant	3,097.44
Olin Cavness	do	2,868.56
Frances K. Topping	Economist	2,151.32
Dorothy L. McCaffrey	Clerical assistant	1,671.76

Funds available for expenditure at beginning of period	$91,666.67
Additional funds authorized during period	------
Total available for expenditure during period	91,666.67
Expended during period	24,036.23
Balance available for expenditure at end of period	67,630.44

J. W. FULBRIGHT,
Chairman.

JULY 12, 1956.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Leo A. Casey	Chief clerk	$6,808.80
William P. Gulledge	Professional staff member.	6,808.80
Murray W. Weight	do	5,188.80
Ruth W. Bryant	Clerical assistant	3,483.84
Arlene B. Williams	do	3,483.84

Funds available for expenditure at beginning of period	$6,970.71
Additional funds authorized during period	
Total available for expenditure during period	6,970.71
Expended during period	1,959.35
Balance available for expenditure at end of period	5,011.36

MATTHEW M. NEELY,
Chairman.

JULY 6, 1956.

COMMITTEE ON FINANCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Elizabeth B. Springer	Chief clerk	$5,723.88
Betty Mae Tapy	Clerical assistant	3,226.98
Evelyn R. Thompson	do	3,226.98
Sandra Everly	Clerical assistant (from Jan. 2).	2,033.85
Jesse R. Nichols	Document clerk	2,610.42
Serge N. Benson	Professional staff member.	6,808.80
Fedele F. Fauri	Professional staff member (from Apr. 23).	2,572.21

Funds available for expenditure at beginning of period	$4,366.61
Additional funds authorized during period	
Total available for expenditure during period	4,366.61
Expended during period	2,945.54
Balance available for expenditure at end of period	1,421.07

HARRY F BYRD,
Chairman.

JULY 12, 1956.

COMMITTEE ON FOREIGN RELATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Carl M. Marcy	Professional staff member.	$7,399.98
Pat M. Holt	do	7,150.62
Alwyn V. Freeman	do	6,808.80
Julius N. Cahn	do	6,808.80
C. C. O'Day	Chief clerk	6,808.80
George C. Denney, Jr.	Assistant chief clerk (from Feb. 27).	4,690.50
Emmett M. O'Grady	Clerical assistant	3,175.56
June C. Pitts	do	3,381.12
Mary A. Sames	do	2,970.06
Doris B. Covington	Clerical assistant (from Mar. 1, under authority of S. Res. 161, agreed to Feb. 3; Jan. 1 to Feb. 29).	2,970.06
Orrin E. Cressey	Clerical assistant (under authority of S. Res. 161, agreed to Feb. 3).	2,918.70
L. June Connell	Clerical assistant (under authority of S. Res. 161, agreed to Feb. 3; from May 28).	459.73
Total		55,542.73

Funds available for expenditure at beginning of period	$12,847.61
Additional funds authorized during period	
Total available for expenditure during period	12,847.61
Expended during period	4,654.73
Balance available for expenditure at end of period	8,192.88

WALTER F. GEORGE,
Chairman.

JULY 12, 1956.

COMMITTEE ON FOREIGN RELATIONS

SUBCOMMITTEE ON REVIEW OF THE UNITED NATIONS

(Under authority of S. Res. 36, sec. B, agreed to February 4, 1955)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Hansen, Morella R.	Clerk (to Jan. 31)	$640.59

Funds available for expenditure at beginning of period	$7,262.52
Additional funds authorized during period	
Total available for expenditure during period	7,262.52
Expended during period	4,492.31
Balance at end of period	2,770.21

WALTER F. GEORGE,
Chairman.

JULY 12, 1956.

COMMITTEE ON FOREIGN RELATIONS

SUBCOMMITTEE MAKING A FULL AND COMPLETE STUDY OF FOREIGN TECHNICAL-ASSISTANCE PROGRAMS

(Under authority of S. Res. 162, agreed to February 8, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Hansen, Morella R.	Research assistant (from Feb. 1).	$3,202.95
Hilsman, Emily J.	Assistant clerk (to Apr. 18).	886.26
Total		4,089.21

Funds available for expenditure at beginning of period	
Additional funds authorized during period	$27,000.00
Total available for expenditure during period	27,000.00
Expended during period	4,260.51
Balance available for expenditure at end of period	22,739.49

WALTER F. GEORGE,
Chairman.

JULY 12, 1956.

COMMITTEE ON FOREIGN RELATIONS

SUBCOMMITTEE ON DISARMAMENT

(Under authority of S. Res. 185, agreed to February 8, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Betty Lou Goetz	Research assistant	$3,124.20
Paula L. Underwood	Clerk	1,318.02
Daniel B. Jacobs	Research assistant	1,806.91
Total		6,249.13

NOTE.—The detail of certain personnel of the Library of Congress on a reimbursable basis was authorized by the Committee on Rules and Administration, for services rendered the subcommittee.

Funds available for expenditure at beginning of period	
Additional funds authorized during period by S. Res. 185	$35,000.00
Total available for expenditure during period	35,000.00
Extended during period	24,372.36
Balance available for expenditure at end of period	10,627.64

WALTER F. GEORGE,
Chairman.

JULY 11, 1956.

COMMITTEE ON GOVERNMENT OPERATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Walter L. Reynolds	Chief clerk	$6,808.80
Glenn K. Shriver	Professional staff member.	6,303.48
Eli E. Nobleman	do	6,303.48
Richard J. O'Melia	do	6,808.80
Miles Scull, Jr.	do	6,303.48

Name	Profession	Total salary received
Ann M. Grickis	Assistant chief clerk	$3,997.68
Ray Barnett	Clerical assistant	2,901.53
Vivien I. McConnell	Clerical assistant (to Apr. 16, 1956).	1,612.65
Kathryn M. Keeney (Mrs.).	Clerical assistant	2,661.78
Betty J. Fox	Clerical assistant (to June 15, 1956).	2,298.67
Esther M. Hutchinson (Mrs.).	Clerical assistant (from Apr. 26, 1956).	905.53

Funds available for expenditure at beginning of period	$7,658.09
Additional funds authorized during period	--------
Total available for expenditure during period	7,658.09
Expended during period	1,278.48
Balance available for expenditure at end of period	6,379.61

JOHN L. MCCLELLAN,
Chairman.

JULY 10, 1956.

SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

(Under authority of S. Res. 41 and S. Res. 202, 84th Cong., 1st sess. and 2d sess.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to February 15, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jerome S. Alderman	Assistant counsel	$1,702.20
Edith H. Anderson	Staff editor	788.80
Maxine B. Buffalohide.	Assistant clerk	652.60
Alphonse F. Calabrese.	Investigator	1,352.94
Alice S. Dearborn	Assistant clerk	614.06
Margaret W. Duckett	do	652.60
LaVern J. Duffy	Investigator	819.58
James N. Juliana	Chief counsel to minority.	1,702.20
Robert F. Kennedy	Chief counsel to majority.	1,702.20
Teresa C. Kraus	Assistant clerk	614.06
H. Michael Mann	Messenger	436.06
Angela M. Novello	Assistant clerk	614.06
Leo C. Nulty	Investigator	1,352.94
Donald F. O'Donnell	Assistant counsel	1,702.20
Paul J. Tierney	do	1,352.94
Ruth Young Watt	Chief clerk	973.73

Funds available for expenditure at beginning of period	$30,208.15
Additional funds authorized during period	--------
Total available for expenditure during period	30,208.15
Expended during period	24,725.68
Balance available for expenditure at end of period	5,482.47

JOHN L. MCCLELLAN,
Chairman.

JULY 10, 1956.

SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

(Under authority of S. Res. 41 and S. Res 209, 84th Cong., 1st and 2d sess.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 16, 1956, to February 29, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jerome S. Adlerman	Assistant counsel	$567.40
Edith H. Anderson	Staff editor	268.92
Maxine B. Buffalohide.	Assistant clerk	217.54
Alphonse F. Calabrese.	Investigator	450.98
Alice S. Dearborn	Assistant clerk	204.68
Margaret W. Duckett	do	217.54
LaVern J. Duffy	Investigator	273.18
James N. Juliana	Chief counsel to minority.	567.40
Robert F. Kennedy	Chief counsel to majority.	567.40
Teresa C. Kraus	Assistant clerk	204.69
H. Michael Mann	Messenger	145.02
Angela M. Novello	Assistant clerk	204.69
Leo C. Nulty	Investigator	450.98
Donald F. O'Donnell	Assistant counsel	567.40
Paul J. Tierney	do	450.98
Ruth Young Watt	Chief clerk	324.59

Funds available for expenditure at beginning of period	$7,957.85
Additional funds authorized during period	--------
Total available for expenditure during period	7,957.85
Expended during peiod	6,586.44
Balance available for expenditure at end of period	1,371.41

JOHN L. MCCLELLAN,
Chairman.

JULY 10, 1956.

SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

(Under authority of S. Res. 188, agreed to February 16 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from March 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jerome S. Adlerman	Assistant counsel	$4,539.20
Edith H. Anderson	Staff editor	2,228.39
Maxine B. Buffalohide.	Assistant clerk	1,740.28
Alphonse F. Calabrese.	Investigator	3,741.61
Alice S. Dearborn	Assistant clerk	1,637.48
Margaret W. Duckett	do	1,774.52
LaVern J. Duffy	Investigator	2,528.12
Robert E. Dunne	Assistant counsel (from May 23).	960.14
James N. Juliana	Chief counsel to minority	4,539.20
Paul E. Kamerick	Assistant counsel (to Apr. 30).	2,185.38
Robert F. Kennedy	Chief counsel to majority.	4,821.56
Rosemary K. Kennedy.	Assistant clerk (from Mar. 5).	1,450.46
Teresa C. Kraus	Assistant clerk (to Apr. 22).	709.57
H. Michael Mann	Messenger	1,209.87
Angela M. Novello	Assistant clerk	1,637.48
Leo C. Nulty	Investigator	3,607.84
Donald F. O'Donnell	Assistant counsel	4,539.20
Ruth S. Price	Assistant clerk (from May 2).	771.42
Paul J. Tierney	Assistant counsel	3,741.61
Ruth Young Watt	Chief clerk	2,564.20

Funds available for expenditure at beginning of period	$197,083.34
Additional funds authorized during period	--------
Total available for expenditure during period	197,083.34
Expended during period	71,910.92
Balance available for expenditure at end of period	125,172.42

JOHN L. MCCLELLAN,
Chairman.

JULY 16, 1956.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Callaghan, Richard L.	Chief clerk	$7,150.62
Coburn, William H.	Professional staff member.	7,399.98
French, Stewart	do	6,808.80
Gamble, James H	do	6,605.34
Lineweaver, Goodrich W.	do	6,808.80
McSherry, Nellie D.	Assistant chief clerk	5,545.50
Callaghan, Marcia M.	Clerical assistant	2,713.14
Davis, Dorothy A	do	2,713.14
Donnelley, Rosemary	do	3,072.84
Gillette, Margaret G.	do	2,713.14

Funds available for expenditure at beginning of period	$4,721.39
Additional funds authorized during period (S. Res. 184, Feb. 8, 1956)	10,000.00
Total available for expenditure during period	14,721.39
Expended during period	7,487.08
Balance available for expenditure at end of period	7,234.31

JAMES E. MURRAY,
Chairman.

JULY 16, 1956.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Baynton, Harold I.	Chief counsel	$6,808.84
Chamberlin, Louise I.	Clerical assistant	2,045.23
Jarrett, Edward S	Chief clerk	7,150.62
Knudson, Lois M	Clerical assistant	2,867.33
Rudolph, Vera B	do	3,449.60
Smigen, Cecelia M	do	3,072.84
Wissman, Bertram O.	Assistant, chief clerk.	6,808.84
Zapple, Nicholas	Staff member	6,808.84

Funds available for expenditure at beginning of period	$909.27
Additional funds authorized during period	10,000.00
Total available for expenditure during period	10,909.27
Expended during period	10,399.91
Balance available for expenditure at end of period	509.36

WARREN G. MAGNUSON,
Chairman.

JULY 16, 1956.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Under authority of S. Res. 13, agreed to February 4, 1955, continued by S. Res. 209, agreed to February 8, 1956, and S. Res. 163, agreed to February 17, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing

the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Barton, Frank L	Staff member	$6,808.80
Black, John W	do	3,483.84
Bourbon, August J	Staff member (from Feb. 1).	4,621.25
Bowers, Joan A	Clerical assistant	2,250.72
Busby, David	Staff member	5,118.24
Butz, John R	Clerical assistant	3,226.98
Cox, Kenneth A	Special counsel	6,808.80
Drake, Robin	Staff member	3,483.84
Fadely, Catherine E	Clerical assistant	2,696.02
Geissinger, Wayne T	Assistant chief counsel.	6,808.80
Huse, Harry C	Staff member	5,322.60
Kohler, William L	do	4,302.84
L'Heureux, Robert D	Staff member (until Feb. 15).	1,702.20
Luckey, Albert B., Jr	Staff member (from Mar. 27).	2,895.98
Monk, Jane E	Clerical assistant	2,507.64
Moore, Milo	Staff member	6,808.80
Murphy, Robert T	Special counsel (from Mar. 7).	4,312.24
Newland, Janet Gay	Clerical assistant (Feb. 18-29).	151.42
Rogers, Kathryn B	Clerical assistant	2,404.86
Shaffer, Martha P	do	3,055.76
Stern, Edward A	Staff member	4,965.90
Torre, Catherine C	Clerical assistant (from Mar. 5).	1,682.26
Watkins, Charles D	Staff member	3,894.90
Wood, Henry G	Staff member (from Jan. 30).	5,711.95

Funds available for expenditure at beginning of period	$62,190.80
Additional funds authorized during period	229,166.67
Total available for expenditure during period:	
January–February	62,190.80
From Mar. 1	229,166.67
Expended during period	93,037.85
Balance available for expenditure at end of period	158,077.17

WARREN G. MAGNUSON,
Chairman.

JULY 16, 1956.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEE ON INVESTIGATIONS OF MINERALS, MATERIALS, FUELS, RESOURCES, AND RELATED MATTERS

(Under authority of S. Res. 183, agreed to February 20 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Boedecker, Louis C	Research assistant (from May 16).	$536.98
Chambers, Edward T	Professional staff member.	5,099.64
Eaton, Eugene D	Professional staff member (from May 1).	1,937.68
Graham, Leland O	Professional staff member (from March 24).	3,156.60
Harrington, Joan M	Clerical assistant	2,713.14
Hoban, Cecelia A	do	2,661.78
Holderer, Geo. B	Professional staff member.	6,258.90
Kuhl, Arthur M	Professional staff member (from March 2).	2,684.45
Lahr, Mary Catherine.	Clerical assistant (from March 16).	1,552.70
Mapes, Milton C., Jr	Professional staff member.	5,411.76
Nelson, Elmer K	do	6,808.80
O'Connor, Adele R	Stenographer	$2,661.78
Redwine, Robert W	Professional staff member.	5,411.76
Stong, Benton J	do	6,036.00
Todd, Pauline B	Clerical assistant	2,867.28
Whitacre, Roy M	Professional staff member (from April 16).	2,217.75
Wilson, Platt	Professional staff member.	5,367.18
Straus, Michael W	Consultant	1,027.76

Funds available for expenditure at beginning of period (S. Res. 37)	$7,644.74
Additional funds authorized during period (S. Res. 209)	9,000.58
Total available for expenditure during period	16,645.32
Expended during period	12,011.39
Balance at end of period	4,633.93
Funds available for expenditure at beginning of period (S. Res. 39)	5,545.12
Additional funds authorized during period (S. Res. 209)	5,460.00
Total available for expenditure during period	11,005.12
Expended during period	10,758.88
Balance at end of period	246.24
Funds available for expenditure at beginning of period (S. Res. 183)	162,250.00
Additional funds authorized during period	----------
Total available for expenditure during period	162,250.00
Expended during period	49,313.95
Balance available for expenditure at end of period	112,936.05

JAMES E. MURRAY,
Chairman.

JULY 16, 1956.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Under authority of S. Res. 35, agreed to July 25, 1955)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to January 31, 1956, together wtih the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bourbon, August J	Staff member	$924.25
Webster, Donald D	do	1,134.80

Funds available for expenditure at beginning of period (Jan. 1, 1956)	$18,890.83
Additional funds authorized during period	----------
Total available expenditure during period	----------
Expended during period	2,816.71
Balance available for expenditure at end of period	16,074.12

WARREN G MAGNUSON,
Chairman.

JULY 16, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE NATIONAL PENITENTIARIES

(Under authority of S. Res. 65, S. Res. 209, and S. Res. 169)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Funds available for expenditure at beginning of period	$8,476.65
Additional funds authorized during period (S. Res. 209)	36.00
Total available for expenditure during period	8,512.65
Expended during period	103.84
Balance	8,408.81
Additional funds authorized during period (S. Res. 169)	4,583.34
Expended during period	330.45
Balance available for expenditure at end of period	4,252.89

JAMES O. EASTLAND,
Chairman.

OLIN D. JOHNSTON,
Subcommittee Chairman.

JULY 6, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT

(Under authority of S. Res. 171, agreed to February 17, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Clark, Florence B	Stenographer	$1,432.79
Downey, Mabel A	Clerk	2,713.14
Johnston, Sally L	Typist (from June 1)	282.26
McElroy, Marcia L	Stenographer (from Apr. 9).	855.20
Stevens, William A	Clerk (to Jan. 31)	623.46
Wood, Harlan	Counsel	6,808.80

Funds available for expenditure at beginning of period	$31,939.23
Additional funds authorized during period (S. Res. 209)	4,660.89
Total available for expenditure during period	36,600.12
Expended during period	8,651.33
Balance	37,948.79
Additional funds authorized during period (S. Res. 171)	41,250.00
Expended during period	8,522.01
Balance available for expenditure at end of period	32,727.99

OLIN D. JOHNSTON,
Subcommittee Chairman.

JAMES O. EASTLAND,
Chairman.

JULY 11, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to

June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Black, Nancee W	Secretary-typist (from Jan. 5, 1956, to Mar. 3, 1956).	$704.04
Caplan, Julian	Counsel (to Jan. 31, 1956).	766.19
Clesner, Herschel F	Investigator	3,509.55
Friedman, Murray N	Consultant [1] (from Jan. 27, 1956).	657.76
Haaser, Stephen G	Chief clerk	4,032.93
Hollabaugh, Marcus A.	Counsel (from Apr. 1, 1956).	3,404.40
Hoy, Ann S	Secretary	3,021.42
Huber, Walter B	Investigator	4,618.74
Julian, Joseph K	Secretary-typist (from Mar. 6, 1956).	1,372.30
Melman, Seymour	Consultant [1] (from Dec. 23, 1955).	1,027.76
Palmer, Archie M	Consultant [1] (from Dec. 1, 1955).	1,500.55
Rideoutte, Jane E	Secretary	3,021.42
Solo, Robert A	Consultant [1] (from May 18, 1956).	205.55
Stedman, John C	Consultant [1] (from Oct. 4, 1955).	3,309.51
Total		31,152.12

[1] When actually employed.

Funds available for expenditure at beginning of period under S. Res. 92, agreed to May 11, 1955	$35,690.07
Additional funds authorized during period, S. Res. 209, agreed to Feb. 8, 1956	7,400.94
Total available for expenditure during period	43,091.01
Expended during period	17,417.03
Balance at end of period	25,673.98
Funds available for expenditure at beginning of period, S. Res. 167, agreed to Feb. 21, 1956	100,833.34
Additional funds authorized during period	----------
Total available for expenditure during period	100,833.34
Expended during period	21,927.08
Balance available for expenditure at end of period	78,906.26

JAMES O. EASTLAND,
Chairman.

JOSEPH C. O'MAHONEY,
Subcommittee Chairman.

JULY 6, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON IMMIGRATION AND NATURALIZATION

(Under authority of S. Res. 66, agreed to March 18, 1955; S. Res. 172, agreed to February 20, 1956; and S. Res. 209, agreed to February 8, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Arens, Richard	Staff director (Apr. 16 to Apr. 30, 1956).	$567.40
Ashcraft, Ann	Clerk	2,302.08
Blair, Drury H	Staff member	6,125.16
Buckner, Catlett L	Staff member (from Mar. 14, 1956).	2,528.65
Burton, Robert R	Staff member	4,965.90
Carey, A. Carl, Jr	Investigator (to Apr. 30, 1956).	$3,310.60
DeGooyer, Franzetta R.	Clerk	2,970.06
McCloskey, Mary J	do	2,970.06
Mesmer, Fred M	Staff member	6,303.48
Slayman, Charles H., Jr.	Staff member (to Apr. 13, 1956).	2,841.59

Funds available for expenditure at beginning of period	$44,250.20
Additional funds authorized during period (S. Res. 209)	6,597.73
Total available for expenditure during period	50,847.93
Expended during period	11,677.29
Balance available for expenditure at end of period	39,170.64
Additional funds authorized during period (S. Res. 172)	93,500.00
Total available for expenditure during period	93,500.00
Expended during period	23,242.76
Balance available for expenditure at end of period	70,257.24

JAMES O. EASTLAND,
Chairman, Subcommittee and Full Committee.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE PROBLEMS CONNECTED WITH THE EMIGRATION OF REFUGEES AND ESCAPEES FROM WESTERN EUROPEAN NATIONS

(Under authority of S. Res. 64, agreed to March 18, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 164, agreed to February 16, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Guthridge, Eleanor C	General counsel	$6,259.39
Beaton, Adele V	Clerical assistant	2,610.42
Total		8,869.81

Funds available for expenditure at beginning of period	$16,564.80
Additional funds authorized during period, S. Res. 209, agreed to Feb. 8, 1956	2,033.35
Total available for expenditure during period	18,598.15
Expended during period	4,435.60
Balance available for expenditure at end of period	14,162.55
Funds available for expenditure at beginning of period	----------
Additional funds authorized during period, S. Res. 164, agreed to Feb. 16, 1956	30,250.00
Total available for expenditure during period	30,250.00
Expended during period	6,725.40
Balance available for expenditure at end of period	23,524.60

JAMES O. EASTLAND,
Chairman.

WILLIAM LANGER,
Subcommittee Chairman.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON IMPROVEMENTS IN THE FEDERAL CRIMINAL CODE

(Under authority of S. Res. 137, agreed to July 29, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 166, agreed to February 17, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Gasque, Cecial A	General counsel	$6,808.80
Salisbury, Joseph F	Assistant counsel	5,055.06
Clark, Margery	Research analyst (to May 15).	2,266.06
Brown, Janet E	Secretary	2,437.97
Townley, Kay	do	2,360.31
Chambliss, June	Secretary (from June 4).	345.31
Gabrys, Marilyn L	Clerk-typist (from June 13).	135.19
Easley, Rita C	Clerk-typist (from June 26).	37.55
Costa, Joan R	Secretary (Feb. 3–15, 1956).	132.86
Total		19,579.11

Funds available for expenditure at beginning of period (S. Res. 137 and S. Res. 209)	$27,367.27
Additional funds authorized during period (S. Res. 209, Feb. 8, 1956)	8,048.16
Total available for expenditure during period	35,415.43
Expended during period	24,544.72
Balance at end of period	10,870.71
Funds available for expenditure at beginning of period	----------
Additional funds authorized during period (S. Res. 166, Feb. 17, 1956)	32,083.34
Total available for expenditure during period	32,083.34
Expended during period	13,713.56
Balance available for expenditure at end of period	18,369.78

JAMES O. EASTLAND,
Chairman.

PRICE DANIEL,
Subcommittee Chairman.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Joseph A. Davis	Chief clerk	$6,808.80
Francis Rosenberger	Assistant chief clerk	6,808.80
J. Carlisle Ruddy	Professional staff member.	5,857.62
Wayne H. Smithey	do	6,808.80
George S. Green	do	6,808.80
Thomas B. Collins	do	6,808.80
Robert B. Young	do	6,808.80
Robert M. Kilgore	do	5,846.23

Name	Profession	Total salary received
Mary I. Rogers	Clerical assistant	$3,278.34
Mildred E. Canon	do	3,278.34
Carrie Lee Conner	do	3,278.34
Naomi Hankins	do	3,278.34
Katharine M. Ellis	do	3,278.34
Richard F. Wambach	do	3,278.34
Costas D. Chrissos	do	3,278.34

Funds available for expenditure at beginning of period	$3,847.01
Additional funds authorized during period	----------
Total available for expenditure during period	3,847.01
Expended during period	2,091.15
Balance available for expenditure at end of period	1,755.86

JAMES O. EASTLAND,
Chairman.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

ANTITRUST AND MONOPOLY SUBCOMMITTEE

(Under authority of S. Res. 170, agreed to February 21, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Amidon, Robert H	Attorney-investigator.	$4,302.84
Arnett, Lucy V	Stenographer	2,798.78
Banner, Paul H	Economist	4,548.06
Beath, Paul R	Administrative assistant.	3,432.48
Bloch, Beate	Attorney	2,764.56
Bolton-Smith, Carlile	Attorney (from Mar. 15).	4,009.63
Burns, Joseph W	Chief counsel and staff director (to Apr. 25).	4,350.07
Burton, Irene	Stenographer	2,798.78
Chaney, Katherine Ford [1]	Stenographer (Dec. 20-31).	46.07
Clifford, George E	Attorney-investigator.	4,548.06
Cohen, Stanley L.[1]	Research assistant (Sept. 19-27).	95.52
Cobb, Julia S	Stenographer	2,798.78
DeFelice, Antoinette [2]	Stenographer (from Dec. 15, 1955).	600.40
Dye, Elaine C	Stenographer (until Feb. 29).	750.24
Friedman, Jesse J.[3]	Consultant (from Nov. 1, 1955).	9,206.04
Glasser, Robert	Attorney (from Jan. 3 to Mar. 31).	1,351.56
Green, Paul S	Hearing editor	4,737.88
Keeffe, Arthur J.[3]	Assistant counsel (from Nov. 4, 1955, until Feb. 29 and from May 28).	3,371.09
Lang, Mildred	Stenographer (until Jan. 31).	375.12
Manili, Evelyn	Stenographer (until Feb. 29).	750.24
McHugh, Donald P.[3]	Assistant counsel (to Apr. 25) and chief counsel and staff director (from Apr. 26).	9,090.64
Mecartney, Malcolm N.	Assistant counsel (until Mar. 31).	2,928.81
Milligan, Robert E	Messenger	1,942.44
Mitchell, Richard H	Investigator (from May 24).	934.88
Montier, Gladys E	Clerk	3,455.33
Neville, Gareth M	Assistant counsel	6,391.33
Olshine Lucille L	Research assistant	2,747.41
Oppenehimer, Martin.[1]	Research assistant (Sept. 16-Oct. 9).	286.56
Rosenman, Louis	Attorney	2,507.64
Ryan, Mary	Stenographer (until June 15).	2,585.53
Sanders, Paul H.[3]	Consultant (until Feb. 29).	103.57
Schwartz, Richard [1]	Research assistant (Oct. 1-10).	$136.45
Scott, Yvonne	Stenographer (from Feb. 16 to Apr. 30).	937.80
Seeley, Joseph A	Assistant counsel	6,391.33
Segal, Martin [2]	Consultant (from Oct. 2, 1955, to Mar. 31).	690.45
Sides, Wade, Jr.[3]	Research assistant (until Feb. 29).	266.09
Skeen, John R.[3]	Economist (from Nov. 1, 1955).	4,195.78
Sparks, Wilbur D	Attorney (from Feb. 16).	3,411.04
Tucker, Ernest C	Attorney-investigator.	4,049.04
Williams, Thomas C	Research employee	2,404.86
Zaiany, Emily W	Stenographer	2,353.48
Total		115,446.66

[1] W. a. e. employees paid in January or February 1956, for services as indicated.
[2] W. a. e. (when actually employed).
[3] W. a. e. until Mar. 19.

Funds available for expenditure at beginning of period	$52,874.86
Additional funds authorized during period (S. Res. 209, agreed to Feb. 8, 1956)	27,146.05
Total available for expenditure during period	80,020.85
Expended during period	64,889.72
Balance available for expenditure at end of period	15,131.13
Funds available for expenditure at beginning of period	----------
Additional funds authorized during period (S. Res. 170, agreed to Feb. 21, 1956)	207,250.00
Total available for expenditure during period	207,250.00
Expended during period	70,360.13
Balance available for expenditure at end of period	136,889.87

JAMES O. EASTLAND,
Chairman.

JOSEPH C. O'MAHONEY,
Acting Chairman of Subcommittee.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION, OPERATION, AND ENFORCEMENT OF THE INTERNAL SECURITY ACT OF 1950

(Under authority of S. Res. 58, agreed to March 18, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 174, agreed to February 20, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Arens, Richard	Associate counsel	$3,971.80
Arens, William H	Investigator	4,832.16
Baker, Dorothy C	Records manager	4,328.28
Barber, Frank D	Clerk messenger	2,105.02
Brown, James M	Legal assistant	4,646.16
Buckley, Wilburn	Investigator	5,527.67
Carpenter, Alva C	Associate counsel (to Apr. 9).	3,744.84
Dua, Bernice E	Secretary	2,507.64
Duffy, Edward R	Investigator	5,144.22
Fox, Miriam O	Confidential secretary.	3,483.84
Halleck, Charles W	Research assistant to Jan. 14).	294.94
Hutto, Ralph H., Jr	Assistant editorial director (from May 23).	1,067.18
Lowell, William E	Editorial director	6,303.48
Malaney, Elinor L	Confidential secretary.	3,483.48
Malaney, Ethel A	Stenographer (from Apr. 1).	1,382.28
Mandel, Benjamin	Research director	$6,303.48
McManus, Robert C	Investigations analyst.	6,125.16
McManus, William F	Research assistant (from Mar. 1).	2,014.28
McShan, Antoinette M.	Research assistant	3,124.20
Merow, Joan F	Clerk	2,199.36
Morris, Robert	Chief counsel (from Feb. 1).	5,674.00
Poe, Edgar A., Jr	Clerk (from June 5).	310.26
Richards, Ann E	Stenographer	2,970.06
Roberts, Marilyn H	Clerk	2,970.06
Rusher, William A	Administrative counsel (from March 6).	3,998.74
Schrider, F. Lois	Stenographer (from May 28).	440.89
Schroeder, Frank W	Chief investigator	6,125.16
Sourwine, J. G	Chief counsel (to Jan. 24), associate counsel (Jan. 25 to 31), consultant (Feb. 27 to March 5).	1,475.23
Stavropulos, Mary	Clerk	2,610.42
Tonnar, Helen H	Secretary	2,507.64
Fluegel, Edna R. (w. a. e.).	Research analyst (from May 4).	899.91
Frank, Nelson (w. a. e.).	Consultant (from March 1).	2,962.21
McManus, Mary B. (w. a. e.).	Consultant (from May 28, plus Nov. 23 to 30, Dec. 1 to 30, paid in January).	944.95
Mitchell, Jonathan (w. a. e.).	Consultant (plus Oct. 3 to 31, Nov. 1 to 15, Jan. 6 and 7, paid in January).	2,487.97
Walter, James H (w. a. e.).	Editorial assistant (from April 25).	766.18
Total		109,733.51

Funds available for expenditure at beginning of period	----------
Additional funds authorized during period by S. Res. 174, Feb. 20, 1956	$261,250.00
Total available for expenditure puring period	261,250.00
Expended during period	88,023.20
Balance available for expenditure at end of period	173,226.80
Funds available for expenditure at beginning of period (S. Res. 58, Mar. 18, 1955, and S. Res. 209, Feb. 8, 1956)	48,065.92
Additional funds authorized during period (S. Res. 209, Feb. 8, 1956)	19,726.23
Total available for expenditure during period	67,792.15
Expended during period	45,527.44
Balance at end of period	22,264.71

JAMES O EASTLAND,
Chairman.

JULY 10, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY IN THE UNITED STATES

(Under authority of S. Res. 62 and S. Res. 125, 84th Cong., 1st sess.; S. Res. 209 and S. Res. 173, 84th Cong., 2d sess.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bobo, James H	General counsel	$5,420.94
Chumbris, Peter N	Associate counsel	5,304.52
Erwin, John D	Editorial director (from Apr. 4).	853.00

See footnotes at end of table.

Name	Profession	Total salary received
Gibbons, Richard M.	Clerical assistant, files.	$2,276.41
Johnson, M. Bernadine.	Assistant counsel (from Feb. 15).	3,251.03
McGill, Elizabeth T.	Secretary	2,956.51
Mayes, Martin	Consultant (from Mar. 22).	2,085.69
Mitler, Ernest A.	Special counsel (from Feb. 15).	3,213.99
Perian, Carl L.	Research director	3,327.85
Pitt, G. Elaine	Secretary (from May 21).	465.90
Schonberger, Claude M.	Research assistant (from Apr. 1).	1,716.24
Smith, Marjorie H.	Secretary (from Feb. 27 to May 15).	920.16

Funds available for expenditure at beginning of period	$6,298.08
Additional funds authorized during period (S. Res. 209)	10,810.99
Total available for expenditure during period	17,109.07
Expended during period	9,958.40
Balance	7,150.67
Additional funds authorized during period (S. Res. 173)	55,000.00
Expended during period	29,355.38
Balance available for expenditure at end of period	25,644.62

JAMES O. EASTLAND,
Chairman.

ESTES KEFAUVER,
Subcommittee Chairman.

JULY 13, 1956.

COMMITTEE ON LABOR AND PUBLIC WELFARE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Stewart E. McClure	Staff director	$6,808.80
Roy E. James	Minority staff director (to Mar. 31).	3,404.40
Crawford C. Heerlein	Clerical assistant	3,483.84
Vivien Harman	do	3,381.12
Paul Sample	Clerical assistant (to Feb. 15).	781.05
Thelma Blankenship	Clerical assistant	3,124.20
Marjorie Whittaker	do	3,072.84
Helen Papps	do	3,072.84
Alice Price	do	2,696.03
Helyn Eagle	do	2,696.03
Lucille Gould	Clerical assistant (from June 1).	443.63
John S. Forsythe	General counsel	6,808.80
William G. Reidy	Professional staff member.	6,808.80
Michael G. Bernstein	Professional staff member (to Mar 31), minority staff director (from Apr. 1).	6,808.80
Mary DiDio	Professional staff member.	3,129.45
Frank Cantwell	Professional staff member (from June 22).	340.44

Funds available for expenditure at beginning of period	$3,234.86
Additional funds authorized during period (S. Res. 193, Feb. 16, 1956)	10,000.00
Total available for expenditure during period	13,234.86
Expended during period	6,525.27
Balance available for expenditure at end of period	6,709.59

LISTER HILL,
Chairman.

JULY 6, 1956.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

(Under authority of S. Res. 94, agreed to May 11, 1955; and S. Res. 209, agreed to February 8, 1956; and S. Res. 165, agreed to February 21, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bontecou, Eleanor (w.a.e.).	Counsel	$377.55
Caldwell, James N., Jr.	Assistant counsel	3,792.18
Carp, Richard L.	Associate counsel (from May 1).	1,332.56
Casper, Montague (w. a. e.).	Consultant	246.66
Escoe, J. Delmas	Assistant counsel (from Jan. 16).	3,077.00
Farquharson, Mary U.	Research assistant (from Jan. 17 to Jan. 21).	124.97
Ginzburg, Benjamin	Research director staff director.	5,857.62
Grieg, Lydia S.	Secretary (from Jan. 6).	2,338.06
Guilfoil, Thomas J.	Consultant (from Feb. 14 to Mar. 31).	1,777.85
Herndon, Sarah A.	Typist (from Apr. 5 to May 1).	460.00
Hocker, Lon (w.a.e.)	Special hearings counsel (to Jan. 31).	429.49
Irwin, Mary A.	Legislative consultant (from April 1925).	1,465.81
Lopes, Nicholas F.	Associate counsel (from Feb. 1)	
McNaughton, Marcia J.	Typist (from June 13).	147.86
Parks, Wallace J.	Consultant (Apr. 1 to May 7).	1,399.58
Patton, William D.	Assistant counsel	3,124.21
Raymond, Allen	Consultant (from Jan. 16).	4,592.94
Simmons, Belva T.	Secretary	2,404.86
Smith, Francis	Chief counsel (from May 2).	2,231.78
Williams, Jane E.	Secretary	1,977.33

Funds available for expenditure at beginning of period	$16,179.37
Additional funds authorized during period (S. Res. 209)	10,534.15
Total available for expenditure during period	26,713.52
Expended during period	16,993.59
Balance	9,719.93
Additional funds authorized during period (S. Res. 165)	91,666.67
Expended during period	30,261.23
Balance available for expenditure at end of period	61,405.44

JAMES O. EASTLAND,
Chairman.

THOS. C. HENNINGS, Jr.,
Subcommittee Chairman.

JULY 13, 1956.

COMMITTEE ON LABOR AND PUBLIC WELFARE

SUBCOMMITTEE ON WELFARE AND PENSION FUNDS

(Under authority of S. Res. 40, agreed to February 21, 1955, as amended)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to April 15, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Abbott, Thelma W.	Clerk-stenographer (to Feb. 15).	$562.68
Cantwell, Frank V.	Professional staff member (to Feb. 13).	1,626.54
Cerick, Ruth Aull	Secretary-editor (to Apr. 15).	1,822.45
Cotter, Paul J.	Chief counsel (to Apr. 15).	3,971.80
Dunne, Robert E.	Investigator (to Feb. 7).	1,078.96
Gilmore, Scally	Clerk-stenographer (to Feb. 7).	536.58
Imle, Albert R.	Investigator (to Jan. 22).	721.38
Irwin, Mary A.	Chief clerk (to Apr. 15).	2,212.09
Kuhl, Arthur M.	Investigator (to Feb. 7).	944.96
Lentz, Marcette A.	Clerk-stenographer (to Feb. 7).	441.52
Litwin, Genevieve	Clerk-stenographer (to Mar. 16).	1,432.78
Maska, Edwin C.	Investigator (to Feb. 7).	621.07
McTigue, James J.	Consultant (to Feb. 7).	1,399.58
Plant, Francis X.	Chief investigator (to Apr. 15).	3,971.80
Reed, Louis S.	Director of research (to Jan. 31).	1,134.80
Suss, Fredric T.	Investigator (to Jan. 31).	901.96
Turner, Blake E.	Investigator (to Apr. 15).	3,442.95
Cella, Alexander J.	Consultant (Dec. 7-29; paid February).	554.99
Hahesy, Edmund C.	do	616.66
MacIntyre, Duncan M.	Consultant (to Jan. 31).	945.55
Yoke, F. Roy, Sr.	Consultant (Dec. 9-28; paid February).	233.87

Funds available for expenditure at beginning of period	$37,399.04
Additional funds authorized during period (S. Res. 232, agreed to Mar. 19, 1956)	10,000.00
Total available for expenditure during period	47,399.04
Expended during period	41,651.18
Balance at end of period	5,747.86

LISTER HILL,
Chairman.

JULY 12, 1956.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Brawley, H. W.	Chief clerk	$7,399.98
Kerlin, J. Don	Professional staff member.	6,808.80
Johnson, Robert W.	do	7,150.62
Faucette, Andrew McC.	do	6,808.80
Finzel, Hubert H.	do	6,808.80
Bobo, Virginia	Assistant chief clerk	3,483.84
Sisk, Elizabeth R.	Assistant clerk [1]	3,072.84
Donovan, Winifred J.	Clerical assistant	2,764.56
McDonald, Innis E.	do	2,867.28
McElroy, Marty	do	2,764.56
McInroy, Joan M.	do	3,072.84

[1] Under authority of S. Res. 25, agreed to Feb. 4, 1955 and S. Res. 164, agreed to Feb. 8, 1956.

Funds available for expenditure at beginning of period	$3,364.17
Additional funds authorized during period	
Total available for expenditure during period	3,364.17
Expended during period	3,318.92
Balance available for expenditure at end of period	45.25

OLIN D. JOHNSTON,
Chairman.

JULY 12, 1956.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

SUBCOMMITTEE ON GOVERNMENT EMPLOYEES' SECURITY PROGRAM

(Under authority of S. Res. 20, agreed to February 21, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 154, agreed to February 20, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Allmendinger, Ina L.	Clerical assistant (from Mar. 1 to 15).	$277.47
Chadwick, Thomas W.	Investigator (to Apr. 20).	2,414.47
Cole, Raymond C., Jr.	Junior inspector (to Mar. 25).	1,815.00
French, Millard F.	Attorney-Investigator (to Feb. 29).	1,499.68
Gillette, Guy M.	Special counsel	6,424.80
Hadlick, Paul E.	Assistant attorney	5,010.48
Humphrey, David J.	Investigator	3,843.54
Johnson, Claudine B.	Clerical assistant (from Feb. 1).	1,961.25
Sargent, Polly	Clerk (to Jan. 4)	55.72
Slear, John K.	Senior inspector	2,185.14
Wilder, Roy E., Jr.	Professional staff member (to Mar. 25).	1,815.00
Edens, Henry H.	Special consultant (per diem).	246.66
Watson, James R.	Special consultant (per diem, to Mar. 31).	2,754.42

Funds available for expenditure at beginning of period (S. Res. 20 and S. Res. 209)	$49,407.86
Additional funds authorized during period	7,608.71
Total available for expenditure during period	57,016.57
Expended during period	16,020.68
Balance	40,995.89
Funds available for expenditure at beginning of period (S. Res. 154)	----------
Additional funds authorized during period	40,833.34
Total available for expenditure during period	40,833.34
Expended during period	17,579.96
Balance available for expenditure at end of period	23,253.38

OLIN D. JOHNSTON,
Chairman.

JULY 12, 1956.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

INVESTIGATION OF THE CIVIL SERVICE COMMISSION AND THE POST OFFICE DEPARTMENT

(Under authority of S. Res. 33, agreed to May 11, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 153, agreed to February 20, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Allmendinger, Ina L.	Clerical assistant (to Feb. 29).	$1,109.90
Banghart, Abigail	Clerical assistant (from Feb. 6).	1,854.46
Bryan, Louis C.	Investigator	4,049.04
Fitzgerald, Frances K.	Clerical assistant (from Mar. 5).	$2,112.71
Gooselaw, Jay E.	Clerical assistant (from Apr. 1).	1,176.75
Johnson, Claudine B.	Clerical assistant (to Jan. 31).	392.25
Miller, William W.	Investigator	4,646.16
Thornton, Peggy L.	Clerical assistant	2,327.81
Walters, William R.	Junior investigator	3,843.54
Wenner, Faye M.	Clerical assistant	2,199.36
Watson, James R.	Special consultant (per diem from Apr. 1).	1,233.33
Andersen, Albert M.	Consultant (per diem from Mar. 12).	11.37
Bostian, Carey H.	do	11.37
Fuller, Walter D.	do	7.58
Gaines, Pendleton	do	11.37
Osthagen, Clarence H.	Consultant (per diem from May 1).	7.58
Pierce, Lovick	Consultant (per diem from Mar. 12).	11.37
Robb, Eugene	do	11.37

(S. Res. 33 and S. Res. 209)

Funds available for expenditure at beginning of period	$51,929.23
Additional funds authorized during period	3,794.18
Total available for expenditure during period	55,723.41
Expended during period	7,028.82
Balance	48,694.59

(S. Res. 153)

Funds available for expenditure at beginning of period	----------
Additional funds authorized during period	68,750.00
Total available for expenditure during period	68,750.00
Expended during period	24,571.88
Balance available for expenditure at end of period	44,178.12

OLIN D. JOHNSTON,
Chairman.

JUNE 30, 1956.

COMMITTEE ON PUBLIC WORKS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Theo W. Sneed	Professional staff member.	$6,303.48
John L. Mutz	do	6,303.48
Frances Ortiz	do	6,303.48
Dennis Chavez, Jr.	Professional staff member (from Feb. 20).	5,204.06
Filo M. Sedillo	Chief clerk	7,399.98
Charles N. Kapnic	Assistant chief clerk	6,303.48
Eloise Porter	Clerical assistant	3,483.84
Frances T. Clark	do	3,483.84
Thomas F. Fox	do	3,226.98
Ercilia E. Martinez	do	2,918.70

Funds available for expenditure at beginning of period	$1,395.24
Additional funds authorized during period	----------
Total available for expenditure during period	1,395.24
Expended during period	653.59
Balance available for expenditure at end of period	741.65

DENNIS CHAVEZ,
Chairman.

JUNE 30, 1956.

COMMITTEE ON PUBLIC WORKS

INVESTIGATIONS SUBCOMMITTEE

(Under authority of S. Res. 70, agreed to March 18, 1955; S. Res. 209, agreed to February 8, 1956; and as amended by S. Res. 159, agreed to February 17, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Lee J. Bazan	Clerk (from June 9)	$117.58

Funds available for expenditure at beginning of period	$98,677.82
Additional funds authorized during period, S. Res. 209	746.63
Reduction in available funds by S. Res. 159, agreed to Feb. 17, 1956	(55,000.00)
Total available for expenditure during period	44,424.45
Expended during period	1,261.03
Balance at end of period	43,163.42
Funds available for expenditure at beginning of period	----------
Funds authorized during period by S. Res. 159	55,000.00
Total available for expenditure during period	55,000.00
Expended during period	1,495.53
Balance available for expenditure at end of period	53,504.47

DENNIS CHAVEZ,
Chairman.

JULY 10, 1956.

COMMITTEE ON RULES AND ADMINISTRATION

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Harrison, Gordon F.	Chief clerk	$7,399.98
St. Claire, Darrell	Professional staff member.	7,150.62
McCain, Robert S.	do	4,784.18
Ryan, Charles H.	Assistant chief clerk	3,483.84
Moore, Marian G.	Clerical assistant	3,483.84
Gavin, B. Floye	do	3,483.84
Mitchell, Elizabeth S.	do	3,072.84
Greene, Eleanor L.	do	2,713.14
Total		35,572.28

Funds available for expenditure at beginning of period	$9,669.06
Additional funds authorized during period	----------
Total available for expenditure during period	9,669.06
Expended during period	10.00
Balance available for expenditure at end of period	9,659.06

THEODORE FRANCIS GREEN,
Chairman.

JULY 10, 1956.

COMMITTEE ON RULES AND ADMINISTRATION
SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Mase, Sadi J	Consultant	$5,233.44
Duffy, James H	Counsel	5,099.64
Jacobsen, Sue P	Clerical assistant (to Feb. 15, 1956).	678.28
Edmonds, Sadie E	Clerical assistant (to Feb. 29, 1956) (from Jan. 15 to Apr. 15, 1956).	339.32
Caruthers, Gloria	Clerical assistant (from Apr. 16, 1956).	1,215.78
Clark, Alice	Clerical assistant	1,130.47
Total		13,696.93

Funds available for expenditure at beginning of period	$17,100.76
Additional funds authorized during period (S. Res. 176, Feb. 17, 1956)	50,000.00
Total available for expenditure during period	67,100.76
Expended during period	13,865.24
Balance available for expenditure at end of period	53,235.52

THEODORE FRANCIS GREEN,
Chairman.

JULY 10, 1956.

SELECT COMMITTEE FOR CONTRIBUTION INVESTIGATION

(Pursuant to authority of S. Res. 205, agreed to February 7, 1956, as extended by S. Res. 218 and S. Res. 227 to March 31, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 6, 1956, to March 31, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Clark, Alice	Chief clerk (from Mar. 9 to Mar. 31).	$413.24
Collier, Robert A	Assistant counsel (from Feb. 14 to Mar. 31).	1,932.21
Steadman, Charles W	Counsel (from Feb. 8 to Mar. 31).	2,105.46
Whalen, Loree V	Secretary (from Feb. 14 to Mar. 31).	587.68
		5,038.59

Funds available for expenditure at beginning of period (S. Res. 205, Feb. 7, 1956)	$10,000.00
Additional funds authorized during period (S. Res. 227, Mar. 9, 1956)	10,000.00
Total available for expenditure during period	20,000.00
Expended during period	10,942.86
Balance at end of period	9,057.14

WALTER F. GEORGE,
Chairman.

JULY 15, 1956.

SENATE SPECIAL COMMITTEE TO INVESTIGATE POLITICAL ACTIVITIES, LOBBYING, AND CAMPAIGN CONTRIBUTIONS

(Established pursuant to S. Res. 219, agreed to February 22, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 22, 1956, to June 30, 1956, together with the funds available to and expended by it:

Name	Profession	Total salary received
G. Robert Blackburn	Research analyst (from May 4).	$198.49
Dickinson, Arthur B	Investigator (from June 4).	682.21
Dolan, Joseph F	Assistant counsel (from Apr. 17 to June 30).	2,059.86
Fay, George Morris	Counsel (from May 1).	2,466.66
Healey, John S	Investigator (from Apr. 30).	1,788.66
Kamerick, Paul E	Chief investigator (from May 1).	2,269.60
Lockwood, John F	Investigator (from Apr. 30).	1,524.67
McConnell, Vivien I	Chief clerk (from Apr. 16).	1,408.80
McGovern, John J	Associate counsel (from Apr. 25).	2,496.56
Neuland, Joanne C	Clerical assistant (from Apr. 17).	1,136.54
Ryan, Mary	Clerical assistant (from June 16).	230.37
Scott, Yvonne	Clerical assistant (from May 1).	921.52
Shea, Mary D	Clerical assistant (from Apr. 30).	936.87
Weber, Abraham K	Assistant counsel (from Apr. 25).	2,213.19
Wilber, Georgia H	Clerical assistant (from Apr. 17).	1,052.03

Funds available for expenditure at beginning of period	$350,000.00
Additional funds authorized during period	----------
Total available for expenditure during period	350,000.00
Expended during period	23,535.60
Balance available for expenditure at end of period	326,464.40

JOHN L. MCCLELLAN,
Chairman.

JULY 3, 1956.

SELECT COMMITTEE ON SMALL BUSINESS

(Pursuant to S. Res. 103, agreed to June 21, 1955; S. Res. 209, agreed to February 8, 1956; and S. Res. 175, agreed to February 20, 1956)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Adams, Walter	Professional staff member (Jan. 1 to Feb. 11 and from June 20).	$1,790.95
Alford, William C	Clerk-messenger (from Feb. 10).	1,441.07
Burwell, Rose M	Clerical assistant (from June 27).	45.44
Creech, William A	Professional staff member.	4,253.82
Dye, Elaine C	Clerical assistant (from Mar. 3).	1,475.47
Flynn, John J	Professional staff member.	$4,253.82
Foulke, Roy E	do	4,253.82
Hendry, James B	Professional staff member (from June 22).	212.69
McMillan, Samuel M	Professional staff member (from Feb. 27–Apr. 3) (May 22–27 and June 4–13).	2,004.80
Mund, Vernon A	Professional staff member (Jan. 1–31).	1,006.00
Noone, Charles M	Professional staff member (from Mar. 1).	4,539.20
Ryan, Nell F	Clerical assistant (to June 20).	2,192.48
Weadock, Robert L	Professional staff member.	4,499.04
Total		31,968.60

S. Res. 103 and S. Res. 209

Funds available for expenditure at beginning of period	$26,485.26
Additional funds authorized during period authorized by S. Res. 209	7,529.41
Total available for expenditure during period	34,014.67
Expended during period	14,125.48
Balance	19,889.19

S. Res. 175, agreed to Feb. 20, 1956

Funds available for expenditure at beginning of period	----------
Additional funds authorized during period (S. Res. 175)	82,500.00
Total available for expenditure during period	82,500.00
Expended during period	23,081.20
Balance available for expenditure at end of period	59,418.80

JOHN SPARKMAN,
Chairman.

JULY 3, 1956.

SELECT COMMITTEE ON SMALL BUSINESS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1956, to June 30, 1956, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Amis, William D	Professional staff member.	$5,411.76
Byrne, Elizabeth A	Clerical assistant	3,175.56
Jehle, Philip F	Assistant chief clerk	5,010.48
Lasky, Sara Betty	Clerical assistant	2,456.22
Novak, Gertrude C	do	2,4.6.22
O'Connor, Blake	Professional staff member.	5,411.76
Odom, Lewis G., Jr	do	7,150.62
Ruppert, Minna L	Chief clerk	5,188.80
Ryan, Nell F	Clerical assistant (from June 21).	130.75
Stults, Walter S	Professional staff member.	7,399.98
Tuttle, Carolyn L	Clerical assistant (to June 20).	2,209.67
Total		46,001.82

Funds available for expenditure at beginning of period	$7,707.52
Additional funds authorized during period	----------
Total available for expenditure during period	7,707.52
Expended during period	1,469.99
Balance available for expenditure at end of period	6,237.53

JOHN SPARKMAN,
Chairman.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports were submitted:

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

Seventy-seven postmasters.

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

Marling J. Ankeny, of Maryland, to be Director of the Bureau of Mines, vice John J. Forbes, resigned.

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

George Henry Coppers, of New Jersey; Karl Douglas Butler, of New York; Charles R. Sayre, of Mississippi; Frank J. Welch, of Kentucky; and J. Leroy Welsh, of Nebraska, to be members of the Commission on Increased Industrial Use of Agricultural Products.

By Mr. GEORGE, from the Committee on Foreign Relations, without reservation:

Executive J, 84th Congress, 2d session, a convention between the United States of America and the French Republic, signed at Washington on June 22, 1956, supplementing the conventions of July 25, 1939, and October 18, 1946, relating to the avoidance of double taxation, as modified and supplemented by the protocol of May 17, 1948 (Ex. Rept. No. 10); and

Executive K, 84th Congress, 2d session, a convention between the United States of America and the Republic of Honduras for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on June 25, 1956 (Ex. Rept. No. 10).

BILLS INTRODUCED

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

By Mr. CAPEHART:

S. 4237. A bill for the relief of Fuyuzo Yamaguchi; to the Committee on the Judiciary.

By Mr. THYE:

S. 4238. A bill to waive the $1,000 limitation of the authority of the Secretary of the Air Force and the Secretary of the Navy in the settlement of claims arising out of the crash of a United States Air Force aircraft and a United States Navy aircraft near Wold-Chamberlain Air Field, Minneapolis, Minn., on June 5, 1956 and June 9, 1956, respectively; to the Committee on the Judiciary.

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

By Mr. KENNEDY:

S. 4239. A bill for the relief of Maria Naldo; to the Committee on the Judiciary.

By Mr. HUMPHREY of Minnesota:

S. 4240. A bill to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Regents of the Smithsonian Institution for use in housing the National Collection of Fine Arts and a National Portrait Gallery, to provide for the international interchange of art and craft works, and for other purposes; to the Committee on Rules and Administration.

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

By Mr. LANGER:

S. 4241. A bill for the relief of Miss Alstje J. Van Dyken; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 4242. A bill to apportion more equitably between the State of South Dakota and the Federal Government the cost of providing aid and assistance under titles I, IV, X, and XIV of the Social Security Act to Indians residing in such State on reservations or on allotted or trust lands; to the Committee on Finance.

By Mr. CLEMENTS:

S. 4243. A bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; placed on the calendar.

(See reference to above bill which appears under the heading "Reports of Committees.")

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 4244. A bill to authorize the Secretary of the Interior to enter into and to execute an amendatory contract with the Northport Irrigation District, Nebraska; to the Committee on Interior and Insular Affairs.

RESOLUTION

The following resolution was reported and placed on the calendar:

By Mr. HUMPHREY of Minnesota:

S. Res. 316. Resolution favoring the establishment of an International Food and Raw Materials Reserve, which was placed on the calendar.

(See resolution printed in full when reported by Mr. HUMPHREY of Minnesota, from the Committee on Foreign Relations, which appears under the heading "Reports of Committees.")

WAIVER OF LIMITATION ON AUTHORITY TO SETTLE CERTAIN CLAIMS FOR DAMAGES CAUSED BY AIRCRAFT DISASTERS AT MINNEAPOLIS, MINN.

Mr. THYE. Mr. President, a House committee has today approved a bill introduced by Representative WALTER JUDD, of Minnesota, which would lift the $1,000 limitation which is now imposed upon the Navy relative to any claim settlement.

Two aircraft accidents recently occurred at the Wold-Chamberlain Airport, in Minneapolis, Minn. The first involved an Air Force plane; the second, which occurred a week later, involved a Navy plane.

The bill introduced by Representative JUDD listed only the $1,000 limitation on the Navy. Therefore, the Air Force could not make settlement of its liability growing out of the accident, in which a plane struck an automobile, killing a mother and her daughter. It is for that reason that I am introducing a bill.

I had previously introduced two bills endeavoring to provide for claims such as these. The first bill, S. 4140, related to the Navy claim, and was dated June 29, 1956. My other bill, S. 4165, introduced on July 3, related to the Air Force claim.

In view of the fact that the House committee has unanimously approved Representative JUDD's bill, and in view of the fact that the House may take action on it today, and the House bill will then come to the Senate, I am introducing, for appropriate reference, an identical companion bill to the House bill, which provides for the addition of the Air Force and lifts the limitation of $1,000 on the Air Force.

I also have an amendment I propose to submit if and when the Senate receives the House bill, so as to expedite the opportunity of the Navy to settle its claim or the Air Force to settle its claim within the course of this year, rather than to have to wait until the next session of Congress in order to effect the settlement of the claim.

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

The bill (S. 4238) to waive the $1,000 limitation on the authority of the Secretary of the Air Force and the Secretary of the Navy in the settlement of claims arising out of the crash of a United States Air Force aircraft and a United States Navy aircraft near Wold-Chamberlain Air Field, Minneapolis, Minn., on June 5, 1956, and June 9, 1956, respectively, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. THYE. Mr. President, I ask unanimous consent that a telegram I have received from the naval air station at Minneapolis be printed in the body of the RECORD as a part of my remarks, because it gives information with respect to the liability of the Navy. The Navy says that the approximate amount of the claim which will be presented to the Navy Department is $203,407.

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

WASHINGTON, D. C., *July 18, 1956.*

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

Regarding the naval aircraft crash of June 9, 1956, at Minneapolis, Minn., from the investigation and conferences with claimants and their attorneys to date it is estimated the claims exceeding $1,000 that will be presented to Navy Department total approximately $203,407 are as set forth below:

Hazel Carlson, 5824 46th Avenue South, for loss of all personal property, loss of wages, cost of medical treatment, $5,200.

Harold Clark and Helen Clark, husband and wife, for loss of a son, Stephen Clark, age 6, Veterans' Administration hospital charges and funeral expenses, $11,100.

Donald P. De Wolfe and Rosemary De Wolfe, 5816 46th Avenue South, husband and wife, for loss of a daughter, complete loss of home, complete loss of personal property, medical expense and funeral expense for daughter, $30,000.

Estate of John D. Garies and Jane Garies, husband and wife, formerly of 5820 46th Avenue South, for complete loss of home, complete loss of personal property, funeral expenses for each and for their two children, $21,500.

Joel Garies, age 11, son of John D. Garies, and Jane Garies, for loss of both parents and both brothers, aged 6 and 2, $41,000.

Kenneth and Helen Greening, 5800 46th Avenue South, husband and wife, for loss of daughter, Lynn, age 6, medical expense for deceased child as well as for injured child, real property damage, funeral expenses, loss of wages (this is excluding the claim of the injured minor child, Bradley, age 3, for pain and possible permanent scarring resulting from burns which cannot be evaluated at this time), $11,600.

Vincent O. and Doris Kiefer, 5812 46th Avenue South, husband and wife, for loss of all three children, Cassandra, age 5, Jennifer, age 3, and Jeffrey, age 7, for complete loss of personal property, Veterans' Administration hospital charges for children as well as parents, loss of wages, funeral expenses, $55,000.

Deborah St. Julien, age 6, daughter of Mr. and Mrs. Francis St. Julien, 5804 46th Avenue South, for personal injuries with possible permanent scarring cannot be evaluated at this time. It appears that claim of parents for real property damage and medical expenses for daughter will not exceed, $1,000.

Mrs. Esther Uhl, 5832 46th Avenue South, owner of property at 5824 46th Avenue South, for complete loss of real property and loss of furniture and furnishings, $15,000.

James C. Wolff and Lucille M. Wolff, 5808 46th Avenue South, husband and wife, for reparable damage to home, loss of or damage to personal property, for medical and hospital expense for treatment of daughter, Mary Jane, age 2, and son, age 3, $12,007.03 (this excludes claim for injuries of minor daughter, Mary Jane, which cannot be evaluated at this time).

NAVAL AIR STATION.

MINNEAPOLIS.

NATIONAL COLLECTION OF FINE ARTS AND A NATIONAL PORTRAIT GALLERY

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

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

Mr. HUMPHREY of Minnesota. Mr. President, today I am introducing, for appropriate reference, a companion bill to the bill (H. R. 12175) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Regents of the Smithsonian Institution for use in housing the national collection of fine arts and a National Portrait Gallery, to provide for the international interchange of art and craft works, and for other purposes, introduced by Representative THOMPSON of New Jersey.

I recognize, of course, in introducing a bill at this late hour in the session it means that in all probability no action will be taken on it this year. However, I do introduce the bill today for study and consideration, and I will, of course, reintroduce it in the next session of Congress if no action is taken on it during the present session.

In large part this bill is a testimonial to his energetic and persistent efforts to remind us of the cultural and artistic values of American life. This is a contribution of the greatest importance these days when we are constantly preoccupied with questions of a military, economic, and political nature. I am proud to have sponsored in the Senate S. 3116 which provides a more stable base for the administration of the President's Emergency Fund in sponsoring cultural events abroad as well as international trade fair exhibits.

Most people desire to preserve their nation's artistic heritage, and to maintain a cultural atmosphere in which the creativity of their artists and craftsmen can continue to flourish. This bill is designed to provide adequate facilities for the maintenance, protection and exhibition of the already extensive collection of fine arts and crafts held by the Smithsonian Institution.

Mr. President, the proposed legislation would also dovetail with previous proposals for a wider cultural exchange on all levels between America and the other nations of the world. Increased understanding among people of diverse national backgrounds is of new and tremendous importance to us in the present ideological battle for men's minds. This program is something we should undertake on its own merits. But its importance to the conduct of our foreign policy is undeniably an important byproduct. It is essential that we exploit imaginative methods of bringing to hundreds of millions of people a fuller picture of our way of life, including our cultural and artistic achievements.

SUMMARY OF THE BILL

Under this bill, the present Civil Service Commission Building would be transferred to the Regents of the Smithsonian Institution to provide for the storage and exhibition of the National Collection of Fine Arts, the portraits of eminent American men and women, and the growing collection of arts and crafts. This transfer received the enthusiastic approval last month of the General Services Administration for architectural and governmental economy reasons. I ask unanimous consent to have printed at this point in my remarks a June 1 press release of the Office of Public Information and reports of the General Services Administration.

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

The Government is planning to preserve the old Patent Office, one of the National Capital's finest architectural landmarks, first as an office building and later for use as a National Portrait Gallery.

The new plans were announced jointly today by Dr. David E. Finley, Chairman of the Commission of Fine Arts; Dr. Leonard Carmichael, Secretary of the Smithsonian Institution, and Franklin G. Floete, Administrator of General Services Administration.

The plans have been recommended to Congress in a formal report on a pending bill (H. R. 4841) which would authorize GSA to dispose of the building and its site for the construction of a privately owned parking building. Legislation to this end has been before both the 83d and 84th Congresses, and GSA had earlier favored its enactment as a means of providing off-street parking to alleviate a critical need for parking space.

The building, designed by Robert Mills, who also was the architect of the Treasury Building and the Washington Monument, is located on F Street between Seventh and Ninth Streets NW.

In the new report, submitted by Mr. Floete, GSA has recommended retention of the building and its eventual use by the Smithsonian Institution as a gallery of American portraiture. According to this recommendation, the historic building, now occupied by the Civil Service Commission, would continue in office use while the temporary office buildings on the Mall are being torn down.

The report was transmitted to Congressman CHARLES A. BUCKLEY, chairman of the Committee on Public Works of the House of Representatives. The committee is currently considering H. R. 4841.

The report pointed out that this building could readily be converted for use as a Portrait Gallery. The report noted that this is in accord with the views of Dr. Finley and the other members of the Commission of Fine Arts. This also meets with the enthusiastic approval of Dr. Carmichael of the Smithsonian Institution, who welcomes the use of this historic building as a National Portrait Gallery.

The GSA report continued:

"If this building is retained indefinitely as an office building, it will be necessary to expend a large sum to place it in modern condition. Moreover, at the completion of this work the building would still remain inefficient as an office building. The ceilings are high. Many of the partitions are load-bearing and are not readily removable without structural reinforcement. These factors make it difficult to provide suitable office space.

"We believe that the high ceilings which are a detriment in providing an efficient office layout would enhance this structure as a Portrait Gallery. Although it will require considerable funds to renovate the building for this use, it should be far less costly than modernizing it for continued office use.

"The old Patent Office Building, now called the Civil Service Building, is one of the architectural landmarks of the National Capital. It was planned and designed in the administration of President Andrew Jackson by the eminent Architect Robert Mills. It is looked upon by professionals as an excellent example of pure Greek architecture.

"For the reasons stated, we desire to withdraw our recommendation favoring the enactment of H. R. 4841. In lieu thereof we recommend that the Civil Service Building be continued for office use until the program for demolition of temporary buildings in the Mall area is substantially completed and that the building then be made available to the Smithsonian Institution for use as a Portrait Gallery."

The report concluded with the information that "the Bureau of the Budget has advised that there is no objection to" its submission.

"There is a great need for a National Portrait Gallery in Washington," Dr. Finley stated. "Many portraits of important historical personages are now being held by the trustees of the National Gallery of Art for permanent display in a National Portrait Gallery. The Smithsonian Institution also has a collection of nationally important portraits which cannot at the present time be adequately displayed. In addition, there are numbers of portraits of persons who should be represented in a National Portrait Gallery, now in the hands of private collectors, which might become available if a suitable building is provided.

"The usefulness of a gallery of this kind has long been demonstrated by the National Portrait Gallery in London with its famous collection of portraits of persons who have contributed to the making of British history. A gallery of this kind in Washington should have great influence in fostering patriotism and in educating the coming generation in a knowledge of American history."

Mr. HUMPHREY of Minnesota. Mr. President, the bill recognizes that this National Museum of American Arts and Crafts, which would include a National Portrait Gallery, should benefit by the Joint Resolution of May 17, 1938. This resolution authorized the Smithsonian Board of Regents to solicit and receive private donations of works of art and crafts, to purchase works of contemporary artists and craftsmen, and to place such works on exhibition in art gallaries and museums throughout the United States. Several minor amendments to this joint resolution, which authorized the construction and administration of

the Smithsonian Gallery of Art, are contained in this bill.

The bill also creates an advisory board consisting of 21 members appointed by the Regents to consult and give advice to the Regents in carrying out the provisions of this act. The members of this Board are to be chosen from among private American citizens who are recognized for their knowledge and interest in one or more of the arts and crafts, and are to serve a term of 6 years.

Mr. President, provisions of the bill call for the transfer of the present program of art exhibitions carried on by the United States Information Agency to the Smithsonian Traveling Exhibition Service with the stipulation that an attempt be made to coordinate all art exhibition activities of the various Federal agencies. The bill provides for a two-way exchange with American exhibits traveling abroad, and those of other countries coming to museums and display centers in the United States.

Section 7 of the bill provides for the annual awarding of 10 scholarships and graduate fellowships to citizens of the United States for study in American arts and crafts. The Regents are authorized to publish information relating to the arts and crafts, and to finish the compilation and publication of an Index of American Design as a record of the arts and crafts of the United States. Under the bill, the Regents are asked to stimulate research and pilot programs, and arts and crafts programs in museums and art galleries throughout the United States.

Mr. President, I introduce this bill at this time fully aware that little concrete action can be taken on it in the remaining few days of the session. I believe that the long-run implications and results of this bill will be of real benefit to all Americans in many ways. I certainly hope that thoughtful consideration and study of the provisions of this bill by all interested parties will be undertaken during coming months so that the Senate can proceed rapidly on this measure in the 85th Congress.

Mr. President, I ask unanimous consent that the draft of my bill be printed in the RECORD.

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

Be it enacted, etc.,

STATEMENT OF FINDINGS

SECTION 1. The Congress hereby finds and declares that—

(1) the growth and flourishing of the arts and crafts depend upon freedom, imagination, and individual initiative;

(2) the encouragement of creative activity in the performance and practice of the arts and crafts, and of a widespread participation in and appreciation of the arts and crafts, is essential to the general welfare and the national interest;

(3) the encouragement of the arts and crafts, while primarily a matter for private and local initiative, is an appropriate matter of concern to the United States Government;

(4) as work days shorten and life expectancy lengthens, the arts and crafts will play an increasingly important role in the lives of our citizens;

(5) Amercia is proud not only of its material achievements but also of its artists and craftsmen and its cultural achievements. We know that in this country where everyone is an immigrant or the descendant of an immigrant there is no one pattern of culture. There are, rather, a number of patterns of culture and we are proud of our cultural pluralism, for it has contributed to the richness and variety of the tapestry that is America, a country of multiple cultures;

(6) in the advancement of the various activities which will make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and crafts and other cultural activities;

(7) there is an important principle—the principle that freedom of the arts and crafts is a basic freedom, one of the pillars of liberty in our land—which we should ever keep in mind, since this is one of the areas in which we differ most markedly from the Communist countries;

(8) in order to promote the arts and crafts in the United States, the National Collection of Fine Arts should maintain a high standard among the art and craft works in its collection and should use its collection to promote the cultural life of communities in all parts of the country; in building and using its collection, the National Collection of Fine Arts should strive, through recognition of all that is essentially indigenous in the work of our artists and craftsmen, to promote understanding of American arts and crafts and to bring them into a closer relationship with the life of the community;

(9) the National Collection of Fine Arts should be given funds with which to purchase, annually, works of contemporary artists and craftsmen from which it should organize continually changing exhibitions; and it should (A) extend these resources to benefit all parts of the country, making the works of art and crafts in its possession available through traveling exhibitions, (B) plan an integrated program, educational in the broadest sense, (C) furnish schools, libraries, community groups, museums, art galleries, and art centers with a wide variety of examples of painting, sculpture, architecture and allied arts, graphic arts, the crafts, motion pictures and still photography, (D) bring out publications on these subjects, both of a popular and of a scholarly nature, and (E) publish guides, pamphlets, color reproductions, and educational hand books;

(10) the Director of the National Collection of Fine Arts should seek competent professional advice from societies of artists and craftsmen and recognized galleries and museums of arts and crafts in the formulation of its program;

(11) sufficient space is not now available to show even the present collection to advantage, and an enlargement of the facilities available for the National Collection of Fine Arts is a matter of the utmost urgency; the present collection should form the nucleous of a large and useful museum of contemporary arts and crafts (and particularly American arts and crafts), with the chief function of the National Collection of Fine Arts being the formulation and administration of a program of activities rather than the guardianship of collections, important as that may be;

(12) while the National Gallery of Art (which is almost entirely devoted to the work of great artists of other countries over many centuries) is one of the leading cultural monuments in the Western World and the Congress appropriates more than a million dollars a year to maintain it, there is no home for the still more significant century-old National Collection of Fine Arts and no discernible efforts are being made to carry out the important program to advance American art authorized by the joint resolution of May 17, 1938; and it is therefore singularly fitting to house this great collection, which is now inadequately housed in the already overcrowded natural history building, in an historic building representative of a great period in American architecture; and

(13) the exchange of exhibitions of the arts and crafts strengthens immeasurably the ties which unite us with other nations by demonstrating the cultural interests, developments, and achievements of the people of the United States and of other countries, and the contributions being made by the United States economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world; important contributions are thereby made toward the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world.

STATEMENT OF POLICY AND PURPOSE

SEC. 2. It is therefore declared to be the policy of the Congress and the purpose of this act—

(1) to preserve and exhibit the finest examples of work in all of the arts and crafts, and to encourage the further growth and development of the arts and crafts, in all parts of the United States and its Territories and possessions including Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and Samoa (in this act referred to as the "United States");

(2) to provide for the exhibition of the National Collection of Fine Arts, the portraits of eminent American men and women, and the growing collection of arts and crafts, in accordance with the best practices of the world's leading museums, giving particular emphasis and attention to exhibiting the collections in settings depicting the various sections of the United States and the periods of time which they represent; and

(3) to exhibit the works of artists and craftsmen of the United States who are deserving of recognition, and to present exhibitions of the best art and craft works of the peoples of other countries on an exchange basis in order to promote understanding of common cultural experiences and encourage the appreciation and creation of arts and crafts in this country and abroad, thereby advancing international understanding and the cause of peace.

TRANSFER OF BUILDING FOR USE BY NATIONAL COLLECTION OF FINE ARTS AND PORTRAIT GALLERY

SEC. 3. (a) The Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets Northwest in the District of Columbia, to the Regents of the Smithsonian Institution (hereinafter in this act referred to as the "Regents") without reimbursement, for use as the National Museum of American Arts and Crafts (hereinafter in this act referred to as the "Museum") and as the permanent home of the National Collection of Fine Arts, including a National Portrait Gallery for the display of the portraits of eminent American men and women. The Regents shall exhibit in the Museum the works of artists and craftsmen deserving of recognition.

(b) The transfer provided for by subsection (a) shall be made at such time as the Administrator of General Services determines that the use of the building by the Federal Government for office purposes is no longer essential to the carrying out of an orderly program for the demolition of temporary buildings in the Mall area; but in any event such transfer shall be made within years after the date of the enactment of this act.

(c) The Administrator of General Services, in consultation with the Regents, is authorized to enter into such contracts and take such other action as may be necessary to carry out this section.

(d) The Director of the National Collection of Fine Arts shall also be the Director of the National Museum of American Arts and Crafts (and is hereinafter in this act referred to as the "Director").

AMENDMENTS TO JOINT RESOLUTION OF MAY 17, 1938

SEC. 4. (a) The first section of the joint resolution of May 17, 1938 (Public Resolution No. 95; 52 Stat. 399), is amended (1) by striking out "a site for", and (2) by striking out all that follows "recognition," and inserting in lieu thereof the following: "the Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets Northwest in the District of Columbia, to the Regents of the Smithsonian Institution (hereinafter in this joint resolution referred to as the "Regents").

(b) Section 2 of such joint resolution is repealed.

(c) (1) Section 3 (a) of such joint resolution is amended by striking out all that follows "to meet the cost" and inserting in lieu thereof the following: "of furnishing and equipping the building and rendering it suitable for use as the permanent home of the National Collection of Fine Arts and as a National Portrait Gallery, and to defray necessary administrative expenses and secure other needful services."

(2) Subsections (b) and (c) of section 3 of such joint resolution are amended to read as follows:

"(b) The Regents may, subject to the approval of the President, authorize the repair and renovation of the building and the installation of necessary furnishing and equipment. The Administrator of General Services, in consultation with the Regents, shall supervise the preparation of the plans and specifications, make all necessary contracts, and supervise the repair, renovation, and installation of furnishings and equipment.

"(c) The name of the building shall be the National Museum of American Arts and Crafts (hereinafter in this joint resolution referred to as the 'Museum'), and it shall be under the supervision and control of the Regents and the Secretary of the Smithsonian Institution."

(3) Section 3 of such joint resolution is further amended by adding at the end thereof the following new subsection:

"(d) There are authorized to be appropriated such sums as may be necessary, in addition to the funds received under subsection (a) of this section, to carry out the purposes of this section."

(d) (1) Section 4 of such joint resolution is amended by inserting "and crafts" after "art" each place it appears; and by striking out "artists and other personnel" in subsection (b) and inserting in lieu thereof "artists, craftsmen, and other personnel."

(2) Section 4 of such joint resolution is further amended by adding at the end thereof the following new subsections:

"(c) The Regents shall without delay proceed to exercise the authority contained in subsections (a) and (b) by soliciting and receiving private donations of works of art and crafts, by soliciting and receiving contributions of funds from private sources, by acquiring (by purchase or otherwise) and selling contemporary works of art and crafts or copies thereof, by conducting exhibitions, and by taking such other actions as may be necessary or appropriate to carry out such subsections.

"(d) The Regents shall provide for the widest possible distribution and display of the works of art and crafts acquired under this joint resolution by placing such works on exhibition in art galleries and museums throughout the United States on a loan or rental basis or under other arrangements made between the Regents and such galleries and museums."

(e) Section 5 of such joint resolution is amended to read as follows:

"SEC. 5. The Administrator of General Services and other officers and agencies of the Federal Government are authorized to donate to the Museum any works of art or crafts now or hereafter under their control."

(f) Section 6 of such joint resolution is amended by inserting "or crafts" after "art", and by striking out "Gallery" and inserting in lieu thereof "Museum."

(g) Sections 7 and 8 of such joint resolution are amended by striking out "Gallery" wherever it appears and inserting in lieu thereof "Museum."

SEC. 5. (a) There is hereby established an advisory board (hereinafter in this act referred to as the "board"), which shall advise and consult with the Regents in carrying out their functions under this act and under the joint resolution of May 17, 1938. The board shall have equal representation of artists, experts in the arts and crafts, teachers and recreation directors in the arts and crafts, architects, museum directors, and men from public life. The board shall consist of 21 members appointed by the Regents from among private citizens of the United States who are widely recognized for their knowledge of our experience in, or for their profound interest in, one or more of the arts and crafts. In making such appointments the Regents shall give due consideration to the recommendations for nomination submitted by leading national organizations in the fields represented in the National Museum of American Arts and Crafts. The term of office of each member of the board shall be 6 years; except that, of the members first appointed, 7 shall be appointed for terms of 2 years, 7 for terms of 4 years, and 7 for terms of 6 years. No member of the board shall be eligible for reappointment during the 2-year period following the expiration of his term. The board shall meet at the call of the Regents, but not less often than twice each year. The Regents shall from time to time, on the basis of the recommendations of the board, designate a member of the board to be its chairman.

(b) The twenty-one members of the board first appointed under subsection (a) shall include all of the individuals who are members of the Smithsonian Art Commission on the day preceding the date of the enactment of this act; and the functions of the board shall include (but shall not be limited to) the functions prescribed by the Regents for such Commission immediately prior to the date of this enactment of this act.

THE SMITHSONIAN TRAVELING EXHIBITION SERVICE OF THE NATIONAL COLLECTION OF FINE ARTS

SEC. 6. (a) We must make the effort to understand something of the culture of other peoples—their history, their tribulations, and the trials through which they may have passed—for unless we understand these things we will never comprehend why our motives as a Nation are so often misunderstood. While exhibitions of the arts and crafts of the United States are being sent abroad under our international cultural exchange programs, the objective of true cultural exchange cannot be achieved unless we cen receive artists and exhibitions from other countries on a reciprocal basis. The exchange of art and craft exhibitions must be considered on a higher plane than that of propaganda and information, and must, indeed, be on the same plane as such exchange-of-persons programs as those carried on under the President's Emergency Fund, those authorized by the United States Information and Educational Exchange Act of 1948 and those carried on by the International Cooperation Administration.

(b) For these reasons, the present program of art exhibitions being carried on by the United States Information Agency is transferred to the Natoinal Collection of Fine Arts of the Smithsonian Institution to be administered by the Regents and the Director of the National Collection of Fine Arts, in consultation with the United States Advisory Commission on Educational Exchange and any advisory committee on the arts which may be established to implement our national policy of promoting and strengthening international relations through cultural exchanges, as a function of the Smithsonian Traveling Exhibition Service. In carrying on such activities the National Collection of Fine Arts shall work in cooperation with other Federal departments and agencies, shall organize and send exhibitions to other countries, and shall contract with other museums and art galleries throughout the United States, and with competent organizations in the field of the arts and crafts, to assemble and send exhibitions abroad and to bring similar exhibitions from foreign countries to this country. The United States Information Agency shall, as in the past, continue to promote and publicize exhibitions of the arts and crafts of the United States abroad.

(c) The President is authorized to create such interagency committees as in his judgment may be of assistance in carrying out the purpose of this section. Such committees shall include individuals having special knowledge and experience in the field of the arts and crafts as well as individuals whose knowledge and experience in other fields will assist in carrying out the program established by this section. The provisions of section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U. S. C. 691), shall be applicable to any interagency committee created pursuant to this subsection.

SCHOLARSHIPS AND FELLOWSHIPS

SEC. 7. The Regents shall award 10 scholarships and graduate fellowships each year for work or study in American arts and crafts at accredited nonprofit United States institutions of higher education, selected in each case by the recipient of the scholarship or fellowship and approved by the Regents, for stated periods of time. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and the selection of such persons shall be made solely on the basis of ability.

PUBLICATIONS

SEC. 8. The Regents shall publish (and arrange for the publication of) information relating to the arts and crafts, and shall provide for the fullest possible dissemination thereof throughout the United States.

RESEARCH AND PILOT PROGRAMS

SEC. 9. The Regents shall conduct and make grants for the conduct of research and the establishment of pilot programs and demonstrations relating to the planning of facilities and activities in American arts and crafts throughout the United States.

ARTS AND CRAFTS PROGRAM

SEC. 10. The Regents shall have power and authority to adopt, conduct, and direct, or cause to be conducted or directed under their supervision, programs which shall include arts and crafts and such other cultural activities as are carried on by leading museums and art galleries of the United States, so that the National Museum of American Arts and Crafts will be a leading art center of maximum usefulness to the residents of the District of Columbia, the visitors to the Nation's Capital, and the people throughout the United States.

INDEX OF AMERICAN DESIGN

SEC. 11. The Regents shall take such steps as may be necessary to complete and keep

current the Index of American Design (hereinafter in this act referred to as the "Index") as an index of the arts and crafts of the United States. The Index shall be an activity of the National Collection of Fine Arts and shall be physically located in the National Museum of American Arts and Crafts. The Director of the National Collection of Fine Arts shall, under the direction of the Regents, take steps to make the Index readily available to museums and galleries, libraries, educational institutions, and other institutions, organizations, and groups throughout the United States so that it will be easily accessible and thus be of maximum value to the designer, the craftsman, the manufacturer, the educator, the student, the historian, and the general public. As a record of the arts and crafts of the United States, both folk and popular, decorative and domestic, the Index should be so maintained and administered as to become an increasingly rich reservoir which can assist in the development of taste, a genuine consciousness of our national heritage, and a sensitivity to beauty in all its varied forms, particularly in the commodities, articles, and services of everyday life.

APPROPRIATIONS

SEC. 12. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

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

The bill (S. 4240) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Regents of the Smithsonian Institution for use in housing the National Collection of Fine Arts and a National Portrait Gallery, to provide for the international interchange of art and craft works, and for other purposes, introduced by Mr. HUMPHREY of Minnesota, was received, read twice by its title, and referred to the Committee on Rules and Administration.

CONFUSION OVER INCREASED FOREIGN MILITARY AID AND DECREASED ARMED FORCES AT HOME—AMENDMENT

Mr. O'MAHONEY. Mr. President, I am about to make a statement relative to an amendment to the bill (H. R. 12130) making appropriations for mutual security for the fiscal year ending June 30, 1957, and for other purposes, and I ask unanimous consent that I may speak in excess of the 2 minutes allowed under the order which has been entered.

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

Mr. O'MAHONEY. Mr. President, I desire to have printed in the RECORD this morning a copy of an amendment which the Senator from Arkansas [Mr. MCCLELLAN] and I intend to propose to the mutual security appropriation bill when it becomes the unfinished business of the Senate. The amendment is designed to make it possible for the Congress, by joint resolution, to compel the officers and administrators of foreign aid to answer the questions of Congress. Therefore, the amendment constitutes a limitation upon an appropriation bill.

I desire to say further that Admiral Radford and Secretary Dulles appeared before the Appropriations Committee, urging an increase in the appropriation for mutual security, which, of course, includes expenditures for military purposes in foreign countries. At the same time the Pentagon is locked in a dispute as to when or how to cut the military power of the United States.

The same Admiral Radford, of the Joint Chiefs of Staff, who testified before the Appropriations Committee in favor of an increase of appropriations to be used abroad, is reputed to be the author of the suggestion that American military manpower be reduced by 800,000. This is a contradictory position, in which it seems the Congress cannot allow the executive branch of the Government to plunge us into. I want every Member of the Senate to realize that this question will be at issue when the foreign aid appropriation bill comes before the Senate for consideration.

It is for that reason that I wanted the amendment published in the RECORD this morning, which I now ask unanimous consent to do.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

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

At the proper place insert new section as follows:

"SEC. —. Inasmuch as (1) the Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law and that 'a regular statement and account of the receipts and expenditures of all public money shall be published from time to time,' and (2) section 136 of the Legislative Reorganization Act of 1946 directs each standing committee of the Senate and House of Representatives to exercise continuous watchfulness of the execution by the administrative agencies concerned of any law within the jurisdiction of such committee, and (3) certain other constitutional and statutory provisions confer functions upon the Congress relating to the expenditure of public funds, it is essential in order for the Congress to exercise its constitutional and statutory functions that it have access at all times to full and complete information concerning the expenditure of the public funds. Accordingly, all persons engaged in the expenditure of funds appropriated under this act or in the administration of the laws under which such funds are expended are required to furnish to the Committees on Appropriations of the respective Houses and to all other appropriate committees of the Congress such information as may be requested by them relating to the expenditure of such funds or to the programs or projects with respect to which such expenditures are made. In any case in which a person engaged in administering any program or project for which funds are appropriated under this act, refuses to furnish to any such committee any information requested by it concerning such program or project, and the branch of Congress appointing such committee by resolution, notifies the Comptroller General of the United States of such refusal, none of the funds appropriated by this act shall thereafter be available for obligation for such program or project unless such committee notifies the Comptroller General that the information requested has been furnished to the committee."

Mr. O'MAHONEY. In this testimony before the Senate Appropriations Committee, to be found in the hearings at page 310, the Chairman of the Joint Chiefs of Staff, Admiral Radford, declared, not only that he agreed with what Secretary Dulles had said, but that he felt:

That the psychological impact of a great reduction in our military-aid program will be so adverse around the world that it is hard to estimate at this time just how serious it will be. I would like to remind the committee of statements that I have made before. This military-aid program is designed to generate and maintain forces to add to the security of the United States. In other words, this is a self-serving program all around the world. We are not helping people just for the pleasure of helping them. We are helping them because we need their military strength just as they need ours.

How can this statement of Admiral Radford be harmonized with the reports we received from the Pentagon that he is the head and front of the movement in the Department of Defense to reduce our Armed Forces?

The New York Times of last Sunday, July 15, in a front page story, under the byline of Anthony Reviero, reported the effort of Admiral Radford "to impose a concept involving a cut in the Armed Forces of approximately 800,000 men by 1960 and withdrawal of the bulk of United States forces overseas caused the Chiefs of the Army, Navy, and Air Force to resist."

Then Mr. Reviero went on to say:

The result was that high Department of Defense officials intervened to prevent public disclosure of the dispute, if possible. The trip to Gettysburg was cancelled and action on the plan postponed until after the election.

Yesterday morning there appeared in the Washington Post and Times Herald, under a headline reading "Move to Cut Forces Gains High Support," an article written by John Scali, the first paragraph of which reads:

Several high administration leaders are reported firmly backing a hotly debated Defense Department move to reduce the size of American Armed Forces, perhaps drastically.

Today Chalmers M. Roberts, the highly respected and accurate staff reporter of the Washington Post and Times Herald, confirmed the previous reports.

It is impossible for me to understand how we can make friends with foreign nations in the terms of Admiral Radford's testimony to the Appropriations Committee, and at the same time follow a plan which he is so authoritatively reported to be backing with respect to the reduction of our own military power.

Whatever may be the case, this contradiction of increased appropriations for military aid abroad and decreased plans for military strength at home certainly must be cleared up; otherwise, Congress will be appropriating in the dark.

While the Appropriations Committee was in session, it became known that under previous appropriations we are now about to ship jet planes to Tito, while no explanation of his need for them has yet been given to Congress. Is Tito going to use these planes in defense of western civilization, or does he need them at all, now that he has visited Moscow?

COMPENSATION OF EXECUTIVE DIRECTOR OF JOINT COMMITTEE ON ATOMIC ENERGY—REREFERENCE OF JOINT RESOLUTIONS

Mr. JOHNSON of Texas. Mr. President, I have discussed this matter with the distinguished minority leader. I ask unanimous consent to have referred back to the Joint Committee on Atomic Energy Order No. 1487, Senate Joint Resolution 138, a joint resolution relating to the compensation of the Executive Director of the Joint Committee on Atomic Energy and Order No. 1502, House Joint Resolution 514, a joint resolution relating to the compensation of the Executive Director of the Joint Committee on Atomic Energy.

They are joint resolutions which have been reported, and the distinguished chairman of the committee is willing to have them referred back to the committee, and the minority leader thinks they should be referred back to the committee.

The 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. WILEY:

Address delivered by him at Arpin Farmers Union Picnic, Sunday, July 15, 1956, and newspaper articles relating thereto.

NOTICE OF CONSIDERATION OF NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

The PRESIDENT pro tempore. As a Senator, and as chairman of the Committee on Foreign Relations, the Chair desires to announce that the Senate received today the nomination of Walter K. Scott, of Maryland, to be Deputy Director for Management of the International Cooperation Administration, in the Department of State.

Notice is given that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days.

JUVENILE DELINQUENCY

Mr. LANGER. Mr. President, a recent Catholic publication conducted a survey and noted that over all of the serious issues confronting the American people, the problem of juvenile delinquency ranked second to the problem of a cold war.

We have read headlines throughout the country of serious juvenile delinquency acts and juvenile crimes. However, when yesterday's headlines in the Washington Post stated "Three Boy Bank Robbers Caught", then it is time for those who are indifferent to the juvenile delinquency problem to take full notice. Since this was in the District of Columbia, over which Congres has jurisdiction, we should pay particular attention.

The Senate juvenile delinquency subcommittee has held hearings in the District of Columbia, and further hearings should be considered. From the hearings held several bills have been submitted to the Senate to correct some of the problems, however, none of those bills have yet been able to come to the Senate floor. I urge immediate action on these bills.

Also in this morning's Washington Post there is an item entitled "Five 'Goof-Ball' Addicts Held in Alexandria." I ask unanimous consent that both of these articles be printed in full in the RECORD.

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

THREE BOY BANK ROBBERS, FOUR SHARERS IN LOOT CAUGHT AFTER SPREE

(By Ralph Reikowsky and Alfred E. Lewis)

A trio of pint-sized bandits, aged 12 and 13, who stole $700 from a crowded Washington bank yesterday was captured 5 hours later while on a frenzied spending spree.

Rounded up with the trio were 4 other boys, between 11 and 14, who shared in the loot.

The theft from the coin-counting room of the Industrial Bank of Washington at 11th and U Streets NW. was engineered by a 12-year-old boy.

He was aided by 2 boys, both 13, whom he met after he had hatched the plan.

About 1 p. m. while the bank was teeming with customers and employees, the ringleader and one of his aides walked up to bank Vice President Mervin Parker and asked to use the restroom in the basement, near the counting room.

The third lad stayed outside.

AN EMERGENCY

"I thought it might be an emergency," Parker said. "I'd seen the kids around here and figured it would be all right."

On his instructions, the janitor, A. W. Dangerfield, escorted the pair to the basement.

Minutes earlier, George Holloway, bookkeeper who was taking the place of a vacationing employee in the counting room, had left the room and locked the door, leaving about $13,000 stacked on a table.

The ringleader told police he reached through an aperture in the steel-mesh door and opened it by the inside latch. The opening is used to pass money in and out of the room to customers.

He entered the room and took a stack of bills, mostly ones, and left, spilling some money on the floor.

He and his buddy then went into the restroom where they stuffed the money inside their shirts and the tops of their canvas sneakers.

Holloway said he returned after having been told some kids were using the toilet.

He noticed the bills on the floor and went to the restroom, banged on the locked door and called, "Come on out."

"Just a minute," a voice replied.

When Holloway turned back toward the counting room, he saw out of the corner of his eye one of the boys dash up the stairs.

THEY CALMLY WALK OUT

The pair coolly walked past several tellers and clerks, through a waist-high door that separates the tellers' cages from the main lobby, and past a crowd of customers waiting to go down to the counting room.

Outside they were joined by the third principal and four other boys who were in on the theft but who took no part in the planning.

All 7 ran to a churchyard and playground in the 1800 block of 12th Street NW., where the division was made. The leader kept $400 which he hid under some rocks. He handed out the rest haphazardly to his buddies.

He said one would say he wanted $30 so I gave him $30. Each chose his own hiding place for his loot.

All but the ringleader put some of their money in the soles of their sneakers. The leader told police he didn't want them to find money on him if he got caught.

About 5 p. m., Samuel Wampler, 42, manager of the Trailways Bus Terminal, 1201 New York Avenue NW., saw the group of boys playing the pinball machines in the basement gameroom at the terminal.

"They are playing like drunken sailors," he said.

"One would stick a nickel in a machine, shoot five balls rapidly and walk to another machine without waiting to see what happened," he said.

He called police and two juvenile squad detective, Forest E. Dougherty and Robert N. Foright, arrived to question the boys.

SQUIRMING TRIPS HIM

"At first they said they got the money delivering groceries," Dougherty said. He said he found $4.50 on them but wasn't satisfied by their story.

At headquarters, one of the boys began to squirm. The detectives became suspicious and searched him. Foright said he found a stack of dollar bills in the boys' underclothes.

When forced to strip, each boy except the leader took wads of bills out of their shoes. In all, police recovered $59 from them.

Stashed in their secret caches in the churchyard was another $554. Another $20 was recovered from a 14-year-old who was arrested near his home.

The leader told police that a year ago he pulled the same stunt at the bank. On that occasion he and the 14-year-old boy stole $11.50 from the counting room, he said.

All seven boys were charged with grand larceny and were sent to the Receiving Home.

The ringleader, according to police, has a juvenile record going back to June 29, 1955, when he was arrested for housebreaking. He also was arrested for discharging an air rifle and petit larceny.

FIVE "GOOF BALL" ADDICTS HELD IN ALEXANDRIA

An Alexandria rookie policeman rounded up five suspected barbiturate addicts yesterday after working undercover for 3 months.

Those arrested were charged with dispensing dangerous drugs without a prescription.

Detective Sgt. Russell Greenwalt said investigation into the use of barbiturates or "goof balls" began last April after delegations of angry citizens protested to the city council that teenagers were being sold the drugs.

Rookie Pvt. Foley Jack Donathan, 22, was assigned to join a gang of a dozen youths suspected of peddling the drug. During the next 3 months he became a confidant of the group and joined in their activities, Greenwalt said.

He said the youths went on periodic sprees on a combination of cheap wine and barbiturates but were not selling the pills on the street as had been suspected. They obtained them only for their own use, he said.

The source of supply of the pills, mostly Nembutal tablets or "yellow jackets" has been located and eliminated, Greenwalt reported.

Arrested were Marvin Shadwick Weaver, 22, of 128 North Fayette Street; Martin Daniel Bailey, 18, of 526 East Glendale Avenue; Richard David Orr, 22, of 3620 Edison Street, and two juveniles age 16 and 17, all of Alexandria.

The adults were held under $500 bond each for a court hearing July 20. The juveniles were remanded to the custody of the juvenile court.

THE INTERNATIONAL RESCUE COMMITTEE

Mr. WILEY. Mr. President, one of the outstanding organizations in our country is the International Rescue Committee. Down through the years, it has performed magnificently in aiding the refugees from Communist tyranny.

Whether at the gates of western Berlin, or at the gates of South Vietnam, or at any other border territory fronting the Iron Curtain, the IRC has constantly given yeoman help to those who have literally taken their lives in their hands in order to flee from the merciless rule of godless communism.

It was naturally a source of the deepest gratification to me to hear recently from Mr. Leo Cherne, the distinguished, and hardworking Chairman of the IRC, with regard to the mutual efforts of his fine organization in exposing and helping to counteract the Communist redefection campaign, plus my own efforts for similar exposure and counteracting of Red treachery.

The IRC board had very graciously acted on Monday, May 28, conveying their thanks for my help in this connection.

I may say to the IRC that it is a pleasure to have worked with it in the past, and I look forward to continuing to work with it in the future.

I say, God speed to it, and may it continue to achieve great success.

I ask unanimous consent that the text of Mr. Cherne's letter be printed at this point in the body of the RECORD, and that it be preceded by a list of the distinguished officers and members of the board of directors of the Committee, including, of course, Adm. Richard E. Byrd, honorary chairman, Mr. Leo Cherne, Chairman, and former Ambassador Angier Biddle Duke, president.

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

INTERNATIONAL RESCUE COMMITTEE, INC.,
New York, N. Y., May 31, 1956.

(Adm. Richard E. Byrd, honorary chairman; Leo Cherne, chairman; Joseph Buttinger, vice chairman; Hon. Angier Biddle Duke, president; Richard R. Saltzmann, vice president; Eric M. Warburg, treasurer; Mrs. Kermit Roosevelt, secretary. Board of directors: Joseph D. Ardleigh, Abram G. Becker, Paul F. Brissenden, Harry A. Bullis, Henry Seidel Canby, Gen. William J. Donovan, Christopher Emmet, H. William Fitelson, Samuel Goldwin, Sheba Strunsky Goodman, Allen Grover, William J. Van Den Heuvel, A. E. Jolis, Mrs. Randolph A. Kidder, David F. Seiferheld, David Sher, George P. Skouras, Gen. Carl Spaatz, Sterling D. Spero, Milton Starr, Mrs. A. Ronald Tree, Msgr. Bela Varga, L. Hollingsworth Wood, Adm. Ellis M. Zacharias, Charles S. Zimmerman. Overseas offices: Berlin, Bremen, Brussels, Geneva, Munich, Paris, Rio de Janeiro, Saigon, Stockholm, Vienna.)

The Honorable ALEXANDER WILEY,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR WILEY: I have been instructed by unanimous vote of the Board of Directors of the International Rescue Committee, which met in regular session Monday, May 28, to write this letter to you. We wish in the most forceful means possible to express our deepest appreciation for the assistance you have given in helping counteract and defeat the redefection campaign of the Soviet Union.

You have been among the first to thoroughly understand that this highly financed, sinister Soviet program is designed to induce a number of those who have escaped from the Soviet Union to return. As you have pointed out, every instrument from coercion to blackmail is used for this purpose but the most dangerous aspect of the campaign has been the injury and fear inflicted upon those who have risked their lives to flee to the West and continue to refuse at all costs to return.

From the days of the Berlin blockade and during the subsequent visit of Berlin's Mayor Ernst Reuter to the United States, you have indeed been a strong friend of the International Rescue Committee and an important enemy of a Communist conspiracy. Your most recent actions in this direction were discussed in detail at the meeting and impelled this expression of our complete thanks, our great admiration and the sincere hope that it will be possible for you to continue to assist us in the years to come.

May I, as Chairman, add my own personal wishes for your continued good health.

Sincerely yours,

LEO CHERNE.

IMPORTATION OF FOREIGN AGRICULTURAL WORKERS INTO AREAS SUPPLIED BY MEXICAN CONTRACT LABOR

Mr. HUMPHREY of Minnesota. Mr. President, over the weekend a statement was made by the Joint United States-Mexico Trade Union Committee regarding the importation of Japanese, Chinese, Filipino, and other foreign agricultural workers into areas supplied by the Mexican contract-labor program. I ask unanimous consent that a press release issued by the committee on Sunday, July 15, be printed at this point in the RECORD and appropriately referred.

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

STATEMENT ON THE IMPORTATION OF JAPANESE, CHINESE, FILIPINO, AND OTHER FOREIGN AGRICULTURAL WORKERS INTO AREAS SUPPLIED BY THE MEXICAN CONTRACT LABOR PROGRAM

The United States section of the Joint United States-Mexico Trade Union Committee is gravely concerned over persistent maneuvers by agricultural employers, particularly the big corporation farmers on the west coast, to evade the minimum protective labor provisions for both domestic and foreign labor under the Mexican contract labor program through using loopholes provided by the McCarran-Walter Immigration Act and the Refugee Relief Act to set up new, inferior programs for the importation of foreign farmworkers.

Under present circumstances, the current proposals by these employers for the establishment of new programs for the importation of agricultural labor from the Far East are clearly intended to flood the farm-labor market of the United States with foreign workers willing to work for wages and under conditions impossible for United States citizens to accept.

During World War II when 10 million Americans were under arms there was at least some justification for the importation of the 100,000 to 200,000 Mexican and British West Indies workers whose service on United States farms and railways was a valuable contribution to the winning of the war. However, from the beginning the importation of this labor was described by Congress in its authorizing legislation as a temporary program, made necessary because many United States farmworkers patriotically left their normal employment to take jobs in war industries at the urging of their Government.

Farm operators soon learned that the Mexican workers could be hired to work for less wages than previously were paid to domestic farmworkers, and that they could otherwise be exploited. Since the end of the war, the number of Mexican workers imported both legally and illegally has constantly increased, but, even so, farm employers are chafing under the inadequate protective labor provisions which governed their employment of 400,000 Mexican contract workers in 1955 and now are completing arrangements to import additional workers from Asiatic countries, under even more inferior contract terms. Already, the employment of foreign labor on corporation-type farms has reduced the ratio of wages paid farm workers to those of factory labor from a high of 48 percent in 1945 to a low of 32 percent in 1955. In addition, hundreds of thousands of Mexican workers who entered the United States both as wetbacks and contract workers are now employed in trades and industries in which United States workers are organized, and the readiness of many to accept lower wages and working conditions poses a real threat to our Nation's standards of living.

Repeated investigations have brought to light the deplorable conditions which exist for both domestic and foreign agricultural workers in factory-farm employment. If the average citizen were fully aware of these conditions, and the manner in which our own and legal and wetback foreign workers have been forced to exist, he could only hang his head in shame.

Less than a decade ago, the organized-labor movement began its efforts to bring about reforms. Due to this insistence Congress adopted minimum protective provisions for Mexican workers employed under the contract labor program. This committee, however, has in its possession a surfeit of evidence that these protective provisions have been widely violated by agricultural employers, often with the acquiescence of officials of the United States Labor Department and the State employment services in the several States. Although through organized labor's efforts some progress has been made, conditions for foreign agricultural labor under even the comparatively protective Mexican program are still intolerable. We are determined to wipe out completely the deplorable conditions and starvation wages existing on most factory farms, and we oppose most vigorously the latest efforts by agricultural employers to evade the laws of our land through setting up new unfair programs for recruitment of Japanese, Chinese, and Filipinos for work in large-scale corporation-type farms. The sole purpose of these programs is to bring in what the employers regard as an even cheaper and more docile supply of labor to pit against American and Mexican farm workers and thereby force both of the latter into an even more degraded condition.

Instead of accepting the minimum obligations toward labor which Congress clearly intended when it set up the Mexican contract labor program, these employers have seized upon a provision of the McCarran-Walter Immigration Act which permits the temporary importation of nonimmigrant agricultural and other workers for a 3-year period and have recently negotiated new programs for the importation of farm workers from the Far East, particularly the Philippines and Japan. This committee has in its possession a copy of an agreement between the Japanese Overseas Federation of Tokyo and California growers setting up one of these programs and we are informed that a representative of California employers last month

accompanied a consular representative of the Philippine Government back to the Philippines to discuss a similar program, and that this labor contractor then went on to Japan for further recruitment. Workers coming in under these new programs will have none of the legal protections accorded the Mexican contract workers, and in addition, the protections of United States farm workers against being displaced from their jobs and having their wages forced down, which were spelled out by Congress when it enacted the Mexican contract labor program, are eliminated.

The latter also is true of the conditions surrounding the present employment of several hundred Japanese who have been granted permanent visas under the Refugee Relief Act and allowed to come to work in California agriculture.

A third method which farm employers are using to evade the comparatively better working conditions of the Mexican contract labor program has had the active support of the Immigration and Naturalization Service and the State Department through the issuance last year of visas, special permits and white-card entries to Mexican workers on a wholesale scale. Visas to Mexicans, which jumped to between 55,000 and 60,000 last year, have been deliberately encouraged by farm employers as new means of legalizing wetbackism. Many such visas with the open approval of the Immigration and Naturalization Service, were given to Mexican wetbacks, despite the fact that they had illegally entered this country and were working for substandard wages. After the visas were granted, these Mexicans were then legally able to continue working under the sweatshop conditions outlawed both by Congress and the International Agreement with Mexico. Moreover, our committee has been informed by the Labor Department that many Mexican wetbacks who obtained visas in this way have since secured employment in industry.

The American labor movement has favored liberal immigration policies and recognizes the debt owed to our brothers from abroad for their services in helping our Nation meet shortages of agricultural and other labor in times of national emergency. Moreover, we favor the cultural interchange of peoples under the technical assistance and other programs, recognizing that our Nation should do all in its power to share its technological knowledge and culture with other peoples.

Because we know firsthand, however, the deplorable conditions which exist for both domestic and foreign workers in many areas of United States agriculture, we also know that we shall perform no real service to our brothers in other lands if we support and tolerate programs and policies which can only lead to their exploitation by unscrupulous farm employers.

It is our belief that Congress never intended that the Refugee Relief Act or the McCarran-Walter Immigration Act should be misused to promote exploited agricultural employment of this kind. Certainly, the subjection of foreign workers to the inhumane treatment which is the common lot of farm labor in this country can only defeat the purposes of brotherly understanding and international goodwill which were underlying motivations behind at least the first of these enactments.

Moreover, because farm labor in the United States is excluded from virtually all protective labor and social legislation, including the Wages and Hours Act, the National Labor Relations Act, State safety and workmen's compensation laws, etc., we are strongly opposed to the granting of visas or any other "special" permits for the purpose of bringing in foreign labor from any nation for unregulated agricultural employment. To submit such workers to the indignity of existing conditions in United States farm employment can only do our Nation incalculable harm in its international relations. We call upon the Immigration and Naturalization Services and the State Department to recognize this fact and to cease their encouragement of these new methods whereby unscrupulous farm employers seek to continue their past exploitation of foreign and domestic farm labor.

On the other hand, when foreign labor must be brought in to meet bona fide labor shortages, we favor the bilateral approach of an international agreement along the principles which govern the Mexican contract labor program. We urge that Congress take immediate action to establish a uniform law governing all foreign agricultural labor, regardless of its country of origin, by extending the principles of the Mexican contract labor law.

It is, however, our firm conviction that it is both unwise and unnecessary, at the present time, for our Nation to recruit foreign agricultural labor outside the Western Hemisphere, and we reiterate our belief that greater emphasis must be given to the placement and protection of United States farm workers, including Puerto Ricans, in preference to bringing in labor from other countries. A necessary first step in this direction must be the enlargement of the Labor Department's Farm Placement Service.

Moreover, if and when there is a legitimate demand for the importation of foreign agricultural workers, the committee looks with favor upon the use of more workers from the British West Indies.

At present, the BWI program operates almost entirely in areas where the Mexican contract labor program now goes totally unsupervised due to the failure of Congress to provide sufficient funds for an adequate compliance staff. In these regions, since the BWI governments supply their own compliance officers, the BWI worker clearly is better protected against exploitation than his Mexican counterpart. We, therefore, urge the use of protected BWI workers in preference to unprotected Mexican workers in the regions where the former are now used.

The possibility that the BWI program may be extended into new areas underscores the urgent need for the United States Government to place it on a bilateral basis under an international agreement. The compelling reason for this move is that, because the BWI program now operates only under regulations set forth by the BWI governments, it cannot, despite its superior compliance features, offer as much protection to domestic farm labor against displacement or lowering of wages as Congress spelled out in the law setting up the Mexican contract labor program.

We point out that the British West Indies program originally was established under just such a bilateral agreement, which was terminated by the United States. Because the British West Indies Governments have always shown a readiness to meet any stipulations deemed necessary to protect United States workers from being adversely affected, we believe that the lack of such an agreement unfairly discriminates against their interests as well as those of United States farm workers, who should have the protection and representation of their government in connection with all programs for the importation of foreign farm labor. We understand moreover, that the British West Indies Governments are willing to enter into such an International Agreement again, and we urge Congress and the United States and Labor Lepartments to act immediately to place the program on a bilateral basis.

In making these recommendations we note that Congress this year refused again to appropriate sufficient funds to provide an adequate staff of compliance officers for the Mexican Contract Labor program, leaving Mexican workers who are hired outside all but a handful of States near the border without any effective compliance supervision whatsoever despite our Government's commitments in this regard under the International Agreement with Mexico. Under such circumstances, we believe that the British West Indies workers, who are English-speaking and do not suffer the disadvantages of a different tongue in dealing with their employers, are better able to cope with any problems which may arise in connection with their employment in the areas where the Labor Department cannot give proper compliance supervision to the Mexican program.

We call to the attention of Congress, as a shocking evidence of its failure to show proper concern in this regard, the fact that the British West Indies Governments deem it necessary to furnish their own compliance officers at a ratio of one for each 650 workers, whereas the appropriations given the Labor Department leave it with but 40 compliance officers to protect the interests of 400,000 Mexican contract workers—a ratio of one to 10,000.

COMPARATIVE STATISTICS ON SENATE LEGISLATIVE ACTION FOR COMPLETE CONGRESSES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point comparative statistics on Senate legislative action for complete Congresses from the 80th Congress through the 84th Congress.

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

Comparative statistics on Senate legislative action for complete Congresses

[Includes all of 1st sessions and through July 16 of each 2d session]

	80th Cong. (1947–48)	81st Cong. (1949–50)	82d Cong. (1951–52)	83d Cong. (1953–54)	84th Cong. (1955–56)
Days in session	245	317	287	249	214
Hours in session	1,399:06	1,928:56	1,654:36	1,477:00	1,255:55
Total measures passed	1,889	1,857	2,144	1,703	2,607
Senate bills	636	651	775	740	1,098
House bills	899	855	992	630	1,096
Senate Joint Resolutions	74	36	24	41	43
House Joint resolutions	57	53	56	32	70
Senate concurrent resolution	28	51	44	44	45
House concurrent resolutions	46	32	32	32	42
Senate resolutions	149	179	221	184	213
Confirmations	54,796	76,700	46,504	43,658	81,341

CIVIL DEFENSE

Mr. SALTONSTALL. Mr. President, I respectfully invite the attention of the Senate to a letter from the President to the Federal Civil Defense Administrator, which I am putting into the RECORD. As a member of the Senate Armed Services Committee, I participated in drafting the Federal Defense Act, and before that, while Governor of Massachusetts I was long interested in civil defense.

This statement puts stress by the President on the importance of civil defense to the Nation's survival in this atomic age. In fact, it is a Magna Carta for civil defense.

I know it will give all civil defense officials, as well as some 4 million volunteers, a needed shot in the arm before they begin Operation Alert 1956, the nationwide civil-defense exercise which starts on Friday.

The President's letter will give them just that shot in the arm.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD as part of my remarks.

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

THE WHITE HOUSE,
July 17, 1956.

DEAR GOVERNOR PETERSON: On July 20, many thousands of our citizens will take part in the fourth nationwide exercise to improve our ability to survive enemy attack. I have often heard you speak in enthusiastic terms of the men and women directly concerned with these undertakings, and I have personally felt their dedication to their tasks. I hope you will convey to all civil-defense workers my personal appreciation of their efforts to strengthen our country's security.

Our unchanging national goal is a peaceful world community in which the vast human and material resources now being invested in offensive and defensive preparations can be turned to the good of mankind. But the lessons so harshly learned during the past few decades make it clear that, until a stable peace prevails in the world, we must stay strong and vigilant. Thus peace and preparedness are joined. Our civil-defense program and its activities such as Operation Alert 1956 are essential to both. An effective civil defense is an important deterrent against attack on our country and thus helps preserve peace. In the event of an attack upon us, civil defense at once becomes one of our immediate reactions imperatively required for our Nation's survival.

The advances made in your 3 years as Federal Civil Defense Administrator delineate some of the major routes we have been following in civil defense. Planning for urban evacuation is in progress. The growing stockpile of medical supplies is being relocated as required by new weapons. Survival studies of specific target areas will provide an accurate measure of the advance warning time required in each area to permit the saving of lives by evacuation. Systematized attack warning channels and procedures are better adjusting the civilian response to military alert warnings. Continental defense is being daily strengthened as the distant early warning system comes rapidly into operation.

This progress is encouraging. But as we look back upon the rapid advance in aircraft and in nuclear weapons and forward to missiles capable of being catapulted thousands of miles, it is clear that the destructive capabilities of potential enemies have been outpacing our nonmilitary defensive measures since the Federal Civil Defense Act was passed six years ago. It is equally clear that no matter how crushing a blow we can strike in retaliation for an attack upon us, to permit our great centers of population and industry to lay exposed to the weapons of modern war is to invite both an attack and national catastrophe.

Therefore, our whole civil-defense effort needs both strengthening and modernizing. This need arises not from any increase in international tensions but, rather, from the recent spectacular developments in weapons and methods of delivery.

The threat we face affords us only three basic alternatives. One extreme would be to hold our people subject to a rigid discipline, on the premise that a regimented citizenry would be better able to survive a nuclear attack. But this approach, continued, would destroy the America we are determined to preserve. The opposite extreme would be to accept the ultimate annihilation of all persons in urban target areas as unavoidable or too costly to prevent, and by this unwarranted decision remove the burdens and cares of a peacetime civil-defense program. Of course, we reject both extremes. There is another way we must follow.

We must continue to avoid Federal preemption of all civil-defense programs which are so dependent upon widespread citizen participation. But it is now evident that the exigencies of the present threat require vesting in the Federal Government a larger responsibility in our national plan of civil defense.

Instructions already given you to prepare plans for a nationwide monitoring and predicting system for radioactive fallout are in keeping with this conviction. You also have my request to give all possible priority to the many survival planning projects now under way, and as the results of these projects accumulate, I shall look to you for realistic recommendations regarding relocation, evacuation, and shelter-protection programs.

In the same vein, the heads of the various Federal departments and agencies were long ago instructed to give maximum support to the civil-defense effort. Among the results of that directive is the incorporation by the Secretary of Defense of civil-defense considerations in National Guard and other military reserve instruction. He has also ordered disaster plans to be formulated in direct concert with State and local officials, as well as the Federal Civil Defense Administration. I shall expect periodic reports from you on the progress of such Federal agency support, with such recommendations as you may deem essential to its success.

But these efforts will still not meet our needs. The Federal civil-defense law was written before the advent of the hydrogen bomb and the recent striking advances in methods of delivering modern weapons. This law must be realistically revised. Plans to meet postattack situations are, of course, essential, but the Federal Civil Defense Administration needs authority to carry out necessary preattack preparations as well. It must be enabled to assure adequate participation in the civil-defense program. It must be empowered to work out logical plans for possible target areas which overlap State and municipal boundaries. It must have an organization capable of discharging these increased responsibilities.

Moreover, the prestige and effectiveness of the Federal Civil Defense Administration must be equal to the heavy responsibility it holds. As a step in this direction, I have, for planning purposes, charged your organization, the Department of Defense and the Office of Defense Mobilization with various basic functions which it is imperative be maintained in the event of attack.

Already you have been invited to attend and participate fully in those National Security Council meetings in which matters relevant to civil defense are discussed.

From now on I request that you also participate in Cabinet meetings to help ensure that the civil defense program is fully integrated into our national planning.

In addition, for some time the President's Advisory Committee on Government Organization has been making a careful analysis of the proper future place of the Federal Civil Defense Administration within the executive branch. A subcommittee of the House Committee on Government Operations also has been thoroughly studying this and other civil defense problems. I will earnestly consider the findings of these committees and suggest appropriate legislation in my annual message to the Congress next January.

At that time I will also urge amendments to remedy the shortcomings in the existing civil defense statute.

I will appreciate having your recommendations and those of the Civil Defense Coordinating Board in respect to both of these problems as soon as the results of Operation Alert 1956 can be evaluated.

As you know, I shall participate in Operation Alert 1956 with my staff, although I shall have to leave shortly after it begins in order to visit Panama. I expect to return on the morning of July 24 and will participate in the exercise until it ends. I know the whole program will benefit from the experience gained in this exercise by ranking Government officials.

One final thought I would like to express. Should an emergency occur, our Nation's survival may be dependent upon the way each of us responds to his duty. In an area attacked, survival will initially rest mainly with the individual and the community. Therefore, to insure civil-defense readiness, the Federal Government, despite its increased civil-defense role, must remain in partnership with States, cities, and towns. Only in this way can we obtain more citizen participation, more vigorous efforts by States, local governments and metropolitan areas, and more readiness by the Congress to support necessary civil-defense measures. Civil defense can never become an effective instrument for human survival it if becomes entirely dependent upon Federal action.

I am deeply appreciative of your vigorous attempts to advance this program which has become one of the key elements in our efforts to prevent the outbreak of war. I trust that the additional powers and responsibilities outlined above will enable you to enlarge the important contribution of your organization to the safety of our country.

Sincerely,

DWIGHT D. EISENHOWER.

THE FEDERAL POWER COMMISSION AND HELLS CANYON

Mr. WATKINS. Mr. President, there has been a tremendous effort in recent months to discredit the administration of our Federal hydropower resources by the Federal Power Commission, especially in connection with the FPC's action in granting a license to a private utility for construction of dams in the Hells Canyon reach of the Snake River.

The 1956 Voting Guide of the Americans for Democratic Action inferentially labels such actions as a giveaway of major proportions.

The distinguished junior Senator from Oregon [Mr. NEUBERGER], in his individual views in the Senate report on S. 1333, is not content with a mild, but overworked expression like "giveaway." He accuses the administration of organized plunder.

Such expressions, reflecting on the integrity of a highly respected independent agency of the Congress itself, are, indeed, surprising, coming, as they do, from individuals that one would expect would be the first to uphold and defend a body like the FPC, which was developed as one of the great conservation accomplishments of the first part of this century.

Because of the weight and intensity of this attack which has been directed against the Federal Power Commission because of its decision on the Hells Canyon issue, many people undoubtedly have come to think that the FPC is a strongly partisan agency, a creature of the executive branch.

As a matter of fact, the FPC is an independent, bipartisan arm of the Congress, established through many years of effort by great conservationists dating from the days of President Theodore Roosevelt and his farsighted forest chief, Gifford Pinchot. This agency was organized to function independently of the executive branch. Its members are appointed to represent the Congress and cannot be fired by the President or otherwise intimidated by the executive branch.

The reasons for setting up this Commission are very adequately described by the former Senator Burton K. Wheeler, Democrat, of Montana, a noted constitutional authority who served as chairman of the Senate Interstate Commerce Committee in the days of the New Deal. Writing in the George Washington Law Review of December 1945, Senator Wheeler stated:

The doctrine of the separation of powers is fundamental in American constitutional law. The legislative, executive, and judicial powers under the Constitution are separate and distinct. While the legislative branch—the Congress—can legislate on matters affecting the executive and judicial branches within the powers granted it by the Constitution, and can, within constitutional limits, delegate its legislative powers, the legislative branch must lay down the broad standards to govern the administration of the delegated power, leaving to the agency to which the legislative power is delegated the application of the legislative provisions in particular situations as they arise.

So it is that, in creating the Federal Power Commission, the Congress set up an administrative agency to perform tasks which Congress, except for the practical difficulties, could have done itself.

Pressed with many other duties on myriad subjects, however, the Congress would find it impossible to conduct these tasks itself. If the Congress were to attempt to deal directly with these problems, moreover, it would be unable to maintain that essential continuity and stability of the regulatory process which can only be provided by men of special training and close experience, who can give their full time and attention to such matters.

By the Federal Water Power Act of 1920, as amended in 1935, Congress has delegated to the Federal Power Commission the issuance of licenses for the development and operation of hydroelectric power projects located on navigable waters of the United States or affecting the interests of interstate or foreign commerce. As the Supreme Court has pointed out in the Appalachian Electric Power Co. case, upholding the delegation by Congress to the Commission of this authority, the Commission's determination in issuing a license "is legislative in character."

Thus, if such a Commission can be said to exercise, under the Federal Power Act, "any executive function—as distinguished from executive power in the constitutional sense—it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers."

Senator Wheeler also discussed the steps taken by Congress to keep this agency free of partisan or executive branch domination:

To insure that the Commission would be an effective arm of the Congress in the performance of its delegated powers, the Congress took certain precautions. First, it made the Commission an independent agency, not a part of any executive department. Thus Congress eliminated outside executive control. Second, to make the Commission impartial in every way, Congress provided that it should be nonpartisan in that not more than three of the Commissioners shall be appointed from the same political party. Third, to give the Commission a degree of permanence and stability, Congress provided that the Commissioners should have terms of 5 years, the terms of the Commissioners to expire in successive years.

The Commission's duties are prescribed by act of Congress. It is "charged with the enforcement of no policy except the policy of the law." Its decisions are to be made according to the mandate of the statute and in the "exercise of the trained judgment of a body of experts," informed by their experience and the record made before the Commission. The Commission is given discretion within the ambit of its authority, but must observe with strict fidelity the mandates of Congress set forth in its jurisdictional statutes, as interpreted by the courts.

Mr. JOHNSON of Texas. Mr. President, the Senator from Utah has been speaking greatly in excess of 2 minutes. I have asked other Senators to wait until the morning hour is completed in order to make their speeches.

Mr. WATKINS. Mr. President, I apologize. I came into the Chamber and did not see many Senators present.

Mr. JOHNSON of Texas. Mr. President, I make the point that time should be called.

The PRESIDENT pro tempore. Yes; 2 minutes is the time limit.

Mr. WATKINS. Mr. President, I ask unanimous consent that I may finish the speech which I have prepared.

Mr. SMITH of New Jersey. Mr. President, I should like to ask the Senator from Utah how long he expects to take.

Mr. WATKINS. Four or five minutes.

Mr. JOHNSON of Texas. I would be glad if the Senator could finish in 2 or 3 minutes.

Mr. WATKINS. I said, 4 or 5 minutes; I mean, altogether.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield to the Senator from New Jersey.

Mr. JOHNSON of Texas. Mr. President, I do not think the Senator from Utah has the floor. I ask unanimous consent that the Senator from Utah may have an additional 5 minutes to complete his statement.

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

Mr. WATKINS. Mr. President, I hope this interruption will not be taken from my 5 minutes.

Mr. President, this great independent expert agency of the Congress is the agency that is under attack by many Democrats and so-called liberals for its decision in the Hells Canyon case. This decision was made by a unanimous vote of this bipartisan Commission, after the most extensive investigation ever made of a matter coming before the Commission.

No committee of Congress can match the experience, know-how, and informational background that went into the Federal Power Commission's consideration of the two conflicting proposals to develop the Hells Canyon reach of the Snake River in the best public interest. Yet, in spite of this, we are now asked to overrule the experts, who have heard this case with extreme thoroughness, and to vote to interrupt their licensed action and start anew on a proposal that was considered and refused by our own expert agency.

In view of the extreme interest in this matter at this time, I hereby request unanimous consent to introduce at the end of my remarks, the complete text of Senator Wheeler's statement, and a statement from the same law review by Representative Clarence F. Lea, Democrat, California, one-time chairman of the House Interstate and Foreign Commerce Committee, entitled, "The Federal Power Commission as an Agency of Congress."

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

(See exhibits 1 and 2.)

Mr. WATKINS. Mr. President, on the matter of whether the issuance of a power site license by the FPC is a giveaway of a Federal resource, I think that a third article in that George Washington Law Review, an issue commemorating the 25th anniversary of the FPC, presents a very good rebuttal to this baseless, election-year smear attempt. The source of this defense of the FPC is none other than Gifford Pinchot, former Governor of Pennsylvania and Forest Service Chief under President Theodore Roosevelt.

After describing "The Long Struggle for Effective Federal Water Power Legislation," Gifford Pinchot made summarizing remarks relative to national policy under the Federal Water Power Act of 1920, as amended, which finally brought about the establishment of an effective Federal Power Commission.

Mr. President, I ask unanimous consent that an excerpt from this article written by Gifford Pinchot may be printed in the RECORD at this point in my remarks.

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

Before their fight was won and a Federal Power Commission was finally established, President Wilson took a hand. In 1918, a Committee on Water Power was created at the President's suggestion, and an administration bill, drafted by the Secretaries of War, Interior, and Agriculture, was introduced. Followed 2 more years of backing and filling, and of conflict between the House and Senate, until on June 10, 1920, the bill became law.

With all its faults the Federal Water Power Act of 1920, marked a great advance.

It established firmly the principle of Federal regulation of waterpower projects, limited licenses to not more than 50 years, as provided for Government recapture of the power at the end of the franchise.

For the first time, the act of 1920 established a national policy in the use and development of water power on public lands and navigable streams. But it provided, unfortunately, for the administration of the act by a commission of 3 men, the Secretaries of War, Interior, and Agriculture, whose hands were already too full to give it the necessary attention.

This serious fault was corrected in 1930 by the passage of an act which provided for an independent commission of 5 full-time members authorized to employ a staff of its own.

The act of 1930 took a great step forward. But it was not enough. In 1935 Congress passed the Federal Power Act which authorized the Commission to regulate the interstate transmission and sale of electric energy. Under that act the Federal control of water power operates today.

Mr. WATKINS. Mr. President, because of the interest in this matter at this time, I ask unanimous consent to have the complete article from the December 1945 issue of the George Washington Law Review printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. WATKINS. Mr. President, these excerpts from historical reviews and estimates by distinguished Democratic leaders and a highly respected conservationist, illustrate the true nature of the congressional agency which made the decision that the three-dam private enterprise project at Hells Canyon was in the best interests of the public and of the comprehensive development of the water resources of the Columbia River.

In conclusion, I wish to repeat the observations on this subject made in the minority views on Hells Canyon in the Senate report on S. 1333, because I think these conclusions are very sound, especially in view of the bipartisan support provided in the FPC anniversary issue of the George Washington University School of Law. I hereby request unanimous consent to introduce into the RECORD at the conclusion of these remarks the minority views of the Senate Interior Committee Report on S. 1333, as exhibit No. 4.

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

(See exhibit 4.)

EXHIBIT 1

THE FEDERAL POWER COMMISSION AS AN AGENCY OF CONGRESS

(By Burton K. Wheeler [1])

The doctrine of the separation of powers is fundamental in American constitutional law. The legislative, executive, and judicial powers under the Constitution are separate and distinct. While the legislative branch—the Congress—can legislate on matters affecting the executive and judicial branches within the powers granted it by the Constitution, and can, within constitutional limits, delegate its legislative powers, the legislative branch must lay down the broad standards to govern the administration of the delegated power, leaving to the agency to which the legislative power is delegated the application of the legislative provisions in particular situations as they arise.[2]

So it is that, in creating the Federal Power Commission, the Congress set up an administrative agency to perform tasks which Congress, except for the practical difficulties, could have done itself. Under the commerce clause of the Constitution,[3] Congress has authority to regulate interstate and foreign commerce. This power of Congress is plenary in character and extends, for example, to control of navigable waters of the United States as to navigation, flood control, watershed development, recovery of the cost of improvements through the utilization of electric power incidentally developed, and also to the regulation of the transmission of electric energy between the States and to foreign countries and the sale of electric energy in interstate commerce. It extends as well to the interstate transportation of natural gas and the sale of natural gas in interstate commerce.[4] To what extent, however, the Congress may see fit, in any particular instance, to delegate these plenary powers to an administrative agency of its creation is, of course, a question for the Congress to decide.

Pressed with many other duties on myriad subjects, however, the Congress would find it impossible to conduct these tasks itself. If the Congress were to attempt to deal directly with these problems, moreover, it would be unable to maintain that essential continuity and stability of the regulatory process which can only be provided by men of special training and close experience, who can give their full time and attention to such matters.

By the Federal Water Power Act of 1920, as amended in 1935,[5] Congress has delegated to the Federal Power Commission the issuance of licenses for the development and operation of hydroelectric power projects located on navigable waters of the United States or affecting the interests of interstate or foreign commerce. As the Supreme Court has pointed out in the Appalachian Electric Power Co. case,[6] upholding the delegation by Congress to the Commission of this authority, the Commission's determination in issuing a license "is legislative in character."

By the Federal Power Act of 1935,[7] the Congress delegated to the Commission the regulation of interstate transmission of electric energy and the sale of electric energy in interstate commerce at wholesale, including the regulation of public utilities owning or operating facilities for such transmission or sale. In regulating the rates of such utilities for wholesale sales of electric energy in interstate commerce,[8] in approving the disposition and interconnection of their properties [9] and the issuance of their securities,[10] in regulating their accounts,[11] the Commission is acting in a quasi-legislative capacity, applying to particular situations the legislative policy as prescribed by Congress. As between the public utilities and other parties in interest, the Commission often acts in a quasi-judicial capacity, holding hearings and adjudicating rights of parties. Further, under various sections of the Federal Power Act,[12] the Commission is given purely investigative duties, in exercising which it is acting solely as an arm of Congress, in certain instances reporting to Congress and making recommendations for legislation.

Thus, if such a Commission can be said to exercise, under the Federal Power Act, "any executive functon—as distinguished from executive power in the constitutional sense—it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers." [13]

By the Natural Gas Act of 1938,[14] the Congress delegated similar powers to the Commission over the transportation of natural gas in interstate commerce, its sale at wholesale for resale in interstate commerce, and natural gas companies engaged in such transportation or sale. These powers, to a great extent, parallel those delegated to the Commission by the Federal Power Act of 1935, on which the Natural Gas Act was largely modeled, and are in the same way quasi-legislative and quasi-judicial in character.

To insure that the Commission would be an effective arm of Congress in the performance of its delegated powers, the Congress took certain precautions. First, it made the Commission an independent agency, not a part of any executive department. Thus Congress eliminated outside executive control. Second, to make the Commission impartial in every way, Congress provided that it should be nonpartisan in that not more than three of the Commissioners shall be appointed from the same political party.[15] Third, to give the Commission a degree of permanence and stability, Congress provided that the Commissioners should have terms of 5 years, the terms of the Commissioners to expire in successive years.[16]

The Commission's duties are prescribed by act of Congress. It is "charged with the enforcement of no policy except the policy of the law." [17] Its decisions are to be made according to the mandates of the statute and in the "exercise of the trained judgment of a body of experts," [18] informed by their experience and the record made before the Commission. The Commission is given discretion within the ambit of its authority, but must observe with strict fidelity the mandates of Congress set forth in its jurisdictional statutes, as interpreted by the courts.

EXHIBIT 2

THE FEDERAL POWER COMMISSION AS AN AGENCY OF CONGRESS

(By CLARENCE F. LEA [1])

How the Federal Power Commission serves as an arm of the legislative branch of the

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[1] United States Senator from the State of Montana; chairman, Committee on Interstate Commerce, United States Senate.

[2] See recent opinions of the United States Supreme Court sustaining the constitutionality of the Emergency Price Control Act of 1942 in *Yakus* v. *United States* (321 U. S. 414, 64 Sup. Ct. 660, 88 L. ed. 834 (1944)), and *Bowles* v. *Willingham* (321 U. S. 503, 64 Sup. Ct. 641, 88 L. ed. 892 (1944)), for a full analysis of the principles and a review of prior decisions relating to the constitutional limits of delegation of legislative power.

[3] U. S. Constitution, art. I, sec. 8.

[4] For a discussion of the delimitation of Federal and State powers, see Benton, Jurisdiction of the Federal Power Commission and of State Agencies in the Regulation of the Electric Power and Natural Gas Industries, infra, pp. 53–80.

[5] 41 Stat. 1063 (1920), 16 U. S. C., sec. 791, et seq.

[6] *United States* v. *Appalachian Elec. Power Co.*, 311 U. S. 377, 61 Sup. Ct. 291, 85 L. ed. 243 (1940).

[7] 49 Stat. 838 (1935), 16 U. S. C., sec. 792 et seq.

[8] 49 Stat. 851 (1935), 16 U. S. C., sec. 824d.

[9] 49 Stat. 848, 849 (1935), 16 U. S. C., secs. 824a, 824b.

[10] 49 Stat. 850 (1935), 16 U. S. C., sec. 824c.

[11] 49 Stat. 854 (1935), 16 U. S. C., sec. 825.

[12] 49 Stat. 856 (1935), 16 U. S. C., secs. 825f, 825j.

[13] *Humphrey's Executor* v. *United States*, 295 U. S. 602, 628, 55 Sup. Ct. 869, 79 L. ed. 1611 (1935).

[14] 52 Stat. 821 (1938), 15 U. S. C., sec. 717 et seq.

[15] 46 Stat. 797 (1930), 16 U. S. C., sec. 792.

[16] Supra, note 14.

[17] *Humphrey's Executor* v. *United States*, supra, note 12 at 624.

[18] Ibid.

[1] Member of the House of Representatives of the United States for the First Congressional District of California; Chairman, Committee on Interstate and Foreign Commerce, United States House of Representatives.

Federal Government may be illustrated by reference to the provisions of the Natural Gas Act, enacted by the Congress in 1938.[2] Particular reference is made to this act because the writer had an active part in the considerations which led to its enactment. He is familiar with the purposes and circumstances which were in view at that time.

Congress found, and in the act of 1938 declared, that "the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest."[3] It was decided that "Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest."[4]

Congress could have enacted detailed legislation regarding these matters without providing for the participation of any administrative agency in such regulation, but instead it decided that a continuing program of regulation involving control of a large variety of particular matters could best be done by an independent non-partisan administrative commission. This task was entrusted, therefore, to the Federal Power Commission, to which Congress had already delegated regulation of the transmission and sale of electric energy in interstate commerce at wholesale, under the Federal Power Act of 1935.[5]

Legislative functions may be divided into two classes, (1) the enactment of a law and (2) investigation preliminary to the enactment of a law.

The enactment of a law may be complete as to all details when the legislation is passed by the legislative body, or the legislative body may merely lay down broad guiding principles in the law as enacted, charging an administrative agency, specially constituted for the purpose, with application of the law to specific situations which are presented.

The function of investigation preliminary to legislation may be performed (1) directly by legislative committees, or (2) delegated by the legislative branch to a qualified administrative agency, which is required to report its findings to the legislature, with or without recommendations for legislation.

Both forms of delegation are utilized by the Congress in the Natural Gas Act.

In the early days of regulation of public utilities, legislative bodies fixed rates by legislative enactment. Later, when the shortcomings of this method of rate regulation, and the advantages of rate regulation by an administrative commission, became apparent, rate regulation directly by statute was abandoned and authority to regulate rates was delegated to a commission. But, whether the regulation of rates is directly by statute or is delegated to a regulatory commission, it is in either case legislative in character.

In the Natural Gas Act, as in the Federal Power Act, regulation of rates is delegated by Congress to the Federal Power Commission,[6] as is also the regulation of the exportation or importation of natural gas,[7] the extension of facilities or service, and abandonment of facilities or service.[8] Congress could have enacted a law regulating each instance or class of transaction, but instead established the principles of regulation by statute and delegated to the Federal Power Commission authority to make the determinations required by the statute for application in particular cases.

Similarly, Congress has delegated to the Commission comprehensive power to prescribe and regulate the accounts of natural gas companies,[9] just as the Federal Power Act provides for similar controls over electric utilities.

The provisions of section 7 of the Natural Gas Act, as amended February 7, 1942,[10] relative to certificates of public convenience and necessity, afford an even clearer instance of delegation of legislative power. Conceivably, the Congress might itself by statute authorize the construction of natural gas pipelines and delimit the operating and service area of every natural gas company. However, by section 7 as amended, it delegated to the Commission authority to issue certificates of public convenience and necessity for the construction of pipelines, extensions and all new operations since February 7, 1942, as well as "grandfather clause" certificates for facilities and operation of natural gas companies as of that date, and authority to determine service areas. Clearly, in these matters, the Commission is acting merely as an arm of the Congress in performing duties of a detailed and specialized character which the Congress, busy with many public affairs, could not hope to cope with directly.

Of the other kind of delegation—of authority to make investigations for Congress—several excellent examples are found in the Natural Gas Act.

By section 14 (a) of the act, the Commission is given general investigatory authority to obtain "information to serve as a basis for recommending further legislation to the Congress." More specifically, by other sections, the Commission is given authority to investigate and ascertain the actual legitimate cost of the property of every natural-gas company,[11] the cost of production or transportation of natural gas by a natural gas company.[12] even in cases where the Commission has no authority to establish a rate, and comprehensive investigatory authority incidental to its other delegated powers under the act. By section 11, the Commission is made the investigative agent of Congress to assemble and keep current all pertinent information relative to interstate compacts dealing with natural gas "and to report to the Congress, from time to time, the information so obtained."

These quasi-legislative functions the Commission is to perform, not as a subordinate bureau of an executive department, but as an independent, nonpartisan agency, charged only with carrying out the functions and the policy laid down in the jurisdictional act of Congress.

It should, of course, be recognized that these regulatory agencies of Congress do not have a carte blanche delegation of legislative power. They are limited to carrying out the policies of Congress as specified in the statutes conferring their power. In very recent years there has been a marked tendency in Congress carefully to define and limit the standards of law which control its administrative agencies.

EXHIBIT 3

THE LONG STRUGGLE FOR EFFECTIVE FEDERAL WATER POWER LEGISLATION

(By Gifford Pinchot [1])

The first and simplest form of mechanical power to be harnessed by man was water power. Today, with electricity to give it reach and scope, it is one of the most essential sources of the good life among men. It is also, unless and until atomic energy shall move into first place, more dangerously subject to the evils of monopoly than any other. Here, if anywhere, public control is indispensable.

Under the powers granted or implied in the Constitution of the United States, the Federal Government has control over navigable streams and their tributaries. Yet for a hundred years after the Constitution was adopted, Congress left the regulation of water power entirely to the States.

Before the long-distance transmission of electricity had revolutionized the situation, water power was regarded almost altogether as a local question. Fall River, Lowell, Lawrence, Manchester, Niagara Falls, and other manufacturing centers owed their superiority to water power. But in all these developments, power could only be used close to the water which produced it. Steam power, which came to the front because it was not subject to this limitation, after the Civil War became the country's chief source of power and has so continued to this day.

LIMITED SCOPE AND EFFECTIVENESS OF EARLY FEDERAL WATER LEGISLATION

Federal stream legislation at its beginning had to do chiefly with preventing or removing obstructions to navigation. That was the purpose of the Rivers and Harbors Act of 1884,[2] which authorized the Secretary of War to remove unauthorized obstructions, including dams, bridges, and causeways.

The act of 1884 was followed by the Rivers and Harbors Act of September 19, 1890,[3] which forbade "the creation of any obstructions, not affirmatively authorized by law, to the navigable capacity of any waters, in respect of which the United States has jurisdiction."

In 1891 Congress granted free rights-of-way through the public lands and reservations for canals, ditches, and reservoirs.[4] In 1896 it extended these rights to "any citizen or association of citizens of the United States, for the purpose of generating, manufacturing, or distributing electric power."[5]

In 1899 Congress assumed fuller control over navigable streams and forbade the building of any bridge, dam, dike, or causeway over any navigable water of the United States "until the consent of Congress to the building of such structures shall have been obtained and until the plans for the same have been submitted to and approved by the Chief of Engineers and by the Secretary of War."[6]

THE ACT OF 1901

The effect of these acts, however, was to prevent rather than promote development. And they applied only to navigable streams. The act of 1901[7] however, empowered the Secretary of the Interior to permit rights-of-way through the public lands and Forest Reservations "for electrical plants, poles, and lines for the generation and distribution of electric power." It also empowered the Secretary to regulate the use of such rights of way and to revoke any permit when he saw fit. That was highly important, for a revocable permit meant that the title to the land remained in the Government.

Under the act of 1901 the Secretary of the Interior issued regulations which related to filing applications for permits. But the Secretary never issued any formal permits. The practice consisted merely in making an endorsement on the map of the project that was submitted.

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[2] 52 Stat. 821 (1938), 15 U. S. C., sec. 717 et seq.

[3] 52 Stat. 821 (1938), 15 U. S. C., sec. 717.

[4] Ibid.

[5] 49 Stat. 838 (1935), 16 U. S. C., sec. 792 et seq.

[6] 52 Stat. 822 (1938), 15 U. S. C., secs. 717c, 717d.

[7] 52 Stat. 822 (1938), 15 U. S. C., sec. 717b.

[8] 56 Stat. 83 (1942), 15 U. S. C. Supp. III, sec. 717f (1942).

[9] 52 Stat. 825 (1938), 15 U. S. C., sec. 717g.

[10] 56 Stat. 83 (1942), 15 U. S. C. Supp. III, sec. 717f (1942).

[11] 52 Stat. 824 (1938), 15 U. S. C., sec. 117e.

[12] 52 Stat. 823 (1938), 15 U. S. C., sec. 717d.

[1] Formerly Governor of Pennsylvania.

[2] 23 Stat. 133 (1884).

[3] 26 Stat. 426, 454 (1890).

[4] 26 Stat. 1101 (1891), 43 U. S. C., sec. 946.

[5] 29 Stat. 120 (1896), 43 U. S. C., sec. 957.

[6] 30 Stat. 1121, 1151 (1899), 33 U. S. C., secs. 401, 403.

[7] 31 Stat. 790 (1901), 16 U. S. C., sec. 79, 43 U. S. C. sec. 959.

CONGRESSIONAL GIFTS OF POWER SITES

Licenses issued by Congress under the act of 1901 gave away enormously valuable power sites without a charge and without a time limit—forever and for nothing. The first sign of change came when Theodore Roosevelt in 1903 vetoed a bill to make a present of the now famous Muscle Shoals power site to private interests[8] and thereby kept the door open for TVA, which, thanks to Senator George W. Norris, came in due time.

Until 1905, when the first steps were taken to bring about effective regulation and control by the Government of the right to erect and maintain power dams, the custom of Congress to give away these extremely valuable rights continued unbroken. Unless some other interest happened to be after the same power site, all that was necessary was to get a bill introduced in Congress and sit by and watch it pass as a matter of course.

This time-worn habit of Congress to give away the public property was, of course, wholly unnecessary and wholly without excuse. Its only possible justification, aside from the pressure of the power interests, lay in the ancient bureaucratic shibboleth, "We have always done it that way."

EVOLUTION OF EFFECTIVE NATIONAL POLICY

When responsibility for the national forests was transferred to the Department of Agriculture and the Forest Service, by the act of February 1, 1905,[9] most of the undeveloped water power of the Nation was still in the hands of the Government. Undoubtedly more than half of the grand total was in the forest reserves and the public domain.

Under the Transfer Act, as mutually interpreted by the Departments of Agriculture and Interior, all grants of rights or privileges within the forest reserves which did not affect the title to the land or cloud the fee were under the jurisdiction of Agriculture. All those which did remain under Interior. But still no charge was provided for and the men who profited by these privileges and rights-of-way were not required to pay for what they got. But that situation did not long continue.

After the Transfer Act, the Forest Service, in dealing with the vast undeveloped resources in water power which had come under its control, could have followed any one of three paths—

(1) It could continue the indefensible policy of Congress by giving away these immensely valuable powers forever and for nothing.

(2) It could follow the policy of the Interior Department, which had a limited power of control in the public interest, but made little use of it, and did not require the companies to pay for what they got.

(3) Or it could develop a water power policy of its own.

There was no question which course to adopt. We must make our own policy and above all keep the title to the power sites in the public hands. The Use of the National Forest Reserves, a manual of instructions, issued July 1, 1905, contained this definite statement of policy: "A reasonable charge may be made for any permit, right, or privilege, so long as such charge is not inconsistent with the purposes for which the reserves were created."[10]

Underlying principle and basis of reasonable charges for use of water power

The report of the Forester for the fiscal year 1905–06,[11] after noting the collection for the first time of a fee for grazing on the forest reserves, set forth as an underlying principle that a reasonable charge should be made for all permits which involved "the withdrawal of the particular resource or land from use by the people in general."

Furthermore, it definitely determined the basis upon which charges for the use of water for power should be calculated, as follows:[12]

"(1) A charge per mile for the length of the ditches, conduits, pipelines, transmission lines, etc. This applies when no greater width is allowed than that actually necessary at any one point for the enjoyment of the privilege.

"(2) A charge per acre for land actually granted for occupancy, as areas flooded by reservoirs, land for powerhouses, residences, hotels, fenced pastures, etc.

"(3) A charge for the conservation of water supply and the use of advantageous locations and other privileges. The water itself is granted by the State, not by the United States.

"Thus, in a permit for a project to develop electricity the charge would be based upon: First, the length of the conduits, transmission lines, etc.; second, the area occupied by the powerhouses, reservoirs, etc.; third, the conservation of the water supply and the advantageous location which makes it possible to obtain a fall to turn the waterwheel."

Here was the beginning of a Federal water power policy. It was deeply resented and bitterly fought by the power interests and their followers in Congress, but in all esentials it is in force today both on lands owned by the Government and on navigable streams.

Administration of charges and duration of permit

The Forest Service held that the quantity of water used was a proper measure of its conservation by the forest reserves and that the horsepower developed at the wheel, since it resulted from the water conserved and the fall furnished, was a proper measure of the entire conservation supplied by the Service to the permittee.

The Service was wise, I think, in deciding to enforce the new charge gradually, and not all at once. In the spring and summer of 1905, a few permits were issued for electric development without compensation but terminable at the discretion of the Forester. What we were after was not only a fair return in due time, but also goodwill and cooperation.

Later in 1905, the charge began. John S. Eastwood, for example, in August of that year renewed his power permit on the Sierra Reserve in California (now the Sequoia National Forest) with a new annual charge of $100. The Shasta Power Co. on the Lassen Forest, Calif., and the Nevada Power Mining & Milling Co. agreed to pay similar sums. Thus, for the first time, the principle of a charge was established in actual operation.

But the question of the duration of the permit was far less simple than the question of the charge. Before the Transfer Act the Secretary of the Interior had asked the Secretary of Agriculture "to suggest the length of time which should properly be fixed for the rights-of-way granted." A permit for a period of 99 years[13] had been issued with the consent and approval of the Service to the Edison Electric Company of Southern California in the San Bernardino, San Gabriel, and Sierra Forest Reserves.

As head of the Forest Service I had personally approved the 99 years. And I recommended to the Secretary of Agriculture that permits issued by the Service should run for an even century. In that I was thoroughly and completely wrong. The power people had convinced me too easily that they needed so much time to recover their investments. The Secretary's judgment was better than mine. He cut the time suggested in two and he was right. Fifty years was long enough, as much experience has since fully proved. Fifty years is the limit today.

NEWLY FORMULATED POLICY OF CONSERVATION: THE INLAND WATERWAYS COMMISSION

Another forward step was taken when on March 14, 1908, President Theodore Roosevelt appointed the Inland Waterways Commission.[14] In his letter to the members he said:

"Works designed to control our waterways have thus far usually been undertaken for a single purpose, such as the improvement of navigation, the development of power, the irrigation of arid lands, the protection of lowlands from floods, or to supply water for domestic and manufacturing purposes. While the rights of the people to these and similar uses of water must be respected, the time has come for merging local projects and uses of the inland waters in a comprehensive plan designed for the benefit of the entire country. Such a plan should consider and include all the uses to which streams may be put, and should bring together and coordinate the points of view of all users of waters."[15]

And, the President added, the plans of the Commission should be formulated "in the light of the widest knowledge of the country and its people, and from the most diverse points of view."[16]

It is worth noting also that the President's letter contained the first official recognition of the newly formulated policy of conservation:

"It is not possible to properly frame so large a plan as this for the control of our rivers without taking account of the orderly development of other natural resources. Therefore, I ask that the Inland Waterways Commission shall consider the relations of the streams to the use of all the great permanent natural resources and their conservation for the making and maintenance of prosperous homes."[17]

The report of the Inland Waterways Commission[18] was based on two fundamentally important principles for whose formulation Dr. W. J. McGee, the Secretary of the Commission and the scientific brains of the conservation movement in its early days, was directly responsible. These were:

First, that every river system is a unit from its source to its mouth and should be treated as such.

Second, that plans for any use of our inland waterways should "take account of the purification of the waters, the development of power, the control of floods, the reclamation of lands by irrigation and drainage, and all other uses of the waters or benefits to be derived from their control."[19]

The Tennessee Valley Authority is the direct descendant of these two principles.

PRESIDENT THEODORE ROOSEVELT'S VETOES IN SUPPORT OF CONSERVATION POLICY

The principles of Government control of power on the national forests, established by the Forest Service, were thoroughly approved by Theodore Roosevelt. On April 13, 1908, he gave public proof of his approval by vetoing a bill to turn over important power sites on the Rainy River, a boundary stream

[8] 36 Cong. Rec. 3071 (1903).

[9] 33 Stat. 628 (1905), 16 U. S. C. §§ 472, 551.

[10] U. S. Department of Agriculture, Forest Service, The Use of the National Forest Reserves (1905), p. 16.

[11] U. S. Dept. of Agriculture, Report of the Forester, 1906.

[12] Supra note 10 at 11.

[13] The permit was authorized by act of May 1, 1906 (34 Stat. 163 (1906)), which provided that the duration of time of the permit should be set by the Secretary of the Interior.

[14] S. Doc. 325, 60 Cong., 1st sess. (1908), 42 CONGRESSIONAL RECORD 6966 (1908).

[15] 42 CONGRESSIONAL RECORD 6968 (1908).

[16] Supra, note 14.

[17] Supra, note 14.

[18] S. Doc. 325, 60th Cong., 1st sess. (1908).

[19] Supra, note 17 at 25.

between the United States and Canada, without the safeguards the Service had developed.[20] In that veto he declared that a time limit should be set for the termination of the grant, that a charge should be paid to the Government for the privileges received, that power sites should not be held undeveloped for speculative or other reasons, and that already the evils of monopoly were becoming manifest.

The Rainy River veto created consternation among the waterpower grabbers, but there was nothing they could do about it. Nine months later, on January 15, 1909, just before he went out of office, in his veto of the James River bill.[21] Theodore Roosevelt reaffirmed the principles of the Rainy River veto, and announced that he would sign no power bill which did not contain a charge and a time limit.

The President asserted that "the great corporations are acting with foresight, singleness of purpose, and vigor to control the water powers of the country. They pay no attention to State boundaries, and are not interested in the constitutional law affecting navigable streams, except as it affords what has been aptly called a 'twilight zone' where they may find a convenient refuge from any regulation." And he concluded, "I esteem it my duty to use every endeavor to prevent the growing [power] monopoly, the most threatening which has ever appeared, from being fastened upon the people of this Nation."[22]

In 1910 the second general dam bill[23] limited the life of power permits to 50 years, providing for a charge, and for the recovery of the privilege by the United States. But these provisions were vague and indefinite, and made little improvement over those contained in the first general dam bill of 1906.[24]

LONG STRUGGLE IN CONGRESS BETWEEN POWER INTERESTS AND SUPPORTERS OF NATIONAL POLICY

In 1912 the power interests and their friends in Congress staged a daring raid. Without hearings and without warning, the House Committee on Interstate and Foreign Commerce reported an omnibus water power bill[25] which would have authorized 17 private power projects, without a charge and without provision for Government regulation. Large water power interests would have controlled more than half of the grants proposed. Before, however, this piracy could be put through the House, President Taft's Coosa River Veto,[26] based on the ground that no provision was made for a charge, broke it up.

For the next 8 years a bitter fight raged in Congress between the power interests, eager for plunder, and the supporters of the principles laid down by the Forest Service and by Theodore Roosevelt in his epoch-making vetoes. The Adamson bill, Ferriss bill, the Shields bill, and the Myers bill, some good, some bad, were introduced, fought for, and failed of passage.[27] The most dangerous of these was the Shields bill, behind which all the power of the great special interests was concentrated. After a long and bitter conflict, in the end it also was defeated.

[20] 42 CONGRESSIONAL RECORD 4698 (1908).

[21] 43 CONGRESSIONAL RECORD 987 (1909).

[22] Supra, note 20 at 979, 980.

[23] 36 Stat. 593 (1910).

[24] 34 Stat. 386 (1906).

[25] H. Rept. 1050, 62d Cong., 2d sess. (1912).

[26] 48 CONGRESSIONAL RECORD 11796 (1912).

[27] Adamson bill, H. R. 16053, 63d Cong., 2d sess. (1914); Ferriss bill, H. R. 16673, 63d Cong., 2d sess. (1914); Shields bill, S. 1419, 65th Cong., 1st sess. (1917); Myers bill, S. 2399, 65th Cong., 1st sess. (1917).

Leadership of the National Conservation Association

In this long, often confused, and always difficult contest between private greed and the public good, the National Conservation Association led the fight against the power magnates and for the people. Charles W. Eliot, president of Harvard University, was its first president and I had the honor to succeed him.

The National Conservation Association had little more than two members for each Senator and Representative in Congress. Yet because it was right and because it knew how, it was able to protect the public interest against one of the most formidable attacks ever made against it.

The men who bore the heat and burden of this crucial fight cannot all be mentioned here. But since their efforts resulted in the definite, if not permanent, defeat of the power grabbers, and in the definite and permanent establishment of the principle of Government control over water power development, both in navigable streams and on the National Forests, some of their leaders should be named. All of them were or had been members of the United States Forest Service.

First came George W. Woodruff, Federal Judge, Assistant United States Attorney General, and Attorney General of Pennsylvania; then Philip P. Wells, counsel in the Department of the Interior; Overton W. Price, Associate Forester, and O. C. Merrill, Chief Engineer, of the Forest Service; Harry Slattery, afterward Administrator of Rural Electrification Authority; and Thomas R. Shipp, Secretary of the Conservation Association. To these men and many others, and to public-spirited Members of the Senate and House, such as Congressman William Kent of California, the Nation owes a great debt.

NATIONAL POLICY UNDER FEDERAL WATER POWER ACT OF 1920 AS AMENDED

Before their fight was won and a Federal Power Commission was finally established, President Wilson took a hand. In 1918, a Committee on Water Power was created at the President's suggestion, and an administration bill, drafted by the Secretaries of War, Interior and Agriculture, was introduced. Followed 2 more years of backing and filling, and of conflict between the House and the Senate, until on June 10, 1920, the bill became law.

With all its faults the Federal Water Power Act of 1920,[28] marked a great advance. It established firmly the principle of Federal regulation of water power projects, limited licenses to not more than 50 years, and provided for Government recapture of the power at the end of the franchise.

For the first time, the act of 1920 established a national policy in the use and development of water power on public lands and navigable streams. But it provided, unfortunately, for the administration of the act by a commission of 3 men, the Secretaries of War, Interior, and Agriculture, whose hands were already too full to give it the necessary attention.

This serious fault was corrected in 1930 by the passage of an act[29] which provided for an independent Commission of five full-time members authorized to employ a staff of its own.

The act of 1930 took a great step forward. But it was not enough. In 1935 Congress passed the Federal Power Act[30] which authorized the Commission to regulate the interstate transmission and sale of electric energy. Under that act the Federal control of water power operates today.

[28] 41 Stat. 1063 (1920), 16 U. S. C., sec. 791 et seq.

[29] The 1930 Reorganization Act, 46 Stat. 797 (1930), 16 U. S. C. secs. 792, 793, 797.

[30] 49 Stat. 838 (1935), 16 U. S. C., sec. 792 et seq.

Beginning with the first effective regulation of water power by the Forest Service in 1905, the long series of conflicts and changes had at last, 30 years later, brought about the enactment of a law, and the organization of a Federal Power Commission, competent to deal effectively with this vital question on just principles of sound public policy. To deal with it as sound public policy was understood 10 years ago. The Tennessee Valley Authority has made it clear that we have not yet reached the end of the road.

EXHIBIT 4

MINORITY VIEWS ON HELLS CANYON

We recommend against enactment of S. 1333.

One of the issues posed by S. 1333 is simple, yet fundamental. It is whether there is to be any place in the development of our hydroelectric resources for assistance from non-Federal sources when that assistance can be rendered entirely consistent with development in accordance with a coordinated comprehensive plan.

S. 1333 would deny the Nation the benefit of such assistance. By so doing, S. 1333 would overturn a national water policy developed over a period of decades and embodied for a quarter of a century in the Federal Power Act. That policy encourages non-Federal participation in the development of our water resources under conditions adequately protecting the public interest when such development is best adapted to a comprehensive plan for the improvement of the water resources for beneficial public purposes.

Section 7 of the Federal Power Act provides that, as between private applicants, the Federal Power Commission shall give preference to the one which has the best plan to "develop, conserve, and utilize in the public interest the water resources of the region."

If the Commission's findings indicate that Federal development should be undertaken, the Commission is instructed by section 7 (b) not to approve a license application, but instead to submit its findings and recommendations to the Congress. Section 10 (a) requires that any license issued must be on condition that the project approved be the one "best adapted to a comprehensive plan for improving or developing a waterway * * * for * * * beneficial public purposes," and that section directs the Commission, if necessary, to require any modification of the project requisite to that end before the Commission gives its approval.

The Federal Power Act stresses repeatedly the concept that development proposals must measure up to the standard of being best adapted to a comprehensive plan for the utilization of the region's water resources. In determining whether non-Federal applicants are to be refused an opportunity to undertake a project, that concept of comprehensive development is properly the test. But if a project measures up to the test of comprehensive development, not only is there nothing in the Federal Power Act that calls for a license application to be refused in favor of Federal development but such a position is entirely contrary to the objectives of the act.

The Federal Power Act came as the culmination of decades of study and experience by trial and error which demonstrated that administrative government machinery testing all project proposals by the measuring rod of comprehensive development was essential to the optimum utilization of the Nation's water resources in the public interest.

Late in the 19th century and in the early years of the 20th century, the Congress itself undertook to examine and license by separate statutes each individual non-Federal

hydroelectric project proposal. This practice did not assure consistency with the public interest because the Congress was not equipped technically to examine proposals from the point of view of optimum development of the resources of the region involved. Furthermore, the lack of uniform standards made determination of the best multipurpose development impossible and tended toward piecemeal, limited development of the better hydroelectric sites.

These deficiencies were early recognized by Presidents Theodore Roosevelt and William Howard Taft who refused to approve individual licensing bills and who urged upon the Congress the necessity for legislation of general application that would establish standards to be met by non-Federal project proposals.

Out of this and after prolonged study by congressional committees and commissions established to develop national water policy came the Federal Water Power Act of 1920, enacted during the administration of President Woodrow Wilson.

This act, which was designed to enable and encourage participation in water-resource development by non-Federal entities, public as well as private, contains the provisions and requirements mentioned above in order to assure that, whatever the agency of development, the end served will be that of a comprehensive, coordinated water-resource program.

These provisions, after most thorough congressional review, were reenacted as a part of the Federal Power Act of 1935 during the administration of President Franklin D. Roosevelt.

The present Commission was established by the 1935 act as an independent body of 5 members, no more than 3 of which may be of the same political persuasion. The Commission is equipped with a staff of expert engineers and attorneys to study and to present to it all of the facts relevant to the applications pending before it. All parties having an interest in any proposal before the Commission are afforded the opportunity to participate fully in the proceeding. All of this is designed to assure that applications for licenses will be thoroughly and searchingly examined, with the fullest opportunity for presentation of all points of view, in order that decision may be reached whether the act's standard of comprehensive coordinated development can be met by a non-Federal development proposal.

The enactment of S. 1333 would abrogate by special legislation, in an individual case, a license which has been issued by the Federal Power Commission as a result of its consideration, after protracted proceedings in which all points of view, including the proponents of Federal development for Hells Canyon site, were fully heard. These proceedings occupied a period of more than 6 months during which a record of approximately 20,000 pages and nearly 400 documents was amassed. It was in fact, the most extensive proceeding in the Commission's entire history, occupying approximately 150 hearing days.

Upon its consideration of the record and after applying the tests specified by the Congress, the Commission found the 3-dam private development proposal to be "best adapted to a comprehensive plan" for the development of the Columbia Basin for the public purposes of flood control, navigation, recreation, and power. This finding, as provided by law, is now being reviewed by the courts.

We of the minority do not presume to decide these issues as between the Hells Canyon 1-dam plan and the 3-dam plan. The majority would have the Congress undertake this task. In so doing, the majority would commit the Congress to a task for which it has neither the time nor the technical resources. It would have the Congress return to a method of individual project review tried and found wanting 50 years ago.

Furthermore, the majority position is based upon the false premise that comprehensive development requires exclusive Federal development of our water resources—a concept never approved by the Congress. The fundamental purpose of the Federal Power Commission is "to issue licenses" for the construction of water-resource projects by non-Federal public and private agencies.

We submit that the proper way to correct inadequacies, if any there be, in the Federal Power Act is by general legislation and not by special legislation such as S. 1333.

STATE VIEWS IGNORED

Another issue of great importance is involved in the doctrine which has become almost sacred in its application—that water for consumptive purposes has a high priority over all other uses. This principle underlies the water codes of the 17 semiarid States lying west of the 98th meridian. It is fundamental to the preservation of life and to the development of those areas. Nonconsumptive uses of various kinds, important as they are, are made secondary in importance to the consumptive uses in the regions where water is necessary for existence and development.

The Flood Control Act of 1944 gave recognition to this doctrine in dealing with the subject of navigation in the States lying partly or wholly west of the 98th meridian, wherein it was declared:

"The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the 98th meridian, shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the 98th meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes."

Section 1 of that act also requires submission of projects to State authority for comment before submission to Congress for authorization. This requirement was adopted on behalf of the Western States to assure these States a real voice in the planning and development of water-resource projects so vital to their economies. Clearly this requirement was not intended as a mere empty gesture. The spirit of this amendment quoted in part above and known as the O'Mahoney-Millikin amendment, requires not only that the affected States should be consulted but that their expressed interests be recognized and reconciled wherever possible. The Governors of Idaho, Oregon, and Washington, speaking for their States, are unalterably opposed to S. 1333. So long as this remains the position of the States most immediately affected by the project, the Congress should not arbitrarily override the pledge of cooperation with affected States implicit in the O'Mahoney-Millikin amendment. No compelling circumstances can be pointed to here which would warrant violation of this amendment. On the contrary, there is grave concern in at least four of the States of the Columbia River Basin over the possibility of an invasion of the doctrine of priority for consumptive uses of water and of the policy set forth in the O'Mahoney-Millikin amendment. In other areas reclamation projects of great importance have been delayed until an agreement between the States affected has been entered into for the protection of the rights and allocation of water among those States.

The Snake River, one of the large tributaries of the Columbia River, and where Hells Canyon is located, is the principal source of water for irrigation and other consumptive uses in the State of Idaho. This State is vitally concerned with the protection of its rights to use as much of the flow of this river as it possibly can at the present time and in the future for its full development. There is no other source of water supply for the large area in the Snake River Valley, which without water is a desert but with a plentiful water supply can reach much greater development than it has at present attained.

CONSUMPTIVE USE UNPROTECTED

A recognition for the need of an agreement between the States in the Columbia River drainage system resulted in a 1952 act of Congress, authorizing the States involved to negotiate and enter into a compact for the disposition, allocation, diversion, and apportionment of the waters of that river system. Pursuant to that authorization, the States of Idaho, Montana, Oregon, Washington, Wyoming, Utah, and Nevada appointed commissioners to represent them, and in January of 1955 those commissioners met at Portland, Oreg., and signed the compact approved December 29, 1954, at Spokane, Wash., which recognized the priority of consumptive uses, existing or future, as against nonconsumptive uses.

Under article XIV of the compact it is provided that when ratified by the legislatures of the States of Idaho, Montana, Oregon, and Washington and consented to and approved by the Congress of the United States it shall enter into force and become effective and binding. It was ratified by the 33d Legislature of Idaho in 1955. Likewise it was approved by the States of Utah and Nevada. However, to this date neither the Legislature of the State of Washington nor the State of Oregon has ratified the compact. Until an enforceable agreement is achieved by compact, recognizing the fundamental priority of consumptive use over nonconsumptive uses, Congress should not approve projects which establish nonconsumptive downstream rights which will, or might, impair present or future upstream depletions for consumptive purposes.

Section 2 of S. 1333 attempts to meet the issue just raised but in our opinion fails to give the enforceable protection to upstream users for consumptive purposes which a compact would assure and which the situation requires. The reasons for this conclusion, together with other issues, will be presented during Senate consideration of the pending bill.

HENRY C. DWORSHAK.
FRANK A. BARRETT.
EUGENE D. MILLIKIN.
ARTHUR V. WATKINS.
BARRY GOLDWATER.

AMENDMENT OF ATOMIC ENERGY COMMUNITY ACT OF 1955

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of order No. 2567, Senate bill 3822.

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

The LEGISLATIVE CLERK. A bill (S. 3822) to amend the Atomic Energy Community Act of 1955, and for other purposes.

The PRESIDENT pro tempore. 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 Joint Committee on Atomic Energy with an amendment.

Mr. JOHNSON of Texas. Mr. President, I ask the Senator from New Mexico [Mr. ANDERSON] to make a brief explanation of the bill.

Mr. ANDERSON. Mr. President, the Atomic Energy Commission has had an extra burden for many years in endeavoring to carry the community facilities at Oak Ridge and Los Alamos. They are not quite ready at Los Alamos to release all the houses there. The Oak Ridge community is ready to assume the houses and go ahead, but a great many of the houses are of a type which do not readily adapt themselves to individual housing at the present time, particularly the row houses which were constructed during the war. Authority is desired to have loans made on those properties for repairs and improvements and for dividing them up so they will not remain in the middle of the Oak Ridge community. We also wish to have the same policy followed at Richland.

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

The amendment of the Joint Committee on Atomic Energy was, on page 3, line 10, after the word "such", to strike out "property and in all cases where the Commission has acquired a note and first mortgage or other obligation or lien upon such residential property as provided in section 62 a. hereof, to make advances to provide for the necessary repairs or for the rehabilitation, modernization, rebuilding, or enlargement of such property and to take an additional lien, mortgage, or conveyance to secure the amount so advanced, or to take a new note secured by a first mortgage for the whole indebtedness" and insert "property," so as to make the bill read:

Be it enacted, etc., That the Atomic Energy Community Act of 1955 is amended in the following respects:

SECTION 1. Amend section 36 a. by striking therefrom the word "residual" in the middle thereof. Also strike therefrom the word "purchaser." at the end thereof and substitute in place thereof the following: "purchaser: *Provided*, That, with reference to commercial property, the improvement credit allowed shall be the value of the enhancement of the Government's interest in the property, as determined by the Commission on the basis of the appraisal provided for under section 32: *Provided further*, That such credit shall be reduced to the extent that lessee has been previously compensated therefor, as determined by the Commission, under the terms of the lease or otherwise."

SEC. 2. Amend section 62 to read as follows:

"SEC. 62. Commission financing:

"a. In the event that the Commission finds that financing on reasonable terms is not available from other sources, the Commission may, in order to facilitate the sale of residential property under chapter 5 of this act, accept, in partial payment of the purchase price of any house, apartment building, or dormitory notes secured by first mortgages on such terms and conditions as the Commission shall deem appropriate. In the case of houses and apartment buildings, the maturity and percentage of appraised value in connection with such notes and mortgages shall not exceed those prescribed under section 223 (a) of the National Housing Act, as amended, and the interest rate shall equal the interest rate plus the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for properties of similar character) under section 223 (a) of the National Housing Act, as amended, at the effective date of such notes and mortgages.

"b. In connection with the sale of residential property financed under section 63 a. of this act, the Commission is authorized to make advances for necessary repairs, or for the rehabilitation, modernization, rebuilding, or enlargement of single and duplex residential properties to priority purchasers, and to include such advances in the amount of the note secured by the mortgage on such property.

"c. In the event that the Commission finds that financing on reasonable terms is not available from other sources, the Commission may, in order to facilitate the sale of commercial property under chapter 5 of this act, accept, in partial payment of the purchase price of any commercial property, notes secured by first mortgages on such terms and conditions as the Commission shall deem appropriate.

"d. The Commission may sell any notes and mortgages acquired under subsections a. and c. hereof on terms set by the Commission."

SEC. 3. Section 116 of the Atomic Energy Community Act of 1955 is hereby amended by adding the following thereto: "Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Commission shall have power to deal with, complete, operate, rent, renovate, modernize, insure, or sell for cash or credit, in its discretion, any properties acquired pursuant to this act, and to pursue to final collection, by way of compromise or otherwise, all claims arising pursuant to this section: *Provided*, That expenses authorized by this section shall be considered nonadministrative expenses: *Provided further*, That section 3709 of the Revised Statutes shall not apply to any contract entered into pursuant to this section if the amount thereof does not exceed $1,000."

SEC. 4. Section 117 of the Atomic Energy Community Act of 1955 is hereby amended to read as follows (and the table of contents is amended appropriately):

"SEC. 117. Community operations fund:

"a. There is hereby established as of June 30, 1956, a Community Disposal Operations Fund, and the Commission (or the head of such agency as may be carrying out the sales and financing functions of the Commission pursuant to a delegation by the President under section 101 of this act) is authorized to credit said fund with all moneys hereafter obtained or now held by it and to account under said fund for all assets and liabilities held or acquired by it in connection with its sales and financing functions under this act, and to make temporary advances to such fund, from any other funds available for expenses of operations of such Commission or agency, as may be required to carry out such functions pending the realization of sufficient proceeds under the provisions of this act: *Provided*, That any such advances shall be repaid to the source appropriation or fund, to the extent of any unobligated balances available in the Community Disposal Operations Fund, prior to the close of the fiscal year during which such advances are made.

"b. The Community Disposal Operations Fund shall be available to pay for all necessary costs, expenses (including administrative expenses), losses or obligations incurred in connection with the aforesaid functions, including expenses incident to sale, or other transfer and any financing under section 62, indemnities under sections 63 through 66, and expenses authorized by section 116 of this act, and expenses in connection with the defense and payment of any claims for breaches of warranties and covenants of title of any property disposed of pursuant to this act.

"c. Any amount in said fund which is determined to be in excess of requirements for the purposes thereof shall be declared and paid as liquidating dividends to the Treasury, not less often than annually."

SEC. 5. Section 118 c. of the Atomic Energy Community Act of 1955 is repealed.

SEC. 6. Section 118 b. of the Atomic Energy Community Act of 1955 is amended by striking therefrom the figure "$2,165,000" and inserting in lieu thereof the figure "$2,215,000."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Joint Committee on Atomic Energy be discharged from the further consideration of House bill 11077 to amend the Atomic Energy Community Act of 1955, and for other purposes.

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

Mr. ANDERSON. Mr. President, I now move that the Senate proceed to the consideration of House bill 11077.

The PRESIDENT pro tempore. The House bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 11077) to amend the Atomic Energy Community Act of 1955, and for other purposes.

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

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

Mr. ANDERSON. Mr. President, I move that all after the enacting clause of the House bill be stricken and that the Senate bill, as amended, be substituted for the language of the House bill, and that following the passage of the House bill the Senate bill be indefinitely postponed.

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

The motion was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 11077) was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3822 is indefinitely postponed.

PROTECTION FROM FIRE AND DROUGHT OF THE OKEFENOKEE NATIONAL WILDLIFE REFUGE, GEORGIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2652, H. R. 9742.

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

The LEGISLATIVE CLERK. A bill (H. R. 9742) to provide for the protection of the Okefenokee National Wildlife Refuge, Georgia, against damage from fire and drought.

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

Mr. JOHNSON of Texas. There is no amendment to the bill. It appears on the calendar as having been reported without amendment.

Mr. President, may I have the question put, please?

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

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have a brief explanation from the report printed at this point in the RECORD.

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

The purpose of this bill is to protect Okefenokee National Wildlife Refuge in Georgia from the devastating effects of fire and drought. The refuge is unique, and since its acquisition by the United States efforts have been made to preserve the wildlife, plant life, and trees in their original state. Last year, fires destroyed trees that were hundreds of years old, destroyed a large part of the wildlife and generally laid waste a considerable portion of the refuge.

Future protection of the refuge depends on an adequate supply of water for the protection of plant and animal life and protection from fire since the land is swampy. Some of the peat deposits in the refuge are more than 15 feet in depth and when not moist are tinderboxes which, if ignited, may burn for months, devastating everything in the area as well as endangering private contiguous lands containing valuable timber resources.

The serious drought which threatens the existence of the wildlife which inhabit the refuge and the prevalence of fire which such drought may augment and is further endangered by the fact that the ground water level in the Southeast United States is becoming lower each year.

The bill would provide for the construction of a continuous perimeter road around the refuge and approximately 162 miles of fire-access roads as firebreaks and sills and dikes in the waterways to maintain levels during dry periods.

The PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas subsequently said: Mr. President, I move that the Senate reconsider the vote by which H. R. 9742 was passed.

Mr. ERVIN. Mr. President, I move that the motion of the Senator from Texas be laid on the table.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The question is on agreeing to the motion of the Senator from North Carolina [Mr. ERVIN] to lay on the table the motion of the Senator from Texas [Mr. JOHNSON].

The motion to lay on the table was agreed to.

DELAYS IN INDIAN CLAIMS CASES

Mr. LANGER. Mr. President, because my eyesight is such that I cannot read, I ask unanimous consent that the clerk may read a statement which I desired to make this morning.

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

The legislative clerk read as follows:

Mr. LANGER. Mr. President, on Friday, July 13, the Senate agreed to the conference report on H. R. 5566. That report provided for the Senate to recede from its amendment providing for the termination of the Indian Claims Commission 2½ years from April 10, 1957. Even though that amendment resulted from a proposal made by me on the floor of the Senate on July 6, 1956, I agreed to the report of the conference committee. I now desire to state my reasons and to make a few comments concerning the delay in concluding Indian claims.

When H. R. 5566, providing for the extension of the Indian Claims Commission was considered by the Senate on July 6, I offered an amendment which would have extended the life of the Indian Claims Commission by only 2 years instead of the 5 years provided by the House bill and the conference report. I explained that my purpose in limiting the life of the Commission was to bring about an early conclusion and determination of Indian claims. I said then, and still feel, that we should conclude these claims before these Indians die, and before their sons and daughters, or grandchildren, die. Something must be done to speed up the disposition of these claims.

According to the Senate committee report, in almost 10 years, only about 102 of 852 claims have been disposed of by the Commission. At this rate it will take almost 70 years to conclude the claims. I hope that the pace will be speeded up substantially. I know that the Congress expects it to be. I want to briefly mention a few factors which contribute to delay and which should be corrected in order to bring the claims to an early conclusion.

The Commission organized by President Eisenhower to investigate the organization of the executive branch of the Government, headed by former President Herbert Hoover, in its report in March 1955 on legal services and procedure stated at page 184:

One of the worst examples of delay that the task force study has revealed occurs in the Indian Claims Commission, where in 5 case dockets (Nos. 327, 328, 332, 196, and 330) petitions have been pending since at least August 10, 1951, without any answer by the Government more than 3 years later.

The responsibility to answer promptly these petitions lies with the Department of Justice alone. Perhaps some of the cases cited by the Hoover Commission have been answered, but I am informed that in almost 200 cases no answers have been filed, and in some of the cited cases extensions of time to answer are still being sought and granted.

Upon the suggestion of the Attorney General and the recommendation of the Senate Appropriations Committee, the Congress recently gave the Department of Justice $300,000 extra for the purpose of handling these claims. I have written the Attorney General urging that he put it to use at once and asking him to advise me what we can expect with reference to speeding up these cases. Since the officials of the Department of Justice have been saying a great deal about speeding up the business of our Federal courts, and properly so, I hope they will do their part in speeding up the Indians' day in court.

I find it difficult to understand why the Department of Justice should not prepare for trial and conclude an Indian case as it would any other case. There is no reason why the Indians should present their cases and then wait around for the Government to analyze the Indians' evidence and then put in their case in a piecemeal manner. As a lawyer, I have always understood that fair and orderly trials required both sides to put on their evidence at about the same time, one after the other. With this in mind, I cannot help but be impressed by the complaints of my friends, the Crow Indians, as to the delay and postponement in their case in which the Department of Justice delayed a trial on the question of the value of the land involved from June 11, 1954, when the Commission held the Indians had title to the land, until May 1956, and then sought and still seeks to keep the record open to put in further evidence, precluding the preparation of findings of fact and briefs and a decision in the case.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a summary of events in the Crow case, Docket No. 54, disclosing how the Government has delayed this case.

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

SUMMARY OF EVENTS IN CROW CASE, DOCKET NO. 54, DISCLOSING HOW GOVERNMENT HAS DELAYED THE CASE

June 11, 1954: Commission decided Indians had recognized title—issue of value of land as of 1868 remained to be tried.

October 19, 1954: Government motion for rehearing filed; denied by Commission on December 7, 1954.

February 4, 1955: Commission inquired of counsel for Indians if they would be ready for trial in July or August 1955. Attorneys replied in affirmative, on condition Government would also put in its case at that time.

February 18, 1955: At conference before Commission attorneys for Indians advised Government attorney and the Commission it expected both Government and Indians to put on proof at same hearing.

April 13, 1955: Attorneys for Indians wrote Assistant Attorney General requesting him to push ahead on preparation for trial and not to delay for pending legislation seeking interlocutory appeal.

April 20, 1955: Indians filed motion for Commission to fix date for valuation hearing.

Late June 1955: Government hired its valuation expert to investigate value of land and to testify in case.

August 16, 1955: Commission denied Indians' motion for fixed trial date, on assumption counsel were agreeing to satisfactory date.

August 29, 1955: Indians filed motion advising that no agreement as to trial date could be reached and requesting Commission to fix trial date prior to January 1, 1956, "at which trial both sides shall close proof on all remaining issues." Government counsel opposed on ground its schedule precluded complete preparation prior to January 1, 1956.

October 12, 1955: Commission set May 1, 1956, as date for final hearing on all issues other than offsets.

February 18, 1956: Government filed motion for relief from either the trial date in Crow case or deadline for filing findings of fact in another case on ground that counsel could not meet both.

February 14, 1956: Indians objected to extension of Crow trial.

March 15, 1956: Commission in memorandum on trial calendar scheduled Crow case for trial May 2, having granted Government counsel relief in the other conflicting case.

May 2, 1956: Indians presented case in belief that Government would be required to do the same.

May 8, 1956: Government sought to have record kept open for further evidence but was denied that delay, with leave to file formal application to reopen record within 30 days.

June 8, 1956: Government seeks 10-day extension of time within which to file to reopen the record. (This motion was filed 1 day after time had expired.)

June 12, 1956: Commission granted Government until "not later than June 18, 1956" to file formal application to reopen record.

June 18, 1956: Government asked for extension until August 1, 1956, in which to file motion to reopen record.

June 27, 1956: Indians file formal objection to further extension and request that the Commission deny Government's request that the record can be reopened.

NOTE.—Until the record is closed the Indians cannot prepare their proposed findings of fact and brief and the case is being delayed thereby.

Mr. LANGER. I must say, Mr. President, I was shocked when Martin Cross and other Indian friends told me about this case and furnished me this summary. There is no secret to what is at issue in a valuation case. I can think of no satisfactory reason for the failure of the Department of Justice to prepare and try this case promptly.

One of the factors which has delayed disposition of Indian claims cases, I am told, is the announced policy of the Department of Justice not to settle a case. If private litigants took that position, our courts would be overburdened many times more than at present. If the Department of Justice took that position in other litigation we would never hear of a consent decree in antitrust cases, settlement of a tax case, or dismissal of a criminal case, all of which are commonplace. Why should not the Attorney General analyze the Indian cases and make an effort to save the very substantial costs of trial and to reduce potential liability by fair and reasonable settlements. In almost every Federal court in the United States rules of court and procedure encourage settlement discussions and negotiations. Why should Indian claims, which consume many, many hours of trial and preparation, at great expense, be excluded from that desirable practice?

Apart from saving much money in costs of trial and preparation, early settlements would be much more valuable to the Indians, so that the living Indians who filed the claims might receive the benefit of the award, and to the United States taxpayer, who often would get a cheaper settlement. For example, I understand that in one case the Indians, who were anxious for an early settlement, pursuant to a request of the trial attorney for the Government, offered a settlement which was considered for 1½ years before it was turned down. Recently the Indians reevaluated that case and told the Government they would require more than three times as much to settle the claim. Their price went up as time went by and their case progressed.

The refusal of the Department of Justice to stipulate facts, a practice stemming from the no-settlement policy, delays cases. Stipulations are used day in and day out in the trial of cases to short-cut trials and to narrow issues. If Indian claims are to be litigated with reasonable dispatch the same practice will have to be adopted. For example, where reasonably similar land has been valued in court cases and establishes a pattern by which to arrive at the value of the land in controversy, no purpose is served by both sides spending money and time on a trial which will probably produce a result in harmony with the previously decided cases. This type of case should be explored for a stipulation of facts.

I hope that the Attorney General will use the $300,000 and other funds given him for handling Indian claims to speed up the claims and that he will give these claims close supervision so that they may be settled at an early date. I hope he will reexamine the practices I have discussed.

I know that the Indians and the Indian Claims Commission can also improve their methods of handling the cases. At least one Indian organization has given thought to this question and has obtained some concrete recommendations.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a memorandum prepared for the National Congress of American Indians on speeding up cases before the Indian Claims Commission, which contains suggestions for the Commission and the litigants on both sides.

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

MEMORANDUM TO EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Subject: Speeding up cases before Indian Claims Commission.

You have requested some analysis of the reasons for the prodigious delays in the final settlement of claims of Indian tribes filed with the Indian Claims Commission, with particular emphasis on what might be done to speed their determination. Since the reasons for delay are comprehended in the suggestions as to how the delays might be overcome, the ways of speeding them are all we set forth. Our entire staff has had an opportunity to participate in this analysis since all to a considerable extent have had specific experience with the delays and reasons for delays, and the bulk of our claims work makes it a natural subject of our interest.

In outline form, the principal ways in which claims cases could be speeded in their determination by the Indian Claims Commission are as follows, as to:

A. DEPARTMENT OF JUSTICE

1. Indian Claims Section in the Lands Division needs staff 2 or 3 times as large as at present. Justice does not ask for increased staff apparently because of pressures of Bureau of the Budget and Cabinet against increasing expenses; and Indian Claims Section is always relegated to last place in any setup.

(a) General Accounting Office has a staff believed to be in a ratio of roughly 10 to 1 what Justice has.

2. The policy of the Department of Justice to settle no cases, even where it makes sense and is in the interest of the United States, prevents more prompt disposition of matters, since cases which ought to be settled but are not have to be tried, thus taking the place of other matters which could otherwise be heard.

3. The refusal of Department of Justice to stipulate facts which arise out of no-settlement policy prevents more prompt disposition of some cases by requiring trial of matters, such as valuations, which might go substantially to the question of liability or amount of recovery.

B. COUNSEL FOR PLAINTIFFS

1. Have not always been diligent, and should undertake more prompt preparation and compliance with Commission deadlines.

2. Could stimulate their clients to acquaint their congressional delegations with facts as to delays and urge Congress to do something about delays.

C. INDIAN CLAIMS COMMISSION

1. Should use pretrial effectively to limit issues, to dispose of proofs on matters not really in controversy, and secure admissions and stipulations of fact or law, together with agreement on trial dates, dates for exchange of documents, etc., and also pursue possibilities for settlement at various stages of case, both

(a) Immediately after answer, and

(b) From time to time throughout course of case especially prior to and after trial of each stage of case.

2. Should avoid piecemeal trial, require both sides to present case on any one phase to be heard at a single, continuous trial and refuse continuances between plaintiffs' and defendant's cases.

3. Should follow recommendations of the President's Conference on Administrative Procedure to the Agencies, including

(a) Study its own procedure to discover and eliminate delay, expense or volume of records.

(b) Require submission of all documentary evidence by both sides in advance and refuse receipt of evidence not submitted in advance.

(c) Require preparation of pertinent excerpts from documents.

(d) Provide for daily current index of record.

(e) Publish a practice manual.

(f) Conduct meetings or conferences between the Commission and the members of the agency bar.

4. Should push counsel to get cases prepared, heard, and concluded, including summoning counsel for conferences on need for extensions and require showing of what counsel have done to comply with time limits within time available.

5. Should use Federal hearing examiners appointed pursuant to section 11 of the Administrative Procedure Act to speed the determination of cases, reserving the bulk of time now spent by the Commission itself for hearing of cases.

6. Should use Commission's investigation division:

(a) To review facts and posture of case in comparison with other cases so that Commission can conduct effective pretrial.

(b) To prepare basis for suggested settlements so that Commission can take an effective part.

(c) To consider valuation problems for the sake of reaching effective stipulations.

(1) Compare Crow case, where counsel respectively could be asked whether they hoped to prove more than the 80 cents in Shoshone or less than the 50 cents in Fort Berthold-Blackfeet-Assiniboine as value of land, confining proofs within those limits and perhaps reaching stipulation.

D. CONGRESS

1. Can put pressure on Indian Claims Commission and Department of Justice.

(a) Through investigations as proposed by House Resolution 343, 84th Congress, and in connection with hearings on Indian claims matters.

(b) Through requiring an accounting of progress in developing techniques of speeding cases.

2. Could adopt a provision for interlocutory appeal to the court of claims on questions going materially to the question of liability of the United States.

3. Could demand and provide for an adequate staff at the Department of Justice to handle cases; and could probably provide, through appropriate approach, for reversal of no-settlement policy of Department of Justice.

Mr. LANGER. Mr. President, in agreeing to the conference report I did so in the hope that the claims would be speeded up and concluded promptly.

AMENDMENT OF CERTAIN PROVISIONS OF THE TARIFF ACT OF 1930

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

The Senate resumed the consideration of the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

The PRESIDENT pro tempore. Does the Senator from Nevada desire recognition?

Mr. MALONE. Mr. President, I understand the distinguished majority leader first desires recognition.

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

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

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2569, Senate bill 4203.

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

The CHIEF CLERK. A bill (S. 4203) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

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

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

Mr. JOHNSON of Texas. Mr. President, I ask that the Senator from New Mexico make a brief explanation of the bill.

Mr. ANDERSON. Mr. President, with reference to the bill on which the distinguished majority leader asked for an explanation, I wish to say that the bill contains 14 sections, none of which is extremely important in itself, but each one of which deals with some minor problem which needs attention in the operations of the Atomic Energy Commission.

Very briefly, the bill does the following things:

First. Amends the definition of "United States" to be sure that Puerto Rico is included.

Second. Gives the Commission authority to embark upon training programs for the training of scientists and engineers who are so badly needed in the construction program.

Third. Assists in the construction of reactors at universities and hospitals; educational and training activities.

Fourth. Grants right-of-way over Atomic Energy Commission property.

Fifth. Changes the requirement with respect to oaths on Commission applications so that the oaths are mandatory for reactors and optional for other licenses.

Sixth. Adds new criminal sanctions against trespass on Commission property and photographing on Commission property.

Seventh. Makes conforming changes.

Eighth. Brings all of the land at Los Alamos under the jurisdiction of the the Atomic Energy Commission.

Ninth. Brings the land at the Weldon Springs site—formerly used by the Weldon Springs Ordnance Works—under the Atomic Energy Commission.

Tenth. Retrocedes exclusive jurisdiction of the Paducah project back to the State of Kentucky.

Eleventh. Inserts the word "use" between the words "possess" and "import," with respect to facility licenses.

Twelfth. Prohibits issuance of a facility license to an alien as well as any corporation owned by an alien.

Thirteenth. Clarifies Department of Defense clearances along the lines that the Congress has already approved.

The Atomic Energy Commission has asked for this bill. The Department of Defense and the Central Intelligence Agency have asked for one section on this bill. So far as I know, there is no objection to it. I thank the able majority leader for an opportunity to explain the bill.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The question is on the engrossment and third reading of the bill.

The bill (S. 4203) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 u. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"u. The term 'United States' when used in a geographical sense includes all Territories and possessions of the United States, the Canal Zone and Puerto Rico."

SEC. 2. Section 31 a. of the Atomic Energy Act of 1954, as amended, is amended by inserting after the word "development" in the first sentence thereof the words "and training."

SEC. 3. Section 31 b. and section 31 c. of the Atomic Energy Act of 1954, as amended, are amended by redesignating the sections as sections 31 c. and 31 d. respectively and by adding a new section 31 b. reading as follows:

"b. The Commission is further authorized to make grants and contributions to the cost of construction and operation of reactors and other facilities and other equipment to colleges, universities, hospitals, and eleemosynary or charitable institutions for the conduct of educational and training activities relating to the fields in subsection a."

SEC. 4. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"r. The Commission is authorized and empowered, under such terms and conditions as are deemed advisable by it, to grant easements for rights-of-way over, across, in, and upon acquired lands under its jurisdiction and control, and public lands permanently withdrawn or reserved for the use of the Commission, to any State, political subdivision thereof, or municipality, or to any individual, partnership, or corporation of any State, Territory, or possession of the United States, for (a) railroad tracks; (b) oil pipelines; (c) substations for electric power transmission lines, telephone lines, and telegraph lines, and pumping stations for gas, water, sewer, and oil pipelines; (d) canals; (e) ditches; (f) flumes; (g) tunnels; (h) dams and reservoirs in connection with fish and wildlife programs, fish hatcheries, and other fish-cultural improvements; (i) roads and streets; and (j) for any other purpose or purposes deemed advisable by the Commission: *Provided*, That such rights-of-way shall be granted only upon a finding by the Commission that the same will not be incompatible with the public interest: *Provided further*, That such rights-of-way shall not include any more land than is reasonably necessary for the purpose for which granted: *And provided further*, That all or any part of such rights-of-way may be annulled and forfeited by the Commission for failure to comply with the terms and conditions of any grant hereunder or for nonuse for a period of 2 consecutive years or abandonment of rights granted under authority hereof. Copies of all instruments granting easements over public lands pursuant to this section shall be furnished to the Secretary of the Interior."

SEC. 5. Section 182 a. of the Atomic Energy Act of 1954, as amended, is amended by striking the last sentence thereof and substituting in place thereof the following:

"All applications and statements shall be signed by the applicant or licensee. Applications for, and statements made in connection with, licenses under sections 103 and 104 shall be made under oath or affirmation. The Commission may require any other applications or statements to be made under oath or affirmation."

SEC. 6. Chapter 18 of the Atomic Energy Act of 1954, as amended, is amended by redesignating sections 229, 230, 231 as sections 231, 232, 233, respectively, making appropriate amendment to the Table of Contents and adding 2 new sections, 229 and 230, reading as follows:

"SEC. 229. Trespass upon Commission installations:

"a. The Commission is authorized to issue regulations relating to the entry upon or carrying, transporting, or otherwise introducing or causing to be introduced any dangerous weapon, explosive, or other dangerous instrument or material likely to produce substantial injury or damage to persons or property, into or upon any facility, installation, or real property subject to the jurisdiction, administration, or in the custody of the Commission. Every such regulation of the Commission shall be posted conspicuously at the location involved.

"b. Whoever shall willfully violate any regulation of the Commission issued pursuant to subsection a. shall, upon conviction

thereof, be punishable by a fine of not more than $1,000.

"c. Whoever shall willfully violate any regulation of the Commission issued pursuant to subsection a. with respect to any installation or other property which is enclosed by a fence, wall, floor, roof, or other structural barrier shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not to exceed $5,000 or to imprisonment for not more than 1 year, or both.

"SEC. 230. Photographing, etc., of Commission installations: It shall be an offense, punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both—

"(1) to make any photograph, sketch, picture, drawing, map, or graphical representation, while present on property subject to the jurisdiction, administration or in the custody of the Commission, of any installations or equipment designated by the President as requiring protection against the general dissemination of information relative thereto, in the interest of the common defense and security, without first obtaining the permission of the Commission, and promptly submitting the product obtained to the Commission for inspection or such other action as may be deemed necessary; or

"(2) to use or permit the use of an aircraft or any contrivance used, or designed for navigation or flight in air, for the purpose of making a photograph, sketch, picture, drawing, map, or graphical representation of any installation or equipment designated by the President as provided in the preceding paragraph, unless authorized by the Commission."

SEC. 7. Section 229 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 231. Other laws: Sections 224 to 230 shall not exclude the applicable provisions of any other laws."

SEC. 8. All land and interests in land, owned by the United States within the boundaries of the County of Los Alamos, State of New Mexico, containing approximately 70,800 acres, are hereby transferred, without reimbursement or transfer of funds, to the Atomic Energy Commission. The Atomic Energy Commission shall exercise administrative control over all land and interests in land transferred to the Atomic Energy Commission by this act, notwithstanding the manner of their acquisition by the United States nor their status at any time prior to the effective date of this act.

SEC. 9. The Secretary of the Army is authorized to transfer to the Atomic Energy Commission, without compensation therefor, for use in connection with the Atomic Energy program, all that real property and interests therein, comprising approximately 200 acres, of the Weldon Spring Ordnance Works, Weldon Spring, Mo., as delineated on map designated exhibit A attached to "Department of the Army Permit to Use Weldon Spring Ordnance Works Military Reservation, Mo." dated January 25, 1955, on file in the Atomic Energy Commission, and all or any part of the personal property therein at the time of approval of this act: *Provided*, That when the Atomic Energy Commission, or its successor in functions, determines that the real property herein authorized for transfer is no longer required for the purposes stated, the real property, together with buildings and permanent improvements thereon at the date of such determination, shall, at the option of the Secretary of the Army, be returned to the Department of the Army without compensation therefor.

SEC. 10. There is hereby retroceded to the State of Kentucky the exclusive jurisdiction heretofore acquired from the State of Kentucky by the United States of America, over lands in McCracken County, Ky., within the present boundaries of the Paducah project of the Atomic Energy Commission. This retrocession of jurisdiction shall take effect in accordance with the law of the State of Kentucky.

SEC. 11. Section 101 of the Atomic Energy Act of 1954, as amended, is amended by inserting the word "use," between the words "possess," and "import,".

SEC. 12. Section 103 a. of the Atomic Energy Act of 1954, as amended, is amended by inserting the word "use," between the words "possess," and "import,".

SEC. 13. Section 103 d. of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "an alien or any" between the words "issued to" and the words "any corporation."

SEC. 14. Section 143 of the Atomic Energy Act of 1954, as amended, is amended by inserting between the words "licensee of the Commission" and the words "to permit any employee" the words "or any other person authorized access to restricted data by the Commission under subsection 145 b.".

ORDER FOR RECESS TO 9:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 9:30 o'clock tomorrow.

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

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. For the information of the Senate, I should like to announce a list of additional bills which have now been cleared by the leadership on both sides of the aisle for Senate consideration. These bills may be taken up at any mutually convenient time, and accordingly I should like all Senators to be on notice.

Calendar No. 2424, Senate Resolution 236, directing an investigation by the Tariff Commission on textile imports.

Calendar No. 2625, S. 3737, relating to the management of the Red Lake Indian Forest.

Calendar No. 2626, H. R. 8750, amending the watershed protection and flood prevention act.

Calendar No. 2651, S. 3728, providing for the construction of a reclamation project in San Angelo, Tex.

Calendar No. 2654 through Calendar No. 2661, seven noncontroversial measures from the Foreign Relations Committee.

H. R. 12025, to provide for a President's advisory commission on Presidential office space, introduced in the Senate as S. 4228.

The executive pay bill, which is due to be reported shortly.

The Renegotiation Act, extension on which the Committee on Finance is now meeting.

The Rivers and Harbors bill, on which the Committee on Public Works is now holding hearings; and H. R. 12270, the military construction bill.

CUSTOMS SIMPLIFICATION ACT, 1956

The Senate resumed the consideration of the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930, and to repeal obsolete provisions of the customs laws.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The business now pending before the Senate is Calendar No. 2600, H. R. 6040, is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to revise methods of valuing, for duty purposes, foreign goods being imported into the United States; to simplify procedures in the conversion of currencies for valuation purposes; and to repeal certain obsolete provisions of the customs laws. The Custom Simplification Acts of 1953 and 1954 have brought about substantial improvement in the administration of customs laws, but neither, as finally enacted, included the proposals included in H. R. 6040.

The distinguished members of the Finance Committee, or, at least, a majority of them, feel that the passage of the measure would further simply the provisions of the customs law, although that opinion is not unanimous.

A private research firm, in making a study of customs operations, pursuant to an authorization of the Congress, recommended that the present method of valuing foreign goods for duty purposes be simplified. Specifically, it was recommended that foreign value be abolished as one of the bases for assessment of duties.

Such a provision was included in a customs simplification bill, which was considered in 1953. I am informed that the bill was considered toward the closing days of that session of Congress. Because of the lack of time for hearings and because of the controversial nature of the proposal, it was deleted as a result of the judgment of the then Finance Committee, and was not in the bill as it went to the President and as he signed it.

The definition of the terms used in the various methods of valuation are changed and clarified in the bill so as to permit the Customs Bureau to take into account normal commercial practices relating to commodities in international trade.

I am presenting, in effect, Mr. President, the report filed with the bill by the majority of the Finance Committee.

These and other changes are designed to make alternative bases of valuation, namely United States value and constructed value, more closely approximate an export value if one had existed. This is intended to remove present incentives to create artificial conditions in international trade in order to obtain the benefit of more favorable valuation standards.

The Treasury Department has stated that the above changes would reduce the number of difficult, expensive, and time-consuming investigations in foreign countries to ascertain foreign value. This saving, plus the increased certainty in valuation determinations resulting from the redefinition of terms, will assure more prompt determination of duty liability and further reduce the existing backlog of customs work.

In order to prevent any sudden material change in valuation as a result of the enactment of the bill, the committee adopted amendments providing for the tem of using the higher of the two values would be reduced by 5 percent or more in value, and preserving the present system of using the higher of the two values (foreign or export value) on all the items so listed. The list so prepared would be tentative until domestic interests had ample opportunity to suggest that additional items should be added. After an investigation of these new suggested items a final list would be prepared and published in the Federal Register. All items on the list then would continue to be valued on the basis of the present law. After a period of about 1 year, a new list would be prepared deleting any articles then found to be reduced by less than 5 percent and adding any articles which would be reduced by 5 percent or more. Similarly, third and fourth lists would be prepared after a year's experience with each preceding list. The Treasury Department estimates that the provisions of section 2 of H. R. 6040 would be used in about 90 percent of the cases at the time of the issuance of the first list and that the percentage would increase with each succeeding list. In other words, the Department's research indicates that less than 10 percent of the ad valorem items would be on the list as showing an important value reduction of 5 percent or more.

Each list, as it was made final, would be sent to the chairmen of the Ways and Means Committee of the House and the Committee on Finance of the Senate, respectively, and Congress would be kept fully informed as to current developments under the new procedure. As a result of the limitation of any reduction in value to less than 5 percent, and because some imports will increase in value and many more will not change at all, the Treasury estimates that the average reduction in value will be only a fraction of 1 percent. It would appear, therefore, that the margin of protection lost by domestic producers would be very small, especially during the life of the lists.

An amendment adopted by the committee would provide that the articles on the fourth and final list would continue to be appraised under the valuation procedures in effect before the enactment of H. R. 6040 unless and until the Congress provided otherwise.

With regard to the question of dumping and the fear that it might increase under the changes proposed by H. R. 6040, Treasury representatives advised the committee that there would likely be more effective enforcement of the antidumping law under the bill as reported than at the present time. The elimination of foreign value investigations would result in the increased availability of personnel in foreign countries to investigate dumping cases.

The Secretary of the Treasury has indicated that foreign value information would continue to be required on customs invoices made out by exporters. The Treasury would thereby continue to have available the information needed to initiate full-scale investigations whenever dumping was indicated.

The PRESIDING OFFICER. The amendments of the Committee on Finance will be stated.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc; and that the bill as thus amended be considered as original text, for the purpose of amendment—as is customarily done.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments of the Committee on Finance, agreed to en bloc, are as follows:

On page 1, line 4, after the word "of", to strike out "'1955' and shall be effective on and after the 30th day following the date of its enactment" and insert "1956"; after line 5, to strike out:

"SEC. 2. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1402), is further amended to read as follows."

And, in lieu thereof, to insert:

"SEC. 2. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1402), is redesignated 'SEC. 402a. Value (alternative).' and such Tariff Act of 1930 is amended by inserting therein immediately before the redesignated section 402a a new section 402 to read as follows."

On page 10, after line 7, to strike out:

"(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 27 (c)), is amended by striking out 'subdivision (g) of section 402, title IV' and inserting in lieu thereof 'section 402 (e) of this act' and by striking out 'subdivision (e) of section 402, title IV' and inserting in lieu thereof 'section 402 (c) of this act'."

And, in lieu thereof, to insert:

"(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 27 (c)), is amended by striking out '(as defined in subdivision (g) of section 402, title IV),' and ', as defined in subdivision (e) of section 402, title IV'."

After line 19, to strike out:

"(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 28 (c)), is amended by striking out 'subdivision (g) of section 402, title IV' and inserting in lieu thereof 'section 402 (e) of this act' and striking out 'subdivision (e) of section 402, title IV' and inserting in lieu thereof 'section 402 (c) of this Act'."

On page 11, after line 2, to insert:

"(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 28 (c)), is amended by striking out '(as defined in subdivision (g) of section 402, title IV),' and ', as defined in subdivision (e) of section 402, title IV'."

After line 7, to strike out:

"(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1336 (b)), is amended by striking out 'section 402 (g)' and inserting in lieu thereof 'section 402 (e)'."

And, in lieu thereof, to insert:

"(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1336 (b)), is amended by striking out '(as defined in sec. 402 (g))'."

After line 22, to insert:

"(f) Redesignated section 402a of the Tariff Act of 1930 is amended by deleting the word 'merchandise' in the introductory matter of subsection (a) and substituting therefor 'articles designated by the Secretary of the Treasury as provided for in section 6 (a) of the Customs Simplification Act of 1956'."

On page 17, line 22, after the word "within", to strike out "1 year" and insert "6 months"; in the same line, after the word "the", to strike out "effective", and in the same line, after the word "date", to insert "of enactment"; and on page 18, after line 3, to insert:

"SEC. 6. (a) The Secretary of the Treasury shall determine and make public lists of the articles which shall be valued in accordance with section 402a, Tariff Act of 1930, as amended by this act, as follows:

"(1) As soon as practicable after the enactment of this act the Secretary shall make public a preliminary list of the imported articles which he shall have determined, after such investigation as he deems necessary, would have been appraised in accordance with section 402 of the Tariff Act of 1930, as amended by this act, at average values for each article which are 95 (or less) percent of the average values at which such article was actually appraised during the fiscal year 1954. If within 60 days after the publication of such preliminary list any manufacturer, producer, or wholesaler in the United States presents to the Secretary his reason for belief that any imported articles not specified in such list and like or similar to articles manufactured, produced, or sold at wholesale by him would have been appraised in accordance with such section 402 at average values which are 95 (or less) percent of the average values at which they were or would have been appraised under section 402a, Tariff Act of 1930, as amended by this act, the Secretary shall cause such investigation of the matter to be made as he deems necessary. If in the opinion of the Secretary the reason for belief is substantiated by the investigation, the articles involved shall be added to the preliminary list and such list, including any additions so made thereto, shall be published as a final list. Every article so specified in the final list which is entered, or withdrawn from warehouse, for consumption on or after the thirtieth day following the date of publication of the final list and before the thirtieth day following the publication of the succeeding final list shall be appraised in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this act.

"(2) As soon as practicable after the expiration of each of the 3 succeeding 12-month periods following the date of the publication of the final list provided for in paragraph (1), the Secretary, after such investigation as he shall deem necessary, shall publish successively second, third, and fourth preliminary lists of the articles entered for consumption or warehousing during the most recent 12-month period for which information is then reasonably available which he shall have determined were or would have been appraised in accordance with section 402 of the Tariff Act of 1930, as amended by this act, at average values for each article which are 95 (or less) percent of the average values at which such article was or would have been appraised under section 402a, Tariff Act of 1930, as amended by this act. If within 30 days after the publication of any such preliminary list any manufacturer, producer, or wholesaler in the United States makes with respect to any omission from such list a presentation such as is specified in paragraph (1), but relating to the relevant 12-month period, the Secretary shall proceed with respect thereto as specified in paragraph (1) and make public as soon as practicable a final list, including any additions made to the related preliminary list. Each article so specified in the second final list which is entered, or withdrawn from warehouse, for consumption on or after the 30th day following the publication of such second final list and before the 30th day following the publication of the third final list shall be appraised in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this act. Each article so specified in the third final list which is entered, or withdrawn

from warehouse, for consumption on or after the 30th day following the publication of such third final list and before the 30th day following the publication of the fourth final list, shall be appraised in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this act. Each article specified in the fourth final list which is entered, or withdrawn from warehouse, for consumption on or after the 30th day following the publication of such fourth final list shall be appraised, until Congress provides otherwise, in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this act.

"(b) Each final list published in accordance with the provisions of subsection (a), together with explanatory data, shall be transmitted promptly to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

"SEC. 7. This act shall be effective on and after the day following the date of its enactment, except that section 2 shall be effective only as to articles entered, or withdrawn from warehouse, for consumption on or after the 30th day following the publication of the final list provided for in section 6 (a) (1) of this act, and section 3 shall be effective as to entries filed on or after the 30th day following the date of enactment of this act. After publication of the fourth final list provided for in section 6 (a) (1) of this act, the Congress shall determine the future application or date of repeal of section 402a, Tariff Act of 1930, as amended by this act, and section 6 of this act."

Mr. JOHNSON of Texas. Mr. President, I wish to ask my distinguished friend, the Senator from Nevada [Mr. MALONE], who contributes a great deal to making the life of the majority leader bearable, whether he will be agreeable to having a unanimous-consent agreement regarding the further consideration of the bill entered into. Let me say that I have a pending inquiry; and this morning we have an important committee hearing, because of which the minority leader has been called from the floor, and I have been asked to attend the committee. The hearings involve some American boys; the Senator from Nevada is well aware of that matter.

So I ask him whether he would be agreeable to working out a unanimous-consent agreement regarding the further consideration of the pending bill—for instance, an agreement providing, let us say, 1 hour to each side.

Mr. MALONE. I could not agree to that at this time, because there may be other Senators who wish to enter the debate.

Mr. JOHNSON of Texas. Would the Senator from Nevada agree to 2 hours to each side?

Mr. MALONE. I think it would be unwise to agree now to a time limit.

Mr. JOHNSON of Texas. I thank my friend.

Mr. MALONE obtained the floor.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Nevada yield, to permit me to make a brief statement on the bill?

Mr. MALONE. I yield.

Mr. MARTIN of Pennsylvania. Mr. President, I shall be very brief.

First, let me say that I expected to have ready at this time a prepared statement on the bill. However, I do not have it as yet, because, as all Senators know, we worked late last night on the social security bill, in which I was very much interested; and I felt it was my duty to remain on the floor during the debate on that bill.

I should like to point out that the pending measure is a very important one, insofar as American industry is concerned. The Finance Committee gave the bill very careful consideration. The bill was reported by the committee, although many members of the committee who voted to report the bill were considerably worried about some features of it.

The United States is in quite a different position from that of any other nation in the world. Our high wage standard and our high living standard have been brought about because of the productivity of our people.

As you know, Mr. President, for many, many years, tariff matters have been very important in the political considerations of the people of the United States.

So I think this measure should receive very careful consideration by the Senate. Many Senators may wish to ask questions in regard to certain provisions of the bill.

Personally, I think the bill, as reported, will work out satisfactorily to the industries of the United States. But I hope every Senator will give the bill very careful consideration, because it will lower the tariff on many articles. At this time, certain American articles are being very greatly damaged by importations from countries in which the wage standard is much lower than that in the United States.

Mr. President, there is no question that free interchange of trade internationally helps to make friends throughout the world. Of course, we wish to do that. On the other hand, we must be very careful that we do not damage the position of the working people of the United States.

I appreciate very much the courtesy of the Senator from Nevada in yielding to me.

THE CONSPIRACY TO DESTROY AMERICAN WORKINGMEN AND INVESTORS—H. R. 6040 ONE MORE DROP OF WATER ON THE WHEEL—THE OBJECTIVE SINCE 1934—FREE TRADE AND FREE IMMIGRATION

Mr. MALONE. Mr. President, H. R. 6040, the so-called customs simplification bill, is just one more catch phrase title designed to mislead Congress and the American people.

It was not drafted by any Member of Congress, but by someone in the executive branch. Or more likely by the GATT organization in Geneva, the General Agreements on Tariffs and Trade. The title is tricky and misleading. House bill 6040 would not simplify customs procedures, but would complicate them.

MALONE MINORITY VIEWS SUBMITTED IN REPORT

I have submitted minority views on the bill. They are printed as a part of the Senate committee report dated July 13, 1956, which was submitted by the Senator from Virginia [Mr. BYRD]. The minority views will be found on page 26 of the report.

In my minority views I made eight points. The one basic objection to the bill, of course, is that it is centered on the one objective—one more drop of water on the wheel for the division of our markets with the cheap labor foreign nations. The continual pressure, beginning with the "mother" 1934 Trade Agreements Act; 1947, GATT; the International Trade Organization (ITO); International Office of Trade Cooperation (OTC); and the so-called customs simplification bills.

H. R. 6040 ONE MORE BILL TO DESTROY AMERICAN WORKINGMAN AND INVESTOR

What H. R. 6040 proposes is to reduce duty costs on foreign goods entering into the United States.

For 145 years, beginning with the Constitution in 1789, we built a standard of living in accordance with our resources and energy, through Congress adjusting the duties or tariffs to take the profit out of sweatshop labor at the water's edge.

In 1934 we reversed the process and invited direct competition from cheap foreign labor of the world.

The 1934 Trade Agreements Act is the "mother" act—upon which the whole free trade, "one economic world" objective is based.

Every move, every legislative foreign-trade proposal adopted by the Congress since that time has been calculated to destroy the American workingman and investor. Since 1934 American investors, employing high-wage, high-living-standard American workingmen, have been pitted against the international investor, employing low-wage, low-living-standard, sweatshop labor.

CONSTITUTIONAL TARIFF PROCESS REVERSED IN 1934

The Constitution, article I, section 8, provides that Congress adjust duties and tariffs and regulate foreign trade and national economy, taking the profit out of cheap foreign labor at the water's edge, enabling the United States to maintain its economic independence and to raise our standard of living in accordance with our resources and energy.

The process of building our standard of living in accordance with our resources and the energy we were willing to put into our work was reversed through the simple expedient of transferring to the President the constitutional responsibility of Congress to regulate foreign trade and the national economy, under article I, section 8. The 1934 Trade Agreements Act not only transferred the constitutional responsibility of Congress to the President, but included the authority for the President to transfer that constitutional responsibility to any location in the world, under the auspices of any organization he might cause to be established.

THE ORIGIN OF GATT

The President in 1947 caused to be organized the General Agreement on Tariffs and Trade, commonly known as GATT, which now has 35 members, each with one vote, including our own.

That organization is located at Geneva. It is now regulating our foreign trade and national economy through multilateral trade agreements among themselves, dividing our markets among them through the simple expedient of a progressive lowering of the

duties and tariffs, and in every way possible making our markets more available to the 34 foreign members.

EVADING THE CONSTITUTION

It has become the custom in the past 23 years to evade and avoid the Constitution of the United States. Groups meet throughout the country to determine what the Congress should do, what the country should do, and what policy it should follow in the regulation of the national economy and foreign trade.

I only ask the Members of this Senate to read the Constitution of the United States just one more time, and revert to it in the regulation of this Nation's foreign trade and the national economy.

FOREIGN NATIONS ALL SEEK OPEN DOOR TO AMERICAN MARKET

The basis of this avoidance of the Constitution of the United States in the regulation of foreign trade and our national economy was the 1934 Trade Agreements Act, followed by GATT—the General Agreement on Tariffs and Trade—spearheaded by the President in 1947.

GATT was established in Geneva, at first with 22 nations participating. It has now grown to a 35-nation organization. All are foreign nations except ourselves, each with one vote, and all of them voting on how to divide the American markets. The American markets are the objective of the low-wage nations of the world. There are no other markets in the world worth a division among these European and Asiatic nations, since they are low-wage countries and there are no profitable markets except where the low-wage labor can be utilized.

ITO SECOND STEP TOWARD INTERNATIONAL CONTROL OF AMERICA'S ECONOMY

After GATT came the International Trade Organization. Many Senators will remember the International Trade Organization or ITO, which proposed to take over and expand the GATT organization. It was set up in a many-page document which no one could understand, but a review of it reveals that under ITO America's economy and foreign trade would be completely regulated by foreign nations. Fortunately for America, the Congress showed the good sense to turn down the International Trade Organization.

Then came the proposal last year for an International Office of Trade Cooperation—OTC or IOTC as it is called—which, again, would incorporate and expand the General Agreement on Tariffs and Trade. This new organization, when and if formed would manage the affairs of GATT. In setting up the OTC, Congress would approve the GATT organization which it has never previously done.

OTC IS SIMPLY A NEW EFFORT TO REVIVE ITO

I understand that there is very little likelihood that the OTC measure will pass the House. If it does, I think I can assure the Senate that there is very little likelihood that it will come out of the Senate Finance Committee.

The proposal for a new international trade organization was followed by a system of "customs simplification" acts. This is the third one. To call this a customs simplification act is a very clever device.

BILL TO LOWER TARIFFS HAS "SUGAR-COATED" TITLE

Everyone is in favor of customs simplification. However, Mr. President, "customs simplification" in the pending bill does not mean making customs laws simple to administer. It means changing the valuation of imports in order to lower tariffs, or duties, imposts, and excises, as they are called in the Constitution. This is probably the worst of many such bills, because it would make the United States Treasury the judge in most cases, completely avoiding any check by the Congress.

Reduced duty costs will increase imports competing against American products. This has been a major objective of our foreign economic policy for 22 years. To carry out this objective, the executive branch has invented many "sugar-coated" slogans and titles to conceal the bitter realities of the legislation.

"Reciprocal Trade," "Dollar Shortage," "Trade Not Aid," "Mutual Security," "Economic Cooperation" are all sweet-sounding pitches to soften up and "wet down" Congress and the people. "Customs Simplification" is just as phony.

A "CUSTOMS COMPLICATION" BILL

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

Mr. MALONE. I am glad to yield.

Mr. FREAR. The Senator has referred to some sugar-coated slogans. I wonder whether the pending bill would not be better called a customs complication bill.

Mr. MALONE. I thank the Senator. I hope he will enter into the debate. He listened to the evidence and has come to some conclusions.

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

Mr. MALONE. For what purpose?

Mr. ERVIN. To ask a question.

Mr. MALONE. I yield.

Mr. ERVIN. I ask the Senator from Nevada if the pending bill ought not better be designated as a bill to illustrate the simplicity of those persons who think that America ought not to be operated for the benefit of Americans.

Mr. MALONE. Mr. President, I am quite overwhelmed; I am getting support where I never expected it. I wish to say to the Senator from Michigan——

Mr. ERVIN. North Carolina.

A CONSPIRACY TO DESTROY AMERICAN WORKINGMEN

Mr. MALONE. North Carolina. That fact makes it even more important. I wish to say to my distinguished colleague from North Carolina that the bill can be called a conspiracy to destroy American investors and American workingmen. That is what it can be called. It is just one more drop of water on the wheel. I hope the distinguished Senator from North Carolina will enter into the debate on the bill and make his own views entirely clear.

MALONE TERMS BILL "THE TARIFF REDUCTION ACT OF 1956"

The text of the bill is as tricky as the Reduction Act of 1956. That is what it is. That would be an honest title.

The text of the bill is as tricky as the title. Every definition of value has been changed to the advantage of foreign producers exporting goods subject to ad valorem duties to this country.

Many of the changes are so subtle and adroit—a word here, a phrase there—that one must read every line of section 2 and analyze it with relation to the present law to understand the full purport of the proposed legislation.

The senior Senator from Nevada is aware that many of his distinguished colleagues have had no opportunity to do that in this eleventh hour crush of legislative business. The latest print of this bill and the reports of the Senate Committee on Finance have become available to us only this week.

It will be my purpose during this debate to explain the bill and each provision of it to the best of my ability, so that perfecting amendments may be offered should any of my colleagues so choose.

PASSAGE OF H. R. 6040 WOULD INCREASE FLOOD OF FOREIGN IMPORTS

Even the professed objective of this bill is tricky and misleading. It was offered to the Congress, ostensibly by the Treasury Department, as a supposed innocent measure to ease the burdens of its customs officers, which, an examination of the bill readily will show, it does not do.

Actually it is one of a long series of enactments and proposals, beginning in 1934 with the Trade Agreements Act, to flood our markets with imports from foreign nations, so that our dollars will be spread throughout the world.

The ITO proposal, the International Monetary Fund Agreement, GATT, the investment guaranty program, the pending International Organization for Trade Cooperation, a slightly revamped ITO, and foreign aid are all part of the international socialistic pattern to fatten the world at American taxpayers' expense, divide our wealth, and share our markets with the low-wage foreign countries.

They are all out of the same kettle but the recipes vary.

Some give taxpayers' money outright to foreign producers to finance foreign plants producing surpluses, which they must sell in the United States, because they lack a market where they are located.

SENATOR RECALLS HIS WARNING OF 1947

In 1948, as a freshman Senator, I sought to explain the situation when the Marshall plan was first proposed. At that time everyone said, "All that needs to be done is to increase the production of those countries; then they will recover; then they will be back on their feet."

I said at that time—and the CONGRESSIONAL RECORD will bear me out—that those countries were already overbuilt for production for their own markets. They had built that way for years. Most of them were colonial empire nations, and they had forced their colonial possessions to take their goods. They did not allow their colonial possessions to build any industries, but forced them to sell their raw materials to the mother European countries.

England followed that policy with her 13 American Colonies until 1776. That is one reason why these Colonies revolted and set up this Government, the United States. It was so we could regulate our own commerce and control and expand our own economy in independence and freedom.

But England continued the policies and practices I have described with her remaining colonies.

I can mention other such countries. They are France, the Netherlands, Belgium, and, formerly, Spain. There are others as well. They would control their island and colonial possessions and force them to sell their raw materials to them at a very low price. They would hold wages down and force their colonies to buy their manufactured products at whatever the traffic will bear, using preferential rates, so that no other nations can compete with them in such areas.

UNITED STATES CREATES OWN WORLD COMPETITION WITH TAXPAYERS' DOLLARS

Of course, the colonial system is dead. However the system was created to furnish raw materials to the onetime mother countries, which it continues to do.

Therefore, when the Marshall plan was announced, to increase the capacity of production, both of the mother countries and their colonies or ex-colonies, I said on the Senate floor that those countries must sell either to us or to our potential enemies, or to other countries where we or other nations already had the markets.

In other words, we were building our own competition. That never worried anyone, apparently. To date we have spent about $65 billion abroad.

For 9 years we have overbuilt industry throughout the world. Actually we have done so since 1934 when the Trade Agreements Act, laughingly called the Reciprocal Trade Act, was enacted. We have followed customs simplification and every other possible approach to open the markets of the United States to the overbuilt productive enterprises of European and Asiatic countries.

SENATOR OUTLINES WHOM BILL WOULD HELP

H. R. 6040 is the indirect approach. H. R. 6040 reduces tariff costs to the foreign producer by lowering the ad valorem customs valuations on goods he exports to the United States. The end result is lowered tariffs. Later in his remarks the senior Senator from Nevada will detail the ways in which this end result, under H. R. 6040, would be achieved.

Of first importance, in my opinion, in any bill, is the consideration of whom the bill will help and whom the bill will hurt. We are sent here to legislate in the interests of the Nation and its people; in the interests of Americans, not foreigners.

Whom will H. R. 6040 help?

First, it will help foreign producers and cartels exporting goods subject to ad valorem duties to the United States.

Second, it will help those large and wealthy American business, manufacturing, and industrial interests which have established branches and factories in foreign countries behind the low wage curtain, and who export their foreign products subject to ad valorem duties to the United States.

Third, it will help waterfront brokers and importers of these goods and products entering the United States.

WHOM BILL WILL INJURE TOLD BY SENATOR

Whom will H. R. 6040 hurt?

First, it will hurt American business, manufacturing and industrial enterprises which are not big enough or rich enough to move abroad and are forced to compete for the American market against destructive and unfair foreign competition which, in effect, is subsidized by our own Government.

Second, it will hurt the wage-earners and investors in these American enterprises producing for the American market.

Third, it will hurt the taxpayers of the United States who are being compelled to subsidize this foreign competition which is closing mines, mills, and factories and terminating or reducing payrolls in our own country.

NATION IS OPERATING ON A WAR ECONOMY

We are now operating the American economy as a war economy. We are spending $35 billion each year in preparation for war, and about five or six billion dollars, on the average, since World War II, to enable foreign countries to build plants for direct competition with us. In other words, four or five or six billion dollars is sent every year to foreign countries so they may buy machinery and goods in this country. So, Mr. President, we have a $40 billion war economy. If today we were assured of perpetual peace we could not afford to accept it, because if we suddenly stopped war expenditures our economy would go out like a light within 60 days.

H. R. 6040 "LOADED" AGAINST AMERICAN PRODUCER

Fourth, H. R. 6040 will hurt the Treasury itself which will suffer reduced revenues from customs previously collected from imported goods subject to ad valorem duties.

Fifth and most important, it will hurt the economy of the United States, and our economic and political independence.

It will not hurt very much, the Treasury Department tells us, as a parent tells a child going to the dentist, but it is all of the same give-away pattern. If we don't give away our gold, we give away our markets, and this bill, like the trade agreements act, gives away our markets to foreign producers in foreign nations.

This bill is loaded against the American producer and for the foreign manufacturer and exporter.

Every provision of the bill is to the latter's advantage.

Let us examine H. R. 6040 as it came from the House and as it appears before us today. Some adjustments have been made in the Senate bill but the inherent defects still remain. If the bill is passed by the Senate it will go to conference. There is no assurance that the original House version will not be the final act. Both versions were drafted ostensibly by the Treasury Department: we know they were not written in the Congress.

Neither version is acceptable to the senior Senator from Nevada or to industries which had an opportunity to testify against the original bill.

RULES SWITCHED TO BENEFIT FOREIGN EXPORTER

First, it changes the customs valuation rules which our customs officials and appraisers have used for 30 years, with which they are experienced and familiar, which have long been interpreted by the Department and tested in the courts. It changes not only the rules but the values themselves, all to the advantage of the foreign exporter.

Under the present law, these values are:

First. The foreign value or the export value, whichever is higher.

Second. If the appraiser determines that neither the foreign value nor the export value can be satisfactorily ascertained, then the United States value.

Third. If the appraiser determines that neither the foreign value, the export value, nor the United States value can be satisfactorily ascertained, then the cost of production.

Fourth. In the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such article.

H. R. 6040 eliminates foreign value, except that in the Senate amendments the ghost of a foreign value remains under certain limited circumstances. It is not mentioned by name, however: it is just a ghost.

Foreign value, as will be shown, customarily is the higher of the two values.

LOWER VALUATIONS MEAN HIGHER PROFITS FOR EXPORTERS

The object of the bill is to eliminate high valuations on imported goods subject to ad valorem duties and to substitute low valuations on the same imported goods.

Ad valorem duties are duties based on a percentage of values. A 10 percent ad valorem on a low valuation is therefore less than a 10 percent ad valorem on the same imported article appraised at a higher and more realistic value.

The Government therefore loses revenue when appraisals are based on lower valuations. That is what it obviously wants to do or it would not have come to us with a request to eliminate higher valuations and accept lower valuations on the same imported product.

The foreign producer and exporter gains profits when he can export products to the United States at lower valuations for duty purposes than he previously would have had to pay.

FOREIGN COUNTRIES MANIPULATE VALUES TO AID OWN EXPORTERS

Mr. President, it is well known that in many instances, when other nations want to encourage exports to the United States—and they have complete control of the valuation of their own money in terms of the American dollar—they will give their exporters a higher value in their own money than otherwise would obtain.

If they do not want the goods to be exported to another country, whatever the country may be, they will give their

exporters a smaller amount of their own money in terms of the dollar.

Many instances of that type of operation could be cited. It has been done and is being done. But it goes to show that so long as foreign countries can manipulate the value of their own currency in terms of the dollar for their own trade advantage with the export, import, and exchange firms, there is no kind of export value which will be a fair value. It will be a manipulated value; and the check on that value will be the value at which the foreign country will sell the article concerned to its own people, because they have no way of subsidizing everything they sell to their own people.

Mr. President, this is one more check which is being eliminated.

DUTIES ON IMPORTS DECREASED BUT NOT TAXES ON UNITED STATES CITIZENS

The bill, therefore, is in the interest of the foreign producer and against the interest of the United States. It will increase imports and decrease revenues, but that apparently is what the executive branch wants, with respect to foreign imports.

There have been no proposals by the executive branch to decrease revenues from the American people which it readily could do by decreasing taxes. It only wants to decrease the duty taxes on foreign manufacturers and producers.

Mr. President, there never has been any need for a duty or tariff in any way except to equalize labor costs, taxes, and the costs of doing business in the United States as compared with costs in the chief competing nations with respect to each product. The 1930 Tariff Act provided a flexible duty or tariff, so that the tariff based on the costs of doing business and the standard of living in foreign countries could be lowered or increased. This gave foreign nations equal access to American markets but no advantage.

VALUATION CHANGE WILL MEAN LOSS TO AMERICAN INDUSTRY

When the valuation on which tariff is based is reduced 5 percent—and that is the limit in the decrease of valuation which the Treasury can impose without having to come to Congress—it will often represent the difference to American industry between a profit and a loss.

Those concerned with this matter seem to have entirely lost sight of the fact that when the tariff or the duty is decreased 1 percent, if the rate was correct in the first place, the American producer, in order to make up the difference in cost, must decrease his labor costs or his investment, or both, to meet the situation, or else go out of business.

Mr. President, the Government seems to have forgotten the principle which was upheld by this Nation for 145 years, from 1789 to 1934, namely, that a tariff or a duty is imposed to make up the difference between the cost of production in this country and in the chief competitive nations, taking into account labor and other costs. It was never contemplated that there should be a constant lowering of the duty.

MANY IMPORT ITEMS SUBJECT TO AD VALOREM DUTIES

Foreign commodities imported into the United States and valued for duty purposes on an ad valorem basis include:

Cotton and wool textiles, steel-mill products, stone, cement, tiles, toys and sporting goods, many vegetable products, musical instruments, wood products, leather products, jewelry, glassware, earthenware, pottery, ferroalloys and ores, shellfish and products, watches and clocks, vegetable oils, dairy products, logs and lumber, fish and fish products, drugs and chemicals, paints, soaps, synthetic fibers and textiles, photo goods, coal-tar products, aluminum and manufactures, airplanes, automobiles, bicycles, motorcycles, copper and manufactures, machinery, electrical and nonelectrical, grains, meat products, medical and pharmaceutical supplies, fruits, and tobacco and tobacco manufactures.

This is only a part of the products the Treasury Department has listed as being affected by H. R. 6040, and the Treasury has not listed thousands of specific products and commodities subject to ad valorem duties in our tariff schedule. If I wished to do so, I could take the 447-page schedule of tariff duties and the recent supplements consisting of many more pages, and read off the list of all imported commodities on which ad valorem rates of duty apply. I shall not do so at this time.

Suffice to say that the bill affects, in one way or another, every one of these imported items, and almost invariably to the advantage of the foreign producer.

HIGHER VALUATIONS ELIMINATED

As I have stated, H. R. 6040 eliminates the higher or foreign value entirely from the language of the bill. The House version eliminates it in fact, but the Senate version, by virtue of an amendment which I shall discuss presently, leaves an unnamed and ghostlike vestige at the determination of the Treasury Department.

Then, as in the present act, the bill has a second measure, or United States value, but has changed the criteria.

Third, the bill has a new measure of value with a new criteria, called constructed value which replaces the present cost of production value.

Lastly, the bill has an American selling price value, also with a new set of definitions.

The definitions of what each of these terms of value mean, and the changes made in the definitions, are important. They are part of the trick wordage of this bill.

DEFINITIONS ALTERED TO AID FOREIGN EXPORTERS

The definition for foreign value is, of course, eliminated entirely. In the absence of any definition of foreign value, I am not sure of exactly how the Senate amendments will apply, but that matter, like almost everything else in the bill, is for the executive branch to determine.

The definition of export value differs widely from the definition of export value in the present law.

H. R. 6040 defines export value as the price, at the time of exportation to the United States of the merchandising undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, is offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the costs of all containers and coverings of whatever nature, and all expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

The present act, which H. R. 6040 would replace, defines export value as the price, at the time of exportation to the United States, "at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, etc."

NEW EXPORT VALUE DEFINITION HAS TRICKY GIMMICK

Now what is the gimmick that makes a difference in this wordage, if there is a difference? There is one. The present act includes the words "to all purchasers," which the new bill omits. The present act requires that the merchandise be freely offered for sale to all purchasers. The pending bill says nothing about freely offered for sale to all purchasers. There merely has to be an offer. It can be a restricted offer. It may be a real or a fictitious offer. It can be an offer to anyone, including anyone who the exporter may know will not accept it.

As the American Cotton Manufacturers Institute put it in a brief filed with the House Ways and Means Committee, and as its spokesman, and also that of the Underwear Institute, testified before the Senate Finance Committee:

"Export value" as defined in this bill in its association with goods, is restricted to those for exportation to the United States. If exactly identical goods are being exported at the same time to other countries at different prices, that fact cannot be taken into account.

Moreover, even the goods being exported to the United States do not have to be sold competitively to qualify for "export value" appraisal. In fact, they do not have to be sold at all. It is only required that they be offered for sale; and the offer need not be made to more than one selected customer at wholesale. The purchaser, of course, is not expected to accept the offer. Should he do so the entire set of conditions, so carefully drawn for making the most advantageous export value, would be knocked down; and our particular exporter in that case would lose the business.

To make sure that the exporter, along with his friendly competitors, if any, is not embarrassed by unintended acceptances, he is specifically permitted by the bill to attach strings to his offer. To the potential purchaser, or indeed to all purchasers, he may say, "I offer an X quantity of these goods at Y price for resale only in New Mexico at Y price plus I."

Since the offer is meant to be unacceptable by reason of its territorial, quantitative, and resale-price conditions, it is declined.

In a cartel or some other cooperative arrangement an offer and refusal would be still easier. In either case export value for American customs purposes has been established.

Apologists for the bill may say that the term "freely sold" in the definition of "export value" covers this criticism and

the omission of "freely offered for sale to all purchasers" which is in the present act.

COTTON INDUSTRY SPOKESMAN'S CRITICISM BORNE OUT

Well, Mr. President, the executive branch has taken care of that. On page 6 of the bill it defines what it means by "freely sold." "Freely sold" can be to "all purchasers at wholesale," or to "one or more selected purchasers at wholesale at a price which fairly reflects the market value of the merchandise."

Now we are back to the "one selected purchaser" which the spokesman for the American Cotton Manufacturers Institute and the Underwear Institute was talking about.

But what about the qualification that the sale or offer to one selected purchaser shall be at a price that fairly reflects the market value of the merchandise? That is easy. Those in the Treasury Department, or whoever drafted the bill, took care of that one, too. They simply avoided any definition of "market value," just as they avoided any reference to collusion or cartels.

COTTON TEXTILE INDUSTRY MARKED FOR DISASTER WHEN TRADE ACT EXTENDED

Mr. President, I would say to my friends in the textile manufacturing business that when, in 1955, the Congress extended for 3 years the 1934 Trade Agreements Act, I addressed myself, on this floor, directly to the cotton-textile producers of the South; and at that time I stated that if the 1934 Trade Agreements Act were extended, it would be the beginning of the end for the cotton-textile industry in the United States.

Only recently we have seen the textile producers hold meetings all over the area where textiles are manufactured. They are scared to death, and they should be.

When their representatives appeared before the Senate Finance Committee, I attended the meeting; I think it was held the week before last. We sat in the committee for 3 hours. Everyone there was worried about the textile business, and we had to do something about it. The question was, what should we do? We had the Chairman of the Tariff Commission there, and we asked him what to do. He said he had no authority to make any investigation unless so ordered by the Senate Finance Committee or the Senate itself, or in some other regular manner, as provided by law. So we adopted a resolution directing the Chairman of the Tariff Commission to make an investigation—which he said would take 8 or 9 months—to determine what is wrong with the textile business.

WARNINGS OVER A PERIOD OF 10 YEARS HAVE GONE UNHEEDED

Even the senior Senator from Nevada gets a chuckle once in a while, Mr. President. This is the 10th year that he has spoken on the floor of the Senate in the way he is speaking today about the 1934 Trade Agreements Act, GATT, ILA, OTC, customs simplification, and a whole group of acts or arrangements which do nothing but destroy the workingmen and investors of the United States, and are designed to do so.

When the hearing was over, the distinguished chairman of the committee, the senior Senator from Virginia [Mr. BYRD], for whom I have the highest regard, saw me chuckling a little. He knew it was coming, but he did not know just how. When the hearing was over, I said, "I know that all the members of the committee are very busy, and are tired, and are trying to end the session. But if you will speak to my little grandson, Michael O'Connor, who is just 6 years old, he will tell you what is wrong with the textile industry; it is just that apparent. There is nothing wrong with textile industry except the existence of 13- to 19-cent-an-hour labor in Japan and $2- or $3-a-day labor in Scotland and other countries, and the fact that American tariffs are away down, so that there is no evener between the wages and taxes in those countries, as compared with the wages and taxes in the United States."

INVESTMENT DOLLARS FORCED TO GO ABROAD

Mr. President, if anyone has any doubt about that situation, let him send a member of his family to a store, and see where the textiles are coming from. American investors are smart; they cannot be blamed for wanting to make some money. I blame the Congress of the United States, which makes it necessary for American investors to invest their funds in foreign firms, concerns behind the low-wage curtain. So, under these circumstances, American investors are investing in firms in Japan and elsewhere. Furthermore, many of the foreign plants have been built by means of American foreign aid.

So the trade agreement extension acts are coming back to haunt the Members of Congress who voted for them, and are doing so even faster than the Senator from Nevada thought would happen.

For instance, Mr. President, suppose Pennsylvania had $2-a-day labor, and suppose every other State of the United States were continuing to pay the wages that are being paid today—let us say between $14 and $20 a day. In that event, in 1956 there would be no industries anywhere in the United States except in the State of Pennsylvania, unless that situation could be changed.

UNITED STATES FREIGHT COSTS HIGHER THAN WATER RATES FROM JAPAN OR EUROPE

Furthermore, the overland freight rates to tidewater, on either ocean, are greater than the cheap water rates from Japan, England, Scotland, and other nations that are in this business, to the same ports. So, Mr. President, what chance does an American workingman or investor have in the long run?

There is in the Senate version of the pending bill a provision, which the State Department has advocated for many years, that if through the machinations of this legislation—which is designed for only one thing, namely, to divide the American markets with the low-wage nations of the world—and if in the course of that division there is an area where the industry is destroyed or has slackened, then this measure, if enacted, will make it possible to pay for the transportation of the workers to other areas where they might obtain jobs, and to reimburse the stockholders. That has happened already, Mr. President, even though the pending bill has not yet been passed.

Last year I spent 2½ months behind the Iron Curtain, in Russia and in the Balkans; and that is exactly the way they handle such matters, except they do not need to have legislation for that purpose. If we continue, we shall be traveling the same route. We do require legislation here, thank God.

MANY UNITED STATES INDUSTRIES TOTTERING UNDER HEAVY IMPORT COMPETITION

In the long run, what we are trying to do is to flatten out the curve, and compensate the distressed areas. The textile industry is going down. Crockery has already gone. American mines are closed, except in cases where, under a special act of Congress, payments are made for minerals or other material. Under the $35 billion war economy under which we are spending, we are giving contracts to certain producers to hold them up.

Mr. President, I have before me a document issued by the Department of Commerce of the United States, dated January 1956, and entitled "Investment in Japan—Basic Information for United States Businessmen."

UNITED STATES FIRMS AIDING JAPANESE TEXTILE INDUSTRY LISTED

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, table No. XIV on page 103 of this document. The table is entitled "Foreign Companies Which Have Concluded Technological Assistance Agreements With Japanese Firms, May 1950–December 1954." The table deals with spinning and weaving.

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

TABLE XIV.—*Foreign spinning and weaving companies which have concluded technological assistance agreements with Japanese firms, May 1950 to December 1954*

Date of validation	Foreign company	Nationality	Japanese recipient	Kind of technology	Term (years)
May 23, 1951	Joseph Bancroft & Sons Co.	United States	Takase Dyeing & Printing Works, Ltd.	Durable and washable finish of textiles by the use of resin.	15
Jan. 23, 1952	John B. Stetson Co.	do	Tokyo Hat Co., Ltd.	Manufacture of felt hats	5
Mar. 19, 1952	Julius Kayser & Co., Ltd.	do	Naigai Amimono Co., Ltd.	Manufacture of silk full-fashion hosiery	15
Mar. 27, 1952	Cluett-Peabody & Co., Inc.	do	Toyo Spinning Co., Ltd.	Shrinkproof finish of cotton textiles	5
June 25, 1952	do	do	Kanegafuchi Spinning Co., Ltd.	do	5

TABLE XIV.—*Foreign spinning and weaving companies which have concluded technological assistance agreements with Japanese firms, May 1950 to December 1954*—Continued

Date of validation	Foreign company	Nationality	Japanese recipient	Kind of technology	Term (years)
Nov. 18, 1952	Joseph Bancroft & Sons Co	United States	Kanegafuchi Spinning Co., Ltd	Manufacture of crease-resistant Everglaze textiles.	15
Do	do	do	Daido Dyeing & Printing Works, Ltd	do	15
Do	do	do	Toyo Spinning Co., Ltd	do	15
Mar. 31, 1953	Scholler Bros., Inc	do	Naigai Amimono Co., Ltd	Shrinkproofing wool and mixed wool products	10
June 2, 1953	Cluett-Peabody & Co., Inc	do	Fuji Spinning Co., Ltd	Sanforized and Sanfor compressive shrinking of woven cotton, linen, and ramie fabrics.	5
Do	do	do	Nisshin Cotton Spinning Co., Ltd	do	5
Do	do	do	Kureha Spinning Co., Ltd	do	5
Do	do	do	Toyo Sen-i Co., Ltd	do	5
Dec. 15, 1953	do	do	Hamaguchi Dyeing Works, Ltd	do	5
Do	do	do	Ichishin Bleaching Co., Ltd	do	5
Do	do	do	Yamatogawa Dyeing Works, Ltd	do	5
Apr. 20, 1954	American Viscose Corp	do	Toyo Spinning Co., Ltd	Stabilization of cellulose	18
May 4, 1954	Pacific Mills	do	Fuji Spinning Co., Ltd	Manufacture of bulk filament into staple	14
June 15, 1954	do	do	Kanegafuchi Spinning Co., Ltd	do	14
Do	do	do	Nankai Woolen Yarn Spinning Co., Ltd	do	14
July 6, 1954	Cluett-Peabody & Co., Inc	do	Kurashiki Spinning Co., Ltd	Shrinkproof finish of fabrics	5
Do	do	do	Daido Dyeing & Printing Works, Ltd	do	5
Oct. 19, 1954	Joseph Bancroft & Sons Co	do	Nippon Cloth Manufacturing Co., Ltd	Manufacture of Everglaze textiles	15
Dec. 7, 1954	Cluett-Peabody & Co., Inc	do	Nitto Spinning Co., Ltd	Shrinkproof finish of fabrics (Sanforized)	5

H. R. 6040 SO WORDED AS TO ENCOURAGE DUMPING OF FOREIGN PRODUCTS ON UNITED STATES MARKET

Mr. MALONE. As I stated earlier in my remarks, this is a tricky bill. It has been purposely made tricky so as to benefit in every way possible the foreign exporter who may wish to dump his products on the United States.

I agree thoroughly with the witness before the Senate Finance Committee who said that the bill invites foreign exporters and individuals to have a field day at the expense of the American Treasury and American industry. It does more than that. It enables them to make suckers out of Members of the United States Congress, and encourages foreign governments to continue their long maintained policies of trade discrimination, exchange manipulation, and cartel operation.

VALUE EXECUTIVE BRANCH WANTS ELIMINATED DEFINED

We have discussed the present and the proposed new definition of "export value." For the record, perhaps, also we should give the present statutory definition of "foreign value," which House bill 6040 would eliminate.

The foreign value of the imported merchandise shall be the market value or the price at the time of export of such merchandise to the United States at which such or similar merchandise is freely offered for sale for home consumption in the principal markets of the world from which exported, in the usual wholesale quantities—

And so forth. Foreign value offers a true standard of value, which our foreign friends exporting to the United States cannot juggle. It is the price at which such foreign merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which the merchandise is exported. That is a one-price value. That is what the Treasury Department wishes to eliminate.

FOREIGN TWO-PRICE SYSTEM EXPLAINED

Exporters in many foreign countries operate on a two-price system—high prices for their own consumers and special or lower export prices for goods which they ship to the United States. They take what the traffic will bear, and the export trade is subsidized in order that that may be done.

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

Mr. MALONE. I am happy to yield.

Mr. BARRETT. I should like to discuss some provisions of the bill. I am not familiar with the exact purpose of the bill. It seems to me that the bill might properly be considered another reduction in tariffs, rather than simplification of the procedures. Can the Senator tell me if that is true?

Mr. MALONE. I will say to my distinguished friend from Wyoming that it is one more drop of water on the wheel of lower duties and tariffs, without regard to the difference in taxes, wages, and living standards between this country and the chief competitive nation, which our duty or tariff for 145 years, from 1789 to 1934, was used to equalize. With the 1934 act as a base—everything stems from that act—foreign nations are now convening in Geneva and dividing our markets like a juicy beefsteak. This is one more act in a succession of acts beginning in 1934, to lower the tariffs or duties, this time through a lower export valuation, separate and apart from the foreign value, which is defined in the present act as being the price at which such merchandise is freely offered to their own people.

Mr. BARRETT. Is it not true that under existing law, the tariff is based upon either the foreign value or the export value, whichever is the higher? As I understand it the foreign value is the going market price in the foreign country?

Mr. MALONE. That is true. It could be easily determined. That is the thing which the bill would eliminate entirely.

Mr. BARRETT. Under the proposed legislation, we would be confined to the export value of the commodity in question, would we not?

EXPORT VALUE SUBJECT TO EASY FOREIGN MANIPULATION

Mr. MALONE. It would apply entirely and only to the export value, which can be manipulated at will through the operations of cartels, through manipulation of foreign currencies in terms of our dollar, or directly with the exporter. In many nations, if one is an exporter, and the particular nation wishes his goods exported, it will give him a greater value for his dollar. For example, in France, if it is desired to export the product of a particular exporter, he is given a greater number of francs for the dollar which he receives. If it is not desired that he export his product, the number of francs given the exporter in that transaction is reduced.

Mr. BARRETT. Is it the purpose of the bill to confine the valuation to the export value in order to simplify procedures and make it easier to compute the value of the goods brought into this country?

Mr. MALONE. That is what is said. This is called a "simplification" bill. That is a very popular type of name. It is, like dozens of other names, catchwords, and phrases, used to sell the Congress and the American people down the river. That process has been in operation for the past 23 years. Such names and slogans include "reciprocal trade," "dollar shortage," "trade, not aid," "Office of Trade Cooperation," and "International Trade Organization."

Mr. BARRETT. Can the Senator tell me why it is easier to compute the export value than the foreign value?

FOREIGN MONEY VALUES FICTITIOUS

Mr. MALONE. It is impossible to compute the export value, because of the fact that, through cartels, manipulation of exchange value, and other means, the export value can be increased by merely giving the exporter more francs, for instance, for the dollar which he receives. If it is not desired to export his product, he is given fewer francs. There is a fictitious value on the money anyway, so there is no way of getting at the export value.

Mr. BARRETT. Is there any reciprocity involved in the bill? Is there any assurance that the countries which will receive the benefits of this proposed legislation will accord to this country any benefits whatever?

Mr. MALONE. In this bill there is not even a promise of reciprocity. There was a promise of it in the 1934 Trade Agreements Act, which is avoided by other nations by the very subterfuges I have mentioned, namely, manipulation of their money values in terms of the dollar, money exchange permits, export permits, and import permits. If it is not to the advantage of the foreign country

to have anything exported or imported, no permits are issued.

In the succession of acts since 1934 there has never been any reciprocity. There is none now. This is about the first measure in which none is even promised.

Mr. BARRETT. The fact is that we do not expect any and most assuredly we will not receive any under this particular measure, if it is enacted into law.

Mr. MALONE. That is true. We would simply get a lower valuation for the export value, with no machinery left to determine the actual value. What it means is a lower export value, upon which the ad valorem duty or tariff would be computed.

Mr. BARRETT. As I understand the situation, under existing law the department is required to take either the foreign market price or the export price, whichever is the higher. It is not true that in a good many cases the foreign value is higher because of the fact that only a limited quantity of a given kind of merchandise is sold in the home market compared with that amount which is exported and furthermore taxes in some cases are imposed on the commodities sold at home that are not levied on exports. As a consequence, generally speaking, the foreign value in some cases at least is higher than the export value?

PRICE AT WHICH PRODUCT IS SOLD IN FOREIGN COUNTRIES ONLY FAIR VALUE MEASURE

Mr. MALONE. I think that is generally true. Of course, when we consider a customs question with respect to evaluating the product either way, there is not so much incentive for lowering the export value, so that there may be some similarity in the price of a foreign product as compared with a domestic product.

The only fair price is the one at which the products are sold by foreign countries to their own people. When there is no connection and we cannot check what the actual worth of the product is, then the incentive is, by manipulation of money, and by other ways, to lower the export price. If the export price were lowered to make the product cheaper to the customer in this country, it would be one thing, but what is done is that the price is lowered enough to meet what the traffic will bear and to undersell the domestic product. So a price is charged to meet what the traffic will bear, and the market is taken away from the domestic producer.

Mr. BARRETT. It seeems to me the bill is a misnomer, in that it provides, in effect, an additional reduction in the tariff, and in my judgment the bill should be so designated rather than merely a customs simplification bill.

As I understand, the Bureau of Customs made a sample survey in 1954 to determine what the valuation would be under such a procedure. Of nearly 20,000 items which were surveyed, about 17 percent were found to be the beneficiaries of a tariff reduction under a bill such as this.

Would the Senator say that statement is approximately correct?

TRADE ACT NEVER INTENDED TO BE RECIPROCAL

Mr. MALONE. I do not know the percentages, but I will say to the distinguished Senator from Wyoming that, beginning with the 1934 Trade Agreements Act, there has never been any advantage gained by the United States of America. It is called reciprocal trade. The two words do not occur in the original act. It was not intended to be reciprocal. What it was intended to do, and what it does do, and what the original act did do, was to take away the constitutional responsibility of Congress and place it in the Executive, with plenty of power to send anywhere in the world a body of men who would regulate our foreign trade, under the auspices of any organization which the President might choose to organize.

In 1939 there was created the General Agreement on Tariffs and Trade, located in Geneva. It could have been located in Moscow or Peking, and that still could be done, according to the testimony of the Secretary of State before the Finance Committee last year. When that particular trade act, which is called the 1934 Reciprocal Trade Agreements Act, was extended for 3 years, it meant that, unless repealed in the interim, it would be in effect until 1958. The way things are going now, by that time enough industries will see what is happening to enable us to stop any extension of the act after 1958.

NO ESCAPE UNDER SO-CALLED ESCAPE CLAUSE

We have no way of effective utilization of so-called escape clause once an agreement has been consummated to lower our tariff.

We make a 3-year agreement based upon a peril point determination—but once made the affected foreign nations juggle the price of their currency in terms of the dollar—invoke exchange permits—import permits and export permits and immediately nullify the effect on their own nation.

We have then signed a 3-year multilateral agreement—and there are so many penalties and recriminations that escape is impossible.

Therefore if it is desired to export a product into a country with which we have a trade agreement, the transaction has to go through at least two different operations—permission from executive offices of that nation so they can and do nullify the entire benefit.

If the authorities of that nation do not want the product imported or exported, as the case may be, they tire the applicant out through interminable delays and finally he abandons the enterprise. Therefore, no advantage has been gained by us in any one of these so-called reciprocal trades.

Mr. BARRETT. That is precisely the question which has been concerning me with regard to the proposed legislation. As I understand, the survey made by the Bureau of Customs in 1954 was a sample survey, and it was then related to the total ad valorem imports, which in that year were valued at $1,411,000,000. It was found there would be a reduction to $1,376,000,000, constituting a decrease of 2½ percent. I call the Senator's attention to the fact that there would be a substantial tariff reduction under the terms of the pending bill. The average of 2½ percent is somewhat deceiving. In some cases the decrease in valuation is extremely large. On the whole, it means the industries of this country are going to be forced to compete just that much more with low-cost producing foreign countries.

Mr. MALONE. With countries that have cheap labor.

Mr. BARRETT. With countries that have a much lower wage scale than is prevalent here in this country.

I myself think that if there were some yardstick whereby we could compensate for the difference in the cost of production, certainly private industry in this country would be able to compete and hold its own against manufacturers anywhere in the world. However, it is simply impossible to do that with the wide difference in wages paid in this country and those paid in Japan, for example, where I understand the wage-rate is one-tenth of what it is in this country.

Mr. MALONE. One-tenth or one-fifteenth. In Japan wages are from 13 to 19 cents an hour.

Mr. BARRETT. That is the way I understand it.

The situation resolves itself, then, to the point where the pending bill is in effect more a tariff reduction bill than a customs simplification bill. Is that correct? It will make an already bad situation in some cases much worse.

Mr. MALONE. I think anyone who has the opportunity to study the bill will come to that conclusion. With the press of other pending legislation, it has been all I can do, with the aid of my staff, to really study the bill. We have tried to do it. The bill is extremely complicated. I think it was made so purposely, with no other idea in the world except to lower the tariffs. It is just one more drop of water on the wheel.

I want to ask the Senator if he agrees with me. I have tried to make a study of this situation. This is the tenth year I have been in the Senate.

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

Mr. MALONE. I shall be happy to yield in a moment.

If a tariff or duty is fixed correctly, according to the 1930 Tariff Act, it is supposed to represent the difference between the cost of production in the United States and in competing countries. If it happens to be fixed accurately, and the tariff is reduced 1 percent, then there have to be reduced, in this Nation, labor and investment costs by 1 percent, or that industry will go out of business. Does the Senator agree with me?

Mr. BARRETT. Certainly. There is no question about it. What disturbs me about the bill is that, even according to the Bureau of Customs, there will probably be percentage valuation decreases of from 4 to 16 percent in the case of drugs, rubber manufactures, synthetic fibers, coffee, tea, cocoa, and a great many other commodities. It seems to me that if that is to be the end result of the proposed legislation, we ought to consider it on that basis, rather than on the basis that it is merely a customs simplification bill which will

make procedures simpler than they are now.

H. R. 6040 OBJECTIVE SOLELY TO REDUCE TARIFFS

Mr. MALONE. I would say to the distinguished Senator from Wyoming there is no other objective to the bill than to reduce tariffs. If we want simplification of customs, that is easy to work out. It is easy to work out a simplification of customs. Here there is no attempt to work out a customs simplification. The whole thing is a further reduction in valuations. There is no way of checking on the export values. European countries have used cartels ever since the Senator from Wyoming and I were born, which is a long time.

Mr. BARRETT. That is certainly true so far as I am concerned.

Mr. MALONE. So far as both of us are concerned. There has never been any intention on the part of other countries to arrive at a fair value on exports. The European countries will take what the traffic will bear. If we can sell an article for $5, they will sell it for $4.90, or at some other low price, even if it costs them only $2.50. They are smart traders. They have lived by their wits for 300 years. They have used cartels and colonial slavery, and every other means they can think of. They know what a slight cut in duty or in a tariff means. They know what a shaving of a money exchange valuation will do. They know what it means. Our people have no idea what it means. Certainly there has been no debate on the subject in Congress this session which would show that we have any conception whatever of what these things mean.

Mr. BARRETT. Most foreign producers and exporters are dominated by the idea that they must protect their own interests, and they look after themselves. Apparently in this country we feel we must look after the rest of the world rather than our own people.

Mr. MALONE. It is not the bedrock traders who do the harm. We can spot them, as we can spot the real Communists. We finally got Harry Dexter White and Alger Hiss. I am the one who got Remington out of the Department of Commerce. He was later killed in prison with a rock wrapped in a sock.

One day I asked for a committee to look into some matters in the Department of Commerce. I looked innocuous enough, and probably I am, and perhaps that is why I was given the chairmanship of the committee. There followed 2 resignations in the Department of Commerce, of 2 assistants. Remington was one of them. I am the one who got him out of the Government.

Some of these persons are very clever. They are the ones who invent those catch phrases: "reciprocal trade," and "customs simplification," and "dollar shortage," and "trade, not aid." Then the honest people of the country mouth those phrases. They think it is wonderful to have customs simplification. It would be, if that is what was meant. Reciprocal trade would be wonderful if there could be some reciprocity. We know what a "dollar shortage" is. It comes about when foreign countries fix a price for the dollar which is higher than the market price which anyone will pay for it. In that way the countries have a dollar shortage. Nevertheless, that phrase sounds good. So the patriotic people of our country mouth phrases like that. It is like a catfish in the creek that takes the bait.

Mr. BARRETT. In the Reciprocal Trade Extension Act we included a peril point or escape clause. That was designed for the purpose of giving the producers of our country a little protection. I should like to ask the Senator from Nevada whether there is any provision in the pending bill which will protect American industry in a like manner.

Mr. MALONE. None whatever. The Treasury Department itself can make any value reduction on imports it wants to without coming to Congress; that is, up to 5 percent. Beyond that it must come to Congress and ask that something be done about it. However, so long as they have the confidence of the Senate, as apparently they have, with no one analyzing the effect, there is no question that they will get what they want.

(At this point Mr. MALONE yielded to Mr. JOHNSON of Texas for the purpose of considering a unanimous consent agreement to limit debate on Mutual Security Appropriations for 1957, which, on request and by unanimous consent, was ordered to be printed in the RECORD at the conclusion of Mr. MALONE'S speech.)

Mr. BARRETT. Mr. President, I should like to ask the Senator from Nevada this question: As I understand it there is a provision in the bill providing a 5-percent limitation on the amount at which the export value could fall below the foreign value before the State Department would be requested to take some action. Is that not an average deviation, rather than an actual 5-percent straight out reduction?

Mr. MALONE. I am not exactly sure about the average. That is the trouble with averaging duties in tariffs. Some may amount to 5 percent, some to 1 percent, and others to more than 5 percent. A 5-percent reduction might hurt someone, whereas a 1-percent reduction would not injure an industry. It is like having many pairs of pants that do not fit anyone. I do not know what the effect would be.

Mr. BARRETT. It seems to me that in some cases the export value might be 15-percent below the foreign value in a particular country, and in several others it might be pretty much the same so that there would be little or no relief in such a safeguard. But the average would still be within the 5 percent limitation. Consequently, I cannot see where there is any protection from this so-called safeguard.

I should like to ask the Senator if during the debate today a proposal will be offered which will revise section 2 of the bill.

Mr. MALONE. I have an amendment that I may offer which would revise it, but we should really use the American value of a product. The Tariff Act directs the Tariff Commission to compare the foreign production cost with the American production cost. Why should we beat around the bush?

Mr. BARRETT. It seems to me the Senator is correct. If we are going to make a change in a practice which has been in effect for 20-some years, it would seem to me that we should safeguard American industries to the point where they will not be any worse off than they are at the present time, and it should not amount to a general reduction in tariffs.

SENATE SHOULD WRITE OWN BILLS—NOT EXECUTIVE BRANCH

Mr. MALONE. I will say to the distinguished Senator that what we should do is to write a bill ourselves. The Senate of the United States should write one bill. Never since 1934 has the Senate ever written a bill. This bill comes from the Treasury Department. It was written by persons who are interested in making it easier to import goods. The 1934 Trade Agreements Act might have been written in London; it was certainly written some place other than the United States. The Senate committees get bills and have to ferret out the trick wording and the trick approach. Let the Senate Finance Committee write a bill of its own and really simplify the customs. That is where it should start. Let Congress write it from its own standpoint.

The Constitution of the United States provides that the legislative branch "shall have power to lay and collect taxes, duties, imposts, and excises," and to regulate foreign commerce. The 1934 Trade Agreements Act transferred that responsibility to another organization. The Constitution does not say "may"; it says "must." The act transferred that responsibility to the President of the United States, with full authority, so the Secretary of State testified in 1954 on H. R. 1, to locate that authority any place on earth. In 1947 it was located in Geneva under the auspices of the General Agreement on Tariffs and Trade. That institution started with about 22 members and now has 35, each having 1 vote. They sit in Geneva and reduce tariffs on American goods, at the same time making some kind of a reduction on paper on foreign imports. Then they nullify the purpose of the act, as I have explained so many times on the floor of the Senate, by manipulation of currency values, or through application of their empire preferential rates, which GATT specifically states they may do. They can control rates, as England controls them in the Malayan States. They have empire preferential rates. When they make one of these agreements it is a multilateral agreement of 35 nations. Then there is a most-favored-nation clause.

Mr. BARRETT. If it is a general agreement made with the other 34 nations, each 1 of those countries has as much to say about the degree of tariff protection afforded to American industry.

REPEAL OF TRADE AGREEMENTS ACT REAL SOLUTION

Mr. MALONE. That is correct. It is a case of 34 to 1. The President of the United States could send them to Moscow or to Peking, and Congress would

have nothing to say, unless it should repeal the act. I have a bill to repeal the act. My bill was introduced on January 12. The argument has been reprinted and is available. We must repeal the act and repeal the basis for all this stuff and get back to the constitutional responsibility of the United States Senate and of the House of Representatives. We should adjust our duties and tariffs through the Tariff Commission, an agent of the Congress, on a basis of fair and reasonable competition, so that we will be back in business and an American businessman will not have to spill his heart's blood in front of a Government bureau in order to protect his investment.

Mr. BARRETT. The Senator referred a moment ago to the action taken by the Committee on Finance. Am I correctly informed that the bill was reported by the affirmative vote of only seven members of the committee, with a couple other members of the committee voting to report the bill with reservations?

Mr. MALONE. I am not certain. If a Senator votes to report, it is a vote to report. Several Senators who voted to report the bill have said they did so with reservations. At least two other Senators—I shall not quote them directly—have said indirectly that they were against the bill and would argue against it.

Mr. BARRETT. Then the report was not by any means a unanimous report of the committee?

Mr. MALONE. It was not a unanimous report; and there was some grumbling by several Senators who did not sign the minority views.

(At this point Mr. MALONE yielded to Mr. JOHNSON of Texas for the purpose of propounding a unanimous-consent agreement. The colloquy incident thereto appears in the RECORD at the conclusion of Mr. MALONE's speech.)

Mr. MALONE. Mr. President, the distinguished Senator from South Carolina [Mr. WOFFORD] previously asked me to yield. I see he is present, and I yield to him.

Mr. WOFFORD. The bill is called a customs simplification bill. Is that correct?

Mr. MALONE. I have already described what I think about the title.

Mr. WOFFORD. In substance, is it not true that the only simplification involved in the bill is that there is a cut in tariffs? Is not that what it amounts to?

Mr. MALONE. In final summation, it is another drop of water on the wheel, cutting duties and permitting goods produced by cheap labor in countries in Europe and Asia to compete with products made in America, with its higher standard of wages. That is exactly what it is.

Mr. WOFFORD. In substance, is it not really a back-door approach to tariff reduction, rather than a direct tariff reduction?

Mr. MALONE. I am very glad the Senator from South Carolina is present and is making this contribution. Over the years, I have debated the question. I remember I said at one time that they come through the door. When the door is shut, they come through the window. When the window is shut, they come up through the cellar floor. They are now coming up through the cellar floor.

Mr. WOFFORD. Will the bill or will it not directly affect the textile industry of the United States?

Mr. MALONE. It is just one more drop of water on the wheel to help destroy industry. It is practically destroyed now. If today we were assured of world peace and there would no longer be any necessity for defense contracts, the economy of this country would be destroyed in 60 days. We are operating in a war economy, while our markets are being taken away by foreign investors, and by many of our own investors in foreign countries. I have been told by representatives of chemical industries that, while they do not want to go to foreign nations and establish branch plants there, they will either have to do so, if the present policy continues, or go broke. That policy doesn't help South Carolina very much.

Mr. WOFFORD. Reference has been made to the percentage of reduction, and it was figured to a pretty narrow percentage. There was also reference to an analysis, which I assume was made by the Bureau of Customs. A survey was referred to. I should like to ask the Senator whether or not it is true that the analysis which was made and the testimony which was given related to an average of a sample, and a very small sample, of all industries in this country.

Mr. MALONE. I think it did. It would be very hard to prove what would be an average. However, I can say to the distinguished Senator from South Carolina that the more one studies these approaches, which are founded on the basic law of 1934—which was the start of all this trouble—the more one will find that there have been greater and greater reductions made in tariffs imposed on products made in cheap-labor and low-cost-of-production countries as compared with the United States. That policy has been cumulative. The party of the Senator from South Carolina started it. My party is continuing it. I say it is worse for my party to do it, because we ought to know better.

H. R. 6040 OFFERS FIELD DAY TO FOREIGNERS AT UNITED STATES EXPENSE

Mr. President, as I stated early in my remarks, this is a tricky bill. It has, I think, purposely been made tricky to benefit in every way possible the foreign exporter who may wish to dump his products on the United States.

I agree thoroughly with the witness who said that this bill invites foreign exporters as individuals to have a field day, at the expense of the American Treasury and American industry. It does more than that; it enables him to make suckers out of the Congress of the United States, and encourages foreign governments to continue their long-maintained policies of trade discrimination, exchange manipulation, and cartel operations.

We have discussed the present and the proposed new definition of "export value." For the RECORD perhaps we should also give the present statutory definition of "foreign value" which H. R. 6040 would eliminate. It is as follows:

> Foreign value: The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities—

And so forth. "Foreign value" offers a true standard of value which our foreign friends exporting to the United States cannot juggle—the price at which such foreign merchandise "is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which exported."

That is a one-price value. It is what the Treasury Department wants to knock out.

FOREIGN CARTELS FAVOR TWO-PRICE SYSTEM

Exporters in many foreign countries operate on a two-price system—high prices for their home consumers, and special or lower export prices for goods they ship to the United States.

Witnesses before Congressional committees have testified as to specific cases. Even proponents of this bill, including the spokesman for the Council of American Importers, stated that "foreign value," which has these safeguards, results in higher duty appraisals and higher dutiable values. I shall refer in greater detail to his testimony later in my remarks.

The present law protects American producers against foreign 2-price systems, which are a favorite device of foreign cartels. H. R. 6040 would encourage 2-price systems.

It is common knowledge that the major foreign producers, through their rigid market controls, can establish United States export prices that have no relation to costs. They can rig prices in their home market and dump their low-wage products on the American market at cut-rate prices to eliminate American competition. After American competition is eliminated, they raise their prices to whatever the market will bear.

It has been done repeatedly. In other words, the argument that the American people are entitled to the lower price of foreign goods—produced as a result of low-cost labor, taxes, or cost of doing business—and that we should allow the goods to come in, is not sound, because the moment the competitor is out of business or subdued, the price of the competitive product is raised to whatever the market will bear.

SAFEGUARDS TO AMERICAN PRODUCERS ELIMINATED IN BILL

The senior Senator from Nevada cannot believe, Mr. President, that the people who drafted H. R. 6040 were oblivious of these facts. They were a bit too subtle in eliminating such safeguards as may still remain to American producers, a bit too eager to remove all curbs against foreign producers manipulating values and prices to our disadvantage.

This is a trick bill.

Now let us go to the next standard of value in H. R. 6040—United States value—and see what has happened there.

United States value is to be used when export value cannot be readily determined.

Its use usually is limited to circumstances such as these:

First. Goods manufactured by American owned and controlled industries abroad which export them back to the United States under their direct control. There are many such industries, Mr. President, and obviously the standards for export value cannot apply to them with any degree of accuracy.

Second. Goods manufactured abroad under exclusive contracts and restrictive as to delivery. This is somewhat similar to the above, Mr. President, but some American firms or importers prefer the contract method to direct ownership of plants abroad.

Third. Goods handled exclusively by a single exporter so that the test under the export-value provision, even as diluted in H. R. 6040, would not apply.

Fourth. Goods of a type not previously exported to the United States.

LIMITATIONS TAKEN OFF PROFITS, COMMISSIONS IN DEFINING IMPORT VALUES

Now, to come under the United States value classification, the goods must have a United States wholesale price determined by sale or offer of sale of the same or similar goods from the same foreign country in the principle market of the United States.

In the present law the offer again applies to all purchasers. In H. R. 6040 "all purchasers" is eliminated, and "for domestic consumption" substituted. In the present law allowance is made for duty, cost of transportation, insurance, a commission not exceeding 6 percent, profits not to exceed 8 percent, and general expenses not to exceed 8 percent on purchased goods.

H. R. 6040 takes the lid off commissions, profits, and expenses and wipes out the percentages. This again is a tariff-reducing gimmick. The larger the claimed deductions for commissions, profits, and general expenses, the lower will be the dutiable base, and the lower the duties which will be assessed. It is a ripe field for tricky claims and kickbacks.

Mr. President, there is another interesting gimmick in the definition of "United States value." H. R. 6040 permits deductions in calculations of such value of Federal excise taxes imposed on wholesale transactions in the United States. The effect is to permit allowances for taxes of this nature in the amount or to the extent an American producer would have to pay them on a similar product, and represents another lowering of dutiable value on the imported article or goods. Such deductions are not permitted under the present law.

Again may I say, Mr. President, that this bill has been very carefully—or craftily—drafted to give the advantage to the foreign producer and exporters. "All the bases" have been covered.

"CONSTRUCTED VALUE" REPLACES COST OF PRODUCTION STANDARD

Mr. President, in the present law the next category under which imported goods are evaluated for duty purposes is "cost of production", with a category which includes a percentage base in considering profits and expenses. H. R. 6040 changes this to "constructed value," and eliminates the percentage checks.

The last valuation is "American selling price." In the present law, "freely offered for sale for domestic consumption to all purchasers" is again a determining factor in valuation.

H. R. 6040 eliminates the "all purchasers", and makes the same generous modifications in the "offer for sale" definition as it does under "export value." It is a tricky bill.

None of the provisions, definitions, or sections of the new bill which I have just discussed have been changed by the Senate Finance Committee. They are identically the same as when they passed the House.

ORIGINAL BILL MODIFIED TO "WET DOWN" OPPOSITION

What the committee has done is to add at the end of the bill a new section designed to "wet down" some of the opponents of H. R. 6040. Like the bill, the amendments, with the execption of five lines at the end of the bill, were submitted by the Treasury Department, and presumably were drafted by it. I do not think American industry is going to be happy about them, either.

Let us take a look at the so-called compromise amendments which the Treasury submitted in an 11th-hour effort to obtain favorable committee action on the bill. The amendments were accepted and the bill was reported by a divided vote.

Mr. President, if you have the bill before you, the amendments should appear on page 17, beginning with line 4, and following. Not a single substantive provision, new valuation category, or definition has been changed; only their application has been changed. In other words, the amendments relate to how, when, and whether new valuation standards shall be applied.

LISTS TO BE PREPARED BY TREASURY SECRETARY

The Treasury amendment provides that, if and when this bill is passed, the Secretary shall make a preliminary list of imported products which would experience a value reduction exceeding 5 percent if the bill's valuation criteria were applied. In preparing this preliminary list he shall make such investigation "as he deems necessary." The articles appearing on the list would continue to be valued for duty purposes in the same manner as they are now. Articles not on the list would be valued under the new rules and criteria.

An American manufacturer, producer, or wholesaler who has "reason to believe" that articles imported from foreign countries in 1954, like or similar to those he produces, should have been included on the list, but have been omitted, is given 60 days to complain to the Secretary of the Treasury. If he does not complain, he is out of luck for that year, at least.

If he does complain, the Secretary shall cause to be made such investigation as he deems necessary. If the belief of the manufacturer, producer, or wholesaler is upheld by the Secretary's investigation, the articles involved will be added to the preliminary list, and be appraised under the old rules. The list of foreign 5-percenters will then be published as a final list.

SUCCESSIVE LISTS TO BE PREPARED FOR 3 YEARS

As soon as practicable after the expiration of each of the 3 succeeding 12-month periods, following publication of the first final list, the Secretary, again after such investigation as he deems necessary, shall publish successively second, third, and fourth preliminary lists of articles which he shall have determined would experience a 5-percent duty reduction under the old standards of valuation. Then the same procedure for appeal by American producers would be followed; and the Secretary would make such investigations as he deems necessary, would pronounce his findings, and would publish another final list.

As the Treasury wanted it, after the fourth final list, the new valuation rules would automatically become applicable to all United States imports, if Congress did not take any action. This last was a little too much for the committee. It appended its own amendment, at the end of the bill, to require that Congress do act, after submission of the final list, to determine the future application or date of repeal of the new valuation procedures.

Mr. President, all this is very complicated, and it is also very tricky.

REDUCED VALUATIONS CAN HARM MANY INDUSTRIES

Inherent in these amendments is the assumption that a 5 percent decrease in valuation is of no significance to American industry, manufacturers, wage earners, and other producers. This is not true.

In America today there are industries that are operating on a net profit of less than 2 percent, and there are industries that are operating on no profit at all, and are going broke. If even another small concession in duty assessments is made to foreign competitors, it will be a serious, and possibly a fatal, matter to many of these industries and producers.

The bill is still a tariff-reducing bill, even if the overall cuts are smaller than those which the Treasury Department first proposed. The amended bill provides for arbitrary and across-the-board tariff reductions which are automatic, rather than the gradual and selective reductions advocated by the President.

Of course our tariff reductions have never been gradual. and, in my opinion, they have never been selective. But at least there was a pretense that they were negotiated with foreign countries.

The reductions provided by this bill are unilateral. No foreign country will offer us anything in return, or will pretend to offer us anything for these concessions. These will be give-away reductions.

PERIL POINT AND ESCAPE CLAUSE FICTITIOUS REMEDIES

They are reductions to which neither the peril-point, escape-clause, nor national-security remedies, provided by the Congress for the protection of domestic industry, apply. However, in my opinion that is not too significant.

Mr. President, in that connection let me say that at different times I have discussed on this floor the peril-point and escape-clause provisions, neither of which was effective or was intended to be effective. By means of a short definition under the peril-point provision, the Tariff Commission could be required to declare at what point. in reducing the tariffs, a certain industry would be imperiled.

PERIL POINT DETERMINATIONS EASILY EVADED BY FOREIGN COUNTRIES

Suppose the Tariff Commission determined exactly what that point was, which, of course, should be the tariff. After that determination a 3-year trade agreement is made, which cannot be rescinded except under the escape clause, which I shall discuss later. Five minutes after the ink is dry, the foreign country adjusts the price of its money in terms of the dollar, and places in operation the many other subterfuges which defeat the obvious intent of the act. Then the peril point previously found is no longer effective, but the trade agreement is effective for 3 years. So it never had any force or effect. It was merely a subterfuge to wet down the American people for the extension of the act.

Next, there is the escape clause. Everyone is familiar with the fact that there is no real escape from a trade agreement once it is made, because of the many penalties which are exacted under the act if the escape clause is used.

FINAL DETERMINATION IN ESCAPE CLAUSE CASES MADE BY PRESIDENT

Those so-called recourses of stricken industries are largely a pretext and a sham anyway. Whatever the findings of the Tariff Commission, the President makes the final determination on the advice and counsel of his secretaries; he has the final word.

But at least they are provided in tariff statutes, and they are omitted from this bill.

The bill now before us provides for a series of reports to Congress, but it makes no requirement and sets no specific standards for either the reports or the investigations which precede them. The secretary makes only such investigations as he, the secretary, deems necessary. The standards by which they shall be conducted or by which the 5-percent lists are prepared are left to the secretary's discretion. Anyone familiar with customs matters knows that it is possible to group imported articles for listing in such a manner as to becloud or preclude a realistic determination of the effects which the changed valuations will have on imports.

Even when the secretary prepares such lists, all he has to do is publish them. He is not required to make public the basis of his findings or any of the supporting data which he used in making his determinations.

AMERICAN PRODUCERS DISCRIMINATED AGAINST GIVEN LITTLE TIME TO ENTER PROTESTS

Mr. President, this bill also puts the squeeze on any American producer, manufacturer, or industry which may wish to protest against the failure of the Treasury to put on the Treasury list the foreign product competing against him, and thus by this commission enabling the foreign company or exporter to enjoy an extra bonus tariff cut. The bill allows the American producer only 60 days to protest, and then only if he has "reason" to believe he has been discriminated against in favor of his foreign competitor.

Sixty days is too short a time, as anyone knows who has ever sought such simple information as what goods are being imported, to say nothing about data on the amounts of duty charged.

To find out what commodities are being imported, in what quantities, in what values, total, not broken down by items, and from what countries, one may call the Commerce Department or the Bureau of the Census. The very latest reports of this nature are for April. They were issued July 17. That is a time lag of more than 10 weeks between the fact and the report. These are reports only on quantity and total value, by commodity group and country. They contain no data on duty assessed or the methods of duty valuation. To determine those facts, if he can, is, under this bill, the task of the producer. This bill gives him 60 days from "scratch" to do it.

MUCH NEEDED INFORMATION UNAVAILABLE TO VICTIMS OF H. R. 6040

Actually much of the information necessary to domestic producers to show reason to believe they are being discriminated against, simply is not available to them, so this provision in the bill is merely a scheme to make it appear that a remedy is available to American producers which is not there.

Remember, the amendment was drafted by the Treasury Department in an effort to save their bill by leading both the Senate and the American producer into a blind alley.

This bill is a major step backward from the Customs Simplification Act of 1954. Congress in that measure provided for a study of tariff reclassification by the Tariff Commission, an agency of Congress.

NEW BILL NEGATES 1954 SIMPLIFICATION ACT SAFEGUARDS

In the 1954 act Congress specifically prescribed that the simplification purposes be achieved, if at all possible, without changes in the tariff. This bill completely negates and nullifies that stipulation. It is a bill to cut tariffs.

Congress also directed that whenever any changes in the level of the tariff might be required, the Tariff Commission should give public notice of that fact, and afford a reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at public hearings with respect to the probable effect of such suggested changes on any industry in the United States. This is the fair way, the American way.

H. R. 6040, drafted by the Treasury Department or someone associated with it, carefully omits these safeguards. It is a bill drafted to benefit the foreign producer and denies the American producer even his day in court. It is a tricky bill.

FOREIGN COUNTRIES LONG SKILLED IN MANIPULATING MERCHANDISE PROCEDURES

Foreign producers, of course, have long had the power to manipulate their merchandising procedures in such a way as to achieve almost any end result they wish to. They are past masters in the arts of trade. England has been living on trade for 400 years. She has preference arrangements with all the commonwealth countries.

These are called empire preferential rates. Every empire country which controls colonies has such arrangements. They are recognized by the nations which get together to divide up our markets. We are only 1 member, with 1 vote out of 35.

Great Britain manipulates the pound to meet whatever tradesmen may consider their advantage. France has similar preferences with her colonies. So does even little Portugal.

It will be quite within the power of all foreign trading nations to manipulate their merchandising procedures so as to effect exclusion of their export products from the Secretary's list and thus obtain all the tariff cuts this bill would allow.

There are many ways they can do this. For example, they can manipulate their trade practices so that no foreign value could be found at the time the preliminary and final lists were prepared.

H. R. 6040 OFFERS INCENTIVE FOR FOREIGN MANIPULATION AND DUMPING PRACTICE

Even the Treasury Department witness before the Senate Finance Committee felt impelled to admit that—

> Foreign exporters are now in a position to so conduct their affairs that the export value would be used in most cases.

Of course they are, and of course they would. This bill would be a direct incentive for them to do so, and doubtless was drafted with that purpose in mind. The aim is to lower valuations and thus increase imports.

Once having accomplished the appraisement of their products under these new bargain-basement value provisions, and after publication of the final 5-percenter list, the foreign producers would be free to resume their old practices of exporting their products to this country far below the foreign value, without being subject to the automatic check against this practice provided in the present law. There would be nothing to stop them.

The fact that the committee amendment in the last four lines of the bill provides that Congress must take affirmative action to remove an article from the fourth and final list and subject it to the new value standards is no protection against these foreign practices.

If anything, this amendment enhances the opportunity for foreign producers to engage in dumping practices to the detriment of American producers and the national economy.

ANTIDUMPING PROVISIONS OF PRESENT LAWS WEAKENED

Even the last remaining antidumping provision of our tariff laws for the protection of our domestic industries would be substantially weakened by the amended bill. With the elimination of foreign value under H. R. 6040 the foreign value data now collected by the customs service would be severely curtailed.

The information available to the Government, the American producer, the Congress and the public will be lessened and curtailed under this bill, which could be one reason its proponents so ardently seek its enactment.

The amendments to H. R. 6040 provide that the Secretary will publish a preliminary list of articles which were imported in fiscal 1954, and which would have been appraised under the amended bill at 95 percent or less of the average value at which such articles actually were appraised.

TREASURY FACES ENORMOUS TASK

Now let us see how great a task this would be. The Secretary's annual report for fiscal 1954 states that there were 1,472,000 invoices handled in 1954. Each of these would have to be reexamined to properly identify those pertaining to articles whose duties are based in whole or part on value. That is assumed that the Secretary followed the clear intent of the amendments to this bill. When the Treasury Department did present some data on imports to the Senate Finance Committee, they admittedly used only a limited sample because obtaining data for a complete picture would have been costly and difficult. So what did the Treasury Department give us? I will tell you.

They gave us a 5 percent sampling of fiscal year 1954 dutiable entries at New York, and Laredo, Tex., and a 2½ percent sampling at six other ports. From the customs offices in our other ports and border stations they gave no sampling at all.

What would they do under H. R. 6040's amendments? Would they seek to get by with a mere sample in preparation of their lists? Or would they do a complete job as intended under the amendments to H. R. 6040?

If the latter, they would still have 95 percent of the job to do in New York and Laredo, Tex., 97½ percent of the job in 6 other ports, and 100 percent of the job in all the other points of entry where customs offices are maintained.

COST, MANPOWER PROBLEMS POSED

How much manpower will be required at what expense, just to effect a small decrease in duty or tariff costs to benefit our foreign friends? The Treasury Department which drafted this 5-percenter plan, has not given us those figures.

In the sampling I have reported above, customs personnel made 19,908 recomputations of dutiable values. To do a 100 percent job just at these ports, omitting all the others, would require more than 20 times that number of recomputations or more than 398,160 recomputations. So should H. R. 6040 be enacted with these amendments—the House conferees may choose to cut them out—we may expect the Treasury Department back here next year calling for greater appropriations to meet the payroll for a substantial increase in personnel. The Treasury Department is not the only department of our Government which proposes programs to increase their workloads and consequently their personnel. It has become an old custom which increases the burden on our taxpayers.

Amendments to H. R. 6040 which were prepared by the Treasury Department to make the bill more palatable, or seem more palatable, to the committee and to the Senate, would, moreover, continue this increased workload for 4 long years.

Assuming that the Secretary can get over the task of compiling the first list, he must face the task of compiling the second, third, and fourth lists in the same way.

CUSTOMS SERVICES TO PUBLIC FACE IMPAIRMENT

If he tries to spread the work among the present customs personnel, what happens to the regular day-to-day service which customs is supposed to render, and to the prompt disposition of customs entries? The customs service already is overburdened with the problems of increased imports which are the result of direct tariff cuts under trade agreements, such as the recent one with Japan, and under GATT.

The lists, of course, would not necessarily carry the same items year after year. Items appearing on the list are to be appraised under the present value standards while those not listed would be appraised under the rules provided in the amended bill.

This on-again, off-again character of the lists not only will confound and confuse the customs service and its personnel, but would require that American producers maintain a sort of "watchdog" role for 4 long years or face being discriminated against by their own Government.

CUSTOMS CONFUSION—NOT SIMPLIFICATION

This is not customs simplification. It is customs confusion, which would continue permanently because after publication of the fourth and final list certain imported articles would be valued under the value rules provided in the amended bill, and other imported articles would continue to be valued under the present value rules.

There is nothing in this bill, as I have stated before, that benefits the American producer, the American taxpayer, or the Government itself.

What is the professed objective of the Treasury Department in advocating this bill which would mean a substantial reduction in such duty protection as remains to American producers, a tremendous increase in the workload of customs personnel, and undoubtedly increased costs for decreased customs services in the interest of the American public.

The Treasury Department has testified that the bill would simplify customs procedures, and I quote: "Primarily by eliminating the necessity for a great number of investigations in foreign countries.

Well, just how great is that "great number"?

FOREIGN INVESTIGATIONS PROBLEM MINUTE

The 1955 report of the Secretary of the Treasury states that there were exactly 420 foreign investigations involving both classification and value problems. Four hundred and twenty foreign investigations out of a total of 1,632,000 invoices.

This is less than three-one hundredths of 1 percent. A great problem.

It is for the professed objective of solving this problem that the Treasury Department would cause wholesale tariff reductions on imports competing against American producers and for the rich American market.

It is to reduce a mere 420 foreign investigations that the Treasury Department says it will conduct investigations in all American ports and stations where customs offices are maintained, over a period of 4 years, of all imports subject to ad valorem duties.

It is to reduce the number of foreign investigations—420 in all—that, according to the Treasury Department, it is willing to investigate the complaints of American producers who contend they have been discriminated against by the Treasury Department in the preparation of Treasury Department lists, with the Department, of course, investigating itself in such manner as the Secretary deems necessary, and passing its own judgment.

It is to reduce the number of foreign investigations from 420 to some unstated estimate that the Department, if we are to credit its testimony, seeks to reduce duty valuations which in turn reduces duties, at the risk of injuring scores of American industries, the investors and wage earners in these industries, and the national economy.

SENATOR CALLS TREASURY CLAIM "FEEBLE PRETEXT"

The senior Senator from Nevada considers such a feeble pretext for the Treasury Department's submission of this bill incredible.

Why should the necessity for conducting a mere 420 foreign investigations be such a hardship when to reduce them the Department is willing to make tens of thousands of investigations here in America, for the sole purpose of reducing the number of foreign investigations?

Has it come about that we are so eager to appease foreign producers and competitors that we do not even wish to investigate those who have falsified, erred, or been confused in the matter of values on goods subject to ad valorem duties intended for export to the United States?

Have we become so supine that we do not even wish to inquire into foreign trade manipulations against our interest?

Why should we be so concerned about sensitiveness of foreign producers when we have shown little or no concern for American producers since the Trade Agreements Act was passed in 1934?

Mr. President, I find I cannot swallow this Treasury Department dish.

H. R. 6040 A SIDE-DOOR APPROACH TO TARIFF REDUCTION

With all due respect to the Treasury Department witness who testified before our committee, I do not believe that a

reduction of a mere 420 foreign investigations is the objective of this bill at all. The witness is an honorable man, a fine man, and I like him. I think he believed every word he said. But I also think that he, like so many of us, had been sold a bill of goods.

The real objective of this bill is to reduce tariffs.

Why should anyone wish to take this side-door approach to reducing tariffs?

Congress has been voting the executive branch permission to reduce tariffs for 22 years.

Article I, section 8, of the Constitution declares that regulation of our foreign commerce and the laying of duties and imposts—meaning tariffs—is the responsibility of Congress.

CONGRESS DUMPED TARIFF RESPONSIBILITIES IN EXECUTIVE'S LAP

But Congress in effect has repealed this part of the Constitution. It has nullified it by passing this responsibility on to the Executive. The Executive passed it on to the State Department, which passed to on to the international GATT.

So Congress has not directly reduced tariffs. It has merely said "let George do it"—meaning the executive branch or GATT. In any event tariff reduction for the past 22 years has been no problem to the one-worlders, free-traders, and others willing to sacrifice our jobs and markets to the advantage of foreign nations.

In a previous administration the Treasury Department was very active in promoting schemes for reducing tariffs, a subject on which I may elaborate later in my remarks. But in recent years it has left tariff-cutting largely to the State Department.

Now comes the Treasury Department with a new tariff-whittling approach, an indirect approach, which has no connection with the Trade Agreements Act, but may, as I shall point out elsewhere in my remarks, have considerable connection with GATT.

NEW TARIFF CUTS WILL BE ARBITRARY

The new approach is the arbitrary, unilateral approach, that requires no negotiations, no notification, no hearings, no pretext of relief such as the peril point and the escape clause; no extensions by the Congress, but just cuts tariffs on imported ad valorem goods on which 1954 values would not be more than 5 percent above the values had they been appraised under the relaxing provisions of H. R. 6040.

The new approach was presented last year to Congress by the Treasury Department without any 5 percent differential. The new, or lower, values in that bill were to apply to all imports subject to ad valorem duties.

The House Ways and Means Committee reported out this across-the-board bill, not, however, without strenuous objection from some of its members. The bill then passed the House.

Hearings were held on the across-the-board tariff-cutting bill before the Senate Finance Committee. These hearings were more extensive than those held before the House committee, and major defects in the bill were brought out.

The Senate Finance Committee kept the bill in committee and did not report it.

This year the Treasury Department was back with what it chose to call a compromise, the 5-percent compromise I call it, for that is just about what this so-called compromise amounts to. It proposed amendments which were introduced by request.

Hearings were held, the scope of which Members of the Senate can readily determine by the hearings which were published just this week.

OFFICIAL SPOKESMAN FOR H. R. 6040 NO LONGER WITH GOVERNMENT

The Treasury Department official who testified last year had left the Department before the new hearings were held. He had returned to his law practice in another State, a practice in which I hope he is successful. He had been gone from the Treasury Department for some time.

The Treasury Department now had the problem of who would appear before the Senate committee to explain the so-called compromise or, in other words, the amendments to the House-passed bill.

So they sent for this gentleman who had testified last year and asked him to take time out from his private profession and come before our committee to explain the amendments.

I do not know why the Department felt this was necessary. Could it be that there was no one remaining in the Department after this gentleman's departure who could explain the bill and its amendments? Could it be that no one else was sufficiently informed about the bill to present it in its amended version to the committee? Or could it have been simply that the Treasury Department thought this former official in the Department who had resigned the Department some time earlier in the year, would be more persuasive on the committee members. I do not know. He is a very personable gentleman.

He came here and called on members of the committee. I know that he visited my office and I assume he extended other members the same courtesy. We had a very pleasant chat, although it was a waste of time because when he was through extolling his bill I was just as much opposed to it as previously.

Then the gentleman testified before the committee in behalf of the Treasury Department, but as a private citizen. He offered certain assurances in behalf of the Department, but; as a private citizen there is a question in my mind as to whether any of these assurances commit or bind the Department at all, because he is no longer an official of the Department, but a private citizen.

Whatever the case, he apparently is the only person in the United States who the Treasury Department felt could properly explain this bill to the committee.

PURPOSE OF NEW APPROACH TO TARIFF SLASHING EXAMINED

I must agree that it is a very complicated bill. It would be, because it is a new approach to this tariff-cutting drive that has so obsessed the executive branch for the past 22 years.

Why should the free-trade contingent in the executive branch be so eager to put over a new approach to their tariff-chopping program when, for 22 years, they have been so successful in selling their old program to the Congress?

The old approach has been through the Trade Agreements program, which is operated by the State Department, and through GATT, also through the State Department, although GATT has never been submitted to the Congress or approved by Congress.

Together, through the Trade Agreements program and GATT, tariffs have been slashed three times. First in 1934 they could be slashed 50 percent. Then, after 1947 they could be slashed another 50 percent under the existing duties, or a total of 75 percent. Last year they were authorized to slash tariffs another 15 percent, the cuts to be spread out over a period of 3 years.

Most of the reductions already have been made, and for the entire 3-year period. They were made at a recent session of GATT.

TRADE ACT INTERNATIONAL SOCIALISTIC DEVICE TO AID FOREIGN COUNTRIES AT OUR EXPENSE

Then why are they so arduous in their advocacy of an entirely new approach?

I think I know the answer.

The old approach has sickened a good many of our citizens, and a great segment of our economy.

It has brought hardship to many industries, to investors, and to hundreds of thousands of American wage earners.

It has never fulfilled any of the promises made to the American people of what it would accomplish.

It has posed, and still poses, a constant threat against the American producer.

It has been exposed as an international socialistic device to benefit foreign countries at the expense of America and American taxpayers.

The American people are rapidly awakening to its dangers and to its ever-constant menace to their livelihoods.

OPPOSITION TO TRADE ACT MOUNTS

The opposition to the program has grown tremendously in the last several years, particularly since last year, when Congress enacted H. R. 1, to extend the free trade, trade agreements program for 3 more years.

Incidentally, the 1934 Trade Agreements Act has been periodically extended beyond the original 3 years. Last year it was extended for 3 more years and will next expire in 1958. I hope the Senate will refuse to continue it the next time it expires.

The opposition grows continuously, and from information I receive it is growing in all parts of the country, including New England, the South, the Midwest, and the West.

The opposition will continue to grow as more and more American industries, wage earners, and investors are hurt by the Trade Agreements Act and GATT.

CONSTITUTION HOLDS ANSWER WHILE BUREAUCRATS SEEK TRICK REMEDIES

I might say, however, that while the people are awakening to this danger, many persons have forgotten that the

Constitution provides for the protection of the American workingmen and American investors. Instead of going back to the Constitution, reading it one more time, and then applying it, the Government is still trying to find some trick remedy, such as quotas, or some way by which to allow a bureau to direct when certain things shall be done to protect American industry. But the easiest thing on earth to do is simply to remember that we have a Constitution, which was written by persons who had had experience with such difficulties. We ought to remember that the colonials, who fought the Revolutionary War, had had everything happen to them that could have happened to a colonial nation. They were the first to break away from a system which has today spread all over the world.

STATE DEPARTMENT'S KNOWLEDGE OF COMMUNITY PROBLEMS QUESTIONED

The Founding Fathers wrote into the Constitution a provision for the regulation of foreign trade. That regulation was placed in the hands of Congress, where every precinct in the Nation is represented in both Houses. It was not placed in the hands of the executive, of the State Department, or of some other agency of the executive branch, which has very little connection with the people. No one in the State Department runs for office. No one in the State Department understands, or purports to understand, what is happening in the communities of America.

What do they say when a complaint is made that a textile industry in North Carolina, or a mine in Colorado, or a machine tool plant in Pittsburgh is on the verge of bankruptcy? Oh, they simply say they think a law should be passed to transfer those workingmen and women to another area, where they might get jobs and the investors might be compensated.

I have previously said today that that is what is done in Russia, but a law to do it is not needed there. If ever such a law were passed in this country, our Government would be operated in exactly the same way as the government which we think we are trying to prevent from coming to this country operates.

SENATOR PREDICTS CONGRESS WILL ULTIMATELY END TRADE ACT

Mr. President, the opposition to the trade agreements program will grow until one fine day Congress will awaken to the public sentiment and the public interest, which is, after all, under the Constitution, the only national interest, and will wipe the Trade Agreements Act off the statute books.

When the Trade Agreements Act goes, GATT will go, because the State Department—including Secretary Dulles himself—has conceded that the United States is a party to international GATT by virtue of the Trade Agreements Act. At least, that is the contention.

Secretary Dulles contended in his testimony before the Committee on Finance last year that the Trade Agreements Act of 1934 provides for the transfer of the constitutional responsibility of Congress to the President, and also gives him full authority to transfer that responsibility to any organization which he might spearhead or cause to be organized and located anywhere in the world. It could be located at any other point besides Geneva, including Moscow or Peking, under the 1934 Trade Agreements Act.

MALONE CONTENDS TRADE ACT, GATT, UNCONSTITUTIONAL

I myself think that both the Trade Agreements Act and our connivance with GATT are unconstitutional, but the Supreme Court has never weighed the issue, and the lower courts have avoided it.

Whether or not the Supreme Court ever acts, the Trade Agreements Act is on its way out. It is causing too much damage to the national economy, and to American laboring men, investors, and producers to survive.

It will go out by repeal—and I have proposed legislation pending to repeal it and will reintroduce it early in the 85th Congress—or it will go out by failure of Congress to renew it when the present extension law expires on June 30, 1958.

At least, I hope that by 1958 Congress will have had the guts to restore its authority to regulate the national economy and American foreign trade. If we have not, we will deserve just what we get; and, when the public understands what has happened, I think they will change the residence of a good many Members of Congress.

I hope Congress will not prolong the agony to June 30, 1958, but will repeal the act and return to the Constitution, article I, section 8.

In any event, the act is on its way out, and when it goes GATT will go with it.

EXECUTIVE BRANCH SEEKS WAY TO CONTINUE TARIFF CUTS WITHOUT TRADE ACT

The senior Senator from Nevada is convinced that the executive branch sees the handwriting on the wall. It is obvious that they see it; otherwise, they would not be making such desperate efforts to save the free-trade program without it.

One of these efforts has been to inveigle Congress into approving an international organization for trade cooperation.

That is its name. Press dispatches from Geneva, Switzerland, where it would operate, refer to it as International Organization for Trade Cooperation, or IOTC.

The State Department is a little sensitive about the international part of the name. In all of their propaganda they drop the international and refer to it merely as Organization for Trade Cooperation. Well, it is international all right— as international as was the International Trade Organization, which Congress rejected.

IOTC WOULD HAVE SAME MEMBERS AS GATT

Thirty-five nations would be members of the IOTC, each having 1 vote. The United States would have 1 vote, Communist Czechoslovakia would have 1 vote, Ceylon would have 1 vote, Rhodesia and Nyasaland would have 1 vote, Luxembourg would have 1 vote, Burma would have 1 vote. Actually Great Britain would have 9 votes, 1 for the United Kingdom, and 1 each for her commonwealth partners, but the rest of the nations would have only 1 each.

This would be the same membership as GATT, with the same vote limitation.

Mr. President, the United States of America has the only market where 10 cents worth of chewing gum can be sold and the money be obtained for it, unless we have already given the other countries the money with which to buy the gum. We have one vote, but we furnish all the markets in the pot. The objective, the target, is the American market. There are no other markets worthy of the name.

The functions of the International Organization for Trade Cooperation would be, so says the State Department, to administer GATT. Congress is being permitted to consider only the IOTC setup, however. GATT itself, in which all the substantive provisions of this international scheme have been stacked, is not being submitted to the Congress, and will not be submitted. It has never been submitted.

The public is given the idea, and even the Members of Congress themselves get the general idea, that it will be submitted, but the testimony of the Secretary of State before the Committee on Finance in 1954, when the amendment of the 1934 Trade Agreements Act was under consideration, was that the Department has all the authority it needs under the original act to operate GATT—the General Agreement on Tariffs and Trade—at Geneva. But the only objective which is sought in having Congress approve GATT is to make it permanent.

GATT CONTINUES EVEN IF IOTC DIES

So, Mr. President, if the OTC—that is, the Office of Trade Cooperation, or the International Organization for Trade Cooperation, to be more exact—is dead in the House—I somehow regret that it is dead in the House; I wanted the pleasure of killing it in the Finance Committee or on the floor—but if it is dead, then GATT would still go on at Geneva with 35 votes, 1 to each country, dividing the trade in the same way. In other words, we are shooting at a hat. We go home and say we do not approve. They do not need any further approval. The first vote, according to the Secretary of State, the vote which passed the first, the initial, the mother bill of this whole destructive program, gave all the authority needed to operate GATT in Geneva. Perhaps next year there will be another bill, with another trick name, involving the word "cooperation." Nobody cooperates with us.

Mr. President, as I stated before, GATT is comprised of the same 35 nations, each with the same number of votes—1. It has been operating in secret in foreign countries for 9 years, regulating our foreign commerce and our duties, and has never been submitted to the Congress. Secretary Dulles says it does not need to be submitted, because our participation in it is under the authority of the Trade Agreements Act.

STATE DEPARTMENT DENIES CONGRESS RIGHT TO JUDGE GATT ON ITS MERITS

The State Department, I am convinced, knows that the Trade Agreements Act is going out. They do not

dare to present GATT to Congress to be judged on its merits or demerits. So they conceive this disguised, shadowy new international organization, with a vain hope that Congress will be so blind as to accept it.

The Congress is not blind, the State Department has found out, obviously with surprise. The IOTC bill is stuck in the House Rules Committee. The House leadership has not had the bill brought out because it knows that were it brought out and submitted to the floor for a vote, the House would defeat it.

Mr. President, I do not blame them for thinking Congress was blind. I think it temporarily was blind, and I think it is about half blind now. But it is waking up. So long as we are not tied to something permanent, so long as we can repeal the 1934 Trade Agreements Act, as provided in the bill introduced on June 20 in this body, or so long as we refuse to extend the act in 1958, the policy of regulating trade and the national economy eventually will automatically revert to the body in which it was placed, in the first place, by the Constitution.

INTERNATIONAL BOG HOLE WAS DUG BY ECONOMIC ONE-WORLDERS

The people of the United States may yet get out of this international bog hole dug by the economic one-worlders, who say we must all live alike and we must divide our cash and our wealth, on an international socialistic basis, in order to have peace. We all know what kind of peace we would have. After we were destroyed economically, everybody would move into our country.

I want to say at this point that no one can be for free trade—no one can be for the successive bills that have provided for free trade—without being for free immigration. That is the objective—free trade and free immigration—of the grandiose one-world scheme. That is what the real scheme is, if the Members of Congress would only take a few minutes to study its objectives.

Had Congress been blind and approved this new international trade organization, then GATT would still operate, whether Congress repealed the Trade Agreements Act or not.

Should Congress repeal the Trade Agreements Act or permit it to expire June 30, 1958, GATT will be dead in the absence of an international organization for trade cooperation.

IOTC BILL DESIGNED TO ASSURE PERMANENCE OF GATT

So the IOTC bill—the International Organization for Trade Cooperation—I want to emphasize the international part of it; and the dropping of the word "international" when it is spoken of, through the State Department, was not accidental. The IOTC bill was introduced as insurance by the free traders that their beloved GATT would survive when the Trade Agreements Act is thrown out the window.

This was not the only free-trade insurance measure, however.

H. R. 6040, the bill before us today, was the other approach.

There are certain bureaucrats who love nothing better than to cut tariffs on foreign products and make it tougher for American industry to survive.

AMERICA FAST AWAKENING TO FREE-TRADE MENACE

But there has been a great awakening in America—a great awakening. The day of wholesale, irresponsible, insensate tariff cutting, at the whim of any country wishing to export to the United States, is almost past.

Perhaps I should say there has been a great revival or reawakening. For 140 years our forefathers made the United States the business of the United States and put United States interests first.

They looked to the interests of the "whole people," as Abraham Lincoln's platform put it, and pledged, may I quote, "to the workingman liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation prosperity and independence."

They did not pledge this to the foreign workingman, foreign agriculture, foreign mechanics and manufacturers, as the executive department has been doing for the past 22 years in so many pacts that even the State Department does not know how many there are.

FOREFATHERS LEGISLATED FOR AMERICAN, NOT FOREIGN, INTERESTS

Our forefathers made these pledges to American workingmen, American agriculture, American manufacturers and mechanics.

They did not introduce bills to make the United States and its producers dependent on foreign countries and international organizations for the regulation of our foreign commerce and our tariffs, as GATT does and the IOTC would do.

They did not devise schemes and legislation to assure commercial prosperity to foreign nations; they were concerned with the commercial prosperity of the United States.

They were for independence.

I say the American people are returning to the Constitution and to the basic principles which were abandoned in 1934, and which have remained abandoned, and will remain abandoned until the Congress sees the light.

The question for us in Congress to decide is whether we intend to keep abreast of sentiments and ideals of the people we represent, or lag far behind.

SENTIMENT OF NATION NOT FOUND IN WASHINGTON OR NEW YORK

Mr. President, I have found no one in the United States who is in favor of a division of our markets. I have found no taxpayer working at a job, trying to make a living for his family, who wants to divide the wealth of the United States.

What happens to a Representative or a Senator when he is elected to the Congress? What happens to a Cabinet officer when he is appointed to a Cabinet job and comes to Washington, and finds these soft cushions, air-conditioning, and so forth? It is a very good setup. What happens to make him seem to vote with a wet finger, and makes him think that the sentiment of the country is formed in Washington? There is no public sentiment in Washington. The only city that approaches Washington in its danger to the welfare of the country is the city of New York.

That is where they get an over-ride of 10% no matter which way the trade goes. So they are for trade for the benefit of the waterfront brokers.

READ CONSTITUTION ONE MORE TIME

I ask my colleagues just to read the Constitution one more time. Just revert to the Constitution. It was framed for the benefit of all the people of the country, and for the development of all areas alike, and contains the principle of fair and reasonable consideration of legislation by the Congress of the United States in its responsibility under article I, section 8 of the Constitution.

The House of Representatives this year has used excellent discretion in blocking the IOTC bill.

The Senate will be using excellent discretion if it defeats H. R. 6040, the new and other free trade, tariff-cutting approach. It is because it is a new approach that I think the bill is here before us.

The pending bill would reduce tariffs in a subtle, indirect, and roundabout way; but it would reduce them all the same. It would alter the standards of evaluating imports of foreign goods subject to ad valorem duties and would do so in such a way that duties would automatically be lowered. The foreign producers and exporters could take the ball from there and have a field day at America's expense. The Trade Agreements Act could die. It is in its last days now. GATT would, of course, die with it, in the absence of any IOTC. But tariff reductions would go on just the same, through this new valuation approach—that is, unless we defeat H. R. 6040.

ERA OF DEEP TARIFF CUTS OVER

Of course, the argument will be made that reductions made under H. R. 6040 would be small. There are two answers to that. One is that our free-trade claque will prefer little tariff cuts to none at all. The other is that the day of the big 50 percent tariff bisectings are gone anyway. There is so little left to chop off. The 50 percent tariff cut of 1934 and the 50 percent cut of 1947 left only 25 percent of our tariff protection under the 1930 Tariff Act. Last year's extension of the Trade Agreements Act took 15 percent out of that. H. R. 6040 would whittle protection still further, although with little left to whittle.

Foreign producers will be happy with these small tariff cuts; and it seems to be the policy of our executive branch to seek always to keep the foreign industrialists happy, however desperate it may make producers in the United States.

ALL SAFEGUARDS ELIMINATED FROM TRADE ACT IN H. R. 6040

H. R. 6040 also would extend the principle of tariff cutting for at least 4 years, or for 2 years after the Trade Agreements Act expires. It is the Tariff Reduction Insurance Act of 1956. It is a tricky bill.

Every attempted safeguard that Congress has placed in the Trade Agreements Act has carefully been eliminated, so that if the Trade Agreements Act

should be repealed, or when it expires, the executive branch will not have such bothers as the escape clause, the peril point, and Tariff Commission analyses and investigations to contend with, in its tariff-wrecking obsession.

I hope the executive branch has not fooled the Senate with this new approach. I know the executive branch will not succeed in fooling the people, the manufacturers, the wage earners, and the producers with this bill, H. R. 6040.

The people of the Nation, labor organizations, farm groups, growers, and manufacturers, are becoming aroused to the free-trade menace.

PENNSYLVANIA INDUSTRIES PROTESTING INJURY FROM FOREIGN IMPORTS LISTED

I hold in my hand a list entitled "The Important Injury to American Enterprise and Labor." The list was prepared by the Pennsylvania Employer-Wage Earner, Job-Protection Association. At the head of this list this paragraph appears:

The following is a partial list of agricultural, trade, and industrial organizations or associations, along with individual companies, with investment and operations in Pennsylvania, that filed protests with congressional committees in Washington in 1955, against the damage, injury, and threats to their American enterprises, by the competition in American markets from cheap foreign imports. Also, list of national and international labor unions filing protests.

Then follow the names of 142 organzations, industries, or labor organizations, with investments and operations in Pennsylvania alone, which have made protests to the Congress about the injury being done to them by cheap foreign imports. It is imports that the bill before us would reduce valuations on, and thus would reduce tariffs.

Mr. President, I ask unanimous consent that the list be printed at this point in the RECORD, as a part of my remarks.

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

National Board of Fur Farm Organizations.
American Mining Congress.
National Coal Association.
Zinc industry.
Pennsylvania Grade Crude Oil Association.
Bradford District Pennsylvania Producers Association.
Southwestern Pennsylvania Producers Association.
National dairy industry.
National Milk Producers Association.
Association of Cocoa and Chocolate Manufacturers of the United States.
Bachman Chocolate Manufacturing Co., Mount Joy, Pa.
Blumenthal Bros. Chocolate Co., Philadelphia.
Hershey Chocolate Co., Hershey, Pa.
Klein Chocolate Co., Elizabethtown.
Wilbur-Suchard Co., Lititz.
United States beverage distilling industry.
Wine Institute.
Wine Association of Pennsylvania.
Mushroom Growers Cooperative Association.
Brandywine Mushroom Corp., West Chester.
National Association of Greenhouse Vegetable Growers.
National Apple Institute.
American Cotton Manufacturers' Institute, Inc.
National Association of Wool Manufacturers.
National Association of Cotton Manufacturers.
The Underwear Institute.
The Philadelphia Wood & Textile Association.
National Association of Blouse Manufacturers, Inc.
American Lace Manufacturers Association.
North American Lace Co., Philadelphia.
Tufted Textile Manufacturers' Association.
Textile Fabrics Association.
National Knitted Outerwear Association.
Carpet Institute.
American Viscose Corp., Meadville.
Cordage Institute.
Edwin H. Fitler Co., Philadelphia.
Thomas Jackson & Sons, Reading.
Rinek Cordage Co., Easton.
Card Clothing Manufacturers' Association.
Benjamin Booth Co., Philadelphia.
National Association of Finishers of Textile Fabrics.
Soft Fibre Manufacturers' Institute.
Hanover Cordage Co., Hanover.
Thomas Jackson & Sons, Reading.
Lehigh Spinning Co., Allentown.
Ludlow Manufacturing Sales Co., Allentown.
Ravenah Spinning Mills, Hanover.
Schlichter Jute Cordage Co., Philadelphia.
The Twisted Jute Packing and Oakum Institute.
Silk and Rayon Printers and Dyers Association of America, Inc.
The Thread Institute.
The woven woolen felt industry.
Philadelphia Felt Co., Frankford.
The Hat Institute.
The Wool Hat Manufacturers' Association.
John B. Stetson Co., Philadelphia.
Hardwood Plywood Institute.
The Wall Paper Institute.
Printing Industry of America, Inc.
The Book Manufacturing Institute.
Manufacturing Chemists Association, Inc.
Synthetic Organic Chemical Manufacturers' Association.
American Cyanamid Co., Inc.
Rubber Manufacturers Association, footwear division.
National Authority for Ladies Handbag Industry.
American Fabric Glove Association.
Pittsburgh Plate Glass Co., Pittsburgh.
American Glassware Association.
United States Potters Association.
Vitrified China Association, Inc.
Shenango Pottery Co., New Castle, Pa.
Tile Council of America.
The Pin, Clip & Fastener Association.
De Long Hook & Eye Co., Philadelphia.
Industrial Fasteners Institute.
The Industrial Wire Cloth Institute.
United States Wood Screw Service Bureau.
Talon Co., Meadville, Pa.
The National Machine Tool Builders Association.
Landis Tool Co., Waynesboro.
S. Morgan Smith Co., York and Philadelphia.
Rockwell Manufacturing Co., Pittsburgh.
Rockwell Spring & Axel Co., Coraopolis.
Electrical Machinery Industry.
Westinghouse Electric Corp., Pittsburgh, East Pittsburgh, Beaver, Essington, Sharon, Sunbury, and Trafford.
General Electric Co., Philadelphia and Erie.
McGraw Electric Co., East Stroudsburg.
Pennsylvania Transformer Co., Canonsburg.
National Electric Products Co., Ambridge.
Pacific Electric Manufacturing Co., Scranton.
Proctor Electric Co., Philadelphia.
Stackpole Carbon Co., Kane, Johnsonburg, and St. Marys.
Syntron Co., Homer City and Blairsville.
Allis-Chalmers Manufacturing Co., Pittsburgh.
Elliott Co., Jeannette and Ridgway.
Okonite Co., Wilkes-Barre.
Air Products Co., Emmaus.
National Electrical Manufacturers Association, Telephone Equipment Division.
Western Electrical Co., Inc.
High-Voltage Electrical Porecelain Insulator Industry.
The Bicycle Institute of America, Inc.
Manufacturers of optical and ophthalmic glass, lenses and instruments.
American Optical Co.
Scientific Apparatus Makers Association.
H. B. Instrument Co., Philadelphia.
National Association of Photographic Manufacturers.
American Watch Manufacturers Association, Inc.
Hamilton Watch Co., Inc., Lancaster.
The Toy Manufacturers of the United States.
Girard Manufacturing Co., Girard.
Louis Mars Co., Inc., Erie.
H. L. Moore Co., Cochranton.
Lead Pencil Manufacturers Association, Inc.
Fountain Pen and Mechanical Pencil Manufacturers Association, Inc.
Insulation Board Institute.
And the Pennsylvania Railroad Co.

Mr. MALONE. Mr. President, this is by no means the end of the list. It is only the list of industries and business organizations.

All these are companies or associations doing business in Pennsylvania, I am informed. It was my hope that the distinguished senior Senator from Pennsylvania [Mr. MARTIN], who is the second ranking Republican on the Senate Finance Committee, could be present in the Senate Chamber at this time.

LABOR PROTESTS AGAINST FOREIGN IMPORT COMPETITION GIVEN

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the list of national and international labor unions who filed direct protests against cheap foreign import, according to the Pennsylvania Employer-Wage Earner Job Protection Association.

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

Affiliated with the American Federation of Labor:
The United Brick and Clay Workers of America.
International Brotherhood of Bookbinders.
United Brotherhood of Carpenters and Joiners of America.
International Photoengravers Union of North America.
American Flint Glass Workers Union of North America.
International Glove Workers Union of America.
International Handbag, Luggage, Belt, and Novelty Workers Union.
United Hatters, Cap and Millinery Workers International Union.
International Brotherhood of Operative Potters.
Printing Pressmen's and Assistants' Union of North America, International.
Seafarers International Union of North America.
International Stereotypers and Electrotypers' Union of North America.
United Textile Workers of America.
International Typographical Union.
United Wall Paper Craftsmen and Workers of North America.

Affiliated with the Congress of Industrial Organizations:

The United Glass and Ceramic Workers of North America and the Textile Workers Union of America.

In addition, four independent unions:

United Mine Workers of America.

Amalgamated Lace Operatives of America.

National Independent Union Council.

Electrical Workers Independent Union.

Also four important railroad unions:

The Brotherhood of Locomotive Engineers.

Brotherhood of Locomotive Firemen and Enginemen.

Order of Railway Conductors and Brakemen.

Order of Railway Trainmen.

TEXTILE UNIONS AROUSED TO IMPORT THREAT

Mr. MALONE. Mr. President, these organizations represent workingmen whose jobs are threatened by cheap imports. Do we want to increase this threat by passing H. R. 6040? I, for one, do not.

I note that the list to which I have referred includes two large textile unions. According to an article by John Herlong, published in the Washington News of May 22, 1956, other textile unions—in addition to the textile workers union, named in the foregoing list—also are aroused.

Mr. Herlong's article is titled "Unions in Stew Over Competition From Imports." I ask unanimous consent, Mr. President, to have the article printed in the RECORD.

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

UNIONS IN STEW OVER COMPETITION FROM IMPORTS

(By John Herlong)

A trade union leader's life is not a simple or a happy one, especially if he normally prides himself on thinking big and acting big.

Take, for example, this business of international trade. Generally speaking, a trade union leader is all for it, when his industry benefits or is not hurt by such trade.

But, within the last week, three unions—among the most articulately progressive in the country—have assembled in convention and torn their emotions to tatters over the tough time they're having because of competition from imports.

JOIN FORCES

Textile Workers Union, the International Ladies Garment Workers Union and now the Amalgamated Clothing Workers are ready to join forces with the employers in their industries to protect their American markets from lower priced imports.

Although, by and large, the flow of imports represents a small percentage of American business and the impact on American industry is—on an average—rather light, there seems little doubt that in certain economic and geographic areas, people consider imports a threat to an already unstable situation.

What to do? The textile industry is especially nervous, but deep concern about this problem permeates also the women's and men's garment industries. The latter are no longer bunched up in the New York area. Fully 500,000 members of these unions are distributed throughout the country. Lots of communities are affected.

POINTS OUT

Sol Barkin, chief economist of the Textile Workers, points out that 21 out of the 83 labor markets having 6 percent unemployment or more are textile areas.

Although "high tariff" has long been considered a dirty word, the Textile Workers Union make common cause with textile manufacturers in warning that "the rising tide of imports poses a serious threat to the well-being of the American textile industry."

Specifically, foreign producers today are found to be redoubling their efforts to increase sales to the United States "as markets in other parts of the world recede."

Now that Japanese mills have completed their post-war rehabilitation, they have taken their place once again as "highly efficient, low-cost producers." Imports of Japanese cotton and wool textiles tripled in 1955.

CRITICISM

The administration is sharply criticized for failing to implement a reservation to the General Agreement on Tariffs and Trade—GATT—under which tariffs could be raised if imports exceeded 5 percent of domestic production. Import of woolen and worsted apparel fabrics increased to 7 percent of domestic production in 1955.

Liberalization of the textile tariff structure, warns newly elected Textile Union President William Pollock, would be destructive to American interests because it "would create chaos in many divisions of the textile industry, without enabling foreign nations to build a permanent large-scale market for themselves."

Why can other countries undersell American textiles in their own market? Union's answer: "Only lower wage standards enable foreign countries to export to these shores and this advantage is receding as our productivity rises."

PENNSYLVANIA ASSEMBLY BACKS STATE INDUSTRIES, WORKERS

Mr. MALONE. Mr. President, labor and industrial organizations throughout Pennsylvania and other States have spoken, and spoken loudly, in opposition to unfair import competition.

Shortly, I shall read into the RECORD resolutions from my own State of Nevada. But at this point I shall confine my remarks to Pennsylvania, one of the great industrial States of the Union, and certainly a State unexcelled in its contributions to American history.

As I have stated, in Pennsylvania, industrial and labor organizations, large and small, have spoken. The Legislature of the State of Pennsylvania has heard their voices, and has heeded their appeals.

RESOLUTIONS URGING CONGRESS TO ACT ADOPTED

On March 14 of this year, the Senate of the State of Pennsylvania adopted an impressive resolution memorializing the Congress with reference to tariff and trade legislation. The resolution had strong bipartisan support.

On March 26 of this year, only 12 days later, the House of Representatives of the State of Pennsylvania concurred in this resolution.

The resolution is so conclusive, so imbued with the patriotic interest of the whole people, that I shall read it into the RECORD. Incidentally, it bears the seal of that great Keystone State, and is completely official.

PENNSYLVANIA ASSEMBLY RESOLUTION

The resolution reads as follows:

Whereas the increased importation of numerous products that come into competition with the output of factories, farms and mines of Pennsylvania, replacing the products of Pennsylvania's industries, is a constant menace to the State's continuing economic stability; and

Whereas the lower wages paid abroad make it impossible for many of our smaller and medium-sized producers to compete with imports without resorting to ruinous price-cutting, which in turn would result either in financial losses or heavy pressure for wage reduction and outright unemployment; and

Whereas our national obligations have reached such extreme proportions that the national income must be maintained at its present unprecedented high level, or close thereto, lest we become insolvent; and

Whereas unemployment caused by the imports of residual oil, which increased 300 percent from an average of 45 million barrels in 1946, to more than 136 million barrels in 1954, or the yearly equivalent of 33 million tons of coal; and unemployment caused by imports of crude oil; various types of glass, steel, aluminum, brass and zinc products; pottery and chinaware; granite, tiles, cement, hardboard, plywood, hardware, plumbing, flat glass and other building supplies, lace, carpets and all kinds of woolen, cotton and synthetic fiber manufactured goods; leather and fabric gloves; bicycles, hydraulic turbines; machine tools and other machinery; heavy electrical equipment and other electrical industry products and electronics; watches, clocks and parts; optical industry products, cutlery, scientific apparatus, pencils and pens, pins, clips and fasteners, soft fibre, insulation board and manufactured cork products; chemicals, toys, mushrooms, farm, dairy and dried milk products; wallpaper, hats and millinery, printing industry products; ladies' handbags and leather goods; nails, wire, screws, bolts and nuts and many other commodities—

Incidentally, Mr. President, virtually all these are subject to ad valorem duties when imported from abroad; thus they are the imports affected by this bill—

will render the upholding of the economy at its high levels most uncertain and difficult, unless all import trade is placed on a fair competitive basis and the potential injury therefrom thus eliminated; and

Whereas agricultural products such as wheat, wheat flour, cotton, butter, cheese, and peanuts enjoy the protection of import quotas; and

Whereas a maximum of satisfactory trade results from a prosperous domestic economy freed from the threat of a breakdown resulting from unfair import competition: Therefore be it

Resolved, That the General Assembly of the Commonwealth of Pennsylvania hereby memorialize the Congress of the United States that adequate safeguards be provided in tariff and trade legislation, including import quotas, against the destruction and lowering of the American standard of living, the labor standard of our workmen, and the stability of our economy by unfair import competition, and that the existing trade-agreements legislation be amended accordingly.

COPIES OF RESOLUTION SENT TO PRESIDENT AND CABINET MEMBERS

Mr. President, there follows another resolve that copies of the resolution be transmitted to the President of the United States, the Vice President of the United States, the Secretary of State, the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture, the Chairman of the United States Tariff Commission, the Speaker of the House of Representatives, and each Senator and Representative from Pennsylvania in the Congress of the United States.

The certification is by the secretary of the senate, G. Harold Watkins, and the seal of the senate follows.

Mr. President, I do not know why, in their distribution of copies of this resolution, they did not send one also to the Secretary of the Treasury.

Perhaps members of the Pennsylvania Assembly were not aware that H. R. 6040, which was left slumbering at the end of the last session, would be revived with such vigor in this session, or that it contains the provisions that it does.

That is not important to the purpose of this resolution, however. What is important is that agriculture, labor and industry in Pennsylvania are being hurt by imports from foreign countries, most of which imports—nearly all of them in fact—are subject to ad valorem duties on which valuations and therefore duties would be cut under H. R. 6040.

CONGRESS SHOULD SHOW SAME CONCERN FOR NATION'S WELFARE AS PENNSYLVANIA ASSEMBLY

What also is important is that the Senate and the House of Representatives of the Commonwealth of Pennsylvania acted to the best of their ability to protect the interests of the people and the economy of the State. They sent what is tantamount to a vigorous protest against trade and tariff legislation as it now exists to the President of the United States, the Secretary of State, several other Cabinet members, the Chairman of the United States Tariff Commission, the Speaker, and to Pennsylvania's entire congressional delegation. That is all they could do.

The Commonwealth of Pennsylvania cannot enact tariff legislation. That is the constitutional responsibility of the Congress of the United States. But the people of Pennsylvania suffer if Congress fails to exercise its responsibility, as it has failed to do for the past 22 years.

The senior Senator from Nevada insists, Mr. President, that the Senate of the United States should show no less concern for the welfare of industries, wage earners and agricultural producers throughout the United States than the Senate of Pennsylvania shows, and the Pennsylvania House of Representatives shows, for the welfare of Pennsylvania's producers and her economy.

The Senate of the United States can act. It can defeat H. R. 6040. Defeat of H. R. 6040 would demonstrate that the Senate of the United States is concerned about the welfare of the citizens and producers of the United States, and about the stability of the national economy.

NO AMENDMENTS CAN CORRECT BASIC WRONGS OF TRADE ACT

The Pennsylvania Assembly makes one error, in my opinion although on every other point it is completely sound. It resolves at the conclusion of its indictment of present trade and tariff laws that they be amended to provide safeguards and curb unfair import competition.

Mr. President, that cannot be done. Amendments have been tried before and have failed to bring relief to stricken industries. We have had escape-clause amendments, peril-point amendments, and in the last trade agreements extension we inserted a defense-factor amendment, which has been ignored.

The escape clause is a farce because whatever the findings of the Tariff Commission the President, in effect, can veto them, and frequently has done so in the past. He has even done so when the findings and recommendations of the Tariff Commission were unanimous.

Any amendment will be worthless or inconsequential so long as we turn over our constitutional responsibility to the executive branch. The executive branch can put that responsibility anywhere it chooses—in the State Department, in the Treasury Department, as provided in the bill now before us, in Geneva, or in the high authority of the European coal and steel community, as he already has done to a limited degree. He can delegate it to anyone he chooses except to the legislature of a State, which knows more about the problems of wage-earners, industries and producers than anyone to whom he has ever delegated the responsibility.

What does the State Department know about anthracite, textile fabrics, wire cloth, machine tools, glassware, plywood, or any of the other products manufactured by industries on the list I have just read?

What does the Treasury Department know about them?

REPEAL OF TRADE ACT REAL SOLUTION TO NATIONAL PROBLEM

No manner of amendments will solve the problems of these industries. The only thing that definitely will solve them is repeal of the Trade Agreements Act. Then the regulation of foreign commerce and the national economy will revert to the Congress, as the Constitution intended. Even then the problems of unfair import competition will not be solved if we pass such trick bills as H. R. 6040 or H. R. 5550, the latter being a bill to set up an international OTC.

Mr. President, the free trade crowd in the executive branch are persevering and persistent. Many, if not most of them, are holdovers from the early New Deal. I have a list of those who represented us at the last session of GATT. Almost without exception they are veterans at this business. I have their records; and if it were not that many of them are honest, but misguided fellows who are only doing the job they are assigned to do, I would elaborate on their background. Nearly all of them are holdovers from previous administrations.

They come at us with executive-branch-drafted bills from every direction. If they cannot come at us through the front door, they come at us from a side door. If they cannot get through that they try the back door, and if that fails they come up through the cellar door.

If they cannot get at us fast enough through bilateral trade agreements they invent GATT. If they think GATT may be in danger they try IOTC. If stopped in that attempt, as they have been, they try coming at us through the Treasury Department with this trick scheme of lowering tariffs by lowering import valuations on which duties are assessed.

H. R. 6040 THIRD CUSTOMS BILL IN 3 YEARS

They have come at us with two customs simplification bills in the past 3 years, bills which we have passed. Now they are here again with a tariff reduction bill disguised as another customs simplification measure, which, as I have shown, it is not.

Should we make the mistake of passing this bill they will be at us again next year, or the year after that with another bill, seeking further to lower the valuation standards so that more foreign goods will pour into our markets to compete against American products made by American labor and distress the Nation.

What we must do, Mr. President, if we truly want to help the American producer and the national economy is to stop all this funny business and get back to the Constitution.

WHAT CONGRESS COULD AND SHOULD DO

We must defeat H. R. 6040, bury H. R. 5550, and repeal the Trade Agreements Act.

Repeal the Trade Agreements Act.

That is what the people of Nevada want.

That is the real solution.

I have read the resolution from the Pennsylvania Assembly passed in March of this year, pleading for safeguards against unfair import competition, but not going all the way and asking for repeal of the Trade Agreements Act, the only real solution.

NEVADA CALLS FOR TRADE ACT REPEAL

In Nevada we have some resolutions too. The people of Nevada want no half-way measures.

They want repeal.

Mr. President, I hold here a number of resolutions from Nevada. They come in nearly every day. One of them arrived only yesterday, and when I get time to go through my mail today I may find another.

NEVADA REPUBLICAN CONVENTION RESOLUTION

Mr. MALONE. Mr. President, I read a resolution passed by the Republican State Convention on February 6, 1956. It reads:

Whereas, article I, section 8, of the Constitution of the United States provides that "The Congress shall have the power to lay and collect duties, imposts, and excises" (tariffs or imports fees) and "to regulate foreign commerce"; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce, through the adjustment of duties, imposts, and excises, through its agent, the Tariff Commission, and allow the Trade Agreements Act—the so-called Reciprocal Trade Act—which transferred such responsibility to the President, to expire.

Mr. President, the resolution was originally passed prior to last year's extension of the Trade Agreements Act.

The act was renewed, and the resolution has also been renewed for the repeal of that act.

CHURCHILL COUNTY (NEV.) CHAMBER OF COMMERCE RESOLUTION

A resolution was received in my office today. It has just now been handed to me. It was adopted by the Churchill County Chamber of Commerce, Fallon, Nev., at its regular meeting on July 12, 1956. The resolution reads:

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8 of the Constitution of the United States provides that the Congress shall have the power to lay and collect—duties, imposts, and excises (tariffs or import fees) and "to regulate foreign commerce"; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act, which transferred such responsibility to the President.

OTHER NEVADA AND WESTERN RESOLUTIONS

Mr. President, I ask unanimous consent to have printed in the RECORD at this point resolutions adopted by chambers of commerce and organizations in Nevada.

There being no objections, the resolutions were ordered to be printed in the RECORD, as follows:

REPEAL OF THE 1934 TRADE AGREEMENTS ACT

(Resolution on foreign trade adopted by the Reno Chamber of Commerce, June 19, 1956)

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threatens serious injury to a domestic industry; and

Whereas article I, section 8, of the Constitution of the United States provides that the Congress shall have the power to lay and collect duties, imposts, and excises (tariffs or import fees) and to regulate foreign commerce; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act, which transferred such responsibility to the President.

WILLIAM BRUSSARD,
Director, Reno Chamber of Commerce.

RESOLUTION ON FOREIGN TRADE ADOPTED BY THE LAS VEGAS CHAMBER OF COMMERCE, DECEMBER 19, 1955

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8, of the Constitution of the United States provides that the Congress shall have the power to lay and collect duties, imposts, and excises (tariffs or import fees), and to regulate foreign commerce; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act, which transferred such responsibility to the President.

HERB MCDONALD,
Director, Las Vegas Chamber of Commerce.

RESOLUTION PASSED BY THE HUMBOLDT COUNTY CHAMBER OF COMMERCE, JUNE 1956

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8 of the Constitution of the United States provides that "the Congress shall have the power to lay and collect * * * duties, imposts, and excises" (tariffs or import fees) and "to regulate foreign commerce"; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act, which transferred such responsibility to the President.

KAY FLOYD JOHNSON,
Manager, Humboldt County Chamber of Commerce.

RESOLUTION ON FOREIGN TRADE ADOPTED BY THE WHITE PINE CHAMBER OF COMMERCE AND MINES, JUNE 1956

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8 of the Constitution of the United States provides that "the Congress shall have the power to lay and collect * * * duties, imposts, and excises" (tariffs or import fees) and "to regulate foreign commerce"; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress responsibility of regulating foreign commerce is hereby urged to resume its constitutional and the national economy, through the adjustment of duties, imposts, and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act, which transferred such responsibility to the President.

JAMES E. HEALD,
Executive Secretary, White Pine Chamber of Commerce and Mines.

RESOLUTION BY MINA CHAMBER OF COMMERCE, INC., JUNE 21, 1956

The importation of low-wage materials and various products without protection of any kind has caused the closing of American mines and factories and resulting in unemployment throughout our State; and

Whereas the present situation regarding the adjustment of tariff has been delegated to a world conference in which our representative is 1 in 35 instead of being in our Congress where the time-to-time changes in tariff schedules require prompt action to remedy the situation: Be it therefore

Resolved, That it is the spirit of this chamber that we urge our Congress to repeal the Foreign Trades Act and place the tariffmaking powers back where it belongs in our Congress so that our mines and factories can have the protection to which they are entitled.

MINA CHAMBER OF COMMERCE,
JAMES SHARMAN, *President.*

RESOLUTION OF 1955 WESTERN GOVERNORS MINERAL POLICIES CONFERENCE ON FOREIGN TRADE

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8 of the Constitution of the United States provides that "the Congress shall have the power to lay and collect—duties, imposts, and excises (tariffs or import fees)"—and "to regulate foreign commerce"; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility or regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, by its agent the Tariff Commission through the repeal of the 1934 Trade Agreements Act as amended, which transferred such responsibility to the President.

RESOLUTION ON FOREIGN TRADE BY RENO CENTRAL TRADES AND LABOR COUNCIL, DECEMBER 1955

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained, that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the Ameri-

can workingman or the American farmer, or threatens serious injury to a domestic industry; and

Whereas article I, section 8, of the Constitution of the United States provides that "the Congress shall have the power to pay and collect—duties, imposts and excises (tariffs or import fees) and "to regulate foreign commerce"; and,

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy through the adjustment of duties, imposts and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act which transferred such responsibility to the President.

PAULA DAY,
TOMMY BLAKE,
LOU LEVITT,
C. D. BYRD,
Musicians Local 368.

RESOLUTIONS ADOPTED AT THE 30TH ANNUAL MEETING OF THE NEVADA STATE FARM BUREAU ON DOMESTIC AND FOREIGN POLICY, ELY, NEV., DECEMBER 2, 1949

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, is lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved, That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. FOREIGN POLICY

(a) Protection of private investments in foreign countries.

(b) Free convertibility of European currencies in terms of dollars.

(c) Consolidation of the European nations into a United States of Europe, and the erasing of all present trade barriers.

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. NATIONAL POLICY

(a) Set up a flexible import fee which would be based upon "fair and reasonable" competition administered by a reorganized experienced tariff Commission in the same manner as the long established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investment. Under a flexible import-fee principle, a market is immediately established for the goods of foreign nations on a basis of a "fair and reasonable" competition with our own—other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world; Be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this Nation and of foreign competitive nations has a demoralizing effect on our agricultural markets as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

RESOLUTION ADOPTED BY THE WHITE PINE COUNTY CENTRAL LABOR COUNCIL, JANUARY 1950

Whereas the selective free trade policy is removing the floor from under American wages and investments, causing unemployment and loss of taxable property; and

Whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this country and foreign competitive nations, has severely injured the nonferrous mining industry: Therefore be it

Resolved, that a telegram be sent to each of our national Senators asking them to do what they can toward correcting this deplorable situation.

DOUG HAWKINS,
President, White Pine County General Council.

RESOLUTIONS BY COLORADO RIVER WATER USERS ASSOCIATION ACCEPTED AND PASSED DECEMBER 1, 1955

Whereas much industry in the Colorado River Basin States, including mining, the beneficiation of ores, manufacturing of industrial chemicals, fuels, military supplies, and the successful agriculture of irrigated areas is dependent upon water supply from the Colorado River system; and

Whereas such industries are essential to the public welfare in peacetime and doubly so in time of war, when foreign sources of supply might be lost; and

Whereas much of such industry has been destroyed or seriously injured by the competition of imported products manufactured at lower labor costs than are possible or desirable in the United States: Now, therefore, be it

Resolved, that the Colorado River Water Users Association urges the United States Congress to resume its constitutional authority of regulating foreign commerce by the Tariff Commission through repeal of the Trade Agreements Act of 1934, which transferred that responsibility to the President.

PIOCHE, NEV.

DEAR SIR: By unanimous vote Pioche Union Local No. 407 CIO disapproves part 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee. (As outlined in your talk at Pioche, Nev., on December 15, 1949.)

THOMAS L. HUTCHINGS,
President, Local No. 407.

RESOLUTION OF THE UNITED STATES POTTERS ASSOCIATION

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained, that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry; and

Whereas article I, section 8 of the Constitution of the United States provides that the Congress shall have the power to lay and collect duties, imposts and excises (tariffs or import fees) and to regulate foreign commerce; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended from time to time: Therefore be it

Resolved, That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy through the adjustment of duties, imposts and excises, through its agent the Tariff Commission and to repeal the 1934 Trade Agreements Act which transferred such responsibility to the President.

W. A. BETZ,
Executive Secretary, United States Potters Association.

RUSSIA ORIGINALLY INVITED TO SHARE IN FREE TRADE, AID, SCHEMES

Mr. MALONE. Mr. President, I said at the beginning of my remarks that H. R. 6040 is just part of a pattern, a long-continuing pattern to fatten the world at the expense of the American taxpayer and to divide our wealth and share our markets with every low-wage foreign country that will accept our largese.

I called it international socialism, and that is what it is.

I cited ITO, GATT, and foreign aid.

Even Russia was invited to share in all three when they were first proposed.

COMMUNIST CZECHOSLOVAKIA MEMBER OF GATT

Communist Czechoslovakia did accept our invitation to become a party to GATT, and still is, with voting power equal to our own. She will be a member of the IOTC too, if that should ever get through Congress, and again with the same voting power that we have.

Communist Yugoslavia accepted our foreign aid and still accepts it, although Tito is pledged to march "shoulder to shoulder" with the Russians in the event of conflict.

We have been told—oh, how we have been told—that the legislation we have been asked to pass, and have passed, must be passed to increase our exports. We are told that every time an extension of the Trade Agreements Act comes up.

Instead of operating as it was expected to operate, it operates in exactly the opposite way.

FREE TRADE IN UNITED STATES DRIVES AMERICAN INVESTORS ABROAD

As we can see, Mr. President, when we have free trade our own investors go abroad behind the low-wage curtain and buy plants or take over plants which we built with the taxpayers' money, and use the low-wage labor to furnish the market in the low-wage areas which we were supposed to get and which were promoted by the Marshall plan and all these other funny organizations which succeeded it. It took 5 or 6 or 7 billion dollars annually to increase production which is no more than their own consumption, and much of it is owned and controlled by American investors, many of whom have been forced to do that very thing in order to remain in business.

Mr. President, I have heard testimony before the Senate Finance Committee when, under questioning, witnesses representing chemical industries, steel industries, and other industries have stated that if this policy continues they will be forced to invest their money in foreign countries and move much of their investment there in order to survive the competition.

SMALLER SHARE OF NATIONAL PRODUCT EXPORTED NOW THAN IN 1920'S

Mr. President, we are exporting a smaller percentage of our national product now than we were in the 1920's or

even in the early 1930's while in the midst of a depression.

Mr. President, in the 1920's we exported 10 percent of the value of all movable goods produced in the United States, exports which foreign countries bought and paid for themselves. That was before the Trade Agreements Act, GATT, or foreign aid.

In the last 10 years, 1945 through 1955, we have exported only 5.5 percent that our foreign friends bought and paid for. Including military aid but excluding foreign economic aid we have exported just 5.8 percent.

EXPORTS DROP DESPITE FOREIGN AID

Including both economic and foreign aid totaling $65 billion, we have exported only 9 percent of our products, or less than we were exporting in the 1920's, and 3.5 percent was paid for by the American taxpayers with no benefit to themselves.

Since the days we were exporting 10 percent of our products which were bought and paid for by foreigners, not Americans, we have reduced tariffs 3 times, 50 percent in 1934, 50 percent in 1947, and 15 percent last year, given foreign countries some 65 billion to buy our goods, and in the meantime our exports have gone down. The more we give away the less we export.

In 1954 we exported 5.9 percent; last year 5.8 percent; over the entire peacetime postwar period 5.5 percent.

DEPRESSION-YEAR EXPORT SHARE GREATER THAN TODAY

Going back to the early 1930's before foreign aid or the Trade Agreements Act, our exports were 7.3 percent of the national product in 1931 and 6.5 percent in 1933, when the whole world was presumed to be broke and in the throes of a depression.

In fact none of our billion-dollar handouts, trick trade legislation or gimmicks such as GATT have increased the share of United States products being exported to what it was before we first embraced international socialism in 1934, while without them our exports have dropped, percentagewise, to only a little more than half what they were in the 1920's.

Our export share has dropped but we are certainly being showered with imports.

This is what the Congress should have expected.

BILLIONS TO EUROPE, ASIA, BUILDS FOREIGN COMPETITION TO UNITED STATES PRODUCERS

As we pour billions into Europe, Africa, Asia and every part of the old world that will accept our dollars, the aided nations have built up their own production.

With our dollars they have increased their agricultural production so they do not need as much of our agricultural products as they did before. Many of them have increased their agricultural production to a point where they themselves have surpluses to export, and do export to other countries in competition to farm commodities from the United States.

Mr. President, when the Secretary of Agriculture exports our agricultural products at the world price, after we have paid the support price, we lose on exports of wheat about $1.34 for every 100 pounds of wheat we export. That represents the difference between the support price and the world price. We make enemies of nations who have formerly supplied the market, as the Secretary so stated in one of his conferences with Senators prior to the agricultural bill going to the Senate floor.

AIDED NATIONS PRODUCE MORE THAN THEY CAN CONSUME

With our dollars these foreign countries have expanded and modernized their industrial plan for beyond the consumptive capacities of their own people. They acquire a surplus of manufactured products which they must export to other countries. First of all they want to export to us. We have the dollars. The United States has the market, 43 percent of the total market of the world.

A principal preoccupation of many officials in our Government long has been to encourage these nations to export their goods to us and to induce Congress to turn over our markets to the foreign producers. To spur this program the Congress is asked to pass bills—trade bills, foreign aid bills, customs valuation bills.

UNITED STATES TAXPAYERS FORCED TO ASSUME TWO-WAY BURDEN

American taxpayers are required to put up the dollars to build up foreign industries, expand foreign production and create foreign surpluses of goods and products.

Then they are asked to pay out more dollars to buy the foreign surpluses which were created by the first dollars. Who else has the dollars to take these surpluses off foreign producers' hands?

It is a two-way street and the American producer is held up and hijacked on it both ways.

Mr. President, I do not blame these foreign countries and their industries and cartels from accepting American dollars to overbuild their plant and overexpand their production.

I do not blame them when, having overbuilt their plant and overexpanded their production, they welcome the opportunity to exploit our markets.

I do not blame them when they set up a great clamor for lower American duties or tariffs and for lower valuations on the exports they ship to the United States.

I do not blame them when they sit around the table in Geneva at these sessions of GATT, the delegates of 34 foreign countries and some underling from our State Department, and cook up schemes to divide our markets like a juicy apple pie.

I do not blame them when they urge our delegates to press for legislation in Congress so that our customs valuation procedures will conform more closely to the rules they have laid down—to our disadvantage—for customs valuation.

FOREIGN NATIONS DOING ONLY WHAT COMES NATURALLY TO THEM

They are the export nations—not we. They are the ones who want valuations lowered on their products, because they dump their goods on the United States—43 percent of the world market. The United States is the only market in the world where a decent price for profit obtains.

Of course, the foreign exporters want to realize the greatest profits possible and maintain the greatest possible competitive advantage over producers of the same products in the United States, so they set up a constant clamor for lower duties. They set up a great clamor, and our State Department, deaf to the pleas of American industries and producers, is attentive and sympathic always to the foreign demands. So, apparently, also are the Treasury Department and the Commerce Department.

The next thing that happens is that bills emanating from the executive branch are introduced, the propaganda mills are started turning, the White House lobby starts working on Congress, and before we can clear our minds, our markets are opened further to foreign competition developed and paid for by American taxpayers' dollars.

Mr. President, it is time to stop, look, and listen—listen to our own constituents—not to foreign-minded bureaucrats.

Why cannot we do that, just this once?

GATT is the international agency which wants our valuations changed; not the industries or the peoples of the United States.

GATT SETS OWN CUSTOMS VALUATION RULES

GATT has its own valuation rules, drawn up and agreed to by 34 foreign nations and by the State Department, not by Congress. Congress has had nothing to say about it at all. Congress neither approves nor disapproves GATT, as we say in our own trade-agreements legislation.

But GATT makes its own rules, and it has a rule on customs valuation, article VII.

Not only does GATT have its own rules, but it investigates to see how its members are carrying them out. It sends out questionnaires. The questionnaires it sends to this country are, of course, answered by the State Department.

The State Department is not supposed to be the Department that handles commerce or customs valuations; we have separate departments to handle those functions. But the State Department is our "big wheel" in all matters such as GATT; it is the catch-all Department and knows everything.

But the Constitution fixes that responsibility on Congress—the legislative branch—not in the executive branch, to say nothing of the State Department.

GATT CUSTOMS VALUATION RULES CITED

Let us see exactly what the GATT rules are on customs valuation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD article VII of the GATT rules, entitled "Valuation for Customs Purposes."

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

ARTICLE VII

VALUATION FOR CUSTOMS PURPOSES

1. The contracting parties recognize the validity of the general principles of valuation set forth in the following paragraphs of this article, and they undertake to give effect

to such principles, in respect of all products subjects to duties or other charges or restrictions on importation and exportation based upon or regulated in any manner by value. Moreover, they shall, upon a request by another contracting party, review the operation of any of their laws or regulations relating to value for customs purposes in the light of these principles. The organization may request from contracting parties reports on steps taken by them in pursuance of the provisions of this article.

2. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

(b) "Actual value" should be the price at which, at a time and place determined by the legislation of the country of importation, such or like merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions. To the extent to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities, or (ii) quantities not less favorable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.

(c) When the actual value is not ascertainable in accordance with subparagraph (b) of this paragraph, the value for customs purposes should be based on the nearest ascertainable equivalent of such value.

3. The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund.

4. (a) Except as otherwise provided for in this paragraph, where it is necessary for the purposes of paragraph 2 of this article for a contracting party to convert into its own currency a price expressed in the currency of another country, the conversion rate of exchange to be used shall be based, for each currency involved, on the par value as established pursuant to the articles of agreement of the International Monetary Fund or on the rate of exchange recognized by the fund, or on the par value established in accordance with a special exchange agreement entered into pursuant to article XV of this agreement.

(b) Where no such established par value and no such recognized rate of exchange exist, the conversion rate shall reflect effectively the current value of such currency in commercial transactions.

(c) The Organization, in agreement with the International Monetary Fund, shall formulate rules governing the conversion by contracting parties of any foreign currency in respect of which multiple rates of exchange are maintained consistently with the articles of agreement of the International Monetary Fund. Any contracting party may apply such rules in respect of such foreign currencies for the purposes of paragraph 2 of this article as an alternative to the use of par values. Until such rules are adopted by the Organization, any contracting party may employ, in respect of any such foreign currency, rules of conversion for the purposes of paragraph 2 of this article which are designed to reflect effectively the value of such foreign currency in commercial transactions.

(d) Nothing in this paragraph shall be construed to require any contracting party to alter the method of converting currencies for customs purposes which is applicable in its territory on the date of this agreement, if such alteration would have the effect of increasing generally the amounts of duty payable.

5. The bases and methods for determining the value of products subject to duties or other charges or restrictions based upon or regulated in any manner by value should be stable and should be given sufficient publicity to enable traders to estimate, with a reasonable degree of certainty, the value for customs purposes.

STATE DEPARTMENT AGREES TO ATTEMPT VALUATION RULE CHANGE

Mr. MALONE. Mr. President, note here that as a party to GATT we have, through the State Department, agreed to recognize the validity of the general principles of valuation which GATT has decided upon. Note also that we, through the State Department, have been pledged to undertake to give effect to such principles, in respect to all products subject to duties.

Note also that the State Department has agreed that upon the request of another contracting party, this country shall review the operation of any laws or regulations relating to value for customs purposes, and do so in the light of these principles.

Congress has never agreed to any of this. That is what it is asked to do now.

However, in H. R. 6040, instead of the term "actual value," the term "export value" is used.

TRADE EXPERT EXPLAINS RULE CHANGES

As Richard H. Anthony, executive secretary of the American Tariff League, Inc., told the Senate Finance Committee:

Congress ought to realize fully that it is being asked to enact H. R. 6040, not in answer to any clear domestic clamor for its passage, but as another step toward bringing United States laws and practices into line with the principles of GATT.

Mr. Anthony pointed out that GATT has just published a comparative study of methods of valuation for customs purposes, which is in response to the questionnaire that GATT sent out.

One of the questions asked by GATT was this:

Do you have any administrative or legal provisions which permit valuation for customs purposes to be based on arbitrary or fictitious values, in the sense that such values are not related to the value of the imported merchandise in question or of like merchandise.

This is the United States reply as summarized from the GATT study:

In the United States there are some arbitrary elements in the statutory limitations on certain deductions and additions which have to be made in computing United States value and cost of production when it is necessary to use either of these methods for establishing the value for duty purposes.

The United States delegate stated that the application of the "United States" value and the "cost of production," section 402, is probably not unprecedented in the practice of other countries which inevitably have to use similar criteria if the value cannot be determined in a normal way.

The difference as compared with other countries, our delegate said, seemed to him to lie in the fact that other countries can use administrative measures more flexibly, whereas under the American system the administration has no right to act without precise legal provisions. However, consideration has been given, the delegate added, to changing these provisions of law to remove the arbitrary elements.

CONGRESS CHANGES UNITED STATES LAWS, NOT STATE DEPARTMENT

Mr. President, who under the American system changes the laws? It is not the State Department or the Treasury Department. It is Congress.

That is why this bill is before the Senate today.

Under section 2 of H. R. 6040, United States value is redefined, and constructed value is substituted for the cost of production to accomplish the changes which our delegate to GATT anticipated. The value of imported merchandise, Mr. President, should be based on the actual value of the imported merchandise on which duty is assessed, or on like merchandise, and should not be based on the value of merchandise of national origin, or on arbitrary or fictitious values.

GATT's question No. 3 asks, in part:

Do you base your valuation for duty on the value of (a) the merchandise actually imported, or (b) like merchandise? If (b) do you use the price at which the merchandise is generally sold or offered for sale, to the equivalent class of trade, e. g., jobbers, wholesalers, retailers, etc?

SUMMARY OF UNITED STATES POSITION IN REPLY TO GATT GIVEN

Mr. President, I ask unanimous consent to have the summary of the United States position as stated in its reply to GATT, printed at this point in the RECORD.

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

The discussions indicated that the principal aspects in the valuation system of the United States which have been objected to by exporters in other countries are the application of the provisions in section 402 of the Tariff Act for the determination of "foreign value" on the basis of merchandise "freely offered for sale" and in "the usual wholesale quantities." Under judicial interpretations of these terms, if the goods are freely offered to all purchasers, but at different prices depending on the class of purchaser, then the highest price would have to be taken since that would be the only price at which anyone could buy. Also, the "usual wholesale quantity" is determined by the quantity most frequently sold.

It will be seen that in these circumstances, the dutiable value could be based on sales to retailers rather than sales to wholesalers, since the price to the retailers may be the price at which goods are available to all purchasers, and the quantity most frequently sold is sold to retailers. The United States delegate drew attention to the fact that valuation methods in his country have been under continuing study in recent years with a view to improving them wherever possible, and consideration of the foregoing features has been an important part of that study.

By the new terms in section 2 (f) "Definitions" of H. R. 6040, our laws would be changed to meet these objections of foreign exporters to the United States, and our laws presumably would then conform more closely to the principles laid down in GATT article VII, 2 (b), as follows:

"Actual value" should be the price at which, at a time and place determined by the legislation of the country of importation, such or like merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions. To the extent

to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities, or (ii) quantities not less favorable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.

FOREIGN EXPORTERS ONES WHO WANT UNITED STATES LAW CHANGED

Note here, Mr. President, that the reference is to provisions in the present law which are objected to by foreign exporters. They are the ones who want this law changed.

Note there also that the United States delegate drew attention to the fact that valuation methods in his country, meaning the United States, have been under continuing study in recent years with a view to improving them whenever possible, and that consideration of the features complained about by foreign exporters has been an important part of that study.

We are legislating here today for the benefit of foreign exporters and GATT.

H. R. 6040 would change the law to meet the objections of foreign exporters.

Question No. 10 in the GATT questionnaire asked:

Do you exclude from the value of imported goods the amount of internal taxes from which the imported product has been exempted in the exporting country? Do you limit this exclusion to specified taxes (such as purchase tax, etc.) or do you grant it to any internal tax or charge from which exemption has in fact been granted by the exporting country?

The United States position, summarized, as presented to GATT was that in the United States a foreign internal tax not applicable to exports, is, in some instances, included in the appraised value of the imported merchandise.

Section 2 (d) of H. R. 6040 defines constructed value so that the cost of materials would be "exclusive of any internal tax applicable in the country of exportation directly to such materials or their disposition, but remitted or refunded upon the exportation of the article in the production of which such materials are used."

H. R. 6040 IS BILL TO HAVE UNITED STATES CONFORM TO GATT

So Congress is being asked to change its laws to conform to the wishes of GATT, article VII, 3, which reads:

The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund.

Mr. President, what the executive branch is asking us to do here today, in acting upon H. R. 6040, is to legislate for the benefit of GATT, not for the interests of the producers of the United States. We are asked, not to bring our customs procedures in line with the interests of the United States and its people, but in the interests of foreign exporters exporting to the United States.

Mr. President, I said at the beginning of my remarks that this bill is sought by, and will help primarily foreign producers and cartels exporting goods subject to ad valorem duties to the United States.

AMERICAN FIRMS ABROAD EMPLOY 2 MILLION FOREIGN WORKERS

I think my preceding comments demonstrate that very clearly.

I said also that it will help those large and wealthy American business, manufacturing, and industrial interests which have established branches and factories in foreign countries behind the low-wage curtain, and who export their foreign-made products to the United States.

Now how many of these are there?

A page 1 article in the Wall Street Journal of May 3, 1956 states in part, giving the Department of Commerce as their source, as follows:

At present, more than 1,500 United States concerns are actively engaged in manufacturing abroad, according to the Department of Commerce. They employ over 2 million workers and most of them are foreigners—

Over two million workers in foreign factories, most of them foreigners.

COMMERCE DEPARTMENT EVADES SUPPLYING BREAKDOWN

Mr. President, I have asked the Department for a breakdown on these foreign workers. I have requested this information both in letters and in person. I have had officials of the Department of Commerce in my office. They evade furnishing this information. They are embarrassed.

Two million foreign workers, with wages only one-third to a tenth of the United States wage rates, are manufacturing products or producing products primarily for shipment to the United States.

Two million foreign workers working for American employers who have been big enough and rich enough to move their operations behind the low-wage curtain and to foreign lands.

Is it for these employers that we are asked to pass this tariff-cutting bill?

Mr. President, I have reported my difficulty in getting information about these expatriate companies or their over 2 million foreign workers in foreign lands from the Department of Commerce.

They are tied up in this conspiracy to move industry abroad and bring the products of that industry, produced by low-wage labor, back to the United States.

They are publishing thick booklets to propagandize investment abroad.

They are almost as difficult to obtain specific information from as is the State Department.

QUESTIONS TO STATE DEPARTMENT ON GATT UNANSWERED

Mr. President, I sent the Secretary of State a letter, asking 50 questions. We have as yet had no answer to these questions.

I ask unanimous consent that the letter to the Secretary of State be printed in the RECORD at this point as a part of my remarks.

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

UNITED STATES SENATE,
COMMITTEE ON FINANCE.

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

MY DEAR MR. SECRETARY: In connection with pending legislation would you kindly have your staff prepare for me as expeditiously as possible answers to the following interrogatories:

1. Under what constitutional, statutory, or executive authority did each of the presently participating 34 foreign countries, dominions, or federated territories become a contracting party to the General Agreement on Tariffs and Trade? I would appreciate citations of pertinent provisions, statutes, orders, or decrees.

2. What statutory authority, executive decree, constitutional provision, or administrative order now empowers each of the foreign contracting parties to become a member of the International Organization for Trade Cooperation, should it become operative with or without the membership of the United States?

3. What department or agency in each participating foreign government selects and directs that contracting party's representation at sessions of the General Agreement on Tariffs and Trade, determines the extent or limitations of delegation authority in negotiations, and is empowered to enter into or sign commitments or agreements in behalf of the government it represents?

4. How do the concessions or commitments agreed to by formal signature and embodied in protocols growing out of these sessions become operative and binding on the governments of each of the 34 foreign contracting parties, and on their foreign trade regulating agencies and customs services—by orders, proclamations, decrees, statutes, or otherwise?

5. How will concessions, or commitments, or decisions made by the proposed International Organization for Trade Cooperation become binding on these governments in the regulation of their foreign trade and commerce and collections of customs and duties?

6. Do any of the foreign governments who are "contracting parties" to the General Agreement on Tariffs and Trade have authority by legislative action to reject commitments formally agreed to and signed by their respective delegations as sessions of the GATT? If so, please list them.

7. Do any of these governments have authority administratively to reject commitments formally agreed to and signed by their respective delegations at sessions of the GATT? If so, please list them.

8. From what source does the General Agreement on Tariffs and Trade derive the authority and power to exercise the following governmental and customarily sovereign functions?

(a) To determine the consistency of actions or proposals of a party to the agreement.

(b) To allow or limit compensatory action.

(c) To grant waivers of agreement obligation by a two-thirds vote.

(d) To determine the terms of accession of new parties and to expel parties which refuse to accept major amendments.

(e) To establish procedures for the operation of the agreement.

(f) To allocate operational costs to each "contracting party" on an arbitrary basis.

(g) To limit each "contracting party" to one vote irrespective of cost burdens imposed, foreign-trade volume, or the certainty of bloc voting by parties who are guaranteed discriminatory empire preference privileges by the agreement.

9. What constitutional provision, statutory authority, executive decree or administrative order of each foreign government presently participating in the General Agreement on Tariffs and Trade authorized its delegation at GATT sessions to confer or concur in the exercise by GATT of such governmental powers and functions?

10. What constitutional provision, statutory authority, executive decree or administrative order empowered the United States delegation at such stations to confer or delegate the above-stated governmental

powers and functions to the General Agreement?

11. What is the procedure for selecting cities in which sessions of the "Contracting Parties" to the General Agreement on Tariffs and Trade are held, and is there any restriction in the General Agreement applicable to any cities or countries in which they may not be held?

12. What will be the procedure for selecting cities or countries for sessions or meetings in the event the International Organization for Trade Cooperation is approved?

13. Under what constitutional provision, statutory authority, executive order or decree did the State Department, in 1946, submit to the United Nations Economic and Social Council the so-called Proposals for the Expansion of World Trade and Employment and under what authority did it present a motion that the Council sponsor an "International Conference on Trade and Employment?"

14. Under what constitutional or legal authority did the Department, in London, in 1946, at sessions of the "Preparatory Committee," set up by UNESCO, present its "Suggested Charter for an International Trade Organization of the United Nations?"

15. Under what authority did the United States delegation at this Conference approve and accept recommendations of the Preparatory Committee that it proceed in such a way as to give effect "to certain provisions of the Charter of the International Trade Organization by means of a general agreement on tariffs and trade?"

16. What were these "certain provisions" and who were the members of the "Preparatory Committee" and members of the United States delegation to this meeting of the "Preparatory Committee"?

17. Under what authority did the State Department participate in 1947, at Geneva, in conducting tariff negotiations "as a part of the second session of the Preparatory Committee for the United Nations Conference on Trade and Employment, and participated also in drafting a proposed Charter for an International Trade Organization"? Under what authority did each of the other nations or dominions participating at this session engage in this undertaking?

18. Under what appropriation or budget item were the expenses of the United States delegation to the above-designated sessions of the "Preparatory Committee" financed, and what was the cost to the United States of United States representation at each of these meetings or sessions?

19. How many United States officials and employees attended each of the above-designated meetings or sessions, and during what period of time did they participate?

20. At the United Nations Conference on Trade and Employment held at Habana, Cuba, from November 21, 1947, to March 24, 1948, representatives of the United States Government, and of 52 foreign nations, dominions or territories formally signed a Charter for an International Trade Organization. Have the governments of any of the signatory delegates adhered to this charter, and if not, in what manner did they reject adherence thereto following formal approval of and signature to the charter by their official representatives to this conference? Please specify for each country.

21. Under what appropriation authority or budget item were the expenses of the United States delegation to the above-named conference financed, and what was the cost to the United States of United States representation to this conference?

22. How many United States officials and employees attended the above-named conference?

23. The first session of the General Agreement on Tariffs and Trade was held at Habana, Cuba, from February 28 to March 24, 1948, simultaneously or coincident with the final 25 days of the United Nations Conference on Trade and Employment, and at which "it was considered desirable to make parallel amendments (to those in the charter) in the corresponding provisions of the General Agreement." Under what constitutional, statutory, or executive authority did the United States participate in this parallel or first session of the General Agreement?

24. Did the same United States delegation participate both in the conference and the first session of the General Agreement above referred to? If not, what delegates to the conference did not serve also at the GATT session, and what delegates to the first session of GATT did not participate in the United Nations Conference on Trade and Employment? Please list those who may have participated in both the conference and the session.

25. Under what appropriation authority or budget item were the expenses of the United States delegation to the first session of the General Agreement on Tariffs and Trade financed, and what was the cost of United States representation to this session?

26. When did a President of the United States first proclaim a Protocol of the General Agreement on Tariffs and Trade in effect, and was it prior to or following the first session of the General Agreement on Tariffs and Trade above referred to?

27. Following approval of the charter for an International Trade Organization, 52 nations, including the United States, formally agreed to establish an "Interim Commission for the International Trade Organization." Was such an interim commission established? If so, what signatories to the charter and to the separate resolution to create the interim commission became members of the commission or accepted representation on it? Did the United States do so? If so, under what constitutional, statutory, executive or United Nations authority? Is this commission still in existence? If so, what is its present official membership? What relationship, if any, does this commission have to the General Agreement on Tariffs and Trade? What relationship could it have, if any, to the proposed International Organization for Trade Cooperation? Has the United States ever contributed funds to the "Interim Commission"? If so, in what amount and under what authority?

28. Under what constitutional, statutory or executive authority of any sovereign nation did the high authority of the European Coal and Steel Community participate in the General Agreement on Tariffs and Trade conference or session begun in Geneva, Switzerland, January 18, 1956, and concluded in that city on May 23, 1956?

29. Does the high authority of the European Coal and Steel Community constitute a "foreign country" or a "foreign government"?

30. Under what constitutional, statutory or executive authority did the United States delegation to the recent session of the General Agreement have the power to negotiate with and enter into tariff agreements with the high authority of the European Coal and Steel Community?

31. With what delegates of the high authority of the European Coal and Steel Community did members of the United States delegation negotiate tariff reductions on certain steel bars, bands and strips and on some types of wire rods, imports of which in 1954 amounted to approximately $17 million?

32. What members of the United States delegation negotiated this agreement?

33. Are any members of the high authority of the European Coal and Steel Community officially appointed representatives of any sovereign nation in Europe, and, if so, what official positions do they hold in that government?

34. Has the High Authority of the European Coal and Steel Community been recognized as a "contracting party" to the General Agreement on Tariffs and Trade, and if so under what procedure and pursuant to what article of the general agreement?

35. Can "contracting parties" to the general agreement, if they so choose, designate any international cartel, organization or "authority" as a "contracting party" to the general agreement, or to act in behalf of one or more "contracting parties," and if so, under what article of the general agreement can this be done?

36. What commitments and concessions did the High Authority make to the United States? Please list any concessions, tariff reductions or bindings made to the United States by the High Authority in return for commitments made by the United States to the High Authority, and state who these commitments made by the High Authority commit?

37. Under administrative interpretations of United States authority to participate in the general agreement, could the United States, as a "Contracting Party," designate an international authority, organization, industrial or other nonsovereign combination to negotiate trade agreements in its own name or under its own identity in behalf of the United States? Could it designate a sovereign State of our Union, or a group of sovereign States? Could it designate a nonsovereign group or coalition of interests such as, for example, coal and steel, to do so? Could the President of the United States?

38. What qualifications, if any, are required of "contracting parties" or delegates from governments or "authorities" participating in general agreement negotiations or sessions?

39. What qualifications, if any, are required under the proposed International Organization for Trade Cooperation?

40. What constitutional provision, statute, executive order, proclamation or court decision does the State Department interpret to empower the United States to become a "contracting party" to the General Agreement on Tariffs and Trade? Please cite the specific language which, within the interpretation of the Department or executive branch, confers such power, and express your view of the extent of this power in relation to deals or dealings with international nonsovereign entities such as that with which the United States delegation at Geneva recently carried on negotiations and to which it made commitments in the name of the United States? In this connection is the Government of the United States or the President the "contracting party" under State Department construction?

41. In public notices of intention to negotiate at the recent session at Geneva, was it announced that negotiations would be conducted by the United States with the High Authority of the European Coal and Steel Community?

42. What does the term "Contracting party" imply with respect to the contractural authority, responsibility, and liability of parties to the general agreement? What constitutes a party and what constitutes a contract within the meaning of the general agreement?

43. During negotiations at sessions or conferences of the general agreement on tariffs and trade, what considerations, if any, are given by the United States delegation to sums expended by the United States in economic aid to countries or authorities participating in these sessions? What consideration, if any, is given to loans and credits of United States dollars made by the United States or by international monetary agencies to these countries or authorities?

44. What considerations, if any, are given to the effect of grants, loans, or credits to negotiating countries or authorities, on United States industries or enterprises comparable to or competing with foreign industries and enterprises aided through United States grants, loans, or credits?

45. In view of the fact that negotiations for a general agreement were first carried on under the auspicies and sponsorship of an agency of the United States Economic and Social Council, does the State Department consider that it would have authority to continue as a contracting party to the general agreement under United Nations or UNESCO auspicies in the absence of a Trade Agreements Act?

46. Does it consider that it would have authority to continue as a contracting party to the general agreement in the absence of a Trade Agreements Act if the proposed organization for Trade cooperation is approved by the Congress?

47. Under what budget item and under what provisions of appropriate Appropriation acts are funds for overseas participation in the general agreement on tariffs and trade carried? Please specify appropriations for this purpose, and the specific amounts spent on travel to and from sessions of the general agreement, and on maintenance of delegates at these sessions.

48. What is the total payroll of State Department employees and officials engaged directly in functions pursuant to administration of the Trade Agreements Act, and in negotiations under the general agreement?

49. Has the State Department ever sought or received any ruling from the General Accounting Office relative to expenditures incurred by the United States as a contracting party to the general agreement?

50. Has the State Department ever sought or received from the General Accounting Office or Comptroller General any ruling or interpretation of items or provisions of any Appropriations act relating to appropriations out of which funds have been expended to participate in sessions of the general agreement on tariffs and trade?

I assure you an early reply to the above questions will be very helpful.

Sincerely,

GEORGE W. MALONE,
United States Senate.

PROPONENTS' VIEWS AT COMMITTEE HEARINGS CITED

Mr. MALONE. Mr. President, I ask unanimous consent that a partial résumé and a discussion of the testimony of some of the proponents of H. R. 6040 be printed in the RECORD at this point as a part of my remarks.

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

Now let us see what some of the proponents of this proposed legislation have to say about it and the reasons they advance for its enactment.

First let us take the testimony of the executive vice president of the National Council of American Importers, Inc., with headquarters in New York City. He is Mr. Harry S. Radcliffe.

IMPORTERS' SPOKESMAN FIRST NONGOVERNMENT WITNESS

Mr. Radcliffe was the first non-Government witness to testify on this bill before the House Ways and Means Committee, and the first witness not appearing for the Government to testify before the Senate Finance Committee.

He is a very earnest man and, of course, he was speaking in behalf of the people he represents, the importers of foreign goods and products, and in their interests. It is in their interests to bring in all the foreign goods they can regardless of the effect on the American producer and the national economy, and it is in their interest also to bring it in free of duty or at the lowest duty rates possible.

It is Mr. Radcliffe's right and duty to represent the interests of the people who pay his salary, and he is very well informed about those interests, as his testimony shows. He is all for eliminating "foreign value" as a basis of customs valuation and for using "export value." The reason is, of course, that "export value" is lower.

WITNESS TELLS WHY FOREIGN VALUE HIGHER THAN EXPORT VALUE

But let this importers' spokesman state it in his own words, as taken from the hearings. He says:

"Where appraisement on the basis of foreign value"—that is what the importers want to knock out—"results in a higher dutiable value, it is usually due to causes wholly unrelated to export transactions or world market price conditions. The wholesale price in a foreign home market is usually found to be higher than the price importers pay because of three principal reasons."

Then he proceeds to give the reasons.

"One is," he says, "That the quantities sold for home consumption are much smaller than the quantities bought by American importers, and there is a natural differential in prices due to economics in the production of larger quantities."

That is very interesting. "Quantities sold for home consumption are much smaller than the quantities bought by American importers," states this witness. In other words, these foreign producers are unloading much more of their products on the United States market than they can sell at home. Their major market is not their own country at all, but the United States, where their product can compete against American workingmen, producers and investors.

As I have frequently stated in the foreign aid debates, our prime objective in handing out billions to Europe and other foreign countries, whether we know it or not, has been to build up European industries to compete against ourselves.

We have spent billions of good American dollars to finance foreign industries so they can produce more goods than their own countries and their own peoples can consume.

Having been overbuilt, or overexpanded at the expense of the long-suffering American taxpayer, these foreign industries are stuck with far more goods than they can ever hope to sell in their own market unless—and this is the gimmick—they can unload them on the American market.

EFFORTS OF EXECUTIVE BRANCH TO ENCOURAGE MORE FOREIGN IMPORTS INTENSIFIED

For the past 22 years the State Department and the Treasury Department have been trying to figure out ways and means to get more foreign goods into the United States to the injury of American manufacturers, investors, and workingmen.

Since the war, and particularly since we began handing out our hard-earned billions—the total now is more than $65 billion—these efforts to increase foreign competition in our own markets have been intensified.

We now have GATT. This administration has been trying to put over the so-called International Organization for Trade Cooperation, just as the Truman administration tried to put over ITO, or the International Trade Organization, of which OTC is a slightly reduced carbon copy. And now some bright person has come up with the scheme before us to make it still easier for foreign industries to dump their goods in the American market, by substituting the lower export value for foreign value, which, as Mr. Radcliffe tells us, is usually higher.

All of these trick schemes and proposals have one purpose, to help foreign producers unload on the United States goods and products they cannot sell in their home market.

FOREIGN SURPLUS LARGER THAN FOREIGN DOMESTIC DEMAND

As Mr. Radcliffe states, and I repeat his words, "quantities sold for home consumption are much smaller than the quantities bought by American importers." If this is correct these foreign industrialists are producing a surplus that is larger than their domestic demand.

I do not follow the conclusion that Mr. Radcliffe reaches in the completion of his sentence, that, and I quote, "there is a natural differential in prices due to economics in the production of larger quantities." Of course as total production increases costs tend to go down, but they should go down equally to all purchasers whether foreign or domestic. Why should there be a differential between what is produced for export and what is produced for foreign domestic consumption? The only answer I can think of is that such industries as the importers' spokesman is referring to are producing one type of item for export to the United States and another type of item for their own people. If that is true the domestic purchasers in the foreign country are having to pay a higher price than American consumers because, as Mr. Radcliffe states, they are buying in smaller quantities. And if they are having to pay higher prices than we do, we, with all our foreign aid, are not improving foreign living standards when we finance these foreign factories.

I have gone into some detail on Mr. Radcliffe's first reason why he thinks, in the interest of importers foreign value, or the higher dutiable value, should be eliminated.

FOREIGN PRODUCERS PAY INTERNAL TAXES ONLY ON DOMESTIC SALES

"Another reason," he states, "is that certain internal taxes, similar to our own excise taxes, are assessed"—on the foreign producer, that is—"only on domestic sales"—that is, sales in the foreign producer's own country—"which they do not apply to the same goods exported to the United States or to other countries."

Let me read that again, without my interpolations. Quoting Mr. Radcliffe—another is that certain internal taxes, similar to our own internal excise taxes, are assessed only on domestic sales, which they do not apply to the same goods exported to the United States or to other countries.

Of course when we buy an American product, made in an American factory by American workmen, we pay any manufacturers' excise tax that may be imposed by our Government. We pay it in the markup.

TWO-PRICE SYSTEM CONCEDED

Mr. Radcliffe, executive vice president of the importers' organization, continues:

"A third common reason," he says, "why the present foreign value exceeds export value is somewhat technical. It arises from the situation where a foreign producer sells at two different prices in wholesale quantities to jobbers and retailers in the home market.

"Under the present interpretation of the term 'usual wholesale quantity'"—still quoting Mr. Radcliffe—"appraisement is made on the basis of the quantity in which the largest number of individual transactions occur, which is ordinarily the price level between the foreign producer and domestic retailer. The new bills define 'usual wholesale quantity' in such a manner as to mean the quantities in which the greatest aggregate quantity of the merchandise is sold. Thus, where retailers in a foreign country do not buy as much as wholesalers in those markets, the producer's wholesale price to retailers will be disregarded."

So where there are two values, we eliminate the higher and adopt the lower.

EXCLUSIVE AGENTS MAINTAINED BY CERTAIN FOREIGN PRODUCERS IN UNITED STATES

Now we come to the last, and to me the most revealing, reason Mr. Radcliffe offers, why importers would like to see foreign value dropped, as H. R. 6040 proposes to do. I quote from his testimony:

"Another reason why foreign value is higher than export value is that certain mer-

chandise is sold in the home market to all purchasers, but is exported to the United States by the foreign producer to an exclusive selling representative here. Under the present law, sales to an exclusive distributor are ruled out, but the proposed legislation will permit the establishment of an export value on the basis of exports to one or more selected exclusive agents, provided the prices paid by such agents fairly reflect the market value of the merchandise."

Mr. President, Congress in the past has been diligent in enacting legislation to prevent monopoly and monopoly price-fixing. We have antitrust laws directed at domestic industry. The Justice Department has been very active in filing suits against American enterprises which, in its opinion, have grown too big or have captured too much of the domestic market, even when it is obvious that they do not have a complete monopoly, but do have some degree of competition from other American producers.

But here we have a bill sponsored by the Treasury Department which not only condones monopoly in the distribution of a foreign product, but would confer on such a monopoly a concession on the valuation of its imported product.

The present law, as Mr. Radcliffe states, does not do that. The new bill, and I again quote him, "will permit the establishment of an export value on the basis of exports to one or more selected exclusive"—mark that word "exclusive"—"agents, provided the prices paid by such agents fairly reflect the market value of the merchandise."

Now I ask you if you are an exclusive agent for a product in the United States, the only person in the United States privileged to sell this imported product, how can anyone under high heaven determine whether the prices paid "fairly reflect the market value of the merchandise" when "foreign value" has been liquidated.

Mr. President, this is a great bill for importers, particularly for those exclusive agents who have a monopoly on the foreign product in the American market.

It is a good bill for foreign producers and manufacturers who want lower valuations for customs purposes on the goods they export to the United States.

It is an especially good bill for those foreign producers and manufacturers who void any possibility of competitive pricing of their product when it reaches the United States by having their goods handled through a monopoly or exclusive agent who can price the product at whatever the traffic will bear.

It is a bad bill for the Treasury of the United States and the American taxpayer.

It is a bad bill for American industry which by law is compelled to be competitive.

It is a bad bill for American investors and workingmen.

H. R. 6040 BAD BILL FOR COUNTRY

It is a bad bill for the country.

Now let us turn to some of the other proponents of the bill, although few, I fear, speak with such direct knowledge of customs duties and problems as Mr. Radcliffe.

The chairman of the Import and Customs Committee of the Detroit Chamber of Commerce testified in behalf of H. R. 6040 that it will "make it easier for foreign manufacturers to do business over here."

Detroit automobile workers should appreciate this testimony in behalf of H. R. 6040.

From accounts that I have read a considerable number of thousands of automobile workers—I have seen figures on auto industry layoffs as high as 210,000—are now unemployed.

H. R. 6040 will make it easier for foreign manufacturers to do business over here, according to the Detroit chamber witness, which certainly would include foreign automobile manufacturers.

BILL WILL ENCOURAGE FOREIGN AUTOMOBILE IMPORTS

The bill will therefore make it easier for foreign manufacturers to export foreign automobiles to the United States. The State Department already has accomplished a service to these foreign manufacturers by lowering the duty on imports of automobiles to 9½ percent ad valorem this year, 9 percent next year, and 8½ percent the year after that.

This makes the duty on imported cars lower than the excise tax on American-produced cars.

We may see the day, Mr. President, when we will see Mr. Walter Reuther, who heads the Auto Workers Union, riding around the streets of Detroit in a foreign car exhorting his unemployed union members. Perhaps the distinguished Detroit chamber chairman who supports H. R. 6040 and states it will "make it easier for foreign manufacturers to do business over here" will be riding with him. We are today exporting only half the American automobiles that we exported in the mid-twenties, and less than half the automobiles that England is exporting now.

Yet the executive branch continues to make it easier for foreign countries to ship cars here, and this bill, H. R. 6040, is one example.

Should Congress pass this bill it will, of course, apply to foreign automobiles on which ad valorem duties are assessed, and on which duties already have been reduced until they are negligible.

PORT AUTHORITIES FAVOR BILL

Mr. President, there was much other interesting evidence from supporters of this bill. Mr. Stacey Bender, Jr., of Baltimore, testified before the House Ways and Means Committee in behalf of the American Association of Port Authorities and the North Atlantic Ports Association, Inc.

Testifying for the American Association of Port Authorities he said, and I quote, "As increased imports are facilitated, so will our export market expand."

Testifying for the North Atlantic Ports Association, Inc., he said:

"The foreign waterborne commerce of the member ports in 1953, the latest full year of record, was 119,758,100 short tons, or 55.97 percent of the total foreign waterborne commerce of the United States during this same period. Import commerce accounted for 91,863,950 short tons of this figure, or 76.71 percent. It will be readily seen that, in point of tonnage figures, import commerce amounts to more than three times the export total."

What about the thesis, then, that as increased imports are facilitated export markets expand, which the same witness advanced? It would seem from his later statement that export tonnage still had a long way to go.

That is the trouble, Mr. President, with these generalized statements of imports expanding exports. We have been hearing them for 22 years. We are today importing more goods than ever before. But are we exporting more of our cotton, our wheat, our rice, our tobacco, meats, lard, apples, pears. We have not despite all Government incentives.

WITNESS OFFERS ANOTHER ARGUMENT FOR BILL

The witness who I referred to a moment ago made another contribution in behalf of passage of this bill when, in his testimony, he observed, and I quote:

"There will be those who will propose that this legislation should not be acted upon favorably because no other country has made, or is making, a similar gesture, and that trade expansion cannot be accomplished by the United States alone. Here, as in every other field," he continues, "of accomplishment, leadership is the priceless ingredient. Whether we enjoy wearing that mantle or not, it is incumbent upon us to assume the role, sure in the knowledge that, held in such high esteem, others will follow."

We have held the hope for 22 years now that as we lowered duties on imports, other nations, inspired by our leadership, would lower their trade barriers. Instead they have multiplied their trade barriers and invented new ones, as I shall detail as I proceed, and from official documents and records.

UNITED STATES DUTIES LOWERED WHILE OTHER NATIONS INCREASE RESTRICTIONS

We have now lowered duties or tariffs on imports generally 70 percent, an action no other country in the world has followed.

Yet we are told by another proponent of the bill, appearing for the United States Council of the International Chamber of Commerce, comprised of the business interests of 34 foreign countries:

"The action our country takes in removing trade restrictions will be a potent factor on whether the barriers to international trade will be increased, or decreased by the other free nations of the world."

Well, the other free nations of the world have had 22 years to decrease their trade restrictions against the United States such as quotas, embargos, import licenses, exchange permits, mixing and milling regulations, empire preferences, multiple exchange, and discriminatory trade arrangements against the United States. Instead of decreasing them they have added new ones, while the United States played Santa Claus.

FARMERS UNION CALLS FOR HIGHER METAL IMPORTS

But perhaps the most remarkable testimony in behalf of this legislation came from Mr. Reuben Johnson, Assistant Coordinator of Legislative Services, for the National Farmers Union.

Speaking of tariffs on metals, minerals, petroleum, and other raw materials except food and fibers—he is very careful to except food and fibers—Mr. Johnson states:

"From a purely selfish national viewpoint it would be better to import a maximum of such materials"—meaning metals, minerals, petroleum etc.—"while conserving the supply within our own boundaries."

At this point it would appear that Mr. Johnson, testifying in favor of H. R. 6040 as a means of further tariff reduction, would have us close down our mines, smelters, and oil wells and refineries, and depend entirely on foreign products. This was, of course, the theory of the late Secretary Harold Ickes, and of Harry Dexter White.

But Mr. Johnson does not go quite that far. He both qualifies and elaborates. Says he: "Within the framework of international economic cooperation"—that is what the State Department is trying to sell us through GATT and OTC—"the wiser course"—Mr. Johnson again speaking—"would seem to be the establishment of a balanced drain on natural irreplaceable resources of the different countries."

WITNESS ASKS INTERNATIONAL RAW MATERIALS RESERVE

This, of course, is the old IMC or International Materials Conference plan again that the Subcommittee on Minerals, Materials, and Fuels Economics of the 83d Congress exposed, and that was embodied in the old International Trade Organization which Congress rejected.

But the witness is not yet finished with his thought of internationalizing our mineral resources. He says further, and I quote:

"Establishment of the international raw materials reserve would be admirable for this task."

This may seem a bit far afield of the subject matter of H. R. 6040, which Mr. Johnson is testifying for, but he gets back to his theme in his next sentence.

"In the absence of such an international agency," he says, "it would seem desirable to combine a United States national stockpiling program with the reduction and ultimate elimination of import duties and restrictions on metals, minerals, and petroleum, with a domestic program that will protect the legitimate interests of domestic producers."

After advancing a plan to internationalize our mineral resources by leaving most of them buried in the ground, importing a maximum of such materials and removing the last vestiges of protection, Mr. Johnson winds up by saying there should be some domestic program that will protect the legitimate interests of domestic producers. He isn't clear on what this program should be or who should direct it, but obviously his thought is that there would be some international control.

Mr. Johnson may be an expert on farm products, I would not know, but he is certainly no expert on minerals.

I am sure he would not propose the same suicide for the farming industry that he is advocating for minerals and fuels.

WANTS MORE RAW MATERIALS IMPORTED, BUT NOT WHEAT OR COTTON

When he says we should "import a maximum of such materials" he is not referring to cotton, wheat, peanuts, butter, and all the other support commodities which we properly protect by quotas, but to minerals, metals, and petroleum.

When he says we should conserve the supply within our own boundaries, I am sure he is not referring to farm commodities.

Mr. President, the senior Senator from Nevada does not subscribe to the views of the witness quoted above. I do not believe in strangling one industry on the theory that it might help some other industry, which of course always is a fallacy.

I would never do anything to injure agriculture in my State and I would never do anything to injure the mining industry in my State, because I know that an injury to one is an injury to the other and to all industries.

Mr. President, as I read these hearings that about sums up the thinking and the arguments of the public witnesses who support and advocate passage of this bill.

There were others who testified for the bill, but as it appeared to me their testimony was a variation of one or more themes of the proponents who I have quoted above.

FURTHER RÉSUMÉ OF TESTIMONY PRESENTED

Mr. MALONE. Mr. President, I also ask unanimous consent that a résumé of statements of the opponents of the proposed legislation be printed in the RECORD at this point as a part of my remarks.

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

It is revealing to read, year after year, the hearings on the various proposals to internationalize our economy, sacrifice domestic industries for the advantage of foreigners, and, under one pretext or another, further reduce duties and increase the flood of foreign goods into our markets.

Reading the successive hearings on Trade Agreements Extension Acts, on the international OTC bill, and now on H. R. 6040 one notes a consistent pattern, seldom broken.

HEARINGS ON FREE TRADE BILLS FOLLOW PATTERN

For the bill there invariably appears one or more administration officials, usually flanked by aids in his department to tell him what the bill is all about. Then there are the dedicated free-trade lobbyists from organizations with impressive names such as the committee for a national trade policy, which to me has always seemed vastly concerned with advancing foreign interests. There are of course the importers' groups and councils, which is quite understandable, as they make their living off of imports of foreign goods, and the International Chamber of Commerce, comprising business interests of 35 foreign countries, 34 of which make their living off of exporting goods to the United States and other countries.

The big farm organizations, which enjoy, and properly so in my opinion, virtually complete protection from imports of competitive farm commodities, price supports, and now Government subsidies and assistance in exporting their surpluses, generally are there.

They appear at these hearings to support the various measures to destroy what little protection may remain for manufacturers; for resource industries such as minerals and fuels, for fisheries, for industrial workers, wage earners, and investors, and even for other farm producers and growers who do not happen to enjoy Government supports.

UNITED STATES CONSUMER MAJOR MARKET FOR UNITED STATES PRODUCTS

It would be more becoming and more sound, in my opinion, if these major farm organizations were to seek to build up and protect their fellow citizens and toilers in mines and mills and factories instead of offering them for sacrifice on the altar of free trade.

The biggest market for products of the American farm is America itself. It is not Japan or Germany or Venezuela or any other foreign nation. It is the United States. And the people of the United States consume more wheat, more cotton, more butter, and more meats at higher prices per capita than in any foreign country by the Department of Agriculture's own records.

If we import foreign manufactures in greater and greater amounts and quantities as all these free-trade bills propose, we injure our own industries, wage earners, and markets, just as if we encouraged unlimited imports of wheat, cotton, butter, oats, barley—we would injure our agriculture and our markets for products of the farm.

Yet we invariably, it seems, find the National Farmers Union and 1 or 2 other major farm organizations, appearing in behalf of these bills to encourage nonfarm imports.

WOOL GROWERS OPPOSE TARIFF CUTS

I am happy to say right here that the National Wool Growers Association—and they are having as desperate a time trying to survive as any of our hard-pressed groups producing food or fiber—is not a party to this activity. They oppose all of these schemes to help foreign producers invade our markets with low-wage goods and products. They oppose H. R. 6040.

But in general we find the big farm organizations, the big importers groups, the foreign minded committee for a national trade policy, the International Chamber of Commerce, several big port authorities and local chambers of commerce on or near our borders championing these bills.

None of them represent industries or wage earners being hurt by imports.

INDUSTRY WITNESSES OPPOSE FREE TRADE MEASURES

There also are many witnesses at these hearings, or making presentations to the committees holding these hearings, who oppose these bills.

They represent the industries and people who are being hurt by imports. They are not concerned with theories but with facts, such facts as mills, mines and factories being forced to lay off workers or close down, diminished returns, passed dividends, lost investments or decapitated jobs.

The testimony these witnesses have to present is specific. It is based on experience, not on the books some foreign economist has written or slogans some Britain has invented.

These witnesses come to the hearings year after year as long as their industry manages to survive, and present their case, the case of their own industry, its investors, and its wage earners. They base their case, as I stated before, on facts—not theory.

CONGRESS ALWAYS REJECTS INDUSTRY APPEALS

No matter how strong a case they make the committees turn them down, that is a majority of the committees rule against them.

The committees turn the domestic producers for the domestic market down. I am proud to say that my vote has never been cast with the majority on the committee considering these bills on which I serve. I have always been in the minority. The minority has been growing, I am proud to report. It will not always be the minority. One of these days, and I do not believe the day is too far distant, we will be the majority.

Then these American producing industries who are being injured by destructive low-wage import competition will receive the relief they deserve. They will receive relief in the American way we followed in the first 140 years of our glorious history; relief under the American system that imposed flexible tariffs to make up the difference in foreign costs and domestic costs and take the profit out of foreign sweat-shop labor at the water's edge.

The pending bill, all the free-trade legislation since 1934, has had one result if not one purpose—to increase the profit to waterfront brokers and importers at the water's edge, and as a corollary the profit to the foreign producer in his foreign mine or factory.

I am not interested in the foreign producer. I am interested in the American producer, and as I said before, the committees in Congress always turn him down.

The bills then go to the floor, and Congress turns him down.

That, too, will end one of these days, and I hope it ends with this bill now before us, H. R. 6040.

Now let us consider the testimony or statements of several of these opponents of H. R. 6040 presented to the committees. Elsewhere I have presented the basic arguments of proponents of this legislation in behalf of the bill. It is only fair that both sides be given.

SOUTHERN TEXTILE INDUSTRY SPOKESMAN TESTIFIES

First I will offer some of the testimony presented before the Senate Finance Committee by Mr. R. Houston Jewell, of Chicamaugua, Ga., who appeared in behalf of the American Cotton Manufacturers Institute and the Underwear Institute. I have not placed his testimony first because I believe it is more significant or less significant than the testimony of other witnesses but because Mr. Jewell represents an industry which at this moment is suffering a tremendous impact from Japanese cotton textile imports as a result of tariff reductions granted them at the 1955 session of the Geneva General Agreement on Tariffs and Trade.

There are 35 nations represented in GATT, of which Japan is one, and each nation, including the United States, has just one vote. Fourteen foreign nations have reneged on the tariff concessions granted Japan at this GATT session, but the United States is not 1 of the 14.

We, or I should say our State Department, is quite agreeable to the tariff reductions granted Japan at Geneva, and as a result Japanese textiles produced by 13-cents-per-hour labor are flooding the United States, closing cotton mills and throwing American wage earners out of work.

EFFECT OF H. R. 6040 CHANGES LISTED

I am sorry that my distinguished colleagues from Georgia were not present at the

Senate Finance Committe hearings to hear the testimony of their constituent from Chocamauga. Perhaps they have read the hearings. In any event, I shall repeat the opening paragraphs of Mr. Jewell's statement before the committee.

"The American Cotton Manufacturers Institute takes strong exception to certain provisions of section 2 of this bill and urges that the section be stricken in its entirety.

"The proposed changes in the methods of determining dutiable value are drastic in character and would tend to impair, or remove altogether, authentic standards of appraisement in the application of ad valorem duties.

"The proposed changes in consequence would:

"1. Subordinate the tariff function to considerations of "easy" administration.

"2. Transfer the power of value determination to foreign exporters without the offset of legally dependable correctives.

"3. Establish a pattern of legalized price discriminations in international trade.

"4. Remove the factor of competition, whether national or international, from value determination.

"5. Establish dumping as a legalized practice by removing the means of identifying it.

"6. Distort the dollar measurements of imports, thus crippling further their use in trade analysis.

"The bill not only invites foreign exporters as individuals to have a field day at the expense of the American Treasury and American industry," Mr. Jewell continued. "It also specifically encourages foreign governments to continue the practices of trade discrimination and exchange manipulation which are the avowed enemies of world trade recovery and which for 10 years we have been struggling to overthrow.

"Many countries from time to time resort to artificial measures to promote the sales of certain types of merchandise to the United States.

"Export bonuses, exchange retention certificates, the use of the so-called link system, the granting of export credits at rates lower than for other purposes, the conversion of dollar proceeds into national currency at rates above the market—all of these and many more devices influence directly, or determine, the market in which export value is established."

BILL DESTROYS FAIR WORLD TRADE STANDARDS

Further on in his testimony, Mr. Jewell said:

"The proposed course removes the means of attaining fair competitive standards in international trade. It brushes aside the concept of equality in treatment as between any given country and its customers. It assumes that it is fair and sound for every country to have a different set of prices for each country to which it exports.

"To realize the enormity of such a proposal let us suppose that American exporters were given the same rights and privileges as are accorded by this bill to foreign exporters. Selling procedures in the export trade would immediately adjust themselves to take advantage of the fact that in any foreign country, dutiable value could be established without reference to competition or to sales to other countries, or to cost of production.

"We have only to visualize the certain repercussions to know that a wide-scale adoption of such a system is unthinkable, and impossible."

H. R. 6040 WILL OPEN DOOR TO MORE IMPORT DUMPING

Further on in his testimony Mr. Jewell also stated:

"Under H. R. 6040, dumping would cease to exist as a separate definable feature of trade. It would become a normal and legally indistinguishable component of trade. There would be no way to give it definition in a particular case. The criteria of 'export value' as defined in the law gives respectability and acceptance to dumping under the guise of customs simplification."

JAPANESE TEXTILE EXPORT DATA CITED

Mr. Jewell when he states that this is a pro-dumping bill under the guise of customs simplification is correct. He also presented facts about Japanese cotton textile imports into the United States. From January to April 1954, they amounted to 10,000,772 square yards of piece goods. From January to April 1955, they totaled 23,096,987 yards, an increase of 130 percent. And that was before the new tariff cuts decreed by GATT.

PRESIDENT OF COTTON MANUFACTURERS STATES OPPOSITION TO H. R. 6040

William F. Sullivan, president of the National Association of Cotton Manufacturers, also presented a statement for the record. He stated in part:

"Section 2 of H. R. 6040 presents completely unjustifiable hazards and dangers to domestic textile producers. Itemization of the reasons why serious damage to the domestic textile industry would result from the operation of section 2 include:

"1. Section 2 actually enables foreign producers to take unilateral action in lowering the United States tariff on goods which they are exporting to the United States. This can be done by the simple expedient of selling textile products to the American market at a lower price than in their own domestic market. Foreign producers organized into cartels can use a two-price system—A high price in their own country where they can control the market and a lower price for export to the United States. Section 2 of H. R. 6040 places a very desirable premium on the use of this system and is an open invitation to foreign producers to exploit the American textile market.

"Even in situations where a cartel does not control the foreign market," Mr. Sullivan continued, "textile producers in other countries are offered a strong temptation to maintain an export price lower than the price in their own markets in order to break into the American market. Foreign producers would be given a free hand to abuse and distort our ad valorem rates of duty. There would be no real protection for the domestic textile industry against price manipulation by foreign producers.

"2. Reductions in ad valorem rates resulting from the operations of section 2 would be in addition to the tariff concessions granted by the United States in the Japanese treaty recently negotiated at Geneva.

"3. Reductions in rates of duty which would result from the use of section 2 would be in addition to the 15-percent tariff reduction authorized under the Trade Agreements Extension Act.

"4. Tariff reductions would be made without any advance notification and the domestic textile industry would be denied any opportunity to present its case at peril-point hearings, because there is no peril-point provision with respect to the reductions which would be affected under section 2.

"5. The domestic textile industry, damaged by tariff reductions under section 2, could receive no relief from the escape-clause procedure established under the Trade Agreements Extension Act, because there is no escape clause applicable to section 2 of H. R. 6040."

MANY OTHER TEXTILE ORGANIZATIONS FIGHTING BILL

Mr. President, there is much additional testimony from other representatives of the textile industry, from the Textile Workers Union of America which protests added injury to the industry, from the executive director of the National Federation of Textiles, Inc., the American Knit Handwear Association, the National Association of Wool Manufacturers, and others.

I shall refer to the testimony of only two additional witnesses representing segments of the textile industry, and then turn to some of the other industries who would be hurt by H. R. 6040.

Mr. Matthew H. O'Brien, secretary of the rayon and acetate fiber producers group, cited the two customs simplification acts already on the statute books. He said:

"I submit we are approaching a position where the Congress needs to view the cumulative effect of the various tariff proposals some of which effects are not immediately known. If this bill were designated and titled by the name of its present effect, for example, it would be much better understood and probably have no chance for reenactment."

"In the Trade Agreements Act of 1955," Mr. O'Brien pointed out, "Congress again renewed and adopted the principle of tariff concessions on a reciprocal basis. Without waiting for the effect of that act, or indeed the trade agreements recently negotiated with Japan and Switzerland, which may have drastically injurious effects on the domestic textile industry, Congress now is asked to abandon the principle of reciprocal concessions and make unilateral tariff reductions in unknown amounts."

Mr. President, I disagree with Mr. O'Brien that Congress has ever adopted the principle of tariff concessions on a reciprocal basis, although that is what proponents have long pretended. But I concur with him completely in his statement that H. R. 6040 would achieve unilateral tariff reductions in unknown amounts.

I agree with him also in his statement, and I quote, "That the time has come for the Congress to stop, look, and listen in order to appraise the effects of these acts and trade agreements, and to permit the industries and the workers affected to know the amounts of reduction in duty which are proposed, and to give them an opportunity to present to the Congress their views."

FABRICS EXECUTIVE DETAILS PROBLEM IN OBTAINING IMPORT DATA

Arthur M. Klurfield, executive director of the Textile Fabrics Association, testified before the Senate Finance Committee last year. He said, and I quote:

"Domestic manufacturers have no way of finding out from the Bureau of Customs what a particular importer pays by way of duty, at what rate, at what evaluation these goods are set, what is the basis of the evaluation. The only way the domestic manufacturers learn about any possible harm is after the harm has been done. In other words when they find those goods in the market place competing with their own. And then they have no way of going back and obtaining the necessary proof to make out their case.

"In other words, not only are the figures not made available to them, but in presenting a case, all they can point to is the bare fact of injury and the rest is left up to the administrative agency to do all the investigation and, in effect, make out the case for them."

What Mr. Klurfeld said is true. In other words the so-called concessions the Treasury Department has made with respect to lists, and investigations, and protests, and inquiries is a sham.

The American producer still has no way he can make his case.

The Treasury Department or the Customs Bureau which will actually do the work, is still the prosecutor, judge, jury, and hangman.

THE AMERICAN SYSTEM

Mr. MALONE. Mr. President, if the Congress of the United States is interested in trying to arrive at a fair valuation of imports, then it should value them just as the Tariff Commission was instructed to value imports, for tariff

purposes, in the 1930 act. That would be the American system. It should determine the difference in the American and foreign costs of production of each product, and the difference should be the tariff to take the profit out of cheap foreign labor at the waters edge.

I ask unanimous consent that the part I have indicated of section 336 of the 1930 Tariff Act, Equalization of Costs of Production, be printed at this point in the RECORD as a part of my remarks.

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

SEC. 336. Equalization of costs of production:

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission—meaning the United States Tariff Commission—(1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in cost of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in section 402 (g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences.

MINORITY REPORT ON H. R. 6040

Mr. MALONE. Mr. President, I also ask unanimous permission to insert in the RECORD as a part of my remarks the minority report on H. R. 6040.

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

MINORITY VIEWS ON H. R. 6040

We are opposed to H. R. 6040 in the form in which it was referred to the committee and as amended by the committee.

This very complicated customs simplification bill would change customs valuation rules of 30 years' standing. It would eliminate foreign value, make export value the major base for United States ad valorem duties, and change longstanding definitions of value terms. As shown by the Treasury Department's own testimony, these changes will lower the value for customs duty purposes and, hence, United States duties more than 5 percent on 19 broad classes of imported merchandise.

The bill's innocent appearance did not deceive the committee last year. Because of its tariff-reducing effect, the committee after hearings in July 1955, did not report the bill. Thereafter Treasury proposed compromise amendments.

This compromise consisted of a complicated scheme under which Treasury would identify at the beginning of each year for 3 years the imported products which would experience a reduction in duty exceeding 5 percent if the bill's value rules were applied. For 3 years those articles appearing on the Treasury list would continue to be valued for duty purposes under the present law. At the end of 3 years a report of the duty reductions which would occur under H. R. 6040 would be made by Treasury to Congress. If Congress did not act in 90 days, the new valuation rules of H. R. 6040 would have automatically become applicable to all United States imports.

Hearings were held by the committee on the compromise amendments on June 25, 26, and 27, of this year. After the public hearings had been concluded, the Treasury Department proposed to the committee an additional amendment to the bill providing in substance that all articles appearing on the fourth and final list to be prepared by the Treasury Department would continue to be valued for duty purposes under the present law unless and until Congress by appropriate legislation directed that such articles be valued for duty purposes under the new value provisions of H. R. 6040.

This amendment was adopted by the committee without opportunity for interested and affected industries to be heard and without sufficient time for an examination of the full implications of the amendment.

The bill as amended by the committee fails to correct the basic defects in the bill:

First: Inherent in the bill as amended by the committee is the assumption that a 5-percent decrease in valuation will not significantly affect the tariff protection afforded by the existing valuation standards. Any such premise is invalid. Furthermore, the bill as amended fails to meet the concern the committee itself had at the conclusion of its hearings in July of last year about the duty-reducing effects of the bill. The amended bill provides for arbitrary and across-the-board tariff reductions rather than the gradual and selective reductions advocated by President Eisenhower. Moreover, these reductions are not subject to the peril point, escape clause, and national security industries.

The fact that the so-called peril point and escape clause are ineffective and only included in prior extensions of the 1934 Trade Agreements Act to "wet down" public opinion do not justify ignoring the last vestige of recognition of the American workingman and investors.

Second: The bill as amended by the committee provides for a series of reports to Congress. It is not specific either as to the content or the preparation of the reports. Such reports can be revealing or not, depending upon the intent of the person making the report. No standard for classification is prescribed. It is possible to group imported articles for listing purposes in such a fashion as to eliminate the possibility of determining the effect of the changed valuation standard. Moreover, the amended bill provides for nothing more than publication of the lists. The Secretary is not required to publish any findings or supporting data upon which the lists are based. All that is required is preparation of lists "after such investigation" as the Secretary "deems necessary." This leaves the Secretary of the Treasury complete discretion as to the standards which are to govern the information to be contained in the reports to Congress.

The full extent of this discretion cannot be measured. The amended bill makes no provision for an effective appeal. If an article of merchandise is omitted from a list or is improperly classified, complaint must be made to the Secretary. All the amended bill requires the Secretary to do is to "cause such investigation of the matter to be made as he deems necessary." The amended bill places an impossible burden of proof on domestic industries to show why their products should not be subjected to the tariff-reducing effects of the bill.

Third: The procedure provided in the amended bill for obligation by a domestic manufacturer would be ineffective. The 60 days given to a domestic manufacturer in which to specify particular articles which he believes belong on the Treasury lists is unrealistic. Import statistics are not published in sufficient detail nor rapidly enough to let any private company know whether its products classified under general tariff terminology have actually been imported. Moreover, most producers do not have readily all their products. Finally, much of this available foreign and export value data on information as may be in the possession of the Treasury is not made available to domestic producers.

Fourth: If such reports are to determine what articles are to continue being valued for duty purposes under the present law, some better system of collecting and testing the data on which these reports are based should be provided. Congress in the Customs Simplification Act of 1954, in providing for a study of tariff reclassifications by the Tariff Commission, prescribed that the simplification purposes be achieved if at all possible without changes in the tariff. In those instances where the Commission concluded that changes in the level of the tariff would be required, Congress directed that before making such recommendations "the Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at public hearings with respect to the probable effect of such suggested changes on any industry in the United States."

The amended bill is completely lacking in any such safeguards.

Fifth: Under the amended bill foreign producers would have it within their power to manipulate their merchandising procedures in such a way as to influence the exclusion of their products from the list of articles which would experience a reduction in duty exceeding 5 percent under the new value rules. This could be accomplished by trade practices which would result in no foreign value being found at the time the preliminary and final lists were prepared under the amended bill. Treasury in its testimony before the committee admitted that "foreign exporters are now in a position to so conduct their affairs that the export value will be used in most cases." Once having accomplished the appraisement of their products under the new value provisions and after publication of the final list under the amended bill, the foreign producers would be free to resume their former practice of exporting their products to this country far below the foreign value without being subjected to the automatic check against this practice provided by the present value provisions. There would remain for the protection of domestic producers only the antidumping provisions of our tariff law.

This result is typical of the implications of the last amendment adopted by the committee without opportunity for hearing and adequate consideration. The fact that under this amendment Congress must take affirmative action to remove an article from the fourth and final list and subject it to the new value standards is no protection against the practice referred to. If anything, this amendment enhances the opportunity of

foreign producers to engage in dumping practices to the detriment of domestic producers.

Sixth: Even the last remaining antidumping provision of our tariff laws for the protection of our domestic industries would be substantially weakened by the amended bill. With the elimination of foreign value by the amended bill, the foreign value data now collected by the customs service for the administration of the present value provisions would be substantially curtailed.

Seventh: If a proper determination is to be made under the amended bill as to the applicability of the new valuation rules to articles which will suffer a reduction in value by 5 percent or more, it is obviously necessary that for each test period specified each and every imported article subject to ad valorem duties be appraised under both the present value standards and those specified in the amended bill.

The amended bill provides that the Secretary will publish a preliminary list of articles which were imported in fiscal year 1954 and which would have been appraised under the amended bill at 95 percent or less of the average value at which such articles were actually appraised. The Secretary's annual report for fiscal 1954 states under the caption, "Appraisement of Merchandise," that there were 1,472,000 invoices handled in 1954. Each of these would have to be reexamined to identify those pertaining to articles whose duties are based in whole or in part on value. Then a new appraisement would have to be made of the merchandise covered by each invoice so identified.

What is the magnitude of this task? In a 5 percent sampling of fiscal year 1954 dutiable entries at New York and Laredo and a 2½ percent sampling at 6 other ports, customs personnel made 19,908 recomputations of dutiable values. To do a 100 percent job just on those ports, it would apparently require at least 20 times that number of recomputations, or more than 398,160 recomputations. With what degree of accuracy can such a monumental undertaking be accomplished in the customhouses of the United States? What will the effect be on the regular day-to-day workload of the customs personnel and the prompt disposition of customs entries which Treasury is seeking to accomplish by the amended bill? Assuming that the Secretary can get over the task of compiling the first list, he must face the task of compiling the second, third, and fourth lists in the same way.

Furthermore, the lists would not necessarily carry the same items year after year. Items appearing on the list are to be appraised under the present value standards while those not listed would be appraised under the rules provided in the amended bill. This on-again, off-again character of the lists would create considerable confusion abroad as to the amount of duties to which imported articles would be subject during the 4-year period involved.

The final amendment proposed by Treasury to the bill would only add to this confusion, for after the publication of the fourth and final list certain imported articles would be valued under the value rules provided for in the amended bill and other imported articles would continue to be valued under the present value rules.

In short, the amended bill, if it is to be properly executed, involves almost an insurmountable workload at home and continuing confusion among foreign traders abroad. This is hardly customs simplification.

Eighth: What is the objective which would require a substantial reduction in the duty protection now afforded domestic producers, a tremendous increase in the workload of customs personnel, and confusion to foreign producers as to the tariff treatment of their products which they desire to export to the United States? The Treasury Department has testified that the bill would simplify customs procedures "primarily by eliminating the necessity for a great number of investigations in foreign countries." What are the actual dimensions of this problem? The 1955 report of the Secretary of the Treasury states that only 420 foreign investigations (including both classifications and value problems) were required in fiscal 1955 out of a total of 1,632,000 invoices handled. This is less than three-one hundredths of 1 percent. It is less than half of the 968 foreign inquiries in the preceding year. It is little more than a third of the peak year, 1953, when foreign investigations reached 1,180. Moreover, customs reduced its backlog of entries awaiting liquidation by about 61 percent during fiscal year 1955.

Is this the kind of a situation which calls for scrapping our well-established customs value machinery? We think not.

The people generally are only now becoming aware of the fact that beginning with the 1934 Trade Agreements Act that every move, GATT, ITO, OTC, customs simplification, billions to Europe, International Monetary Fund and many other organizations, and much proposed legislation form a concentrated attack on the economy of this Nation—and a leveling of our standard of living with that of the low-wage living standard nations of the world.

GEO. W. MALONE,
United States Senator, Nevada.

Mr. MALONE. In 2 decades the American system of economic and social independence established in 1789 with the adoption of our Constitution has been transformed into a grandiose, international socialist scheme of the division of our wealth program.

With our stepped-up transportation and communications systems suddenly all of the problems of the world—most of them 2,000 to 5,000 years old, starting before Columbus discovered America—seem to be added to our own.

STOP A MINUTE TO THINK

If we will just stop a minute to think, we would know that India and China, for example, after more than 5,000 years of recorded history and a combined population of more than one billion people, have not changed their standard or manner of living in 50 centuries of time.

If we paused a moment in our headlong rush to inject ourselves and our Nation's future back into the interminable trade wars of old Europe and Asia, we would realize that the rivalries and bitterness between the tribes and nations began several hundred years before Christ, and are more intense now than ever before.

If we would just pause to consider the facts in our short history, we would know that our ancestors left their homelands in Europe because they could not be free and make a decent living for their families.

What, then, are our objectives?

Are they to maintain our economic and social independence, or are they to merge our economy with that of the low-wage standard of living nations of Europe and Asia?

Now when it can be clearly seen that the continuation of this 22-year mental-aberration period is leading us directly into worldwide international socialism—a division of our wealth, a one-citizenship world, and free immigration—it is time to have another look before the final headlong plunge.

No one can advocate free trade and deny free immigration. Apropos of free trade, free immigration, the dollar shortage, reciprocal trade, and the myriad of catchwords and phrases and the multitude of trick organizations that whittle at our vitals while we sleep, you might remember that Abraham Lincoln once said:

> We cannot absolutely know that all these exact adaptations are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen—and we see these timbers joined together, all the tenons and mortises exactly fitting, and all the lengths and proportions of the different places exactly adapted to their respective places, and not a piece too many or too few—in such a case we find it impossible not to believe that all worked upon a common plane or draft drawn up before the first blow was struck.

Lincoln has told us how to recognize a complete, many-sided plan to destroy us from within.

THE CONSTITUTION AND BILL OF RIGHTS

Let us return to the Constitution and the Bill of Rights, the two greatest man-made documents in 5,000 years of recorded history.

CONGRESS—REGULATE FOREIGN TRADE AND NATIONAL ECONOMY

Article I, section 8, places the responsibility directly upon the Congress, the legislative branch, to regulate foreign commerce and our national economy. That the Congress, not the President, shall adjust the duties or tariffs.

Article I, section 8, also says that the Congress, the legislative branch, not the President, shall have the power to declare war.

The executive branch—the President of the United States—has usurped both of these powers.

Better said, the legislative branch has abdicated its constitutional responsibility in favor of the Executive through legislation recommended to it by the President of the United States.

The executive branch has completely dominated the legislative branch of our Government for 22 years.

THE AMERICAN SYSTEM VERSUS INTERNATIONAL SOCIALISM

The clear-cut issue facing the American people today is the American system versus international socialism.

Bulganin said last year in Moscow, in answer to my direct question, that socialism is the fisrt step to communism. That, I would say, came out of the "horse's mouth."

The international socialism—the division of the wealth—that we are now pursuing is the first step to international communism.

CATCH WORDS AND PHRASES

The international socialists invent catchwords and phrases: dollar shortage, reciprocal trade, trade not aid, to have foreign trade we must have "free trade."

The dollar shortage is caused by fixing a price on their money in dollars above the market price. The words reciprocal trade do not occur in the 1934 Trade Agreements Act, and we export a less percentage of our exportable goods now

than we did in 1934 when the act was first passed.

SO-CALLED LIBERALS—ACTUALLY THROWBACKS

It is time then to review the position of the so-called liberals who have continually shouted for free trade—billions of dollars of taxpayers' money to Europe, and freer immigration.

The so-called liberals who advocate the transfer of constitutional legislative power to the Executive, and the resulting international socialism theory, are actually advocating a return to the government ownership system as old as that of the primitive peoples of the desert and jungle.

They are advocating a return to central government control, which our people left Old Europe more than 300 years ago to escape—and then fought the Revolution and adopted the Constitution and the Bill of Rights to forever prevent its return.

Without realizing it, they are the greatest throwbacks in history.

They are advocating, evidently without realizing it, a return to the never-ending European trade wars, and to the central government control maelstrom, of the overpopulated areas of Europe and Asia.

From Washington's Farewell Address:

If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation: For though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

RETURN TO AGE-OLD SYSTEM OF ALL-POWERFUL CENTRAL GOVERNMENT

They are advocating a return to the European and Asiatic age-old systems of absolute government domination of the world's economy and trade. They, in effect, say that since practically all of the European and Asiatic nations control their foreign trade and national economy through an all-powerful central government—that we must return to that 500-year-old system.

Old Europe, with one-half of the area, has twice the population of the United States.

Overpopulation is their problem—they have lived off the world through their colonial slavery system for 300 years.

The colonial slavery system is as dead as Julius Caesar. Through NATO, the Atlantic Pact, we guaranteed the integrity of a system already dead. The Atlantic Pact was stillborn.

Our forefathers left Europe because they could not make a living in that area—they still cannot, unless they can force other nations to contribute to their material wealth. The basic problem has not been changed and cannot change.

They say we must divide our wealth with them through gifts of cash and a division of our markets to get them back on their feet—they have no feet—they have lost the colonial slavery areas upon which they have depended for 300 years—we were the first to break away.

THE AMERICAN SYSTEM

The American system means keeping the American markets for Americans.

The American system means giving the American workingmen and investors equal access to their own markets, by taking the profit out of the foreign low-wage standard of living at the water's edge through paying a duty into the United States Treasury representing the difference in the effective wages and foreign wages.

FAIR AND REASONABLE COMPETITION

The American system means a flexible tariff or duty, as the Constitution calls it, adjusted on the basis of fair and reasonable competition — continually representing the difference between the American wage standard of living and that of the chief competitive nation on each product.

It will take the profit out of cheap foreign labor at the water's edge and provide the greatest possible incentive for foreign nations to raise their own standards of living.

Abraham Lincoln's platform, the Republican platform of 1860, proposed to adjust imports or tariffs "so as to encourage the development of the industrial interest of the whole country."

My Senate bill 2926 would revert to the Constitution in the regulation of foreign trade and the national economy.

The Tariff Commission, an agent of Congress, is equipped to do the job.

CONGRESS SHOULD CONSIDER THE AMERICAN PRODUCER AND WORKINGMAN

Mr. President, I ask that the Senate today consider the American system. Consider the American producer and the American workingman. Consider giving the American producer and workingman equal access to the American markets.

We should consider all of the approaches made to destroy the constitutional provision for the Congress to regulate foreign trade and the national economy, starting with the basic 1934 Trade Agreements Act, progressing through GATT, which was inaugurated in 1947.

The Secretary of State testified before the Senate Finance Committee that the 1934 Trade Agreements Act gave full authority to the President to locate the organization he might spearhead in Geneva or any other place on earth and he did spearhead the organization of GATT and located it in Geneva. The General Agreement on Tariffs and Trade located at Geneva was followed by the International Trade Organization, which the Congress refused to adopt, and the International Trade Cooperation Organization, which is now pending in the House, three customs simplification bills, so-called, all designed to bypass the Constitution of the United States in the regulation of foreign trade and the national economy.

READ THE CONSTITUTION JUST ONE MORE TIME

I ask that the Members of the Senate just read the Constitution one more time, and return to the Congress the regulation of foreign trade and the national economy in accordance with the provisions of that document—written in blood in 1789 by men who had left bloody tracks since 1776, the Declaration of Independence—to get away from the Old World's endless trade wars and domination by a colonial slavery system.

MUTUAL SECURITY APPROPRIATIONS FOR 1957—UNANIMOUS-CONSENT AGREEMENT

During the delivery of Mr. MALONE's speech,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Nevada [Mr. MALONE] may yield to me for the purpose of suggesting the absence of a quorum and proposing a unanimous-consent request on the mutual security bill, with the understanding that the proceedings will appear in the RECORD at the conclusion of the Senator's remarks, and with the further understanding that it will not jeopardize the Senator's right to the floor.

Mr. MALONE. Mr. President, I yield under those conditions.

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

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

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed unanimous-consent agreement and ask that it be stated.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be stated for the information of the Senate.

The Chief Clerk read the proposed unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That when the Senate proceeds to the consideration of the bill H. R. 12130, mutual security 1957, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal. (July 18, 1956.)

Mr. ELLENDER. Mr. President, reserving the right to object, may I inquire when the Senator from Texas expects to have the bill taken up?

Mr. JOHNSON of Texas. We hope to take up the bill after the consideration of the bill which is now before the Senate.

Mr. ELLENDER. Will it be tomorrow or on Friday?

Mr. JOHNSON of Texas. It is difficult for me to say. I do not know how long the Senator from Nevada is going to speak. The Senator from Louisiana has had more experience than I have as to how long a Senator will speak.

Mr. ELLENDER. In any event, it will not be taken up on Friday?

Mr. JOHNSON of Texas. We certainly will not vote on it. I will say that to the Senator.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. MALONE. Mr. President, will this agreement affect any debate prior to the consideration of the bill?

Mr. JOHNSON of Texas. No.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent request is entered.

MESSAGE FROM THE HOUSE

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

S. 1243. An act for the relief of Kyu Lee;

S. 1324. An act for the relief of Salvatore di Morello; and

S. 3009. An act for the relief of Kiyoshi Kinoshita.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5299) to authorize the establishment of the Virgin Islands National Park, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ASPINALL, and Mr. WESTLAND were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5712) to provide that the United States hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HALEY, Mr. SISK, and Mr. RHODES of Arizona were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12138) making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. MAHON, Mr. SHEPPARD, Mr. THOMAS, Mr. KIRWAN, Mr. NORRELL, Mr. WHITTEN, Mr. ANDREWS, Mr. ROONEY, Mr. GARY, Mr. FOGARTY, Mr. SIKES, Mr. PRESTON, Mr. RABAUT, Mr. TABER, Mr. WIGGLESWORTH, Mr. JENSEN, Mr. H. CARL ANDERSEN of Minnesota, Mr. MORAN, Mr. CANFIELD, Mr. FENTON, Mr. PHILLIPS, Mr. SCRIVNER, Mr. COUDERT, Mr. CLEVENGER, Mr. WILSON of Indiana, and Mr. FORD were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 497) to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ASPINALL, and Mr. MILLER of Nebraska were appointed managers on the part of the House at the conference.

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 amendments of the Senate to the bill (H. R. 7380) to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities.

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

H. R. 908. An act for the relief of August J. Strigga;

H. R. 2952. An act for the relief of John H. Parker;

H. R. 3274. An act for the relief of the Martin Wunderlich Co.;

H. R. 4464. An act for the relief of Mrs. Kathryn H. Wallace;

H. R. 5586. An act for the relief of Otto B. Hauffe;

H. R. 6081. An act for the relief of Patricia May Stevens;

H. R. 7162. An act for the relief of T. W. Holt & Co.;

H. R. 8056. An act for the relief of Col. Adolph B. Miller;

H. R. 8971. An act for the relief of Hamazasp Psakian, Mrs. Varsenick Psakian, and Nune Nona Psakian;

H. R. 9028. An act for the relief of Fred G. Nagle Co.;

H. R. 9755. An act for the relief of Elmer L. Henderson;

H. R. 11821. An act for the relief of Esterlee Hutzler Weikhoeppel;

H. R. 11822. An act for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley;

H. J. Res. 642. Joint resolution to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma County, Miss., to the Home Demonstration Club of Rena Lara, Miss., Inc.;

H. J. Res. 660. Joint resolution for the relief of certain aliens;

H. J. Res. 661. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 662. Joint resolution for the relief of certain relatives of United States citizens;

H. J. Res. 680. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 681. Joint resolution to waive the provisions of section 212 (a) (6) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 682. Joint resolution for the relief of certain aliens; and

H. J. Res. 683. Joint resolution for the relief of certain aliens.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 1358. An act to authorize modification of the flood-control project for Missouri River Agricultural Levee Unit 513-512-R, Richardson County, Nebr.

S. 1384. An act to provide for the reconveyance of all mineral interests in lands acquired by the United States for certain reservoir projects to former owners thereof, and for other purposes;

S. 2092. An act transferring to the jurisdiction of the Department of the Army the bridge across the Missouri River between the Fort Leavenworth Military Reservation in Kansas and Platte County, Mo., and authorizing its removal;

S. 2305. An act to exclude certain lands from Acadia National Park, Maine, and to authorize their disposal as surplus Federal property;

S. 2424. An act to provide that lock and dam numbered 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead Lock and Dam;

S. 2517. An act to amend subsection 3 (a) of the act approved August 8, 1947, to authorize the sale of timber within the Tongass National Forest, Alaska;

S. 2711. An act to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes;

S. 3032. An act granting the consent and approval of Congress to the Middle Atlantic Interstate Forest Fire Protection Compact;

S. 3120. An act to amend the Soil Conservation and Domestic Allotment Act, as amended;

S. 3180. An act to amend title 28 of the United States Code to authorize the appointment of two United States commissioners for Cumberland Gap National Historical Park;

S. 3344. An act to authorize the Secretary of Agriculture to convey to the Territory of Alaska certain lands in the city of Sitka, known as Baranof Castle site;

S. 3388. An act to provide for the conveyance of certain real property of the United States to the port of Port Townsend, Wash.;

S. 3397. An act to amend section 3 of the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, for the purpose of extending the time in which payments are to be made to members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation, in Wyoming, and for other purposes;

S. 3412. An act to extend the provisions of title XIII of the Civil Aeronautics Act of 1938, as amended, relating to war risk insurance for an additional 5 years;

S. 3482. An act to provide for transfer of title of certain lands to the Carlsbad Irrigation District, New Mexico;

H. R. 2111. An act to authorize the Secretaries of the Army, the Navy, and the Air

Force to cause to be published official registers for their respective services;

H. R. 8898. An act to provide an additional authorization of appropriations for the purchase by the Secretary of Agriculture under the act of May 11, 1938, of lands within the boundaries of the Cache National Forest in the State of Utah;

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; and

S. J. Res. 182. Joint resolution to extend the time for filing the final report of the Commission on Government Security to June 30, 1957, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were read twice by their titles, and referred, or placed on the calendar, as indicated:

H. R. 908. An act for the relief of August J. Strigga;

H. R. 2952. An act for the relief of John H. Parker;

H. R. 3274. An act for the relief of the Martin Wunderlich Co.;

H. R. 4464. An act for the relief of Mrs. Kathryn H. Wallace;

H. R. 5586. An act for the relief of Otto B. Hauffe;

H. R. 6081. An act for the relief of Patricia May Stevens;

H. R. 7162. An act for the relief of T. W. Holt & Co.;

H. R. 8056. An act for the relief of Col. Adolph B. Miller;

H. R. 8971. An act for the relief of Hamazasp Psakian, Mrs. Varsenick Psakian, and Nune Nona Psakian;

H. R. 9028. An act for the relief of Fred G. Nagle Co.;

H. R. 9755. An act for the relief of Elmer L. Henderson;

H. R. 11821. An act for the relief of Esterlee Hutzler Weikhoeppel;

H. R. 11822. An act for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley;

H. J. Res. 660. Joint resolution for the relief of certain aliens;

H. J. Res. 661. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 662. Joint resolution for the relief of certain relatives of United States citizens;

H. J. Res. 680. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 681. Joint resolution to waive the provision of section 212 (a) (6) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 682. Joint resolution for the relief of certain aliens; and

H. J. Res. 683. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 642. Joint resolution to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma County, Miss., to the Home Demonstration Club of Rena Lara, Miss., Inc.; placed on the calendar.

CUSTOMS SIMPLIFICATION ACT, 1956

The Senate resumed the consideration of the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930, and to repeal obsolete provisions of the customs laws.

During the delivery of Mr. MALONE's speech,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me for the purpose of suggesting the absence of a quorum, in order that a unanimous-consent agreement to be proposed by the minority leader and myself may be read for the information of the Senate, without the Senator's losing the floor, and with the understanding that this subject matter will appear at the conclusion of his remarks.

Mr. MALONE. Mr. President, I yield for that purpose.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, I ask that the unanimous-consent agreement proposed by the minority leader and myself be read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS CONSENT AGREEMENT

Ordered, That, effective on the conclusion of the speech of the Senator from Nevada [Mr. MALONE], during the further consideration of the bill H. R. 6040, the so-called Customs Simplification Act of 1956, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal. (July 18, 1956.)

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. MALONE. Mr. President, I presume that the distinguished Senator from Texas has consulted with the Senators who have expressed opposition to the bill. I do not see all of them here.

Mr. JOHNSON of Texas. I have consulted with the Senator from Pennsylvania [Mr. MARTIN] and have asked him to speak with the Senators on his side of the aisle who are interested. I have consulted also with the minority leader and with Senators on this side of the aisle who are opposed to the bill.

The proposed agreement is in the usual form and would become effective at the conclusion of the remarks of the Senator from Nevada.

Mr. MALONE. As for myself, I shall not object.

The PRESIDING OFFICER (Mr. GORE in the chair). Is there objection to the proposed unanimous consent agreement? The Chair hears none, and the agreement is entered.

Mr. WOFFORD. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER (Mr. LAIRD in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 21, after line 9, it is proposed to insert the following:

(c) Notwithstanding any other provision of this act, any article the rate of duty on which has been or will be decreased under a foreign trade agreement to the extent permitted by paragraph 2 (C) or (D) of section 350 (a) of the Tariff Act of 1930, as amended, shall be appraised only in accordance with redesignated section 402a of such act; and all such articles shall be included in the final lists published under the provisions of this section.

The PRESIDING OFFICER. The unanimous-consent agreement now being effective, how much time does the Senator from South Carolina yield to himself?

Mr. WOFFORD. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 10 minutes.

Mr. WOFFORD. Mr. President, I wish to make only a few remarks in explanation of my proposed amendment.

The amendment has only one purpose: To prevent further reductions in tariffs on items which have already been reduced to the limit under the provisions of H. R. 1, which was approved by the Congress last year. In some cases the full reduction has already taken place on textile items imported from Japan and on some other items.

In other instances, negotiations at the GATT conference in Geneva last year, and at the more recent negotiations this year, resulted in the cutting of tariff rates up to the maximum of 15 percent over a period of 3 years.

While I fully understand that the purpose of this bill is not to reduce the pres-

ent rates on goods imported into this country, it should be clear from a casual reading of the bill that its result will be identical. The Treasury Department in its testimony before the Senate Finance Committee and the House Ways and Means Committee admitted that the average reduction would be 2½ percent of the present value of imported goods, when the customs valuation is based entirely on "export value," as this bill proposes.

Mr. President, some of our American industries are hard pressed, and a resolution asking for relief for our people is now pending on the Senate calendar. This Senate should not permit a backdoor approach, such as this bill, to result in further damage to our domestic industries. Without my amendment, that will be the sure result of this so-called customs simplification bill.

Mr. President, in this amendment, I am not asking any special favors for any industry. What I am seeking is to keep this backdoor bill from reducing the protection to our American industries which the members of the Senate approved only a year ago, in H. R. 1.

It should be clear that my amendment would apply to thousands of items which are produced in all sections of this country. The maximum reductions allowed by H. R. 1 were agreed to on practically all of the items considered in the negotiations at Geneva in 1955, and again this year.

Included in these long lists are jute fabrics, linen handkerchiefs, damask tablecloths, cigars, canned tomatoes, many hardware products, motorboats, textile machinery, ceramics, lumber and paper products, textile products, and so forth.

The largest cut at the negotiations in Geneva this year was in the field of metal products. In this category the reductions amounted to 42 percent of the total trade value which the State Department estimated was involved in the negotiations.

Products of agriculture totaled 29.6 percent of the total.

The State Department estimated that the concessions at Geneva this year, valued in terms of trade, totaled $753 million, based on 1954 import values.

Without my amendment, this bill would defeat the purpose of H. R. 1, which last year established a 3-year policy of tariff reduction. This bill would now completely upset that policy, after only 1 year.

Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, has the Senator from South Carolina concluded his statement?

Mr. WOFFORD. Yes.

Mr. JOHNSON of Texas. Mr. President, from the time available to Members in opposition to the amendment, I yield 7 minutes to the Senator from Arkansas [Mr. McCLELLAN].

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 7 minutes.

REPORT ENTITLED "EAST-WEST TRADE" BY COMMITTEE ON GOVERNMENT OPERATIONS—MINORITY VIEWS (S. REPT. NO. 2621)

Mr. McCLELLAN. Mr. President, I submit a report of the majority of the Senate Permanent Subcommittee on Investigations, of the Committee on Government Operations, on the relaxation of international controls over trade with the Soviet bloc.

As is pointed out in the report, since the Paris Agreement in 1954, our Allies, with the concurrence of the United States, can now ship such strategic materials as machine tools; minerals and metals, such as aluminum, copper, and nickel alloys; and even electric equipment, such as generators up to 60,000 kilowatts, which are used in the manufacture of fissionable materials.

The report should prove of interest to the Members of this body as they vote on appropriation for foreign aid, for they will find that some of the countries that we are intending to aid, to fight the Communist threat, are, in turn, trading strategic materials to the Communists.

As is clearly documented in the report, the American people and Congress were misled about the results of this 1954 agreement by the statements of Mr. Harold Stassen, while he was Battle Act administrator.

This relaxation of strategic trade embargo has been, and is still, cloaked in secrecy not warranted by security regulations. The suppression of information hindered the investigation of our subcommittee, and violated the right of Congress to obtain information necessary in the exercise of its legislative functions.

The majority of the subcommittee members find it ironic that the executive branch of the Government has made available to a private citizen, for the purpose of writing a book for his own profit, memorandum and papers similar to those which it refused to this subcommittee.

The report on the results of the secret agreement with our allies regarding trade with the European Soviet bloc takes on particular significance at this time, as discussions regarding relaxation of trade with Red China are now taking place. It should be pointed out that, even without such relaxation, our Allies' trade with Communist China increases monthly.

In 1955, 1,193 trips were made by Western-flag vessels in and out of Red Chinese ports. This is an increase of 386 trips over the prior peak year of 1954. In 1955, the gross tonnage of these vessels amounted to 11,085,831—an increase of over 2,200,000 gross tons from the corresponding tonnage in 1954.

Since January, 1956, well over 1 million gross tons of shipping flying flags of our Allies have been going in and out of Communist Chinese ports, each month. Furthermore, over 50 percent of the vessels taking part in this trade fly the British flag.

The subcommittee has recommended that Congress should be advised, prior to implementation, as to those items that the United States agrees with our Allies should be removed or downgraded from the China embargo list. The American people and Congress should not again learn years after the event takes place, what is done in an area as vital as this.

I feel the whole subject of East-West trade, as dealt with in our subcommittee report, is of prime importance, and I ask it be given close study by Members of Congress.

Mr. President, along with the majority report, minority views are filed. I must confess that when I read the minority views, I was amazed and was really astonished at the tone and contents and at the apparent very partisan spirit in which they are written. The minority views are not on the merits of the investigation, but they are more directed at partisan criticism of a majority of the committee.

At this time, I should like to say a few words about the minority views and the statements contained therein.

The primary point which seems to be made is that at the COCOM conference, there was nothing we could do other than to agree to the removal of these strategic items from the international list. This is not true, Mr. President.

As is pointed out in the minority views, before items are placed on the list, there must be complete agreement and concurrence from all nations. In the same way, before items are removed from the embargo list, there must be concurrence and agreement from all countries. Therefore, the United States had to agree to the removal or downgrading of these 200 items or otherwise those items would not be removed.

It should also be pointed out that the United States had the Battle Act wherein aid could be cut off to nations who sent items of strategic nature to the Soviet bloc. We could have invoked the penalty provisions of the Battle Act, but did not do so. At the request of our allies, immediately following the COCOM conference, we removed from the Battle Act list those items which our allies wished to ship to the European Soviet bloc. The Battle Act, which would have been a strong bargaining point, was thus made ineffective.

The point is made in the minority report that—

> The report deliberately fails to relate the entire program that was followed by these committees.

The report further states:

> The Joint Operating Committee simply acted at the time as a coordinating committee at the working level for these two senior advisory committees. The recommendations of JOC were first reviewed and approved or revised by ACEP and EDAC, which in turn made recommendations to the Secretary of Commerce and the Battle Act Administrator respectively, and thence to the President by way of the National Security Council.

This statement is not accurate as is pointed out on page 20 and page 21 of the report. The JOC recommendations were just not approved or revised by ACEP and EDAC, for the simple reason that ACEP and EDAC did not even meet during this period when this crash review was taking place.

The minority report also makes the point that the subcommittee was given information in executive session and specifically that no figures were given in the report regarding the trade with the Soviet bloc in certain strategic items.

If that information is not available to the public, and not available to the Congress, it is not the fault of the majority of the committee, because we did everything in our power to get the information and make it available to the Congress and to the American people. So I do not see why the majority of the committee, after having done its best, should be criticized for a failure to get the information to which the American people are entitled.

It should be pointed out that the figures for trade in these particular items were requested by the subcommittee of the various Government departments on several occasions including the executive session on April 20, 1956.

We tried to get figures showing the volume of trade in these strategic items, one by one. We were unable to get it, because representatives of the executive branch who testified before the committee said they did not have that information. They could give it to us only in categories, such as machine tools, but we could not tell from that information what kind of machine tool was shipped. The only figures available were with respect to the dollar value.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Arkansas.

Mr. McCLELLAN. Admiral DeLany, Deputy Director of ICA, and Battle Act Administrator, and Mr. Smith, of the Commerce Department, explained to the subcommittee at that time that it was impossible to give these figures on particular items because our Government just did not have them. Trade figures are not broken down to that extent. It is significant that the minority report does not carry such figures.

Mr. President, the only figures that are available are the overall trade figures which are contained on pages 20 and 22 of the report. It shows that between 1953, the year prior to the COCOM revision, and 1955, the year after the COCOM revision, Western Europe's trade with the European Soviet bloc had increased some 65 percent. In addition, it was pointed out in the last Battle Act report that this increase in trade was in the hard-goods category. It was clearly established during the hearings that the exports to the Soviet bloc in the general machine tool and metals categories has increased considerably since August 1954.

The point is, Mr. President, that some 200 items which were deemed to be highly strategic in July of 1954 were considered nonstrategic in September of 1954.

My principal contention is that testimony taken in executive session is not made available. It is not the fault of the majority of the committee that this testimony is not available to the American people. I take the position that our Government has no right to make secret agreements with our allies with regard to trade with foreign countries, and then expect the American taxpayer to make up their economic deficits, with our financial aid without being given information about the nature and character and extent of that trade in strategic goods, which are bound to go to the military benefit of a possible enemy, when we are providing this aid to build resistance to the aggression of communism.

The PRESIDING OFFICER. The time of the Senator from Arkansas has again expired.

Mr. JOHNSON of Texas. I yield 2 additional minutes to the Senator from Arkansas.

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

Mr. McCLELLAN. I yield.

Mr. SYMINGTON. I notice this statement in the minority views:

> The report is based upon testimony obtained in public hearings and ignores testimony given in executive session.

Mr. McCLELLAN. I do not want to ignore the testimony given in executive session. I should like to make it public. The only reason it cannot be made public is that the administration will not declassify it so that the American people can have it.

Mr. SYMINGTON. The minority views continue: "which necessarily creates a foundation for distortion. The result is that the conclusions are erroneous."

Will not the Senator agree, first, that all the classification was done by the administration?

Mr. McCLELLAN. It was all done by the administration, over the protest of the committee and our insistence that the American people were entitled to this information.

Mr. SYMINGTON. Will the distinguished Senator not agree also that there was no justification for the classification of this information?

Mr. McCLELLAN. I do not think there was any justification whatever for it. I think the American people are entitled to know what kind of trade our allies, whom we are asked to help, are carrying on.

Mr. SYMINGTON. Can the Senator reach any other conclusion than this information was classified in order to prevent the truth from getting to the American people?

Mr. McCLELLAN. It has that effect. It prevents the truth from getting to the American people.

The PRESIDING OFFICER. The report, together with the minority views, will be received and printed.

WORK OF SUBCOMMITTEE ON REORGANIZATION OF THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. President, 12 of the 20 reports of the Second Hoover Commission—the Commission on Organization of the Executive Branch of the Government—were referred to the Subcommittee on Reorganization of the Committee on Government Operations, of which I have the privilege of serving as chairman.

Fifty-five of the one-hundred-odd bills introduced in the Senate during the 84th Congress to implement the Hoover Commission's recommendations were referred by the Committee on Government Operations to the Subcommittee on Reorganization, which has the major responsibility for reorganization legislation in the Senate.

I am glad to report to Members of the Senate that the subcommittee has acted upon 32 of these bills. After consolidations to eliminate duplications, the Main Committee on Government Operations, of which my distinguished colleague, the senior Senator from Arkansas [Mr. McCLELLAN] is chairman, has reported favorably 12 reorganization measures incorporating the bills the subcommittee acted upon. All 12 of these bills have been approved by the Senate; 8 have also passed the House of Representatives and 5 have become public law.

Mr. President, I should like to take this opportunity to express my grateful appreciation to my colleagues on the Subcommittee on Reorganization who have been responsible for this outstanding program on the Hoover reports: Senator HUMPHREY of Minnesota, Senator SYMINGTON of Missouri, Senator WOFFORD of South Carolina, Senator SMITH of Maine, Senator COTTON of New Hampshire, and Senator MARTIN of Iowa, as well as all the Members of the Committee on Government Operations who have cooperated so splendidly with us in this important work.

I also express my appreciation to the majority leader [Mr. JOHNSON of Texas] for the assistance he has given us in securing passage of the legislation.

I should also be remiss if I did not take this occasion to commend the staff of the full Committee on Government Operations, which has labored so diligently in processing this legislation through the Senate. I refer especially to Mr. Scull, Mr. Shriver, Mr. Nobleman, and Mrs. Keeney, who rendered very valuable service.

The Subcommittee on Reorganization has acted upon 32 Hoover Commission bills during the 84th Congress.

On the recommendation of the subcommittee, the Senate Committee on Government Operations has reported favorably upon 12 Hoover Commission bills into which the subcommittee consolidated the 32 bills upon which it acted.

Mr. President, I ask unanimous consent that a list of the bills upon which

the subcommittee has taken action be printed in the RECORD at this point as a part of my remarks.

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

Bill	Sponsor	Subject	Status
S. 613 H. R. 2576	McClellan	To extend the Reorganization Act of 1949, as amended, to June 1, 1957.	Public Law 16, 84th Cong., 1st sess.
S. J. Res. 21 H. J. Res. 157	Humphrey (et al.)	To establish a 12-member bipartisan Commission on Government Security.	Public Law 304, 84th Cong., 1st sess.
S. 1806 H. R. 7025	McClellan	To authorize the Comptroller General to relieve accountable officers of the Government of financial liability in certain instances.	Public Law 334, 84th Cong., 1st sess.
S. 1927 H. R. 7034	do	To provide permanent authority for the relief of Army, Navy, Air Force, and Marine Corps disbursing officers of accountable liability in certain instances.	Public Law 365, 84th Cong., 1st sess.
S. 2364 H. R. 6091	Kennedy	To centralize records management in the General Services Administration.	Passed Senate July 30, 1955. Do.
S. 2591 H. R. 6568	do	To centralize disposal of surplus property in the General Services Administration.	
S. 3362 H. R. 9593	Kennedy (et al.)	To expedite payments of certified claims where appropriations have lapsed.	H. R. 9593. Passed Senate June 20, 1956. Passed House [1] June 5, 1956.
S. 3693 H. R. 7227	do	To authorize donation of surplus property for civil defense purposes.	Public Law 655, 84th Cong., 2d sess.
S. 3897 H. R. 11526	do	To revise budgeting, accounting, and appropriations processes.	S. 3897. Passed Senate June 20, 1956. H. R. 11526. Passed House July 13, 1956.
S. 2668 H. R. 7855	McClellan	To extend authority to dispose of surplus property by negotiation to July 31, 1958.	H. R. 7855. Passed Senate June 18, 1956. Passed House Aug. 2, 1955.
S. 3768	do	To include the Department of Health, Education, and Welfare in sec. 158 of the revised statutes.	Passed Senate June 14, 1956.
S. 4076	do	To authorize appointment by the President of legal officers of certain executive departments.	Passed Senate July 13, 1956.

[1] House amendments agreed to in conference July 13, 1956.

Mr. KENNEDY. With this start, we may look forward to continued progress during the next Congress on implementation of those Hoover Commission recommendations which prove justified in the interest of efficiency, economy, and better management of governmental affairs.

Altogether, the subcommittee, during the 84th Congress, considered 55 bills, resolutions, and other proposals relating to the Second Hoover Commission's reports.

Action at the current session was deferred upon 5 bills because their objectives either have been or may be implemented through administrative action, upon 12 bills because the executive agencies affected either were opposed or unable to determine their positions on controversial reorganization issues, and upon 6 bills which were referred to other congressional committees which had primary jurisdiction over the legislation proposed.

The most significant action by the 84th Congress on the Hoover Commission reports was passage by the Senate on June 20, 1956, on recommendation of the Committee on Government Operations, of S. 3897, providing for improvements in budgeting, accounting, and appropriation procedures regarded as the most important developments in the Government's financial structure in a decade or more. An amended bill passed the House of Representatives July 13, 1956.

Sponsored by 32 Members of the Senate from both sides of the aisle, S. 3897 would place the entire governmental financial structure on an annual accrued expenditures basis by requiring that budgets be based upon actual costs, the agency accounts be maintained on an annual accrual basis, and that appropriations be related directly to expenditures each fiscal year. Most authorities regard these as the most important of all the Hoover Commission's recommendations to the Congress.

The bill has the unqualified endorsement of the Hoover Commission, the major financial officers of the Government—the Director of the Bureau of the Budget, the Comptroller General of the United States, and the Secretary of the Treasury—and of the President of the United States, who in a special message to the Congress on May 10, 1956, urged early enactment of appropriate legislation in this field.

In addition to providing substantial savings, the determination of appropriations on an expenditures basis would eliminate or substantially reduce the tremendous carryovers of unexpended balances now estimated to amount to $74,600,000—statement by Senator HARRY F. BYRD in the CONGRESSIONAL RECORD of June 20, 1956, page 10633—and over which the Congress has little or no annual control once the appropriations are made.

Other Hoover Commission proposals of significance upon which the subcommittee took favorable action during the 84th Congress, indicated by the tabulation above, include: First, extension of the Reorganization Act of 1949, which empowers the President to submit reorganization plans to the Congress; second, establishment of the Commission on Internal Security, which is reviewing the Government's complicated security program; third, centering of responsibility for the disposal of surplus property throughout the Government in the General Services Administration; fourth, authorizing the General Accounting Office to expedite the payments of certified Government claims where appropriations have lapsed with an estimated annual savings of approximately $1 million; fifth, coordination of the Government's $4 billion records-management program throughout the executive branch by the General Services Administration; sixth, authorizing the donation of surplus Government property for State civil defense purposes; seventh, extending the Government's authority to dispose of surplus property by negotiation to July 31, 1958; and, eighth, authorizing appointments of the chief legal officers of various executive departments by the President of the United States.

The subcommittee disapproved two measures during the 84th Congress—a proposal to create a position of Administrative Vice President in the White House and Reorganization Plan No. 2 of 1956, which would have separated the Federal Savings and Loan Insurance Corporation from the Home Loan Bank Board, neither of which was in accord with the Hoover Commission's Reports. The House of Representatives rejected Reorganization Plan No. 2 on July 5, 1956.

The subcommittee also considered Reorganization Plan No. 1 of 1956 submitted by the President on May 16, 1956, which provided for the creation of an Assistant Secretary for research in the Army, Navy, and Air Force, but took no action since the House of Representatives rejected plan No. 1 on July 5, 1956.

It is my hope that during the next session of Congress the subcommittee will continue to consider these matters. However, I believe that on the measures which have been referred to the subcommittee an excellent start has been made, because the proposals embodied in them and referred to the subcommittee have either been passed or, if not passed, referred to other committees, or carried out through administrative action.

CUSTOMS SIMPLIFICATION ACT, 1956

The Senate resumed the consideration of the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930, and to repeal obsolete provisions of the customs laws.

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

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

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bricker	Case, S. Dak.
Allott	Bridges	Chavez
Anderson	Bush	Clements
Barrett	Butler	Cotton
Beall	Byrd	Curtis
Bender	Capehart	Dirksen
Bennett	Carlson	Douglas
Bible	Case, N. J.	Duff

Dworshak	Johnson, Tex.	Neely
Eastland	Johnston, S. C.	Neuberger
Ellender	Kefauver	O'Mahoney
Ervin	Kennedy	Pastore
Flanders	Kerr	Payne
Frear	Knowland	Purtell
Fulbright	Kuchel	Robertson
George	Laird	Russell
Goldwater	Langer	Saltonstall
Gore	Lehman	Schoeppel
Green	Long	Scott
Hayden	Magnuson	Smathers
Hennings	Malone	Smith, Maine
Hickenlooper	Mansfield	Smith, N. J.
Hill	Martin, Iowa	Sparkman
Holland	Martin, Pa.	Stennis
Hruska	McCarthy	Symington
Humphrey, Minn.	McClellan	Thye
	McNamara	Watkins
Humphreys, Ky.	Millikin	Welker
	Monroney	Wiley
Ives	Morse	Williams
Jackson	Mundt	Wofford
Jenner	Murray	Young

Mr. CLEMENTS. I anounce that the junior Senator from Texas [Mr. DANIEL] is absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. POTTER] is absent by leave of the Senate on official business as a member of the American Battle Monuments Commission.

The PRESIDENT pro tempore. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. WOFFORD].

Mr. WOFFORD. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of the time on this amendment, if the minority leader will do likewise.

Mr. KNOWLAND. Mr. President, how much time remains?

The PRESIDENT pro tempore. The Senator from South Carolina has 13 minutes, and the opposition has 13 minutes. Each side has 13 minutes on the amendment.

Mr. WOFFORD. Mr. President, I yield 2 minutes to the Senator from North Carolina [Mr. ERVIN].

Mr. ERVIN. Mr. President, I urge the adoption of the amendment offered by the junior Senator from South Carolina. The amendment merely provides that there can be no reductions in tariffs beyond those authorized by the Reciprocal Trade Agreements Act. It seems to me it is a fair and just amendment, and should be adopted by the Senate, if the Senate thinks it has the duty to offer protection to American industry.

Mr. SALTONSTALL. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I yield.

Mr. SALTONSTALL. Is it the opinion of the Senator that if the duty on an article under the Reciprocal Trade Agreements Act has been reduced to the lowest point to which it is possible to reduce it, the text of this bill would not apply?

Mr. ERVIN. That would be true if the amendment under consideration were adopted.

In other words, the amendment provides, in effect, that there shall be no reduction below the point authorized by the Reciprocal Trade Agreements Act.

Mr. SALTONSTALL. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, this amendment would exempt from the customs simplification procedure all articles which were the subject of tariff-rate reductions under the authority contained in H. R. 1, passed by the last Congress, and those included in the recent Japanese trade agreement.

The Treasury believes the result would be to eliminate from the operation of the act and the benefits to be derived from the act some 10 percent or more of all ad valorem entries and would result in a serious emasculation of the simplification to be derived from the bill.

Furthermore, this is not a tariff-reduction bill, but a customs procedural-simplification bill. Therefore, any special consideration to items which have been the subject of recent trade agreement negotiations would be undesirable and would seriously undermine the entire purpose of the act.

I hope the amendment will be defeated.

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

Mr. KNOWLAND. I yield.

Mr. GORE. If the bill under consideration should operate in practical application to increase slightly the duty on some item and to decrease slightly the duty on other items, as the case may be, and the Senate should adopt an amendment which would prevent its operation with respect to any item which would be reduced, would it not, in fact, make the bill a bill to increase tariffs?

Mr. KNOWLAND. I believe the Senator is correct in this instance.

SEVERAL SENATORS. Vote! Vote!

Mr. WOFFORD. Mr. President, I again ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time on condition that the Senator from South Carolina will do likewise.

Mr. WOFFORD. I yield back my remaining time, Mr. President.

The PRESIDENT pro tempore. All time having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina [Mr. WOFFORD].

The amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Florida [Mr. SMATHERS] has an amendment to offer.

Mr. SMATHERS. Mr. President, I call up my amendment, designated 7-16-56—6, offered on behalf of my distinguished senior colleague [Mr. HOLLAND] and myself.

The PRESIDENT pro tempore. The amendment offered by the Senator from Florida for himself and his colleague will be stated.

The CHIEF CLERK. It is proposed at the end of the bill to insert the following new section:

SEC. 8. Paragraph 219 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par 219) is amended by striking out the last proviso thereof (relating to packing of imported glass).

Mr. SMATHERS. Mr. President, the only purpose of this amendment is to repeal those provisions of paragraph 219 of the Tariff Act of 1930, which require that certain glass imported in boxes must be packed in units containing 50 square feet or multiples thereof. This is an old-time packing requirement which I am advised does not now assist the official handling of glass imports and the removing of it is in line with the general movement for customs simplification.

Basically the complaint is that import firms find that to comply with this provision of law requires extra labor and expense in the repacking of glass strips before distributing such glass to the users. Interested Government agencies such as the Departments of Labor, Treasury, Commerce, and the United States Tariff Commission have no objection to this amendment. As a matter of fact the United States Tariff Commission stated that the provision in existing law serves no useful purpose in simplifying customs administration to the extent that it requires packing of glass in boxes in units not conforming to trade practices which constitutes an unnecessary burden on the importing trade.

I hope that the chairman will see fit to accept this amendment to the pending legislation.

Mr. BYRD. Mr. President, I am willing to take the amendment to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the junior Senator from Florida [Mr. SMATHERS] for himself and the senior Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

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

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator in charge of the bill a question.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Massachusetts for that purpose.

Mr. SALTONSTALL. I address the question to the Senator from Virginia [Mr. BYRD] who is in charge of the bill.

It is my understanding that under an amendment proposed by the committee to section 6 there can be no further reduction in the tariff on any commodity by more than 5 percent in any single year; and that if the effect of the bill would be to reduce the duty by more than 5 percent, then the tariff would be frozen at its present rate.

Mr. BYRD. The Senator is correct. Present methods of valuation would be frozen for 4 years. Then, before it could become operative, any reduction in excess of the 5 percent would have to be voted by Congress.

First, the tariff is frozen for 5 years. Then, before it can become operative in any case where the valuation is lowered by more than 5 percent, Congress must approve each individual item.

Mr. SALTONSTALL. So as one who is interested in textiles and the problem presented by the importation of textiles, is my understanding correct that the bill

will have no effect on the present tariff rates?

Mr. BYRD. That is, assuming the valuation of textiles is not reduced by more than 5 percent.

Mr. SALTONSTALL. Assuming that the valuation is not reduced by more than 5 percent.

Mr. BYRD. That is correct.

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

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Maine.

Mr. PAYNE. Can I be assured that the cotton and woolen industry and the textile machinery industry, which is suffering at the present time, will encompass no difficulty simply by reason of the passage of the bill?

Mr. BYRD. There can be such assurance only provided that there is a reduction of more than 5 percent. If there is a reduction of more than 5 percent, then the rate is frozen for 5 years; and, as I have just explained to the Senator from Massachusetts, at the end of 5 years, in order to become operative under the bill. Changes in valuation greater than 5 percent would have to be passed by Congress affirmatively.

Mr. SALTONSTALL. But could there be a reduction of 4.9 percent?

Mr. PAYNE. Could the industry be damaged by such a reduction?

Mr. BYRD. It could be damaged slightly if the reduction in valuation was less than 5 percent.

Mr. JOHNSON of Texas. Mr. President, the Senator from Maine [Mr. PAYNE] has been very diligent in this matter. I spoke with him about Senate Resolution 236, which directs the Tariff Commission to make an immediate study in this field and to report forthwith.

It is the thought of the members of the committee who reported the pending bill that if the resolution is adopted, it will considerably expedite matters at the Tariff Commission, and perhaps very substantially relieve a distressed industry.

I have discussed the matter with the minority leader, the distinguished Senator from California [Mr. KNOWLAND]. We are prepared at the appropriate time, and at the convenience of Senators, to have the resolution called up. We both express the hope and, I think, the belief—if I am incorrect, the Senator from California can correct me—that the resolution can be agreed to shortly.

Mr. PAYNE. I appreciate the Senator's assurance very much.

Mr. JOHNSON of Texas. I deeply appreciate the interest of the Senator from Maine for having given me that information. He has been quite persistent and diligent, and, of course, always courteous.

Mr. President, I yield myself as much time on the bill as may be necessary to enable the Senator from Maine to conclude his questioning.

Mr. PAYNE. I merely wish to ask one additional question.

At present, according to the statements, textiles would not come under this provision. Am I correct in that understanding?

Mr. BYRD. If there is a valuation reduction of 5 percent or more, they will not be affected. There are a number of different classifications of textiles. I think perhaps there are a thousand or more.

Mr. PAYNE. About 720.

Mr. BYRD. That is correct. I remember that was the number mentioned when the Senator submitted his resolution.

If in any classification the duty is decreased in excess of 5 percent, it will not be affected; the rate will be frozen for 4 years. Then the valuation cannot be reduced unless and until there has been a vote on the specific item by Congress.

Mr. PAYNE. As I understand the provisions of the bill, there is no manner in which an industry which might suffer under it will have any relief under either the peril point or the escape clause provisions, through the Tariff Commission. Is that correct?

Mr. BYRD. I think it is probably correct, insofar as the simplification bill is concerned. But such an industry will still have that avenue open under the escape clause, if they appear to be injured.

Mr. PAYNE. The Senator from Virginia assures me that in his own mind the measure is a good one.

Mr. BYRD. That is saying a great deal. All I can say is that it is the best measure we could devise for the simplification of customs procedures. I do not endorse every single item in the bill.

Mr. SALTONSTALL. Is it true, under the resolution submitted by the Senator from Maine, that if the Tariff Commission makes some changes in the tariffs, the bill would not in any way affect those changes or the ability of the Tariff Commission to make changes?

Mr. BYRD. That is correct. Items imported into this country on an ad valorem basis will have the foreign value placed upon them. That is the value in the country from which the items are exported to us.

The bill bases the valuation on the export price. It is much simpler to have importations into this country based on the export price than it is to go to the foreign countries and ascertain what the foreign price is. This legislation may lower the valuation on a few items, but 91 percent of the imports on an ad valorem basis were not affected.

Mr. SALTONSTALL. Does the Senator believe that the duty on any of the 720 textile items will be lowered, so far as he knows?

Mr. BYRD. Not so far as I know. There may be some items among the 720 classifications on which the valuation will be lowered. But if the reduction exceeds 5 percent, the rate will be frozen for 5 years, and a reduction cannot be made operative until it has been approved by Congress.

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

Mr. JOHNSON of Texas. Mr. President, will the Senator from Connecticut permit me to have an amendment called up, so that it will be possible to yield time on each side? Then I will yield to the Senator from Connecticut as much time as he may need.

Mr. President, I ask the Senator from Delaware if he will call up his amendment, so that time may be allotted to each side.

Mr. FREAR. Mr. President, I submit an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 18, line 5, it is proposed to substitute "a list" for the word "lists."

On page 18, line 8, delete (1).

On page 19, line 9, beginning with the word "and" strike out through the word "list" in line 10.

On page 19, after line 12, delete all language down to page 21, line 5.

On page 21, line 5, substitute the word "the" for the word "each."

On page 21, line 15, delete (1).

On page 21, line 17, delete all language after the word "Act."

Mr. JOHNSON of Texas. Mr. President, if the Senator fom Delaware will permit me to do so, I shall yield two minutes to the Senator from Connecticut in opposition to the amendment.

Mr. BUSH. I desire time only for the purpose of asking the Senator from Virginia a question.

On page 11, line 15, I find the following:

> In any action relating to tariff adjustments by executive action, including action taken pursuant to section 350 of the Tariff Act of 1930, as amended—

And I presume that that means this very amendment—

> The United States Tariff Commission and each officer of the executive branch of the Government concerned shall give full consideration to any reduction in the level of tariff protection which has resulted or is likely to result from the amendment of section 402 of the Tariff Act of 1930 made by this act.

So the point is that the amendment does not deprive industries from protection under the escape clause of the Trade Agreements Act

Mr. BYRD. That is correct.

Mr. BUSH. I wanted to understand that clearly.

Mr. BYRD. That is clearly understood. Any change which may be made under the bill would be taken into consideration when the application is made under the peril point or escape clause, as covered specifically in subsection E, page 11.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. As I understand, the purpose of the bill is to simplify the methods of customs operation. The bill does not change any fundamental tariff law.

Mr. BYRD. That is correct. It was never intended to bring about any change in the tariff law. It was simply designed to protect certain limited categories from a reduction in protection because of the change from the foreign value to the export value.

Mr. SALTONSTALL. So all the responsibilities lodged in the Tariff Commission and all the other parties taking executive action are not affected in any way at all?

Mr. BYRD. No the escape and peril point clause are preserved.

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

Mr. BYRD. I yield to the Senator from Connecticut.

Mr. BUSH. The report speaks of the average being about 2 percent. Are there any items of a very large nature affected?

Mr. BYRD. There are a few items as high as 10 or 15 percent, but they are protected by the saving clause I have been discussing. There can be no reductions above 5 percent. That is the maximum reduction that can take place under the bill. If the reductions are over 5 percent, they are put in a special class, and for 4 years they remain under the old system.

Mr. BUSH. Foreign value or export value, whichever is higher?

Mr. BYRD. They remain in that category for 5 years, and at the end of 5 years, there must be action by Congress with respect to those particular items before there can be further reductions.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. JOHNSON of Texas. I yield the Senator 1 additional minute.

Mr. BUSH. I thank the Senator from Texas.

Sometimes these averages are a little surprising, or almost disillusioning. I know in the case of cotton textiles it has been asserted that imports from Japan amount to only 1 percent or less of what the American market is or what our own production is. Yet in some items such as velveteen or gingham, the importation is as high as 60 percent. I wanted to be sure there is not contained in this proposed legislation any hazard of that nature to any American manufacturer. Is the Senator in a position to give me such assurance?

Mr. BYRD. The point the Senator from Connecticut has raised is one that seriously concerned the committee. In other words, we cannot go by the average; we have to go by each product. We protected such an eventuality by providing that there could not be a reduction of more than 5 percent, and if products fall in that category, they would come under the dual system of valuation, and after 4 years, Congress itself would have to act to put such products under the provisions of the bill.

Mr. PASTORE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Rhode Island, so he may ask questions of the Senator from Virginia.

Mr. FREAR. Mr. President, is the Senator from Texas yielding my time or his own time?

Mr. JOHNSON of Texas. I am yielding time in opposition to the amendment. If the Senator prefers that I yield his time, I shall be glad to do so. I thought I was doing him a favor by yielding the time which is in charge of the opposition.

Mr. FREAR. I appreciate that.

Mr. PASTORE. I should like to read two short telegrams and a letter as a preface to my question. The first is a telegram from the Bristol Manufacturing Corp., which reads:

BRISTOL, R. I., *July 11, 1956.*

Hon. JOHN O. PASTORE,
United States Senate:

Rubber footwear industry exposed to danger generally by provisions of section 2 of H. R. 6040, customs simplification bill now before Senate. Our industry particularly threatened by provisions of paragraph F of section 2 covering "definitions." Entire section 2 should be eliminated from bill if industry is to be protected. We urge your assistance in securing elimination of section 2.

WILLIAM H. SMITH,
President, Bristol Manufacturing Corp.

I have another telegram which reads:

PROVIDENCE, R. I., *July 16, 1956.*

Senator JOHN O. PASTORE,
Senate Office Building:

We understand customs simplification bill 6040 will come to the floor this week and if passed will greatly reduce the protection of our jobs. We plead for your aid and assistance in having deleted from the bill section 2F and as much else of section 2 as possible to protect our jobs in which we are skilled only and which we need badly.

ELVIRO LOSTACCO,
President, Providence Rubber Workers Union, Local 21172.
PROVIDENCE.

I also have a letter from the George C. Moore Co., signed by H. F. Moore, treasurer, which reads:

GEO. C. MOORE CO.,
Westerly, R. I., July 12, 1956.

Senator JOHN O. PASTORE,
The United States Senate,
Washington, D. C.

DEAR SENATOR PASTORE: We understand that the customs simplification bill, H. R. 6040, amendment to section 2: Valuation, is coming up for a vote very shortly. We wish to urge you very strongly to vote against that amendment to section 2.

We are already feeling seriously the effects of imports of elastic webbing and elastic braid to the extent that we are having to slow down our production in our Rhode Island, Tennessee, and Alabama plants.

If this amendment to section 2 is passed then it would make the situation still worse for then the valuation which as it now stands takes the highest of either foreign value or export value as the dutiable value, the present method usually takes the foreign value which is almost always higher than the export value, and if this new amendment to section 2 goes through it will take the lower or the export value and hurt still further.

Therefore, we cannot urge you too strongly, for the protection of the workers in your State, to vote against that amendment to section 2, H. R. 6040.

Also, something must be done to eliminate some of the imports of textiles, both woven webbing and elastic braid, that are coming in from countries where the labor is so much less than in the United States.

Please act on this amendment to section 2 on H. R. 6040 and also bear in mind that something must be done to take care of the textile situation here in the United States, otherwise we are going to lose all of our textile business to low-wage countries; there is no alternative. The tariff should be such so as to equalize the wage structure in these various countries, and if that is taken care of by a tariff then we can meet competition ourselves, but we cannot attempt to compete where the wage scale is so far below our wage scale. Please give this serious consideration.

Very truly yours,
GEORGE C. MOORE CO.,
H. F. MOORE, *Treasurer.*

I should like to ask the distinguished Senator from Virginia if anything he has mentioned in explanation of section 2 is calculated to reassure the workers and manufacturers of Rhode Island that what has been stated in the telegrams and letters will not occur?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. Will the Senator from Texas yield me 2 more minutes, so that the Senator from Virginia may answer the question?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Rhode Island.

Mr. BYRD. I think the constituents of the Senator from Rhode Island are overapprehensive. There will be some reduction in tariffs on certain categories of articles, but not as much as is generally thought. As I have just explained, it is provided in the bill by an amendment which was offered at the end of the consideration of the bill, in order to afford protection to industries, that there can be no reductions in excess of 5 percent, and that if commodities fall in that category the particular items will be put in a special class and will continue under the provisions of the existing legislation, which provides for two levels of valuation, for 4 years. Even at the end of the 4 years the provision in the bill cannot be made operative as to the particular item, where there would be reductions in excess of 5 percent except by specific act of Congress.

The committee tried to safeguard the situation in every possible way.

There is a need for simplification of customs. They are very complicated. Whenever foreign prices are considered, we have to send agents abroad to ascertain what the foreign prices are. It is a very difficult thing to do considering the great number of items involved.

Mr. PASTORE. If I understand the Senator, there would have to be an act of Congress in order to put into effect a reduction in excess of 5 percent.

Mr. BYRD. That is correct. For 4 years a freeze would be in effect.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I wonder if the Senator from Delaware, who has been courteous enough to yield, will ask his questions and make his statement at this time?

Mr. FREAR. Mr. President, under existing legislation, the primary basis for customs valuation purposes in the case of "ad valorem" duties is a yardstick based on the higher of two bases, foreign value on the one hand and export value on the other. The first basis is the wholesale market value of the merchandise in the domestic market of the country of export. The second basis is the export value of the merchandise at the time of exportation to the United States. This export value is not related to the export value of the same merchandise to any other countries.

The witness for the Treasury Department, Mr. Chapman Rose, stated in his testimony before the committee that the major purpose of H. R. 6040 is to improve the customs procedures on valuation. According to the bill, this is to be accomplished by eliminating foreign value as a basis of appraisement, thus leaving export value as the primary basis of valuation; that is, value for export to the United States only, and bare of any controlling relationship to any other basis of valuation.

Information has been given in the past to the committee through the House Committee on Ways and Means of the rather broad practice of dual and even multiple pricing systems by foreign countries.

I should like to ask the chairman of the committee or some other member of the committee a few questions about the bill. Should I address my questions to the Senator from Florida [Mr. SMATHERS]?

Mr. SMATHERS. Yes.

Mr. FREAR. What assurance or guaranty has the Treasury Department given the Senate committee that foreign sellers are not going to establish special lower prices for exports to the United States than their going rates for exports to other countries?

Mr. SMATHERS. Mr. Chapman Rose, in his testimony, stated the following before the committee:

> I also believe that this trial period will demonstrate that use of the new valuation principles will result in a more realistic basis of appraisement which will not encourage dual pricing practices or any other form of unfair competition in trade with the United States.

Mr. BUSH. Mr. President, will the Senator from Delaware permit to ask a question in support of his question?

Mr. FREAR. Yes, although I think perhaps it would be better if the Senator from Connecticut would permit me to continue with my questions.

Mr. BUSH. The question I have in mind is directly in line with the question asked by the Senator from Delaware.

Mr. FREAR. Very well; I yield.

Mr. BUSH. I should like to ask the Senator from Florida this question: But is it not true that in the event described by the Senator from Delaware, the antidumping act would come into play, and there would be cause for action under that legislation?

Mr. FREAR. I plan to take up that point later on.

Mr. SMATHERS. The answer to the question of the Senator from Connecticut is that the witness from the Treasury Department stated that the Department was going to be very diligent and faithful in enforcing the provisions of the antidumping act, to see that there was no dumping. That was a question which naturally arose in the minds of many members of the committee. We were assured that they would positively and diligently carry out the provisions of that act.

Mr. FREAR. Is it correct to say that the witness for the Treasury Department in his testimony to the committee and in his written answers to the written questions sent to him by the Senator from Virginia [Mr. BYRD], the chairman of the committee, and included in the record, made statements to the effect that foreign sellers of merchandise to the United States can manipulate their trading practices so as to create artificial conditions in the trade in a particular product, so as to shift the valuation basis to a more favorable standard?

Mr. SMATHERS. It is correct to say that the witness for the Treasury Department in his testimony to the committee and in written answers to the questions sent to him by the Senator from Virginia [Mr. BYRD], the chairman of the committee, and made a part of the record, made statements to the effect that foreign sellers of merchandise to the United States can manipulate their trading practices so as to create artificial conditions in the trade in a particular product, so as to shift the valuation basis to a more favorable standard.

So the answer to the question is "Yes"; it could be done to an extent.

Mr. FREAR. Is not that particularly true for those values established by foreign trading practices abroad, such as "foreign value" and "export value," and where our customs authorities have only the remotest control?

Mr. SMATHERS. That could be so presumed.

Mr. FREAR. Why should the control of values for United States customs purposes be in the hands of foreign businessmen, instead of within the immediate reach of our customs authorities?

Mr. SMATHERS. As a matter of fact, I did not attend all the sessions of the committee, and I do not know that that particular matter was discussed at the committee hearings.

However, I may say, for the benefit of the Senator from Delaware, that if we should follow the practice of using the export price set in the United States—instead of using the foreign price which is set or the export price which is set in foreign countries—of course, we would know about it.

Mr. FREAR. Yes. I agree with the Senator from Florida that I could not find any testimony by the Treasury Department's witness about that, either. However, in his written replies to the questions of the Senator from Virginia [Mr. BYRD], Mr. Chapman Rose, the Treasury Department witness, made the point "that protection of domestic industry is not a proper function of customs procedures."

That is correct, is it not? Did not Mr. Rose make that statement?

Mr. SMATHERS. I think that, technically speaking, he did make such a statement. But, on the other hand, I think it is only fair to explain that the members of the committee were particularly concerned about any detriment which might result to any of our own industries; and we felt an obligation to try to protect those industries.

Although Mr. Chapman Rose himself said it was not his particular duty—and I do not suppose it is—nonetheless, we were concerned about it, and we think that in this bill there is protection for our industries.

Mr. FREAR. But the Senator from Florida has stated that Mr. Rose did say exactly that—as taken from his testimony—namely:

> That protection of domestic industry is not a proper function of customs procedures.

Mr. SMATHERS. The Senator from Delaware has a copy of the hearings; and if he says that is what the witness said, I am satisfied that that is what he said.

Mr. FREAR. For the RECORD, let me say that is shown on page 39 of the hearings.

Mr. SMATHERS. Very well.

Mr. FREAR. By the same line of thought, is it not reasonable to say that the reduction of protection of domestic industry is not a proper function of customs procedures?

Mr. SMATHERS. If one followed that thought originally, he would have to say that was a logical thought; yes.

Mr. FREAR. If that is so, is it not inconsistent that the witness who made the first statement should be the same person who originally submitted the so-called simplification proposals which, in his own recognition, would result in substantial reductions in the case of certain articles.

Mr. SMATHERS. The Treasury Department amended the original proposal, so that no article would be faced with a decrease of 5 percent or more in the appraised value.

Mr. FREAR. In the Trade Agreements Act of 1955, did not Congress authorize the President of the United States to negotiate agreements with foreign countries to obtain concessions in foreign tariff schedules, against concessions in the United States import tariff schedule, in three annual stages, not exceeding 5 percent each?

Mr. SMATHERS. The Senator from Delaware is correct.

Mr. FREAR. Were not such reductions subject to all the safeguards provided for in the Trade Agreements Act of 1934, as amended—such as "peril point" determinations or recourse to the "escape clause" or the "national defense" provisions?

Mr. SMATHERS. The Senator from Delaware is correct.

Mr. FREAR. The Treasury Department is again asking in this bill for permission to reduce duties, this time by reduction of values for customs purposes, by a maximum of 5 percent; is that true?

Mr. SMATHERS. The Treasury Department is seeking enactment of this bill, but not for the purpose of bringing about a reduction in tariffs. It is possible that in the simplification of the customs procedures, a reduction in tariffs could occur, but not to exceed 5 percent.

Mr. FREAR. But the reduction of values would be made for customs purposes; would it not?

Mr. SMATHERS. For the purpose of simplifying customs procedures. As the Senator from Virginia [Mr. BYRD] has pointed out, we are going to take a price that is fixed by, let us say, an importer here, rather than a price fixed in the domestic market in a country where the article is manufactured.

Mr. FREAR. Of course, there are some differences of opinion as to whether

this is a simplification bill or a complication bill. However, I shall proceed.

Are such reductions as those just referred to, subject to reciprocal treatment from foreign countries and subject to the safeguards provided in the Trade Agreements Act of 1934, as amended?

Mr. SMATHERS. I think the answer would be, no.

Mr. FREAR. Why is permission for reductions as great as 5 percent requested?

Mr. SMATHERS. The witness for the Treasury Department indicated that that much leeway is needed in the simplification of the customs procedures.

Mr. FREAR. Why would not 2 percent or even 1 percent provide sufficient leeway with which to make this test?

Mr. SMATHERS. The Treasury Department felt that 5 percent would give them more leeway—as it obviously would; and they did not believe it would cause any great injury. As a matter of fact, they testified there would be a loss, at maximum, of only $300,000 to the Treasury.

Mr. FREAR. The Treasury Department witness in his testimony, in reply to the questions by the Senator from Virginia [Mr. BYRD] has indicated that the trial period for this complicated process of simplification will probably last 5 years. Is that correct?

Mr. SMATHERS. That is correct.

Mr. FREAR. Should there be unforeseen delays between the periods for the establishment of each of the four lists referred to, the trial period might be extended to 6 years, and perhaps more; is that correct?

Mr. SMATHERS. That is correct.

Mr. FREAR. During those 5 or 6 years or more, two systems of valuation would be in effect, and an article might be shifted from one system to another perhaps as many as three times. Does the Senator agree with that?

Mr. SMATHERS. That could be the case. It is a possibility. I do not know whether it is a probability, but it is a possibility.

Mr. FREAR. This on-again, off-again character of the list would make it impossible for an importer to know from one year to another, for 6 years, perhaps, under what system duties on his imported article might be assessed. Would this be in favor of expansion of trade? Would it not create great confusion both at home and abroad?

Mr. SMATHERS. The Treasury Department witnesses did not think so; nor did the majority of the members of the Senate Finance Committee think so.

Mr. FREAR. It is not clear in the bill which system of valuation would apply to articles imported during the trial period, and which were not imported during the basic period, that is, the year 1954. Where would they be listed?

Mr. SMATHERS. The bill does not say. I presume the listing is a matter of experimentation. I assume the administrators will make one basic list, and add each year to that particular list.

Mr. FREAR. I must agree with the Senator. I believe it is a matter of experimentation.

The magnitude of the task of recomputing all the ad valorem customs entries at all the ports of entry in the United States would seem to be monumental, but nothing is said of the load placed on American business by the burden of proving that an important article should be placed on the list if it has not been placed there by the Treasury Department. To do this, the individual must know that the article has been imported during the period between the two lists. Where does he get that information, and how can he learn the basis of assessment and the value determined?

Mr. SMATHERS. I believe that question was asked of the Treasury Department, and I think the Senator from Delaware may remember better than I do what the answer was.

Mr. FREAR. In the testimony given by the Treasury witness, on page 41, I believe, of the hearings, he said:

> It is doubtful if domestic manufacturers, producers, or wholesalers would have information available.

One would think that the witness, because of his admitted familiarity with the customs field, would know that by existing regulations such information can be disclosed only to the importer of record, and that it has never been available to the public. Let me ask the Senator how much time after publication of the tentative list the domestic industry would have to send in its comments?

Mr. SMATHERS. Sixty days.

Mr. FREAR. The only official source of information relative to imports in any period is the monthly report, FT 110, published by the Bureau of the Census, and usually a month or more is required to compile and print these statistics. This might leave less than 30 days for interested parties to collect import data on which to show their reasons for believing that any given article should be added to the so-called tentative list of items which will vary 5 percent or more under the new value provisions. Where and how could an interested party obtain the necessary information as to imports and the basis on which the duty was assessed?

Mr. SMATHERS. I should say he would naturally go to the Customs officials.

Mr. FREAR. Is there provision in the bill for that?

Mr. SMATHERS. There is no provision in the bill as to where people should go to get information as to how to operate; but that would not be a matter which should be written into the bill, anyway.

Mr. FREAR. For whom is this a simplification bill—for the importer or the exporter of a foreign product?

Mr. SMATHERS. It is designed actually to improve our program of importing goods from other countries, and at the same time to help our exports.

Mr. FREAR. If detailed information relative to import entries is not available except to the importer, how can an interested party determine whether or not there is a 5 percent or greater difference in valuation?

Mr. SMATHERS. Any importer or any person interested can check the matter for himself. I do not think anyone would believe that this information with respect to the customs would be in any way secret. Anyone interested could find it out if he cared to look for the information.

Mr. FREAR. The bill provides that the Secretary shall make public four successive preliminary and final lists of imported articles which are 95—or less—percent of the average values at which such articles would have been appraised in accordance with existing value provisions. These lists from first to last will be predicated on "such investigation as he"—the Secretary—"deems necessary." Provision is made for interested parties to present to the Secretary reason to believe that articles which are not on the list should be included. Here again the bill provides that the Secretary "shall cause such investigation of the matter as he deems necessary."

No provision is made for hearings or appeal or for disclosure of the basis for his decisions. Neither is there any provision in the bill to indicate what the Secretary will accept as reason to believe that an article has been omitted or dropped by error or inadvertence. Provision is made for the Secretary to report to Congress, but no standards or requirements are set forth as to the information which should be given and published. All this is left to the discretion of the Secretary.

Since all reports are filed and all investigations and decisions are made and passed without recourse—solely on the Secretary's discretion—does this bill not ask Congress to place in the hands of one man complete unappealable discretion to administer a bill which admittedly cuts existing duties an indeterminate amount?

Mr. SMATHERS. Apparently considerable discretionary authority is granted.

Mr. FREAR. I think the bill shows that there is considerable discretionary authority.

Mr. BYRD. Mr. President, as I understand the amendment of the Senator from Delaware, he wishes to provide for 1 list instead of 4 lists. Is that correct?

Mr. FREAR. The Senator is correct.

Mr. BYRD. Is there any other change proposed by the Senator's amendment?

Mr. FREAR. That is what the amendment proposes to do.

Mr. BYRD. To provide for 1 list instead of 4?

Mr. FREAR. One list instead of four.

Mr. BYRD. I am willing to take the amendment to conference. It may be some improvement. We can consider it in conference. As I understand, the amendment has not been printed, but all it does is to provide for 1 list instead of 4.

Mr. FREAR. So that the importer can take the information from 1 list instead of 4, as to the basis for the tariff or duty.

Mr. BYRD. We will take the amendment to conference and study it.

Mr. JOHNSON of Texas. Mr. President, I yield back all the remaining time on this side, and ask for a vote on the amendment.

Mr. FREAR. I yield back all my unused time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

The amendment was agreed to.

Mr. ANDERSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. On page 21, between lines 9 and 10, it is proposed to add a new section, to be numbered section 7, to read as follows:

SEC. 7. Notwithstanding the provisions of the last paragraph under the heading "Customs Service" of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes," approved August 1, 1914 (33 Stat. 623; 19 U. S. C. 2), the State of New Mexico shall hereafter constitute a separate customs collection district with headquarters either in Deming, or Columbus, N. Mex., and such additional ports of entry as the Secretary of the Treasury may deem necessary.

It is also proposed to renumber old section 7 as section 8.

Mr. ANDERSON. Mr. President, I yield myself 2 minutes. This is an amendment which I believe the able chairman of the committee is willing to accept. It was discussed with the Finance Committee this morning.

Mr. BYRD. Mr. President, the amendment offered by the Senator from New Mexico [Mr. ANDERSON] was considered by the Committee on Finance this morning. The amendment establishes a new customs service in the State of New Mexico. Therefore, I will accept the amendment and take it to conference.

Mr. ANDERSON. Mr. President, I yield back the remainder of my time.

Mr. BYRD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Mr. BYRD. Mr. President, I have a technical amendment to propose to the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, line 18, it is proposed to strike out "(1)."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

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 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.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. President, I have listened with close attention to the questions propounded to the distinguished Senator from Virginia by some of my colleagues from New England. The Senator from Virginia answered those questions with his usual forthrightness and clarity. I was entirely satisfied with his answers, but not with the facts which the answers disclosed.

I cannot escape the conclusion that if the bill means anything, it means that there can be some detriment, even though it may only be a slight detriment, to New England industries. New England industries, like the camel's back, cannot stand any more strain, no matter how slight it may be.

Therefore, I desired to have 1 minute to indicate that when the Senate votes on the bill, I shall be compelled to vote against it.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment, which I do not intend to call up, but which I ask to have printed in the body of the RECORD at this point.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

Mr. KNOWLAND's amendment is as follows:

On page 18, beginning with line 4, strike out through line 21 on page 21 and insert in lieu thereof the following:

"SEC. 6. (a) The Secretary of the Treasury shall determine and make public a list of the articles which shall be valued in accordance with section 402a, Tariff Act of 1930, as amended by this act, as follows:

"As soon as practicable after the enactment of this act, the Secretary shall make public a preliminary list of the imported articles which he shall have determined, after such investigation as he deems necessary, would have been appraised in accordance with section 402 of the Tariff Act of 1930, as amended by this act, at average values (calculated as provided in this subsection) for each article which are 95 (or less) percent of the average values at which such article was actually appraised during the fiscal year 1956. If after the effective date of this act but after the publication of such preliminary list any manufacturer, producer, or wholesaler in the United States presents to the Secretary his reasons for belief that any articles not previously specified in such list and like or similar to articles manufactured, produced, or sold at wholesale by him would have been appraised in accordance with such section 402 at average values (calculated as provided in this subsection) which are 95 (or less) percent of the average values at which they were actually appraised, or if there was no such appraisal, the average foreign value as defined in the Tariff Act of 1930, the Secretary shall cause an investigation of the matter to be made. If the belief is confirmed by the investigation, the article or articles involved shall be added to the preliminary list. Should the investigation not satisfy the Secretary that the article or articles involved should be added to the list a public hearing shall be held to provide opportunity for interested parties to appear, to produce evidence, and to be heard. Upon the evidence produced or presented at such hearing the Secretary shall within 60 days decide whether the article or articles involved should be added to the list. The list, including any additions so made thereto within 6 months, shall be published as the first final list. Every article determined by the Secretary to be specified in the first final list and any additions subsequently made thereto shall continue to be appraised in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this act.

"The average value specified in this subsection shall be determined with respect to each article by calculating the average value for each separate country from which the article was imported. If the average value so derived with respect to the imports of the article from any country supplying not less than 10 percent of the imports during the fiscal year 1956 is found to be 95 (or less) percent of the average values at which such article was actually appraised during the fiscal year 1956, such article shall be placed on the preliminary list specified in this subsection. The average value of each article shall also be calculated for each quarter year of the fiscal year 1956 without regard to the country of origin of the importation. If the average value so derived with respect to the imports during any such quarter-year period is found to be 95 (or less) percent of the average value at which such article was actually appraised during the corresponding quarter-year period during the fiscal year 1956, such article shall be placed on the preliminary list specified in this subsection.

"(b) The first final list published in accordance with the provisions of subsection (a), together with explanatory data, shall be transmitted promptly to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. Any additions subsequently made to the first final list shall promptly be transmitted in the same manner.

"SEC. 7. This act shall be effective on and after the day following the date of its enactment, except that section 2 shall be effective only as to articles entered, or withdrawn from warehouse, for consumption on or after the 30th day following the publication of the final list provided for in section 6 (a) of this act, and section 3 shall be effective as to entries filed on or after the 30th day following the date of enactment of this act."

Mr. KNOWLAND. Mr. President, I have gone into the matter with a number of members of the committee and with the Treasury Department. Because of the fact that the bill had already been cleared by the Committee on Finance, and even though the amendment may have been helpful in meeting some of the objections to the bill, I shall not press for its adoption, but will watch the administration of the law in the months immediately ahead.

I have a brief statement to make relative to the antidumping provisions.

It has been said that passage of the customs simplification bill is going to kill the effectiveness of our antidumping law. Very few people know much about the administration of our antidumping law. When someone talks about it in sweeping generalities the rest of us have a tendency to nod our heads in agreement, and in ignorance.

What are the facts?

Dumping can occur under our law when goods are imported into the United States at a lower price than they are sold for in the country of export.

Under the present law ordinary duties are often assessed on the price to the United States—export value—or the price in the home market—foreign value—whichever is higher. When this is the case the invoice can give the tipoff as to whether there may be dumping sales. Under the new law it will no longer be necessary to compute home market price for ordinary duties. That is the reason people give for saying the

new law will kill our administration of the Antidumping Act.

What is actually going to happen?

The Treasury assures me that it will continue to require the home market price on the invoice if the customs simplification bill passes. In addition it will print on the invoice the penalties for false statements, something which has not been done up to now. Further, it will not allow exporters to avoid giving the home market price information because commercially insignificant restrictions are placed on sales in the country of export.

This being the case our Treasury officials will operate on more, not less, information under the new law, and they will operate with formal notice given of penalties for falsifying. In addition to this, they will have more time to look into possible cases of dumping. The time-consuming process of figuring out every foreign value to the last decimal point—which is necessary in the case of ordinary duties—will no longer be needed. What the officials can concentrate on now is whether there is a margin of dumping, which could be 10 percent or 20 percent or 30 percent—in spotting the case it makes no difference which. Where there is, we have a potential dumping case and where circumstances warrant it the officials can proceed to a speedy processing of the case unhampered by burdensome requirements of investigating foreign value where there is no indication of dumping.

In other words the proposed Customs Simplification Act is going to strengthen, not weaken, the administration of our Antidumping Act.

Mr. President, I will not take the time of the Senate to read a statement relative to the bill, but, instead, I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

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

STATEMENT BY SENATOR KNOWLAND

The assertion is made that the proposed legislation will have a serious effect on the amount of protection afforded to domestic industry against competitive imports. An examination of the figures and the evidence submitted to the Senate Finance Committee shows how little substance this argument has. The Treasury Department realizing that this question of protection would be the principal concern of many Members of the Congress conducted an extensive survey of imports made during the fiscal year 1954. During that year the total value of our imports amounted to $10.491 billion. Out of this amount $5.822 billion, over half, were free of any tariff duty whatsoever. Another $3.258 billion paid a specific duty, that is, a duty based upon a unit of quantity. These duties would not be affected in any way by the change in our valuation system. The remaining imports amounting to $1.411 billion were dutiable on a percentage of their value, and consequently the subject matter of this bill, H. R. 6040, revising the standards for valuation, would be applicable to this amount of imports.

Taking 1954 as a representative year, less than 15 percent of the imports into the United States will be affected in any possible way by the provisions of H. R. 6040. In the sample survey made by the Treasury Department, there were 19,908 recomputations of dutiable value for merchandise which totaled $42,157,962 under existing law. In only 3,456 of these recomputations for merchandise having a value of $9,352,354 did a lower value result. Accordingly, in only about one-sixth of the number of ad valorem entries in the sample, amounting to about one-fifth of the total value, was there any reduction in value. This means that the changes in valuation, under the original bill, would have affected only about 3 percent of the import trade of the United States.

Nevertheless in order to afford an opportunity for testing the new valuation principles without bringing about any substantial reduction in valuation for any product, the Treasury Department proposed, and the Senate Finance Committee has adopted, an amendment to the House bill which would prevent for a trial period and until Congress acts again, any single reduction in valuation of 5 percent or more. Looking again at the sample survey figures, this reduces the value of the imports in the sample survey which would be reduced in value to about $3.5 million out of a total of $42 million in the survey.

Only about 8 percent of the ad valorem imports into the United States are likely to be reduced in value under the bill. Since the ad valorem imports constitute less than 15 percent of the trade with the United States, this means that the bill as it stands will affect the duty on about 1 percent of the United States imports, and any single item in the 1 percent that will be affected will not be reduced in value by 5 percent or more.

I hope this gives some indication of the insignificance on the domestic economy of the United States of any possible valuation reduction under this measure, and should permit appropriate weight to be accorded to the claims of danger which have been made about this legislation.

Such a minute effect on valuation of imported commodities certainly should not be sufficient to outweigh the benefits in improved administration and simplification of the operations of our customs service. Moreover it has been convincingly demonstrated by the Treasury Department representatives who appeared before the Senate Finance Committee that just as much, if not greater, reductions in value are likely to take place under the existing law. This is true because in many cases a higher valuation is based upon conditions in trade in the foreign country. It is not uncommon for a smaller demand or different methods of distribution in the foreign country to result in a higher unit price for the usual wholesale quantities in the home market than in the trade with the United States. In such a situation as for example when the wholesale quantities in the foreign market are only one-tenth as big as those sold in the United States, it is not surprising to find a higher foreign value. Such a higher foreign value may be found and used by the customs service only if merchandise such or similar to that exported to the United States is freely offered to all purchasers in the usual wholesale quantities in the foreign country. Consequently it is a relatively easy matter for many foreign manufacturers or distributors to adjust their trading patterns so that a foreign value may no longer be found. The customs service must then resort to export value if one is available and this will result in a lower valuation under existing law.

Some of my friends have suggested: Well, if this is true, why not let the law stand as it is and let matters develop along this line in their own due course? There are two answers to this question. First, it does not result in simplification. The customs service as a result of a foreign value investigation may be currently assessing duty on the basis of a foreign value. If the foreign manufacturer states that in his opinion he has so changed his terms of distribution that a foreign value for customs purposes no longer exists, the Bureau of Customs has to undertake another investigation abroad either through its own men or through the consular officers of the State Department. These investigations are usually long, difficult, and costly. If the investigation develops that the foreign manufacturer is correct in his assertion, the customs service has no choice but to accept the lower export value. Customs has had to waste time and money in order to confirm that a higher duty cannot be collected. This is not the simplification which the Treasury Department is asking for and which the Customs Bureau so urgently needs.

Another objection is that this type of operation places a premium on high-priced advice. The large or wealthy manufacturer or exporter can afford to investigate these possibilities and obtain the professional advice needed to adjust his trade to get a low valuation. The small inexperienced exporter often believes he cannot afford such advice and thus he pays an additional duty based on the higher valuation which he might not have had to pay. A system of law which thus discriminates against the inexperienced should not be continued.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. LANGER. Mr. President, from the investigation I have made of the bill, I am convinced that it is a very bad bill for the people of the country, especially the people of New England. I understand there will not be a yea-and-nay vote on the bill; therefore I wish to indicate on the RECORD that I shall vote against it.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, it is quite obvious, of course, that the fundamental issue here is the concern of many people about the incidental lowering of tariffs which accompanies this simplification of customs administration. I can understand how and why that disturbs many people, particularly before the amendment adopted by the Senate Finance Committee.

Existing law makes foreign value or export value, whichever is higher, the preferred basis of customs valuation. Export value, the wholesale price in sales to the United States, is the more readily ascertainable because it may be determined from records of transactions which the Bureau of Customs sees regularly in the United States.

Foreign value, the wholesale price for home consumption in the foreign markets, relates to transactions in foreign countries and requires investigation there. This often requires long and very expensive procedure.

The making of export value the preferred basis of valuation as proposed in this bill will greatly reduce the number of investigations and simplify customs administration. It will also in some few instances result in lower valuation.

However, there can be no doubt that many such lower valuations will soon take place under existing law but without the important simplification of procedure. There are many examples of foreign exporters understanding that foreign value may not be used when it is not a completely freely offered price. For this reason, the imposition of restrictions having no commercial signifi-

cance can have the effect of forcing the appraisers to use the lower export value.

Nevertheless, to avoid any immediate material lowering of valuations under the law, the Treasury has proposed amendments which limit any individual change to less than 5 percent. Under this proposal the average reduction in value based upon 1954 figures will be 0.13 of 1 percent and the average reduction of protection only 0.02 of 1 percent.

The amendment procedure provides, as has been explained, for successive listings of articles which will continue to be valued under existing law because they will be reduced in value by 5 percent or more if appraised under the new law. This will continue for some 5 years and give the Congress the benefit of the experience under the new law not only of customs but of domestic industry in its competition with foreign shippers. Thus, in the few instances where the result might otherwise be a sudden substantial lowering of valuation, protection is afforded by way of the amendment.

Some people say that passage of H. R. 6040 would leave American industry completely at the mercy of dumping. Quite the contrary. In the first place, we have a letter of the Secretary of the Treasury to the effect that information needed to discover dumping will be obtained.

In the second place, customs will continue to determine foreign value for antidumping duty purposes but will have many, many more man-hours available for that objective than they now do when so much time must be spent on foreign value investigations.

In the third place, section 5 of the bill specifically states that nothing in it will repeal, modify, or supersede directly or indirectly any provision of the Antidumping Act of 1921. It also provides for review of the Antidumping Act and a report to the Congress within 6 months after the effective date of this act. In that report, the Secretary of the Treasury shall recommend to the Congress any amendment to the Antidumping Act which he, upon the basis of the study, considers desirable or necessary to provide for greater certainty, speed, and efficiency in the enforcement of that act.

Actually, the only real discouragement to the creation of a two-price system for exploitation of the United States market does lie in the antidumping law. The present valuation system of imposing duty based upon foreign value or export value, whichever is higher, cannot be an effective discouragement of such pricing practices even if foreign value is applicable.

Take, for example, a manufactured product which sells in the foreign country at a unit wholesale price of $100. Assume that it is dutiable at 20 percent ad valorem. The average rate of duty for all imports in the sample survey made by customs was 18.4 percent. If the foreign manufacturer thought he could take over the United States market by dumping at a wholesale price of $50 a unit, the use of foreign value as a basis of appraisement would be no deterrent. The duty based upon foreign value would be $20. The duty based upon export value would be $10. Thus, the difference between the after-duty cost would be only $10, $70 with duty on foreign value and $60 with duty on export value. This $10 difference in duty will be little, if any, discouragement to a $50 dumping margin. The real discouragement against such a practice would be the fear that a dumping duty of $50, equal to the margin of dumping, would be imposed in addition to all other duties.

I wish to say to the Senate that I have been a careful and attentive participant in the hearings and meetings of the Finance Committee on this bill and I feel that H. R. 6040 as now amended will continue fair protection for American industry and constitute a substantial simplification of customs procedures.

It is long overdue.

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

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Kansas yield to the Senator from Illinois?

Mr. CARLSON. I yield.

Mr. DIRKSEN. A good deal of concern has been expressed about the new definitions contained in the bill. Does the Senator from Kansas, who is a member of the committee, share that concern?

Mr. CARLSON. We are all concerned, more or less, about this proposed legislation, because it does go quite a long way with customs simplification However, I have every reason to believe that under the administration of the act, as I have been assured in committee—and I can give the same assurance to the Senator from Illinois—the matter will be handled in such a way as to protect American industry, without any question at all.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Wyoming [Mr. O'MAHONEY], so that he may ask questions of the Senator from Virginia [Mr. BYRD].

Mr. O'MAHONEY. Mr. President, I desire to inquire of the chairman of the Committee on Finance, or any other Senator who is familiar with the subject, whether the bill delegates any power of Congress or of the courts to the Secretary of the Treasury, either with respect to the raising or lowering of tariffs, or the changing of a court construction of provisions of law.

Mr. BYRD. In response to the Senator's question I would say that it certainly does not change anything in relation to the courts. The only change in relation to tariffs is to change the basis of valuation from a foreign value to an export value.

Mr. O'MAHONEY. Does it not authorize the Secretary of the Treasury to place new interpretations upon the present statutory language?

Mr. BYRD. Only in connection with the change in the basis of valuation.

Mr. O'MAHONEY. Do I correctly understand then that this bill delegates away from Congress and to the Secretary of the Treasury the power to redefine terms which have already been defined?

Mr. BYRD. The bill redefines the terms and directs how it is to be administered. I do not think the bill gives the executive department any power that belongs to Congress.

Mr. O'MAHONEY. I understand that one of the experts connected with the committee who has worked upon this bill has stated that the effect of this bill would be to give the Secretary of the Treasury such power if he chose to use it.

Mr. BYRD. I do not know of any expert attached to the committee who has said that. He did not tell the Finance Committee anything like that.

Mr. O'MAHONEY. I have every confidence in the Senator from Virginia. I am sure he does not want to add his prestige to a further delegation of congressional power to executive authority over the tariff. With that understanding, I accept his answer. Do I understand the Senator correctly?

Mr. BYRD. The Senator does understand me correctly. I have indicated the situation as I understand it.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN of Pennsylvania. Mr. President, I should like to ask the Senator from Virginia 2 or 3 questions.

The bill now pending is not a bill to lower tariffs, is it?

Mr. BYRD. That is not the purpose or the intention of the bill.

Mr. MARTIN of Pennsylvania. The purpose of the bill is to simplify the matter of collecting customs?

Mr. BYRD. That is correct.

Mr. MARTIN of Pennsylvania. And that is brought about by a plan of valuation?

Mr. BYRD. That is correct.

Mr. MARTIN of Pennsylvania. Is there anything in this bill having to do with what has been referred to as GATT?

Mr. BYRD. Nothing.

Mr. MARTIN of Pennsylvania. The Congress of the United States is not by this bill delegating any authority to any other agency, is it?

Mr. BYRD. It is my understanding that it does not delegate any authority to any agency.

Mr. MARTIN of Pennsylvania. Many questions have been asked the Senator from Virginia concerning textile industries. The answers he made in response to those questions, which I feel were eminently sound and fair, apply to all the other industries of our country, do they not?

Mr. BYRD. That is correct.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time if the minority leader is prepared to yield back the remainder of his time.

Mr. KNOWLAND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is: Shall it pass?

The bill (H. R. 6040) was passed.

Mr. PASTORE. Mr. President, I desire to have the RECORD show that I voted "no."

The PRESIDING OFFICER. The RECORD will so show.

Mr. WOFFORD. Mr. President, I wish to be recorded as having voted "no."

The PRESIDING OFFICER. The RECORD will so show.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider

the vote by which the bill H. R. 6040 was passed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania conferees on the part of the Senate.

Mr. BYRD. Mr. President, I move that the bill as passed by the Senate be printed with the amendments numbered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

TRUST FOR PUEBLOS OF ZIA AND JEMEZ FOR CERTAIN LANDS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 5712) to provide that the United States hold in trust for the Pueblo of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. NEUBERGER, and Mr. GOLDWATER conferees on the part of the Senate.

PRESS RELEASES ISSUED BY SECRETARY OF STATE CONCERNING USE OF CURRENCY FOR CERTAIN PROJECTS IN ISRAEL

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a press release issued by Secretary Dulles on July 17 relating to a report submitted by Mr. Bernard Katzen, special consultant to the Department and expert on the use of local currency acquired by the United States in Israel, together with the accompanying statement on cultural and scientific aid to Israel.

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

Secretary of State Dulles made the following statement today in connection with the submission of a report by Bernard Katzen, special consultant on the use of local currencies acquired by the United States in Israel:

"I have asked you to join me here today because I wanted to tell you of the program which we have developed to use $3,500,000 in local currency for cultural, scientific, and humanitarian projects in Israel.

"Last February I asked Mr. Bernard Katzen to go to Israel to find a constructive use for these funds. As a result of his on-the-spot survey, and his report and recommendations, a plan has been developed to which private and public groups in both the United States and Israel are giving their support. We are asking Congress to authorize this undertaking.

"It is particularly appealing to me, notably because most of the projects in this program are to be carried out by private groups. I hope that similar programs can later be extended to other nations.

"Such programs provide immediate help to those in foreign countries that we do not normally reach directly in our government-to-government aid programs. It is my belief that this approach through private organizations demonstrates the bonds of friendship between our people and the peoples of various countries. It is in the spirit of President Eisenhower's proposals at Baylor University last May."

CULTURAL AND SCIENTIFIC AID TO ISRAEL

The United States proposes to expend over I£6 million ($3,500,000) now on deposit in Israel on scientific and humanitarian projects in that country.

This provides for assistance, largely to private groups in Israel, to foster closer relations between the peoples of the United States and Israel. It is a pilot project which may be extended to other countries.

The program has been recommended to the Congress for authorization, and an appropriation request has just been submitted, as a result of a report and recommendations made by Bernard Katzen, special consultant to the Department, who went to Israel last September at the request of Secretary of State John Foster Dulles. Mr. Katzen was asked by the Secretary to investigate and make recommendations with regard to a fund in Israeli pounds built up under the informational media guaranty program which permits countries having a shortage of foreign exchange to import books, periodicals, and other informational media from the United States through regular commercial channels. Under this program, foreign importers in countries with soft currencies can make payment to the American exporter in local currency and the exporter can exchange the local currency for dollars upon application to the United States Information Agency.

The program is presently operating in 12 countries and agreements exist with 15 other countries.

The projects recommended for assistance include provision for expanded facilities for a number of organizations that care for orphans, underprivileged children, and the handicapped—the blind, deaf-mute, and crippled.

There would be established chairs in American studies at Israel's major universities, and scholarships funds for studies in fields that will contribute to closer United States-Israel understanding.

Assistance is also proposed toward the construction of cultural and community halls at such centers at Tel Aviv, Haifa, Nazareth, and in the Galilee. Quarters would be supplied for a United States information center and library at Tel Aviv, thus saving a future expenditure of money from new tax funds. A wing is recommended to house an American law library for the Israel Bar Association, as a means to promote an understanding of the American legal system.

Assistance would be given in the translation and publishing of books, a substantial portion of which would be American textbooks and technical manuals. It is recommended that a museum be constructed for the display of arts and antiquities, and provision has been made for archeological research and exploration.

Several projects would promote the teaching and use of the English language, while others are designed to introduce courses in American history and literature.

The program as a whole has thus been designed to reach all walks of Israeli cultural life and humanitarian interests.

The undertaking has had the support and cooperation of most leading Jewish organizations in the United States, and of Israeli private organizations as well as the Israeli Government. Various United States Government entities have been involved including the International Cooperation Administration, the Treasury, and the USIA, in addition to the Department of State. The projects themselves are concentrated largely in the leading cities of Israel which directly serve the needs of half the population of Israel and are important centers for nearby villages and rural areas.

Mr. Katzen in his report to Secretary Dulles asserted that an important consideration in their selection was "the potentiality of each project for the consolidation of good will between the people of Israel and the United States.

"In addition," Mr. Katzen continued, "an attempt has been made to interest the many social groupings in Israel and to include a variety of scientific, educational, and humanitarian activities. Special mention should be made of the proposed cultural halls at Haifa and Nazareth, where Arabs represent a substantial portion of the population."

Mr. Katzen observed: "The overwhelming favorable response in Israel to this mission suggests that local currency funds may also be useful in other countries to promote friendly relations with the United States through science, education, and culture.

"This would provide a dramatic new approach to one of the most basic problems in our foreign relations: the creation of good will for our own country among the broad masses of foreign peoples."

Mr. Katzen noted that the projects were tentatively selected from 270 proposed by private Israeli organizations and the Israeli Government and its subdivisions, including cities and other types of settlements.

"The problem was clearly not one of finding uses for the funds which would be effective and would contribute to better United States-Israel relations but to choose a relative few from so many fine proposals," Mr. Katzen said.

After the proposed projects were received, they were screened from the public and private organizations of both countries involved and finally by Mr. Katzen with the following points of view:

(1) Each individual proposal should demonstrate an affinity between the United States and Israel, thus contributing to friendly relations between the people of the two countries.

(2) To assure the proper impact, the individual proposal should provide something new, and not merely continue something already in effect.

(3) The program as a whole, to be effective, should contain elements appealing as much as possible to all the major social groupings within Israeli society.

(4) The geographic distribution of the projects should be taken into consideration. A large number of fine projects were proposed for Jerusalem, for example, but to accept them all would have restricted benefits to other parts of Israel and thus would not adequately demonstrate the interest of the Government and people of the United States in all areas of Israel. It was also necessary to consider the availability of existing facilities. Help toward the construction of a law library in Tel Aviv appeared justified, for example, although a similar request for Jeru-

salem was not considered of equal priority because existing facilities are more nearly adequate.

(5) The program should be balanced with a few recommendations for primarily humanitarian causes. Our interest in traditional educational, scientific and cultural fields should not cause us to exclude other projects which tap deep reservoirs of human sympathy. The allocation of small sums for such purposes would have a tremendous appeal, perhaps demonstrating more clearly than anything else the continuing interest of the United States in Israel.

Among the Jewish organizations which Mr. Katzen contacted were the American Jewish Congress, Hadassah, the American Jewish Committee, B'nai B'rith, the United Jewish Appeal, the Zionist Organization of America, the Jewish Welfare Board, the American Technion Society, the American Friends of the Hebrew University, Yeshivah University, the American CRT Federation, the World Academy for Higher Jewish Studies, the Jewish Agency for Palestine, the Jewish War Veterans, the Order of B'nai Zion, the Jewish National Fund, the Federation of Jewish Women's Organizations of New York City, the Jewish Theological Seminary, the Synagogue Council of America, the American Fund for Israel Institutions, the American Israel Society, the National Council of Jewish Women, the Union of Orthodox Congregations of America, the Israel Olympics Sports Committee, Brith Abraham, the Council of Jewish Federations and Welfare Funds, the Rabbinical Council of America, the American Zionist Council, the American Committee for the Weizmann Institute of Science, and the Hebrew Union College.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 849) to provide assistance to certain non-Federal institutions for construction of facilities for research in crippling and killing diseases such as cancer, heart disease, poliomyelitis, nervous disorders, mental illness, arthritis and rheumatism, blindness, cerebral palsy, tuberculosis, multiple sclerosis, epilepsy, cystic fibrosis, and muscular dystrophy, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. CARLYLE, Mr. ROBERTS, Mr. DIES, Mr. WOLVERTON, Mr. HINSHAW, and Mr. HESELTON were appointed managers on the part of the House at the conference.

The message also announced that the House insisted upon its amendment to the bill (S. 3897) to improve governmental budgeting and accounting methods and procedures, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON of Illinois, Mr. JONES of Alabama, Mr. KILGORE, Mr. FASCELL, Mr. HARDEN, Mr. BROWN of Ohio, and Mr. LIPSCOMB were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7723) to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the chamber of commerce of Rolla, Mo.

INVESTIGATION BY TARIFF COMMISSION OF EFFECT OF IMPORTS OF TEXTILES AND TEXTILE PRODUCTS

Mr. JOHNSON of Texas. Mr. President, I am about to make a motion with reference to a Senate resolution offered by the distinguished Senator from Maine [Mr. PAYNE]. It is Senate Resolution 236. I hope we may be able to have that resolution explained thoroughly but briefly, by the Senator from Maine, and have statements made on it and have action taken on it.

I then propose to move the consideration of Calendar No. 2568, Senate bill 2643, to promote the common defense by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, and for other purposes.

Some Senators will wish to discuss various extraneous subjects before the Senate begins to operate under the time limitation on the Hells Canyon Dam bill. Therefore, Mr. President, I should like to give notice that immediately following action on Senate Resolution 236 there will be an opportunity for Senators to make their statements before the time limitation takes effect.

Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 236.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 236) directing the Tariff Commission to investigate whether imports of textiles or textile products are affecting injuriously the domestic industry.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Finance with amendments.

Mr. PAYNE. Mr. President, I shall try to be as brief as may be possible with my explanation of this particular resolution. The distinguished majority leader asked if it would be possible to do it in a short period of time. Of course, coming from New England, where we are short on words, anyway, I never take too much time.

Mr. President, Senate Resolution 236, which I submitted last April for myself and 25 other Senators, would have originally called for an immediate investigation by the United States Tariff Commission of the effect of increased textile imports on the domestic textile industry. As amended by the Senate Committee on Finance, Senate Resolution 236 expresses the concern of the Senate over the current distress felt by some segments of the domestic textile industry as a result of increased imports, and urges the President to consider the use of the emergency powers he has under existing laws to curb or in some way control the importation of those textiles and textile products which are causing the most severe injury to segments of the domestic textile industry. The resolution further directs the Tariff Commission to expedite and wherever practicable to give priority to escape clause investigations on textiles and textile products. It is hoped that this directive to the Commission will have the effect of speeding up investigations now being undertaken by the Commission, so that any relief the industry might gain from this procedure will come as rapidly as possible.

A few weeks ago the Senate considered two amendments to the foreign aid bill which would have provided immediate relief to the domestic textile industry. Unfortunately both of these amendments were defeated. One of the principal arguments against enactment of these amendments was on the grounds that they were mandatory rather than discretionary. Although I cannot agree with the arguments that were thus posed against these amendments, I would like to point out to the Senate at this time that the pending resolution imposes no obligation upon the President to take any action whatsoever in regard to textile imports unless he deems it necessary. It simply declares it to be the sense of the Senate that the President should give consideration to using his existing emergency authority to provide relief for the domestic textile industry.

Mr. President, I am not satisfied that Senate Resolution 236 represents all that the Congress should do for the benefit of the domestic textile industry, but I am unhappily convinced that Senate Resolution 236 represents all that the Congress will do at this late stage in the present session. The adoption of this resolution will mean official recognition by the Senate of the textile import problem. It will demonstrate that the Senate is deeply concerned in finding a sound and adequate solution to this problem. And finally, the adoption of Senate Resolution 236 will call to the attention of the administration the deep concern of the Senate and will, in effect, ask the administration to give careful consideration to using the means already at its disposal to work out an administrative solution which will prove equitable to the textile industry, the workers it employs, and be equitable also to those nations who export textiles to this country.

Mr. President, taking into consideration the importance of the textile industry to the Nation, the allied industries and related agricultural producers, and the millions of people it employs directly or indirectly, it is my firm belief that the Senate has definite responsibilities concerning the future of the textile industry and should adopt Senate Resolution 236. While this resolution does not of itself solve a single problem of the domestic textile industry, it will at least demonstrate that the Senate has not turned its back on the industry and the increasingly serious problem of textile imports.

Mr. President, I ask unanimous consent that the statutory provisions referred to in Senate Resolution 236, as amended by the Senate Finance Committee, may be printed at this point in the RECORD.

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

STATUTORY PROVISIONS REFERRED TO IN SENATE RESOLUTION 236, AS AMENDED BY THE SENATE COMMITTEE ON FINANCE

1. SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT, AS AMENDED

United States Code, 1952 edition, supplement III, title 7, section 624, page 145, limitation on imports; authority of President:

(b) (second paragraph): "In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

2. SECTION 204, AGRICULTURAL ACT OF 1956 (PUBLIC LAW 540, 84TH CONGRESS)

"The President may, whenever he determines such action appropriate, negotiate with representatives of foreign governments in an effort to obtain agreements limiting the export from such countries and the importation into the United States of any agricultural commodity or product manufactured therefrom or textiles or textile products, and the President is authorized to issue regulations governing the entry or withdrawal from warehouse of any such commodity, product, textiles, or textile products to carry out any such agreement. Nothing herein shall affect the authority provided under section 22 of the Agricultural Adjustment Act (of 1933) as amended."

3. TRADE AGREEMENTS EXTENSION ACT OF 1951

United States Code, 1952 edition, title 19, section 1363 (a), page 2722:

"No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 1351 of this title, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products."

4. SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED

United States Code, 1952 edition, supplement III, title 19, section 1351 (a) (5), page 512:

"The President may at any time terminate, in whole or in part, any proclamation made pursuant to this section."

Mr. PAYNE. Mr. President, I close by expressing the very sincere hope that the Senate will unanimously agree to the resolution, so that the administration may know of the problem which confronts the textile industry.

Mr. JOHNSON of Texas. Mr. President, first, I express my personal appreciation and commendation to the senior Senator from Maine and his colleagues who have offered the resolution. I think that if the resolution shall be adopted by an overwhelming vote of the Senate, as I expect it to be, it will show beyond any doubt that the Senate is gravely concerned about the acute distress which exists within the textile industry. Second, it will say to the President that it is the view of the Senate that the President should give immediate consideration to the impact textile imports are having. Finally, it will say to the Tariff Commission in clear, unmistakable and positive terms that the Senate directs it to expedite and wherever practicable to give priority to the investigation which is now pending.

A long delay between the time when an investigation is initiated and the time when it is concluded has resulted in the death of many of America's finest and best businesses. I think that if nothing else flows from the resolution than cutting redtape and expediting the action of the Tariff Commission report, it will have been well worth the efforts which the distinguished senior Senator from Maine and the other Senators who have been associated with him have spent in this direction.

I compliment the Senator from Maine upon his interest, and I express my personal appreciation for the diligence he has demonstrated in bringing the resolution before the Senate.

Mr. PAYNE. Mr. President, I express my appreciation to the majority leader for his kind statement and for the concern he has expressed. I simply say that I fully share in the expressions he has conveyed to the Senate concerning the textile industry.

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

Mr. PAYNE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add my word of commendation of the Senator from Maine for his energy in having the resolution considered by the committee and reported to the Senate. As a Senator from Massachusetts, I know of the problems which confront the textile industry. I know how important it is to have a thorough study made and to see what can be done to stimulate executive action in order to help the industry.

I commend the Senator, and I shall help him in any way I can.

Mr. PAYNE. I thank the Senator from Massachusetts.

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

Mr. PAYNE. I yield.

Mr. PASTORE. I congratulate the distinguished Senator from Maine upon his very eloquent explanation of the resolution. I am happy to be associated with him in the offering of the resolution, and I associate myself with everything the Senator from Maine has said.

I realize we are living in an era in which we must win the hearts of the people of the free world. I know there are many things we can do to win the friendship of the peoples of other nations. But I know equally well that we cannot buy their friendship with American unemployment.

Mr. PAYNE. I thank the Senator from Rhode Island.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. PAYNE. I yield.

Mr. SMITH of New Jersey. I wish to add my word to those of other Senators in commending the distinguished Senator from Maine for the diligence he has exerted in having the resolution reported. I am very glad to be a cosponsor of the resolution. I understand something of the situation about which the Senator has spoken, because of my knowledge of similar conditions in my own State.

I thank the Senator from Maine for all he has done to bring action on this important matter.

Mr. PAYNE. I thank the Senator from New Jersey.

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

Mr. PAYNE. I yield to the Senator from Connecticut.

Mr. BUSH. I am happy to have joined with the Senator from Maine in sponsoring the resolution. I congratulate him upon his presentation.

A few years ago I was a member of the Randall Commission, which prepared a report on the question of foreign trade and tariff policy. I do not believe the resolution is inconsistent with the philosophy of the Randall Commission report. Certainly it is not inconsistent with the statements which were made by the President himself when H. R. 1 was under debate in the House of Representatives. At that time the President said in a letter which he wrote to Representative JOE MARTIN that it certainly was not his intention that any legislation of this nature should result in the demise of or serious injury to any American company or employer.

So I believe the President will be glad to have the Senate adopt the resolution because it is not inconsistent with the position he has taken heretofore in this matter.

Mr. PAYNE. I thank my colleague from Connecticut. I know of his continually expressed great concern over the textile situation, and, I appreciate what he has just said.

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

Mr. PAYNE. I yield.

Mr. LANGER. I, too, express my deep satisfaction that the resolution has been reported and is now before the Senate. I hope it will bring the problem with which it concerns itself very forcefully to the attention of the Executive.

After a complaint has been filed it takes entirely too long and too much redtape before executive action is taken in these matters. A while ago I complained about the importation of grain. It took 7 months before I could get an inquiry made into the matter. As the Senator from Texas [Mr. JOHNSON] has said, in that length of time an industry might be ruined.

Mr. PAYNE. My good friend from North Dakota has always taken a great interest in these matters. I can assure him that the people of New England and the people of other sections of the country, as well, share the concern which he has expressed.

Mr. DOUGLAS. Mr. President, while, of course, the resolution before us is merely in the nature of a recommendation, and is in no sense mandatory upon the President and merely directs the Tariff Commission to expedite investigations relating to textiles, it will have a great deal of symbolic significance.

If it shall be agreed to, it will mean that the United States Senate will in-

crease the pressure upon the President and upon the Tariff Commission to raise the duties upon textile imports or to impose quotas upon them.

When the recommendation for the approval of the resolution was made by the Committee on Finance, I felt sufficiently strongly about the matter to prepare minority views. I ask unanimous consent that these views be printed at the end of the brief remarks which I am about to make.

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

(See Exhibit A.)

Mr. DOUGLAS. Mr. President, first I point out, as the evidence indicates, that the textile industry has a bad case of stage fright over imports which, quantitatively, are not large in number. What has been hurting the textile industry primarily has been the development of new fabrics, such as rayon, dacron, nylon, orlon, and so forth.

If we shut off or decrease imports, as will inevitably happen if the Tariff Commission follows the advice of the Committee on Finance and of the Senator from Maine [Mr. PAYNE], it will mean that we will be more or less automatically shutting off some of our exports. We cannot sell to other countries unless the other countries are able to buy from us. They buy from us with the foreign exchange they get from selling to us. If we force them to decrease their exports to us, it will mean that they will have less foreign exchange, and therefore will be able to buy less from us.

This will mean they will not for example be able to buy as much raw cotton or tobacco. I am surprised to find so many of our good friends from the cotton-producing and tobacco-producing States favoring the proposal, when it is directly against the interests of the cotton and tobacco growers.

The resolution will strike a blow at the exportation of automobiles, farm implements, earth-moving machinery, powdered milk, soybeans, soybean oil, and a multitude of products which we export. So this is a blow at the American export industry, and it is a move to shrink rather than expand world trade.

There is one other result which will inevitably follow from the pursuit of this policy; that is, it will throw Japan into the arms of Communist China. We have been insisting, and I think properly so, that Japan, which has been more or less under our tutelage, should not trade with Communist China. I agree with that policy, which we adopted in the past. However, we should face the fact that we are up against great natural difficulties. Japan lies off the mainland of Asia, and the economy of Japan is naturally complementary to that of China. From the standpoint of strict trade logic, Japan probably should buy cotton from China and fabricate it into cotton cloth in its factories. It should take iron ore or pig iron from Manchuria, and make that iron ore or pig iron into steel in its steel mills.

If China were a peaceful, non-Communist country, this mutual trade between Japan and China would be welcome; but China is not a peaceful country, and it is a Communist-dominated country. We can be quite certain that the price for its trading with Japan will be an insistence that Japan shall move away from its alliance with the Western democracies, and move into either neutrality or outright alliance with Communist China; and we would, therefore, likely lose 80 million people and the strongest force that we have in Asia against communism.

So, Mr. President, I think this resolution is a very shortsighted one—extremely shortsighted. If it shall be acted upon by the Tariff Commission and by the President, I think we shall rue the day it was put into effect. I hope it will be rejected.

I do not have too great hopes that it will be rejected, because I have the sneaking suspicion that the managers of the customs simplification bill may have gotten that bill through on the tacit understanding that the Payne resolution would then be agreed to. I do not know that this is so, but I suspect it is. I am sorry the managers of the bill felt they had to pay so high a price as that. If the proposal means anything, far from expanding world trade, it will shrink it, and it will weaken the forces on the side of the free world. It is a backward step.

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

Mr. DOUGLAS. I yield.

Mr. LONG. It seems to me those of us who approve of the idea of expanding trade recognize that we shall not be able to expand trade unless at the same time we give reasonable consideration to our domestic industries. Otherwise the program might become so very unpopular that over a period of time the entire program might be wiped out in a wave of reaction. On the other hand, if we can expand trade in such a way that no grievous harm is done to our domestic industries, I do not think there will be too much danger of injuring our foreign trade program, and I think that it can be expanded.

The trouble in the textile industry is that there are certain commodities of which the Japanese are taking over a tremendous share of the market. If the exportation of Japanese textiles were more general and included many commodities, the injury would not be so grievous to domestic manufacturers in particular lines who have suffered as a result of Japanese competition in, for instance, gingham, ladies' blouses, and certain other particular commodities.

Mr. DOUGLAS. May I say, first, on a factual basis, that in 1955 the domestic production of cotton cloth was about 11 billion square yards. The total imports of cotton cloth in that year were 133 million square yards, or only 1½ percent of the domestic production, and Japan furnished only a portion of that 1½ percent.

Secondly, we exported in 1955, 542 million yards of cotton cloth, or four times the volume of imports.

Even if we were to take cotton alone, we are not importing any appreciable fraction of the domestic production, and we are exporting four times as much as we import.

But, in addition to that, we should recognize this fact: We cannot pass any tariff bill that does not adversely affect somebody. I have believed for a long time, as the Senator from Louisiana knows, that industries or plants which are adversely affected by tariff reduction should receive compensation. It is proper that we should get the advantages of world trade, but we should not insist that all the burdens be borne by a few.

While we were in the course of adopting the Reciprocal Trade Agreements Act last year, the Senator from Minnesota [Mr. HUMPHREY] and I fought on the floor of this body for compensatory payments, both to manufacturers and to workers who might suffer as a result of tariff reductions. I was deeply pained that the persons who use this argument of someone being hurt as a reason for protection turned down our amendment, we could not even get a rollcall vote on it—and that the Randall Commission voted, Mr. McDonald being the sole exception, against the program for compensatory payments.

In the minority views which I expressed on this resolution, I again advocated such compensatory payments.

We should recognize, that, on the whole, the country gains from foreign trade, and when we shut it off, as would happen under the present proposal, our export industry will be hurt. The cotton-producing section of the country is going to be hurt. The cotton manufacturing industry, in its export branches, will be hurt. A whole line of other industries will be hurt.

The resolution is extremely shortsighted.

I want to say that in the past I have been very proud of the Democratic Party because, on the whole, we have stood for lower tariffs. Those of us who grew up in high tariff areas fought against the false ideas promulgated by the Republican Party. Now I am pained to see, as the textile industry moves South to the Piedmont range, it is infecting many Southerners with these erroneous ideas. That is one New England importation that I think the South could do without. That is one carpetbagging idea that I think the South ought to rally against, and return to the historical Democratic principle of low tariffs.

Mr. LONG. The Senator knows I voted for the compensatory amendment. I believe it was offered by the Senator from Minnesota, but I voted for it both in committee and on the floor.

Mr. DOUGLAS. Yes.

Mr. LONG. However, that amendment did not carry.

However, it occurs to me that there can be a steady increase in foreign trade without injuring any particular industry, if we recognize the fact that ours is an expanding economy and that year by year we tend to produce more and to consume more in our own Nation.

The Senator correctly points out that the volume of textile imports does not show a great percentage increase. However, the difficulty is in certain instances. For instance, the Japanese producers have concentrated on certain commodities. In that connection, let us consider the situation in respect to gingham. Let us assume the Senator to be a manufacturer of gingham. If the overall figures

showed that only 2 or 3 percent of textile consumption in America was Japanese-produced, that would not particularly help him if Japanese gingham had already captured 30 percent of the market for his particular specialty. In any case he would be on the point of being driven out of business.

Mr. President, it seems to me that these are factors which the Tariff Commission should take into consideration and should study very carefully.

Mr. DOUGLAS. Mr. President, I yield the floor.

EXHIBIT A

MINORITY VIEWS

The Senate Finance Committee has properly told the textile industry, by this resolution, that it should follow appropriate procedures under the escape clause provisions of the Reciprocal Trade Act. Further, by its action the committee recognizes that the problems of the industry center in certain selected areas. Yet, while accepting these points, the committee in reporting this resolution fails to appreciate the facts which the Tariff Commission report outlined and gives the impression that the industry as a whole is in some way seriously damaged by the imports of textiles and gives credence to the exaggerated claims of the industry that it is being harmed.

If this resolution is passed by the Senate, it will greatly increase the pressure upon the President and the Tariff Commission to impose import quotas and higher tariff duties upon the importation of foreign textile products.

The forces of high tariffs and protectionism which were in general retreat from 1934 to 1952 will be greatly strengthened and further pressure for similar action for chemicals, toys, plastics, pottery, and so forth, will be hastened. We should therefore look very carefully at what the results of such action would be.

The advocates of high tariffs and of further import quotas apparently see only the textile industry and have highly exaggerated fears of what Japanese and other foreign textiles have done or will do to their domestic market.

I have great sympathy for the workers and management in this industry but we should look at the problem with a steady eye. We should ask ourselves just how much trouble has actually been caused by the importation of foreign textiles, and what would be the effect upon our exports of thus limiting our imports by means of higher tariffs and import quotas. We should also take into consideration what effect such a policy would have upon the confederation of free nations which are trying to build up to resist Communist aggression.

1. The facts show that the claims of the textile industry about the losses they have suffered as a result of the importation of Japanese and other textiles have been greatly exaggerated.

In the first place there has been a technical revolution in the manufacture of textiles so that problems faced by a few sections of the industry are the results, in large part, of the new synthetic fibers—rayon, dacron, orlon, and nylon.

Second, as the Tariff Commission itself has stated (memorandum for the Senate Committee on Finance on S. Res. 236):

"The United States exports cotton manufactures to a far greater extent than it imports them; * * *."

And—

"It should be noted, however, that an exceedingly small part of the domestic consumption of cotton manufactures is supplied by imports and that Japan accounts for only a part of such imports."

The Commission then adds in a footnote—

"The raw cotton content of those imports from Japan in 1955, for example, was equivalent to only about one-fifth of the raw cotton that the United States shipped to Japan in that year."

The Commission further states that though the ratio of United States imports to exports of cotton manufacturers has risen during recent years, "* * * that ratio is still very much lower than it was in the years immediately preceding World War II," and concludes by stating:

"It is clear that textile manufacturers in Japan do not have an 'across the board' competitive advantage over the textile manufacturers in the United States."

A few facts to substantiate these points are in order.

(a) In 1955 domestic production of cotton cloth was about 11 billion square yards. Total imports of cotton cloth in 1955 were 133 million square yards, or 1½ percent of domestic production.

(b) Exports of cotton cloth were 542 million yards in 1955 or four times the volume of imports.

(c) Sales, profits, and profit margins for the industry were substantially higher in 1955 than in 1954, and the upward trend has continued in 1956. Yet it is during this period that imports have increased.

The proper method of approaching the problems of the industry in specific lines where it is claimed imports are providing serious injury, is to instigate escape-clause procedures under the Reciprocal Trade Act. The reluctance of the industry to accept this approach and instead to seek rigid quotas on all cotton imports, indicates their lack of confidence in their ability to make their case where facts, rather than fictions, are involved.

2. The restriction of imports which is suggested in this resolution will greatly reduce our exports and thus work hardship on a number of American industries including raw cotton and tobacco.

This is something which the high tariff advocates and the trade restrictionists find it almost impossible to understand or take into account. They fasten their attention upon the industries which they seek to protect and they neglect to notice the export industries which they injure.

And, more important, they often fail to recognize the interest of their own industry when looked at as a whole instead of by the jaundiced-eyed method of looking at a very few specific items. In 1955, for example, our exports of raw cotton were 2½ million bales of which one-fourth or about 647,000 bales went to Japan. The raw cotton content of our textile exports was an additional 523,000 bales whereas the raw cotton content of our textile imports was 130,000 bales, of which only about half came from Japan. Thus, certain segments of the cotton trade have difficulty in recognizing their own self-interest.

And yet the truth is that we cannot export unless we import and the more we restrict our imports, the more we cut off our exports. The high tariff advocates and those who would restrict international trade proceed on a mistaken assumption, namely that we can continue to export to other nations even though we cut off or greatly reduce the exports of those nations to us.

This is impossible.

In the old days of the international gold standard the balance between exports and imports was automatically effected through gold movements and the operational national price levels. Thus if we curtailed our imports, the foreign countries could not pay for the goods which they imported from us by their export of other goods. They would then have been compelled to send us gold. This would have increased the supply of money in this country and have decreased the supply abroad. This in turn would have meant that our prices would have risen and theirs fallen. This in itself would cut down our exports and would increase those of the other countries above the immediately prior level, after our higher tariffs had been in effect. Ultimately a balance would have been struck between exports and imports but with smaller quantities being traded than before the imposition of the restrictions upon imports. Our export industries would have lost a portion of their market. If we completely cut off our imports then our exports would ultimately cease.

In any event, the advantages of the international division of labor would have been lessened and the gains which we derived from such international exchange would be greatly reduced. All countries including our own would lose.

3. At the present time, under the almost universal system of managed currencies and more or less pegged exchange rates in which gold plays a somewhat minor role, the results of increasing tariffs and imposing import quotas are the same, although the process is somewhat different.

The amount that any one country can purchase from abroad is limited by the amount of foreign credits which it holds at its disposal. These foreign credits are, in the main obtained by selling goods to other countries. If the sale of these goods is reduced by the imposition of tariffs or imports quotas, then the amount of foreign exchange which a given country holds is correspondingly decreased. This reduces its ability to buy from other nations so that the net volume of international trade diminishes. Since it cannot export as readily to other countries, other countries cannot as readily export to it.

A country which raises its tariffs and imposes import quotas to protect its own manufacturers will find rather speedily that it thereby restricts the sale of the goods which it exports. In the case of the United States, if we restrict the amount of cotton and woolen textiles which can be shipped to us, we will soon reduce the amount of raw cotton, tobacco, soybeans, wheat, powdered milk, farm machinery, automobiles, earth-moving machinery, computing machines, electrical equipment, and so forth, which we can sell abroad.

4. Moreover, if we impose these tariffs and quotas against foreign textiles by governmental action, we can be quite certain that other countries will retaliate by imposing tariffs and quotas against our producers. It is naive to assume that other countries will be passive in the face of our action. They will inevitably retaliate both to protect the amount of foreign exchange which they hold and from a natural, human desire not to passively accept such action by us. Not only will the amount of international trade decrease but the amount of international animosity will greatly increase.

5. Twenty-six years ago, at about this time, the American Congress passed the Smoot-Hawley-Grundy Tariff Act, which greatly raised our tariffs against foreign goods. The bill then went to President Hoover's desk where it awaited his signature or veto. As a private citizen, I helped to draft an appeal to the President asking him to veto this bill in which we pointed out that if it went into effect it would inevitably cut off our exports, invite retaliatory action by other countries, and intensify the world depression which was then beginning to gather headway. Our appeal was signed by no less than 1,146 economists of the country.

Despite our appeal, President Hoover signed the high-tariff bill and what we had prophesied came true. Our exports were reduced; other countries increased their tariffs; Great Britain abandoned her low-tariff policy to which she had adhered for nearly a century. Imperial preference was estab-

lished within the British Empire and Commonwealth. The world slipped into protectionism and economic nationalism. We were proved to be good prophets then and this experience should help to deter this country from embarking on a similar policy now.

6. The proposed measure is directed primarily at Japan, since it is the importation of Japanese textiles about which our textile industries chiefly complain. We are trying to keep Japan as an ally and a loyal member of the free world coalition against communism. To do this we are spending a very large sum of money. If we deny to the Japanese the ability to sell textile cloth to us and hence prevent them from acquiring the dollar exchange which will enable them to buy raw cotton, rice, wheat, machinery, and so forth from us, we will have to appropriate still more money to feed the Japanese people if we wish to keep them in an alliance with us. Our slogan will then be "aid not trade." In view of the increasing restiveness of the country about foreign aid, the widespread feeling that the policies of the administration in this field are contradictory, confused, and ill-conceived, it is not certain for how long the American people will give their approval for aid in the quantities which will be needed were we to take the action which the proposed Senate resolution would encourage.

7. The imposition of these tariffs and import quotas might well throw Japan into the arms of Red China and lead to the withdrawal of Japan from the democratic bloc and its entry into the ranks either of the Communist satellites or those "neutrals" whose orientation is toward communism rather than toward democracy.

Let us note that the economies of Japan and China are in fact complementary rather than competitive. China is primarily an agricultural country and the provider of raw materials. Japan is a processing and manufacturing country. The natural tendency would be for Chinese raw products, such as cotton and iron ore, to be sent to Japan for fabricating and then for some of the finished goods to be shipped back to China.

If these were ordinary times, this would be a welcome development. But they are not ordinary times and we are in fact engaged in a great struggle with the Communist bloc. Red China is one of the two great powers in that Communist bloc. If we prevent Japan from selling her products here in any appreciable quantity, then Japan will have to turn toward China. But Communist China will undoubtedly ask a price for opening its markets to Japanese goods and for shipping its raw products, such as iron ore and cotton, to Japan. That price will, at the very least, be for Japan to quit the Western Alliance and instead to be neutral. I doubt, however, if merely neutrality will satisfy Red China for long. China will instead more and more demand and obtain close economic and political cooperation on the part of Japan, and Japan will more or less rapidly move into the Soviet orbit. This would leave us without a single great power in Asia on our side, and it would be difficult for us to maintain the independence of small peripheral countries, such as South Korea, Formosa, South Indochina, Thailand, and so forth. The tide of communism would be greatly strengthened and the free world weakened.

8. There is one point, however, upon which a few segments of the textile industry and such other industries as may be adversely affected by imports have a legitimate complaint. This is that they are being sacrificed for the general good. "Why," they ask, "should we be compelled to take losses in order that the consumers and other industries may obtain gains? Since everybody else is working for their self-interest, why should we be expected to forego ours?"

In my judgment the only effective way to meet this complaint is to provide compensation to management and to the workers for the losses which they may suffer because of increased foreign imports. This could take the form of cash payments to management and an extension of unemployment benefits to displaced workers coupled with provision for retraining.

This was advocated by David McDonald as a member of the Randall Commission. It was in my judgment a great mistake for that Commission summarily to reject that proposal. Senators Humphrey, Kennedy, and I, among others, also advocated this plan in the debate last year on the reciprocal trade bill but were not successful in mustering much support for it.

Such a proposal is however fundamentally sound since it is only fair that the losses resulting from a given public policy should be at least partially met out of the net gains of such a program. Unless some such policy is adopted, it will be difficult to carry out a broader trade policy and the retreat from the Cordell Hull program is likely to proceed at an accelerated pace.

9. In short, if we pass this resolution and the executive authorities take the action which is implicitly recommended, I believe we will have opened a Pandora's box of mischief. I can only hope that the United States does not make the same mistake which we made in 1930. These are some of the reasons why I feel compelled to oppose the passage of this resolution, and why I hope it will be rejected on the floor of the Senate.

PAUL H. DOUGLAS.

Mr. GORE. Mr. President, I cannot agree with the conclusions and interpretations which the distinguished Senator from Illinois has reached in regard to the effect and purpose of the pending resolution. I concur in many of the statements of fact he has made. However, I wish to point out that the resolution reads, in part, as follows:

> Whereas the Senate is gravely concerned over the acute distress existing in segments of the domestic textile industry—

In that connection, I emphasize the words "segments of the domestic textile industry." Unquestionably, Mr. President, in some small segments of the industry, there is distress. That should be cause for concern by all Senators, as I am sure it is. Certainly I share that sentiment.

I also call attention to the fact that the resolution states, further—

> That the impact of the imports of foreign articles may be causing or threaten serious injury.

In that connection I emphasize the use of the word "may."

I call attention, further, to the fact that the resolution states—

> That in the light of the acute distress existing in segments of the domestic textile industry—

It is the sense of the Senate that the President should give—

> immediate consideration.

Mr. President, what is wrong with having the Senate express, as being the sense of the Senate, that the President of the United States should give immediate consideration to this problem, and to the problem of any other segment of our society, if it is distressed or if it thinks it is about to be put into a distressed condition? That is the purpose for which other provisions of law—including section 22 and section 204—were enacted.

Therefore, I am unable to reach the conclusion which my distinguished friend, the able senior Senator from Illinois [Mr. DOUGLAS] has reached, namely, that this resolution is a high-protection resolution, or that it is intended to place pressure in that direction upon the President of the United States and the Tariff Commission.

I support the pending resolution, but I do not support it either in purpose or with the interpretation which the distinguished senior Senator from Illinois has given to it.

I wish to point out a few of the problems facing the textile industry. I do not seek in any way to minimize the seriousness of these problems with respect to some of the segments of the industry. It is true that the textile industry today is not so prosperous, relatively speaking, as are some other segments of our economy. There are many basic factors which have brought about that situation. Chief among them are problems caused by relocation and by increasing competition within the United States, either from other fabrics or from products whose production within the industry has increased.

The competition from imports is not the major factor. With the exception of some narrow segments of the industry, imports have, in fact, had a very small impact.

The cotton textile lobby makes exaggerated claims. I have heard it stated even on the floor of the Senate that the textile industry is facing destruction. The professional lobbyists say this:

> Floods of ruinous imports have destroyed or threaten to destroy the cotton textile industry, with its hundreds of thousands of employees.

Mr. President, I believe it is important, as we prepare to adopt this resolution, to place the question in proper perspective by the use of a few statistics. It should be borne in mind that the cotton textile industry contends that increased imports, beginning late in 1954, and continuing through 1955 and the first quarter of 1956, offer a serious threat to the survival of the industry. However, I do not believe that is the case.

I believe that the industry as a whole suffers more from fear of possible impacts to come, than from the effects of current imports.

Mr. PASTORE. Mr. President, at this point, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Tennessee yield to the Senator from Rhode Island?

Mr. GORE. I yield.

Mr. PASTORE. I shall not address myself exactly to a question involving textiles, but I shall cite an example to the distinguished Senator from Tennessee, to show that the condition referred to is a little more than fiction or frivolous fear. In many instances there is real fear or real cause for fear, because, after all, we are dealing with production and employment. As an example, let me say that in the case of a

wristband which in Rhode Island sells for $12.95, an exact duplicate, if made in Japan, can be sold in the United States for $1.50. If greater selectivity is not provided, and if that condition is allowed to continue to exist, how long will it be before that entire industry is eradicated from the American economic horizon? How long can we live with that kind of a situation in existence, without putting business out of business?

Mr. GORE. I am not acquainted with the wristband production problem or the problem related to that particular industry. I have acknowledged, and in my own way I wish to call to the attention of the Senate the problem with respect to certain segments of the textile industry—for example, velveteen.

Mr. PASTORE. That is correct.

Mr. GORE. But I wish to point out that, on the whole, increased production within the United States has had greater impact than has competition from without the United States. In 1955, the textile industry as a whole had more than 98 percent of the American market, and exported more than twice as much as was imported.

Mr. PASTORE. Mr. President, will the Senator from Tennessee yield at this point?

Mr. GORE. I yield.

Mr. PASTORE. Will not the Senator from Tennessee admit that the entire philosophy of our trade relations with other governments has been predicated upon imports and exports? The distinguished Senator from Illinois has just argued that we have to prop up the economy of Japan—a very laudable thing to do—because of the relationship between Japan and Red China. Logical as that may be, in that event we are no longer indulging in our philosophy of the relationship between imports and exports; in that case we are dealing with foreign aid, insofar as the economics involved may be concerned.

If we dip into the foreign aid field, in the philosophy of trade based upon imports and exports, I believe that before we can do so effectively we must embrace the compensatory idea of the distinguished Senator from Illinois. We cannot open up the floodgates on one hand without doing something as a relief measure at the other end.

If the whole philosophy of helping the economy of Japan rests upon the relationship of Japan with China, we are not talking about imports and exports. We are not talking about the ability of Japan to buy from America, so that America can sell to Japan for the dollar credit which may exist between them. We are talking about stabilizing the economy of Japan in order that she can stand up against Red China. That is laudable, but if we are putting American industries out of business we must do something to retrain our workers. We must do something about federalizing unemployment compensation, and a great many other things.

The State Department is not doing that, because the State Department does not care. That is our problem. The State Department does not know the problems with which various States are confronted. I have talked time and time again about the reinsurance of our unemployment compensation. I have been told that that is a State responsibility. Unemployment is a national responsibility. If people in Rhode Island are to become unemployed because of the national policy to do business with Japan, it becomes a Federal responsibility to take care of people who are out of work in Rhode Island.

Mr. GORE. I thank my distinguished, able, and eloquent friend, the Senator from Rhode Island, for his contribution. I recognize fully that in the implementation of national policy stresses and strains inevitably result.

I join with the Senator in supporting this resolution, directing that a study be made by the Tariff Commission, and expressing the sense of the Senate that the President should give immediate consideration to specific problems and to the overall problem.

The distinction which I am trying to draw for the RECORD is the distinction between the overall problem and the problem of specific segments within an industry. I think it is important, as we adopt this resolution, that these facts be made a part of the RECORD.

I do not support the resolution—and I venture to say the Senator from Rhode Island does not support the resolution—as a legislative act which will fundamentally alter the trade policy of the United States. I support it—and I hope other Senators have the same motive in mind—for the purpose of bringing to bear the proper study, and bringing to the attention of the President, the Congress, and the country the facts. The resolution expresses the sense of the Senate that immediate consideration should be given to the problem.

Do I correctly state the motives of the Senator from Rhode Island?

Mr. PASTORE. The Senator certainly does bespeak the motive, the intention, and the heart of the junior Senator from Rhode Island. I join with the Senator from Tennessee in the fine presentation he is making. The only point I make is that the fears to which reference has been made are not frivolous; they are not nebulous; they are real. They are measured in terms of jobs. I have just read 1 letter and 2 telegrams sent to me only today, from management and workers in Rhode Island. It is ridiculous for anyone to say "Such fears are not real; they are frivolous." I cannot say that to people who are out of work, who have lost their jobs.

The problem is real. It involves humanity. It involves people who want employment. When they see that an article manufactured in this country costs 10 or 15 times as much as the same article manufactured in another country, which has a standard of living lower than ours, the problem becomes real. I have nothing against those people. I am not talking against the people of any other country. I am merely speaking for the United States of America. Much as we wish to win the hearts of those people, we cannot buy their hearts with the jobs of American workers. If we do, it will only be a matter of time until we cripple our American economy. Then where will we be?

Mr. GORE. I thank the Senator from Rhode Island for his fine contribution. I agree with him that the problem is real. When an American citizen loses his or her job in a velveteen plant or in a watch-band plant, or any other plant, a real problem is presented. But I call attention to the fact that there are far more jobs involved, and there is far greater employment for American working men and women involved in textile exports than there are in terms of jobs of American workmen lost because of textile imports.

A given industry might temporarily profit from a policy which would close the door of America to all imports of the particular commodity which that industry produces. The loss might be financed from other sources—from general taxation or otherwise. A thriving export trade might be financed from other sources, but I do not believe we can establish such a policy. As the able Senator has indicated, our trade policy must be characterized as a two-way street. In order to sell we must buy. When an industry has more than 98 percent of the American market and is exporting more than twice as much of the articles it produces as is imported, the industry as a whole is in a fortuitous position.

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

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Tennessee yield to the Senator from Rhode Island?

Mr. GORE. I have been promising to yield to the senior Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, is it not true that a reduction of imports of cotton cloth from abroad will not only decrease our exports of cotton cloth, and hence cause unemployment in other sectors of the cotton manufacturing industry, but will also decrease our exports of raw cotton, our exports of farm machinery, our exports of electrical machinery, our exports of tobacco, our exports of earth-moving machinery, our exports of automobiles, soybean oil, and so forth, resulting in unemployment elsewhere?

The Senator from Rhode Island, with all his fine desire to protect his people in Rhode Island, will find that, as he protects one set of people, he is throwing another set out of work, and that in other sectors of the economy there will be unemployment.

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

Mr. DOUGLAS. The trouble with the Senator from Rhode Island and the other sponsors of the resolution is that they are shortsighted. They have economic astigmatism.

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

Mr. GORE. I yield.

Mr. PASTORE. I admit that I am myopic. I wear glasses——

Mr. DOUGLAS. So do I.

Mr. PASTORE. But there is no astigmatism in Pastore's eyes.

The thesis which has just been developed by the very distinguished Senator from Illinois is predicated upon the

philosophy of import and export, as I have just explained. So long as we buy other people will buy. So long as we maintain that philosophy, we are on solid ground. I am not against that. I have been a Democrat all my life——

Mr. DOUGLAS. And the Senator from Rhode Island has held aloft the Democratic banner in Republican New England, where there has been more economic misinformation coming from textile manufacturers than in any other section of the country. The Senator from Rhode Island should not go back on his own philosophy and upon that of our party.

Mr. PASTORE. I shall not go back on my own philosophy.

The truth is that we are no longer following the traditional philosophy of import and export. I thought I made that plain. We have been told this afternoon, even by the very distinguished Senator from Illinois [Mr. DOUGLAS], that we had better help Japan, not because we can sell to Japan and Japan can buy from us, but because Japan must be made strong against China. That is a new philosophy. That is a brand new philosophy. That is foreign aid. When we get into foreign aid and allow the Secretary of State to promote that program with jobs in Rhode Island and jobs in Illinois and jobs in Tennessee, we are getting away from the traditional philosophy of import and export. That is why I say to the distinguished Senator from Illinois, as long as we remain steadfast to our traditional philisophy of import and export, he is right in the theory he has developed.

Mr. DOUGLAS. I thank the Senator very much.

Mr. PASTORE. Once we get away from that, and once we get to the point where we help Japan so that Japan can become strong in a military way against a possible aggressor nation, then we are getting into foreign aid. When we get into foreign aid, we must think about domestic aid. When we think about domestic aid, we must think about the thousands of people in Rhode Island who are out of work and who want jobs. It is as simple as that.

Mr. GORE. I cannot agree with all the sentiments expressed by my able and distinguished friend from Rhode Island. It must be remembered that an international trade policy cannot operate in a vacuum. An international trade policy which is truly representative of national interest must be legislated by the Congress and must be interpreted and administered in the light of existing world conditions.

The able Senator has pointed to the jobs involved in the various States. The senior Senator from Illinois has pointed to the question of exports of cotton. I call attention to the fact that the Tariff Commission recently made a report to the Committee on Finance in which it said:

> The raw cotton content of those imports from Japan in 1955 was equivalent to only about one-fifth of the raw cotton that the United States shipped to Japan in that year.

If we are to reduce this program, as my friend from Rhode Island tends to do in his last remarks, to a quid pro quo basis, in terms of exports and imports, with a particular nation, then I point out that the last great market that the American cotton farmer has abroad is in Japan. I point out that while a job of a Tennessean or of a Rhode Islander or, per chance, of a person from some other State may be involved in the importation of textile products, there are more than twice as many jobs involved in the export of textile products, as well as a market for the produce of the cotton farmer.

I ask what major industry in America is in such a fortuitous position as is the textile industry, with more than 98 percent of the American market and a thriving export trade? I raise this question without any intent of minimizing the difficulties of particular segments of the industry.

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

Mr. GORE. In a moment I shall be happy to yield.

The textile industry is a complex industry. It has many segments. Some particular segments are seriously hurt; others fear they may be hurt. However, I point out that the depressed situation within the textile industry results more from increased production and other conditions arising within the United States than from imports. I wish to refer briefly to certain statistics before I yield to the distinguished Senator from Louisiana.

In 1954, the total production of broad woven cotton cloth in the United States was 10.7 billion square yards. That increased in 1955 to 11.1 billion square yards. The Department of Commerce recently published its "Facts for Industry" report on the production of broad woven goods in the first quarter of 1956. That report indicates an increase in production during the first quarter of 1956 for each of the six segments of broad woven cloth production in the United States.

Mr. President, I cannot understand how the assertion can be made that the entire cotton-textile industry is threatened with destruction because of the increased imports, when the record shows that both production and profits have increased during the very period when calamitous injury from imports is alleged to have occurred.

After I have yielded to the distinguished Senator from Louisiana, I shall refer to the improved profit position of the textile industry. I point these facts out without in any way being unsympathetic with, or intending to minimize the problems faced by some segments of the industry. I yield to the Senator from Louisiana.

Mr. LONG. I was merely going to ask the Senator from Tennessee about the figures he is now presenting to the Senate, because representations have been made to me that during the last year or so—and it occurred to me that the Senator might be relying upon last year's figures—there has been a major decline in the American export market and a substantial decrease in profits. I have seen some figures presented by spokesmen for the industry which were at variance with those figures. Perhaps the Senator has those figures.

Mr. GORE. I appreciate the contribution of the able junior Senator from Louisiana. I wish to state that the statistics furnished by both the Federal Trade Commission and the Securities and Exchange Commission indicate that the profits of textile corporations in the United States, after taxes, for the year 1954 were $114 million.

The same sources report that the profits after taxes for 1955 increased by 204 percent, to $346 million. The net income of textile corporations in the first quarter of 1956 was 23 percent higher than in the first quarter of 1955. Profit margins and return on stockholder investments during the first quarter of 1956 were the highest since 1952.

The distinguished majority leader, I may say with genuine respect and regard for him and his problems, has been pulling on my coattails, figuratively speaking, pressed as he is with the legislative calendar, including the Hells Canyon bill.

I should like to present additional facts, but in deference to the pending legislative program I conclude by saying, briefly, that I am glad to support the resolution. I believe the problems of individual segments of the industry must be segregated from the overall situation in the textile industry. It is important that we reach some resoluton of the problem which has plagued Congress for many months. I wish to call attention to the fact, also, that through the years the United States international economic policy has been supported in Congress by representatives from the southern part of our country. That point of view is now threatened. I believe that fact poses, in its own way, a serious challenge to the political capacity of the United States to sustain a truly international economic policy, which I regard as being in the enlightened self-interest of the United States of America.

I support the resolution in the hope that it will contribute to the development of the facts and to an early and proper consideration of the facts, so as to lead to a resolution of the problem.

Mr. WOFFORD. Mr. President, I rise to express my strong support of Senate Resolution 236, of which I am a cosponsor with the Senator from Maine [Mr. PAYNE], who submitted it.

Instead of making a lengthy statement, I, like the Senator from Tennessee, desire to state a few facts about the textile industry, as to some of which he apparently has not been informed.

At the beginning of the war, when the Japanese bombed Pearl Harbor, the Japanese textile industry had 11,500,000 antiquated spindles. During the war, the Japanese textile equipment which was not bombed away was melted down, and at the conclusion of the war the Japanese people had 1 million antiquated spindles and still had no know-how with reference to textiles. Out of the greatness and goodness of the American heart, we immediately started to build the economy of the Japanese people—which I think was a good thing.

Mr. GORE. Mr. President, will the Senator from South Carolina yield?

Mr. WOFFORD. I yield.

Mr. GORE. If all the textile imports from Japan were eliminated, such action would not significantly expand the market for products of the American textile industry at this particular time. Is that not correct?

Mr. WOFFORD. I have heard that statement made. We sent our engineers to Japan to teach the Japanese how to make textiles, in an effort to improve their economic condition. We gave them money and machinery, as did the British and the Germans. So that today the Japanese people have 8½ million spindles, and modern new equipment, which is better than that which we have in the entire United States. The Japanese are able to buy cotton on the world market at 6 cents a pound less than our own domestic manufacturers have to pay for it, and cotton represents 56 percent of the cost of the material.

In addition to that advantage, Mr. President, the Japanese textile manufacturers have compounds for textile employees to live in. There is almost slave labor in Japan. They employ in the textile industry girls who have been taught by our experts. They are kept in compounds under 3-year contracts with their parents, and the average wage is from 14 to 15 cents an hour, whereas American manufacturers are forced to pay 6 cents a pound more for cotton and the average wage in the domestic industry is $1.30 an hour. With all those advantages, how can we expect the textile industry to prosper? One out of nine industrial employees in the entire United States is either directly or indirectly connected with the textile industry.

I think we have done enough for Japan so far as that one industry is concerned. The Japanese are in far better condition than they were in before the war. The Japanese in this instance are smarter than Americans—certainly, smarter than the American Government. They put voluntary quotas on themselves with the understanding that they will give us 90 days. The exporters themselves put them on. They have, themselves, offered to enter into negotiations to establish quotas, but our State Department has denied us the right to have quotas. They have the power, the authority, and the right now, and, certainly, this resolution would be enough to prod them into doing something for the American people. I know whereof I speak, Mr. President, because mills are closing in my section of the State and people are walking the streets seeking jobs. Why did the Japanese establish quotas if they did not realize that the American Congress would some day wake up and realize what has happened to the textile industry? It is not fair and right to give away not only money to foreign countries, but our industry as well.

I reluctantly say this, Mr. President, but I believe it to be true that the present administration has entertained the deliberate purpose and intent of giving away at least half of our textile industry before it will attempt to give us any relief.

Mr. President, I ask unanimous consent that a statement which I had prepared with reference to this resolution be printed at this point in the RECORD.

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

STATEMENT BY SENATOR THOMAS A. WOFFORD

I rise to express my strong support of Senate Resolution 236 to which I am one of the cosponsors with Senator PAYNE who introduced it. I say strong support because my hope had been that the Finance Committee would make the resolution stronger.

In lieu of a stronger resolution, I want to emphasize the need for this additional expression of views by the Senate on the matter of protecting American industry from the importation of foreign, cheap-labor textile products.

On June 28 the mutual security bill was being debated in the Senate. Senator YOUNG offered an amendment which would have required quota protection against foreign imports. That amendment was rejected by the narrow margin of two votes. Several members who had expressed interest in the enactment of protective measures were not present when the vote was taken.

The tremendous problem which besets the textile industry is one which is now recognized widely. I am convinced that import quota protection would already have been approved by the Congress, if it had not been confused with matters of international relations to such an extent that undue fears have resulted.

Conflicting interests and emotions have been mixed with this important matter.

But this is the time for the Senate to express itself again on the problem. This is a clear-cut resolution, even though it does not provide additional law or additional authority to implement necessary reforms in our handling of import problems. The resolution does provide the Senate with another opportunity to make clear to the administration that action should be taken under existing law and authority to protect Americans first.

Several steps have been taken by the Senate to make this clear during the past 2 years. In 1955 the amendments approved to H. R. 1, the Reciprocal Trade Agreements Extension Act, showed the concern of this body for the well-being of American industry.

Later last year, the Senate enacted Resolution 121 to provide for a continuing survey of the effect of foreign imports on the American textile industry.

Also, strong opposition has been expressed in the Senate Finance Committee to approval of the Customs Simplification Act, which would further reduce tariffs on many products which are competitive with American-made products.

From time to time strong representations have been made to the administration expressing the concern of Members of the Congress in this matter.

I realize the scope of the task which the Senate Finance Committee and other committees have faced in considering the bills pertaining to this problem. I am fully aware of the pressures which have been brought to bear from the administration against some of these proposed measures because of the administration approach to diplomatic relations with foreign countries in other matters.

I want to commend the chairman and the members of the Finance Committe for the careful manner in which it has proceeded on each bill and resolution. The members of this committee have handled these matters with deliberation and acumen.

The resolution before us now provides that the Tariff Commission "is directed to expedite and, whenever practicable, to give priority to" escape clause investigations.

Certainly such investigations are the most important matters the Commission could have before it.

The Japanese have promised only to give 90 days' notice if they decide to lift the few self-imposed restrictions they have placed on goods exported to the United States. But the Tariff Commission is, under the present law, granted 9 months to make an investigation under an escape clause application.

Expedited action and priority consideration of escape clause applications could well mean the difference between life and death of an American industry. The Commission has informed the Finance Committee that it does not have the staff or facilities to keep a constant watch on all phases of textile import activity. Therefore, when it receives a specific application for relief, it is vital that the Commission act with all dispatch.

I would like to say that I was happy to note the interest and concern in this matter of the distinguished minority leader as shown by his remarks in the Senate on June 28. I was especially happy to hear him state that he had personally brought this problem to the attention of the White House. I hope he will continue his efforts to secure action in that quarter.

This is not a partisan problem. The vote on the Young amendment showed the concern manifest on both sides of the aisle. This is a problem for all Americans. We cannot afford to let a basic industry be killed by failure of the Congress to protect American trade interest.

I am convinced that, if the administration does not take action soon to implement authority already provided by law, the Congress will at the next session take legislative action.

But the matter before us now is the Payne resolution. It makes clear once again the great concern this Senate feels for the people of the textile industry. Let me urge you, my colleagues, to vote for this resolution.

This Senate on June 29 voted to authorize an appropriation of billions of dollars for what is called "mutual security." I say the security of the jobs of more than a million Americans is just as important—more important to me—than the billions of dollars we have spread over the globe since World War II trying to purchase friendship in other countries.

Mr. MORSE. Mr. President, will the Senator from South Carolina yield?

Mr. WOFFORD. I yield.

Mr. MORSE. Is it the Senator's understanding that the new textile factories in Japan which he says are the most modern textile factories in the world were, in effect, built out of foreign-aid money which the United States sent to Japan, and that, therefore, we are confronted with that competition?

Mr. WOFFORD. That is correct.

Mr. MORSE. Which results in the expenditure of our own foreign-aid money, plus the other economic disadvantages to which the Senator has referred.

Mr. WOFFORD. That is true.

Mr. MORSE. If the textiles of Japan were going into Japan's historic market, we would not be in the situation in which we now find ourselves, and yet we are taking the position that Japan must not trade with some of her historic markets.

Mr. WOFFORD. The Senator is eminently correct.

Mr. MORSE. The Senator knows how delicate this subject is. I am

against any trade with any Communist country which involves materiel which can be used against us in a possible war, and I have always been at a loss to understand why we do not use economic weapons to break down communism in the field of trade. It does not strengthen the war potential in any of the countries in Southeast Asia and Red China.

The Senator, I think, was on the floor the other day when I spoke about what is happening to the women's blouse industry in the United States. It is simply closing down. Factories are being closed.

Within the last 60 days, I spoke at a meeting in New York, at which a group of blouse manufacturers were present. They pointed out the statistics with respect to the number of workers they were having to lay off because of the necessity to close the factories. They cannot compete with Japanese blouses. They said that those blouses were being shipped into trade areas where, under our foreign policy, apparently, we are using our influence to prevent Japanese sales.

In my own State of Oregon, we are confronted with a serious threat to the plywood industry. Actually plywood logs are being shipped from the west coast to Japan, where in some very modern plants, they are being manufactured into plywood. The processed wood is then coming back to the United States. Even with all the transportation cost, including the actual shipment of the logs, the plywood cost is so far below the cost of American plywood that if the Japanese can produce it in sufficient quantities, they will, in the near future, do irreparable damage to the American plywood industry.

We who have consistently taken the course of action, as I have, of seeking to develop the economic, productive power of the peoples in those areas of the world where the fight for freedom must be won are in a very curious predicament in regard to the foreign trade policy of the Government. We vote for foreign aid, on the one hand, only to find ourselves involved in exactly the kind of situation which the junior Senator from South Carolina has so ably set forth this afternoon.

I have been criticized, for example, because in the Committee on Foreign Relations I supported the Green amendment to the foreign aid bill. The Green amendment, in effect, when all was said and done, contained the principle of the quota policy.

I think we shall have to follow that policy in those areas of the world where our economic foreign policy is boomeranging because we are using our influence to prevent normal trade in the historic channels into which that trade previously flowed.

I think there is great merit in what the Senator from South Carolina has pointed out.

Mr. WOFFORD. I thank the Senator from Oregon.

Mr. JOHNSTON of South Carolina. Mr. President, first I wish to commend the Senator from Maine for submitting the resolution. I have listened to several Senators today as they made their speeches on this subject. I should like to call attention to something which is happening in my State at the present time.

In South Carolina the mills are closing. Many have already closed. Other manufacturers are refusing to build or to expand. The owners of a mill in Lancaster, S. C., had plans made to build a new mill at a cost of several million dollars, but they have decided not to do so because they cannot meet the Japanese competition with which they are now faced.

Let us consider that point for a moment. The Japanese buy their cotton between 8 and 10 cents a pound cheaper than the manufacturer in the United States can buy cotton. The Japanese manufacturer buys cotton for 25 or 26 cents a pound. The United States manufacturer at present pays about 34 or 35 cents a pound.

The American manufacturer has to meet the competition of Japanese labor. The average pay of Japanese labor at present is approximately 13 cents an hour. But the American manufacturer, according to the latest statistics, has to pay on the average of $1.43 an hour.

Mr. President, we have set the Japanese up in business under our relief program. The State Department had us do that. They discussed the matter with us in a little room just outside the Chamber. They said that $250 million was needed to rehabilitate the Japanese industry, in order to enable them to provide work in that country. We finally ended by providing $150 million.

It will also be found that we gave the Japanese the know-how, which they did not have in the beginning. We provided them with patent rights and techniques to enable them to go forward.

After all these things, the Japanese are now coming back to meet us in competition. But what does the State Department say? The State Department says, "Oh, no, do not touch Japan. Let her sell all she wants to America."

The Camperdown Mill, in Greenville, S. C., is closed at the present time because it cannot meet the competition. That mill is 82 years old. But it is closed now. Other mills are operating 3 or 4 days a week, instead of 5 days, because they cannot meet the competition, and because their profits have dropped.

If we are to assist the Japanese as a relief proposition, should the textile industry pay all the cost? Or should not all of the United States pay to rehabilitate Japan?

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WATKINS. What would the Senator suggest as a remedy for that situation? I call his attention to the fact that the mining industry of the United States, too, has been having a difficult time in competing with the mining industry of Africa and of other countries. Those foreign industries also have been built with American dollars.

Mr. JOHNSTON of South Carolina. I agree with the Senator from Utah. Many times I have stood alone on the floor and objected to giving so much money to foreign nations which are now producing in competition with the United States.

Mr. President, I say that is wrong. We in America should begin to think a little of our own people at home, instead of always thinking of other nations.

I have been told that we have the votes to agree to the resolution. I am one who believes in voting when we have the votes. So I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on this subject.

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

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

The American cotton textile industry has a peculiar distinction: 80 percent of the costs of producing its product are regulated by law.

The raw cotton, upon which the industry is based, accounts for more than 50 percent of the value of the finished product. Unlike its competitors abroad, the American mill cannot enjoy the advantages of shopping in world markets for the cheapest sources of raw material.

Raw cotton imports into this country are strictly regulated by quotas, which prevent the production from low-wage countries competing in the domestic market with the cotton grown by American farmers. These quotas were set up more than 20 years ago when it was determined by the Congress that American agriculture needed protection from foreign exploitation. They have been in effect ever since and undoubtedly will continue as long as we have a national agricultural program.

The same quotas which protect the farmer, however, limit the source from which the domestic mills can buy. They must buy American cotton. Mexican cotton may be cheaper. Brazilian cotton may be less costly. Other nations may buy these foreign cottons freely and without restriction at prices which are cheaper than that asked for American cottons. American mills do not enjoy the advantage of cheaper sources of supply. They must buy in the United States and only in the United States.

In buying at home they are confronted with a fixed minimum price for their raw materials. This price is fixed by the level of the price support program given the American farmer. There never has been any indication by the mills that they thought this price excessive. There has been a complete understanding of the need for such supports and a ready acceptance of the principle of price regulation. They merely have pointed out that it is a fixed cost over which they have no control, a cost which puts them at a great disadvantage when competing in both foreign and domestic markets with nations which have access to the cheaper sources of raw cottons in countries such as Mexico, Brazil, Pakistan, or Turkey.

The disparity between what foreign textile manufacturers pay for their raw material and what the domestic mills pay has increased with the development of the surplus disposal program which was ordered by Congress.

The support price for middling $\frac{15}{16}$-inch cotton on the 1955–56 crop averages 33.50 cents a pound. Because the harvest is long over, storage and other charges have accumulated until the actual market price is in the neighborhood of 35.50 cents a pound. This is the price the domestic mill must pay.

Under the export sales program, cotton is available to the foreign mill at 25 cents a pound at average location. This is 10.5 cents a pound under the current market price and 8 cents a pound under the current support

price. It is more than 6 cents a pound below the announced support price for next year.

It is assuming too much if it is believed that any textile mill can compete on equal terms with another when one has this great advantage in the price of raw material.

Even though the domestic support price is lowered somewhat after August 1, the buyer of cotton under the export program still will have an insurmountable price advantage of 6 cents a pound. And this assumes that the price for export sales will not be lowered to meet prices for foreign cottons, which have a way of declining just below our own price umbrella, whatever it is.

The second fixed charge with which domestic mills have to contend is that of wages. The law fixes a minimum wage of $1 an hour, and the average rate paid by the industry is about $1.43. Labor alone accounts for at least 27 percent of the cost of producing a typical American cotton fabric.

In Japan the average hourly rate is only about 13 cents an hour—less than one-tenth the American average. The only way American and Japanese labor costs can be brought into balance is for the American textile worker to increase his output tenfold. Even though he may be superior to the average Japanese worker in efficiency and know-how, even though he may have the best and most modern machinery, such an increase in output is impossible. Actually the Japanese are known to be exceptionally efficient textile millworkers and the Japanese cotton industry is the most modern one in the world since it is largely of postwar vintage.

The Japanese mill, therefore, has two great advantages over the American textile producer. He can buy cotton at a 25 to 30 percent price advantage, and he pays less than 10 cents for every dollar in wages the American mills spend.

Tariffs have long been the accepted means of bringing the advantages of cheap foreign labor in line with domestic costs. But this type of regulation recently has been discarded. As the cost factors have widened between the domestic and the Japanese mills, the tariffs protecting domestic industry have been reduced.

There has been a flood of Japanese textiles into America as a result—even before the extra price advantage because of our export sales program was granted. The lower cost of cotton will increase the Japanese price advantage immeasurably and make it still more difficult for the domestic mills to compete.

The administration recognizes the effect that this disparity of raw cotton prices will have on American textile exports. It has announced that it will begin a cotton textile export subsidy about August 1 to make up for the difference in raw cotton prices.

Exports are only a small part of the American textile output. The major market is at home—and this is the market which is being left unprotected, subject to the whims of any nation which has the advantage of cheap labor and cheap cotton.

This is the market to which the American cotton farmer looks to take the major part of his production. If it is destroyed, the American cotton farmer is destroyed.

IMMIGRATION AND REFUGEE RELIEF

Mr. WATKINS. Mr. President, with the passing of each day we come closer to the adjournment date for this session of Congress, and with the passing of each day the chance for passage of the much-needed amendments to the Immigration and Refugee Relief Acts becomes less and less. My concern over this prompted me to call this matter to the attention of the Senate earlier this month.

The need for this remedial legislation further prompted me to call this plight to the attention of the President by letter, dated July 17. I frankly asked the President for his suggestions and comments in the hope that I might have his thinking while it was still possible to obtain passage of some of the proposed legislation. I was honored today to receive a very prompt reply from the President. In view of the President's comments, I feel it my duty to make his letter available to all in order that the widest possible circulation might be made among the people of the Nation, and specifically for the use of my colleagues in the Senate who are in a position to avoid further delay in the consideration of the President's program.

At this point I shall read the brief letter I addressed to the President, and then I shall read his reply:

JULY 17, 1956.

DEAR MR. PRESIDENT: Several times during the past year you have spoken out to urge that Congress take immediate steps to amend the Refugee Relief Act and to modernize and overhaul some of our basic immigration legislation.

The legislative session is fast drawing to a close and, as of this date, no effective action has been taken by the Congress in this field; such action now appears unlikely.

I have submitted to the Congress a series of bills which incorporate the recommendations which you presented to the Congress in your state of the Union message and in your message to Congress on February 8, 1956. These proposals have been redrafted and sent to the desk as amendments to the single general immigration measure to come out of the Senate Judiciary Committee during this Congress (H. R. 6888, commonly called the sheepherders bill).

Action on these amendments has bogged down and it is apparent that unless quick action is taken there will be no legislation affecting this crucial problem during the 84th Congress.

I would appreciate your suggestions and comments on this matter.

Sincerely,

ARTHUR V. WATKINS.

I may point out that H. R. 6888 has already passed the House of Representatives, and has been reported to this body by the Senate Judiciary Committee.

I now read the letter I received from the President today:

JULY 18, 1956.

DEAR ARTHUR: Thank you for your letter of July 17th. I appreciate your giving me an opportunity to point out once again the vital need for legislation revising the McCarran-Walter Immigration Act and amending the Refugee Relief Act.

As you know, on February 8, 1956, I submitted to the Congress a four-point program designed to reshape our existing immigration laws. This program would revise and bring up to date the quota system and remove the quota mortgages; provide a fair and workable substitute for the private bill system of granting relief from deportation in hardship cases; make a series of other improvements and provide an exclusive, speedy, and fair system of judicial review of administrative deportation orders. I emphasized then and I emphasize now that this country should have larger immigration and that the national origins system should be reviewed in its entirety.

As you so rightly state, it is important that the Congress enact this program without delay. Unless action is taken in this session, immigration from a number of friendly nations such as Greece and Italy will be drastically reduced when visas which have been available to those countries under the Refugee Relief Act are exhausted this summer. For example, the already small regular annual quota for Greece is limited to 154 as a result of the mortgage imposed by the 1948 Displaced Persons Act.

More than a year ago and again last January I suggested revision of the Refugee Relief Act. One of the most important of my suggestions was that visas be reallocated from countries where they are not needed to countries where they have been exhausted and are needed. For example, thousands of visas authorized for escapees in Germany and Austria have not been applied for while at the same time the refugee-relief program can no longer accept applications from escapees residing in other countries.

Many of these people risked their lives to flee from Communist persecution in the Baltic nations, Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria. For them and for many others who are relatives of American citizens the only remaining opportunity to come to the United States is under the small and heavily oversubscribed annual quotas of their native lands. As a practical matter, in the absence of new legislation, visas for many of these deserving people will never become available under the McCarran-Walter Act.

The amendments which you have offered substantially cover the important recommendations which I have made and they deserve the most serious consideration. I again urge the Congress to enact into law these several proposals before the conclusion of the present session.

Sincerely,

DWIGHT D. EISENHOWER,

I realize that ordinarily the offering, on the floor, of amendments of a substantial nature to bills is not the best way to legislate. However, in this particular instance, I wish to point out that the four amendments applicable to H. R. 6888, which I have had printed, and which are now lying on the desk, have already had hearings held on each one of them by the Immigration Subcommittee of the Judiciary Committee of the Senate. Those amendments have been discussed and analyzed by persons who are responsible for laws of that kind. Secretary Dulles, Mr. Herbert Brownell, Mr. Scott McLeod, and others having to do with the State Department and the Department of Justice have testified, as have numerous other witnesses.

Last November I was called back to Washington by a summons from the then chairman of the Judiciary Committee and chairman of the Immigration Subcommittee, the late Senator Harley Kilgore, to attend hearings on proposed immigration legislation. Extensive hearings were held at that time. At various times since then hearings have been held on these amendments, which are, almost word for word, the same measures which I introduced at the beginning of the year as the present administration's program with respect to immigration. So there has been full consideration given by a committee to the proposals, but there has been no opportunity to get the bills to the floor as such. I have had the amendments printed, and they are now lying on the table. They propose to amend H. R.

6888, which is known as the sheepherders' bill.

Mr. President, the need for amendments in the field of immigration and refugee relief legislation is recognized by both political parties. Besides the President's messages and pleas for necessary amendments, I have called to the attention of my colleagues the address appearing in the January 18 issue of the CONGRESSIONAL RECORD, starting on page 629, which is a reprint of a speech of the majority leader, the distinguished Senator from Texas [Mr. JOHNSON] at a Democratic advisory committee meeting at Whitney, Tex. This speech is identified as the "program with a heart" speech. In this speech the majority leader—as point No. 11 in this program—called for amendments to the immigration and naturalization laws to insure that that they are fair and just.

Mr. President, I submit that the President's program, as evidenced by the amendments to H. R. 6888 presently lying on the desk, represents at least a modest approach to making the immigration and naturalization laws fair and just. If the laws are to be fair and just, then it is understood that justice be done not only to one, but to all groups. Certainly the sheepherder bill, which I endorse and support, is fair and just to the group designated to benefit thereby; but it falls far short of being fair and just to all.

I submit, Mr. President, that if this Congress is to carry out the program endorsed by the President, then prompt scheduling of the sheepherder bill for Senate consideration is an absolute necessity, or action must be taken on other proposed legislation designed to provide fair and just treatment to all in the field of immigration and refugee relief matters.

Mr. President, I had intended at this point to ask unanimous consent to have the President's letter printed in the RECORD. However, I understand that it is already in the RECORD.

Mr. President, at this time I intend to discuss another matter.

Mr. LEHMAN. Mr. President, before doing so, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. JOHNSON of Texas. Mr. President, I would remind the Senator from Utah and the Senator from New York that Senate Resolution 236, in which many Senators are interested, is awaiting final action. I was informed that action on the resolution would require only 5 or 10 minutes. I am sure that neither the Senator from Utah nor the Senator from New York was in the Chamber at that time.

The Senator from Utah has asked me to schedule very important proposed legislation; but I must observe that I am having great difficulty in getting final action taken on the legislation I have already scheduled.

If Senators will permit action to be taken on the pending legislation, already scheduled, then I will have another measure brought before the Senate and made the pending business. When that measure is pending, Senators can engage in debate until midnight, if they wish. In that way, every Senator will be given ample opportunity to express his views on any matter in which he is interested.

If the Senator from Utah will yield for that purpose, so that the Senate can vote on Senate Resolution 236—and with the understanding that the Senator from Utah will be recognized by the Chair immediately after the vote is taken—I shall appreciate it very much.

Mr. WATKINS. Mr. President, first I wish it understood that I shall not thereby lose the floor.

Mr. JOHNSON of Texas. I request that the Senator from Utah may yield, with the understanding that immediately after the vote on the resolution is taken, he will be recognized.

Mr. LEHMAN. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. LEHMAN. I do not like to interfere in any way at all with the plans of the distinguished majority leader; but I think he must understand that no Member of the Congress of the United States has been more deeply concerned than have I with immigration and naturalization matters.

Mr. JOHNSON of Texas. Mr. President, I know that is very true, but I hope the Senator from New York will make his further remarks on the subject after Senate Resolution 236 is acted on. Final action on it will take only about 1 minute.

Mr. LEHMAN. Mr. President, will the Senator from Utah yield to me, following action on that resolution?

Mr. WATKINS. At that time I shall yield for questioning.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Utah may yield the floor, for the purpose of permitting the Senate to act on Senate Resolution 236, and for the purpose of permitting me then to bring before the Senate, as the pending business, another measure; and that then the Senator from Utah be immediately recognized.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. WATKINS. Mr. President, before I actually yield, I wish to say, in regard to the pending resolution (S. Res. 236), that I am very happy that my friends from the South and from Maine are becoming interested in the protection of American industries. I have been in favor of a protective tariff when it is necessary in order to protect our standard of living. It is interesting to note that now some of our friends from the South—who used to be our allies in fighting for solution of the problems affecting the Intermountain States and the Western States—are again taking an interest in protection. However, they are proceeding by another route.

I wish to point out that in the Intermountain States there are many industries which are having great difficulty in meeting, or in some cases are unable to meet successfully, competition from areas around the world which have been given help by the United States Government, by means of the funds we have spent for the rehabilitation of those countries. Some of the foreign countries have not received any help from us; but nevertheless they are underselling us, largely because of the difference between their standard of living and the standard of living in the United States.

Therefore, Mr. President, I am in favor of adoption of the pending resolution. I only wish it covered the mining industry and many other industries in the United States which also need some relief. We are going to hear more about this matter as time goes on.

Mr. President, I yield at this time, under the proposed unanimous-consent agreement, to the distinguished majority leader.

Mr. JOHNSON of Texas. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? Without objection, it is so ordered.

INVESTIGATION OF IMPORTS OF TEXTILES OR TEXTILE PRODUCTS

The Senate resumed the consideration of the resolution (S. Res. 236) directing the Tariff Commission to investigate whether imports of textiles or textile products are affecting injuriously the domestic industry, which had been reported from the Committee on Finance with amendments.

Mr. JOHNSON of Texas. Mr. President, I yield the last minute to the Senator from North Carolina [Mr. ERVIN].

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 1 minute.

Mr. ERVIN. Mr. President, I merely wish to say that I endorse the views on the resolution expressed by the distinguished Senator from Maine [Mr. PAYNE]; and I hope the resolution will be agreed to.

The PRESIDING OFFICER. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, it is proposed to strike out all after the word "Resolved" and insert:

> That in the light of the acute distress existing in segments of the domestic textile industry, it is the sense of the Senate that the President should give immediate consideration to the impact of imports of textiles and textile products on such industry, with a view to determining whether the authority granted to him under section 22 of the Agricultural Adjustment Act, as amended, section 204 of the Agricultural Act of 1956, the Trade Agreements Extension Act of 1951, as amended, section 350 of the Tariff Act of 1930, as amended, or other law, should be exercised with respect to imports of any textiles or textile products.
>
> *Resolved further*, That the United States Tariff Commission is directed to expedite and, wherever practicable, to give priority to, investigations now pending, or which may hereafter be instituted, under section 7 of the Trade Agreements Extension Act of 1951, as amended (escape clause investigations), relating to textiles or textile products or any other articles or products.

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Has the resolution—the so-called Payne resolution—as amended been agreed to?

The PRESIDING OFFICER. No; it has not yet been agreed to.

Mr. JOHNSON of Texas. Mr. President, despite the conversations in a low voice which have been occurring at the desk, the Chair has not yet put the question on adoption of the resolution.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Without objection, the resolution submitted by the Senator from Maine [Mr. PAYNE], on behalf of himself and certain other Senators, is agreed to.

Mr. DOUGLAS. Mr. President, do I correctly understand that the resolution has been agreed to?

The PRESIDING OFFICER. Yes.

Mr. DOUGLAS. Mr. President, I did not hear the resolution put to a vote.

Mr. JOHNSON of Texas. Mr. President, the Chair has stated that the resolution has been agreed to; but it has not been agreed to, insofar as Senators could hear. If it was agreed to as a result of an announcement at the desk, Senators on the floor simply could not hear the announcement. In fact, no such announcement was made.

The PRESIDING OFFICER. The Chair stated that, without objection, the resolution would be agreed to.

Is there objection?

Mr. DOUGLAS. Mr. President, I wish to have my vote recorded in the negative on the question of agreeing to the resolution. I do not think the RECORD should show that the resolution was agreed to by unanimous consent.

Mr. JOHNSON of Texas. Mr. President, the question on agreeing to the resolution has not yet been put; the Chair did not state that the question was on agreeing to the resolution. While the resolution has been brought up to the point of the question, it has not yet been stated.

The PRESIDING OFFICER. The present occupant of the chair took the chair only a moment ago, and stated what he was informed was the situation.

The question now is on agreeing to the resolution, as amended. [Putting the question.]

The resolution (S. Res. 236) was agreed to, as follows:

Resolved, That in the light of the acute distress existing in segments of the domestic textile industry, it is the sense of the Senate that the President should give immediate consideration to the impact of imports of textiles and textile products on such industry, with a view to determining whether the authority granted to him under section 22 of the Agricultural Adjustment Act, as amended, section 204 of the Agricultural Act of 1956, the Trade Agreements Extension Act of 1951, as amended, section 350 of the Tariff Act of 1930, as amended, or other law, should be exercised with respect to imports of any textiles or textile products.

Resolved further, That the United States Tariff Commission is directed to expedite and, wherever practicable, to give priority to, investigations now pending, or which may hereafter be instituted, under section 7 of the Trade Agreements Extension Act of 1951, as amended (escape clause investigations), relating to textiles or textile products or any other articles or products.

The preamble was amended, so as to read:

Whereas substantial reductions have been made in tariff rates on textile products in various trade agreements with foreign countries; and

Whereas the value of imports of cotton manufactures in January 1956 was 14 percent higher than in December 1955 and the value of imports of cotton cloth in January 1956 was 46 percent higher than in December 1955; and

Whereas more than 1 million persons are employed directly in the textile industry of the United States; and

Whereas in many sections of the Nation the entire economy of a community is tied directly to the healthy operation of the textile industry; and

Whereas the textile industry of the United States is a vital part of our national defense; and

Whereas the United States Senate in Senate Resolution 121, 84th Congress, directed the United States Tariff Commission to keep currently informed regarding the impact of imports of textiles and textile products on the domestic industry producing like or directly competitive products in order to be prepared to act promptly on such investigations as may be requested by the President, or directed by resolution of either House of Congress, the Committee on Finance of the Senate, or the Committee on Ways and Means of the House of Representatives, or applied for by any interested party, under section 7 of the Trade Agreements Extension Act of 1951, as amended, to determine whether any product upon which a concession has been granted in a trade agreement is, as a result in whole or in part of the concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products; and

Whereas the Senate is gravely concerned over the acute distress existing in segments of the domestic textile industry and the greatly increasing importations of foreign textiles and textile products, and recognizes, with equally grave concern, that the impact of imports of foreign articles may be causing or threatening serious injury to domestic producers of textiles and other products: Now, therefore, be it

The title was amended, so as to read: "A resolution urging immediate consideration of the impact of imports of textiles and other products upon the domestic market and directing the Tariff Commission to expedite escape clause investigations and to give them priority wherever practicable."

Mr. JOHNSON of Texas. Mr. President, I thank the Chair very much for getting the muddled situation straightened out; and I thank the Senator from Illinois for pointing out that the question on agreeing to the resolution had not been stated.

Mr. DOUGLAS. I wish to have it recorded that my vote on the Payne resolution was "No."

EXTENSION OF AUTHORITY OF AMERICAN BATTLE MONUMENTS COMMISSION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3498) to extend authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes, which was, on page 1, strike out line 3 over through line 20 on page 2, and insert:

That the second and third paragraphs of the first section of the act entitled "An act for the creation of the American Battle Monuments Commission to erect suitable memorials commemorating the services of the American Soldier in Europe, and for other purposes," approved March 4, 1923 (42 Stat. 1509, as amended; 36 U. S. C. 121), are amended to read as follows.

Mr. MURRAY. Mr. President, the Committee on Interior and Insular Affairs has considered the action of the House of Representatives, and reports favorably thereon. The committee recommends that the Senate concur in the amendment of the House, and I so move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

PARTICIPATION IN THE UNITED STATES WORLD TRADE FAIR

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2654.

Mr. WATKINS. Mr. President, what measure is that?

Mr. JOHNSON of Texas. Mr. President, I have moved that the Senate proceed to the consideration of Calendar No. 2654—in order that some business will be pending before the Senate, so that Senators may then make extraneous speeches, if they wish.

Mr. WATKINS. Mr. President, that measure is not the Hells Canyon bill, is it?

Mr. JOHNSON of Texas. No; it is not.

The PRESIDING OFFICER. The joint resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 194) authorizing the President to invite the States and foreign countries to participate in the United States World Trade Fair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 194) authorizing the President to invite the States and foreign countries to participate in the United States World Trade Fair.

Mr. MORSE. Mr. President——

Mr. JOHNSON of Texas. Mr. President, if the Senator from Oregon will defer just a moment, let me say that we entered into a unanimous-consent agreement, and in that connection I should like to make an announcement.

In order to have the last resolution (S. Res. 236) agreed to—its consideration was supposed to take 5 minutes, but it actually took an hour and one half—we agreed that immediately after the resolution was acted upon—and the Senator from Utah had stated that he wanted the Senate to act on the resolution, and that he would vote for it—the Senator from Utah would be recognized. In other words, the Senator from Utah yielded for that purpose, with the understanding that he would not there-

by lose the floor following the taking of that action.

I should like to announce that it is not the purpose of the leadership to ask for immediate action on Calendar No. 2654, Senate Joint Resolution 194. The only purpose of moving that it be considered was to permit any Senator who may desire to do so to speak on any subject with which he may be filled. [Laughter.]

The first Senator who will speak under that heading is the Senator from Utah [Mr. WATKINS]. The Senator from New York [Mr. LEHMAN] has some questions to propound to him.

I have talked with both Senators from Oregon, the Senator from Washington, the Senator from Idaho, and other Senators who may wish to have some general discussion on the Hells Canyon Dam project before we reach the point of limitation of debate. There are some 3 or 4 hours of speeches to be delivered on that subject before I shall move that the Senate take a recess this evening.

For the information of Senators, an order has already been entered that when the Senate concludes its business this evening it will stand in recess until 9:30 o'clock tomorrow morning.

While I have been speaking I have forgotten my beloved friend from Michigan [Mr. MCNAMARA]. I promised him earlier in the day that I would try to see that he was recognized for 10 minutes. He has been waiting all day. I hope the Chair will recognize him shortly.

It is the plan—or the hope—of the leadership to get through with the third reading of the Hells Canyon bill before the Senate take a recess this evening. If that hope is realized, the Senate will reassemble tomorrow at 9:30 a. m., have a morning hour and a quorum call, and perhaps by 10:15 or 10:30, final debate on the bill will begin. That will continue for 3 hours. Unless there is a motion to recommit, the vote on final passage should come around 1 or 2 o'clock. There will be no evening session tomorrow. Democratic Senators, I am sure, will be leaving early to attend a very notable event being held downtown for the purpose of honoring our beloved colleague, the Senator from Georgia [Mr. GEORGE].

We shall be prepared to remain in session this evening as late as it may suit the convenience, desire, and pleasure of Senators. I appreciate the cooperation of Senators.

I now yield the floor, in order that the Senator from Utah [Mr. WATKINS] may be immediately recognized.

I express the hope that the Chair will cooperate in seeing that the Senator from Michigan [Mr. MCNAMARA] is recognized soon.

The PRESIDING OFFICER. The Senator from Utah is recognized.

IMMIGRATION AND REFUGEE RELIEF

Mr. LEHMAN. Mr. President, will the Senator yield to me?

Mr. WATKINS. I yield to the Senator from New York for some questions.

Mr. LEHMAN. I ask the Senator from Utah to advise me, in view of the fact that I was not present at the time he read the President's letter, whether he has suggested consideration by the Congress of the recommendations made some months ago by the President of the United States.

Mr. WATKINS. I have. I called attention to the fact that the President submitted certain recommendations. On February 8 he submitted recommendations, and later, legislation to carry out those recommendations was introduced by me. The same measures which I have introduced have now been offered as amendments to the so-called sheepherders' bill. The President rather vigorously, I think, recommends and urges that we adopt, in substance, those amendments, and get some action at this session of Congress.

Mr. LEHMAN. The Senator will recall, I believe, that in addition to the amendments which he offered to the so-called sheepherders' bill, representing the views of the President of the United States, the junior Senator from New York offered as an amendment in the form of a substitute a comprehensive bill covering matters of immigration, naturalization, and citizenship.

Mr. WATKINS. I think that is true. As I remember, that amendment is the same, in substance, as the amendment the Senator submitted at the immigration hearing last November. It is the same type of amendment to the Immigration Act the Senator offered at that time.

Mr. LEHMAN. That is correct. I wish to say to the Senator from Utah and to my other colleagues that I very much hope that consideration will be given by the Senate to the recommendations made by the President of the United States. They are worthy of careful consideration.

At the same time, if any legislation on the subject is brought before the Senate, I shall insist that the bill which I have offered as an amendment in the nature of a substitute be considered at the same time. The recommendations made by the President have considerable merit so far as they go, but in my opinion they do not go far enough in any particular.

The bill which I have presented in the form of an amendment in the nature of a substitute was originally introduced by me and 12 cosponsors last year. It is comprehensive, thorough, and full. It includes not only the improvements covered by the recommendations made by the President, but many other vital issues connected with immigration, naturalization, and citizenship. It covers the issuance of visas by our consular officers.

I point out that the consular officers have complete and full discretion as to how they will issue visas, and to whom. Not even the Secretary of State or the President of the United States can reverse the decision of a consular officer with regard to the issuance of visas.

The bill covers many injustices and inequalities in connection with the deportation of men and women who have lived in this country for years. I remember the case of an Englishman who had come over here 40 years ago. He married an American woman, and they had several children. He had lived an exemplary life. However, he did not become an American citizen. That is not unusual. A similar situation often exists in the case of a great many Americans when they live abroad.

He committed some minor crime or misdemeanor, and notwithstanding his long residence in this country and his exemplary life, he was ordered deported. It required a private bill, special legislation, to permit that man to remain with his family in this country.

My bill covers the difference between naturalized and native-born citizens. I point out that naturalized citizens are second-class citizens, subject to the whims and will of many officials, and subject to many circumstances over which they have little or no control.

The bill remedies most of the—I do not say all—inequities and inequalities and injustices and cruelties and brutalities of the present McCarran-Walter Act. The time is long overdue for some action on that kind of legislation.

I am glad the Senator from Utah has brought up the subject today. I had not intended speaking on it until I entered the Chamber about 15 minutes ago. I am glad the Senator brought it up. If my bill is not passed, I certainly will support the amendments offered by the distinguished Senator from Utah, because, although they do not go far enough and merely touch the surface, they do constitute some improvement, and I shall therefore be glad to add my support to them.

Mr. WATKINS. I thank the Senator.

Mr. LEHMAN. I thank the Senator for yielding.

HELLS CANYON DAM

Mr. WATKINS. Mr. President, the statements I shall make will be more or less miscellaneous in character. However, the statement I am about to make now has to do with the Hells Canyon project.

Newspaper editors, columnists, and a considerable number of Senators are raising the question: Why is it that certain Senators from the reclamation States—who support the Colorado River storage project—oppose the high Hells Canyon project?

The question is pertinent. As one of these Senators, as a member of the Reclamation Subcommittee, and as a consistent supporter of reclamation projects, I can summarize some of my reasons for this stand, as follows:

First. Hells Canyon is not a reclamation project. It does not conserve water nor does it attempt to reclaim land by irrigation. All of the water that might be stored in a Hells Canyon reservoir inevitably goes to the ocean, the flow being merely retarded for a period of time. It is not a holdover storage reservoir.

Second. Hells Canyon would not be effective for flood control. Present reclamation dams high up on the Snake River plus direct diversions for irrigation take the crest from any possible floods on that river. Also, planned future reclamation projects will practically eliminate any possibility of floods—caused by runoffs of melting snow or heavy rains upon the area above Hells Canyon.

To get at real flood control on that portion of the Columbia's waters originating in Idaho would require construction of flood-control dams on the Clearwater and Salmon Rivers, which being streams with heavy flood runoffs bring large quantities of water into the Columbia. There are no irrigation projects on either of these rivers which will be interfered with; furthermore, none is planned because of the area's topography.

Third. Hells Canyon project differs from the storage-dam concept of the upper Colorado project. Hells Canyon, with storage for only about 4 million acre-feet of water, would have to be filled annually.

That is the way it has worked out under the plan provided by the Bureau of Reclamation for the operation of a project of that kind. It is always necessary, for flood-control purposes, that each year the reservoir be emptied down to the point where additional water can be stored. That is one of the requirements.

Glen Canyon Dam, it should be remembered, is a large dam in a series of dams on the upper Colorado project. Glen Canyon Dam will have holdover storage capacity for 26 million acre-feet, and will store, for periods of up to 20 years, water during wet cycles for use in dry ones.

If I may expand that point for a moment, I wish to say that that is vastly different from a 4 million acre-foot storage of the proposed Hells Canyon Reservoir. The Glen Canyon Dam would have a capacity of 26 million acre-feet of water under the arrangement made in the compact which has been entered into. It is necessary to guarantee to the water users downstream from Glen Canyon a supply of water which will meet requirements for water under the Colorado River compact, which is the law of the river. I wanted to explain that point so that there would not be any question about the comparison. Glen Canyon Dam is definitely a multipurpose project.

Furthermore, the water released from Glen Canyon's reservoir will be used by the downstream States of Arizona, Nevada and California for irrigation, municipal and industrial uses, and will turn generators for the production of power as well.

Upstream users will get their water out of Glen Canyon reservoir for consumptive use by exchange. That is, they will take—from upstream tributaries of the Colorado—water which otherwise would flow down for the use of the lower basin States. In exchange, they will release water belonging to upper basin States that is stored in the reservoir, so that this will be used by the lower basin States.

Fourth. There has been no compact allotting water of the Columbia—including the Snake as a tributary—between the States in the Columbia River Basin. On the Colorado River, the overall streamflow has been allotted by the Congress.

The four upper Colorado Basin States also entered into a compact likewise approved by Congress for the allotment of the upper Colorado River water among them. It should be noted that the Bureau of Reclamation and the Congress refused to consider the Hoover Dam project and the upper Colorado River storage project until such compacts had been negotiated and approved.

Three of the principal States—Washington, Oregon, and Montana—in the Columbia River Basin have failed to ratify the compact that had been negotiated by the Commissioners from all the States involved.

Fifth. The Colorado storage project comes well within the fundamental principles enunciated by Abraham Lincoln. Paraphrased, this is: The Government should do for its citizens only those necessary things which the citizens cannot do for themselves. The original Reclamation Act of 1902 was based on the same principle.

In other words, it was considered basic to that act that only the projects which the people could not build themselves would be built under the Reclamation Act; all the projects the people could build themselves they should build, and they have built them in the past. It was an absolutely essential requirement to show that the people could not build the project proposed, because it was too vast and too expensive to be built from their resources and means and money and materials, and that the project could not be financed by the ordinary commercial transactions, but had to have Government financing.

Private enterprise could not undertake such a gigantic project as the Colorado, which required huge sums of money on a long-term basis. No private utility was willing to build the storage dams for irrigation and other consumptive use, for it could not secure funds from investors for such a purpose.

Hells Canyon, being substantially a power dam and nothing else, except for some incidental flood-control, private enterprise could and did plan a program for utilization of Hells Canyon's power resources which would attract private investors.

After prolonged hearings the Federal Power Commission—carrying out its functions as Congress has provided—approved the private utility's plan to develop Hells Canyon resources in full harmony with the comprehensive development of all the waterpower resources of the Columbia Basin.

The Colorado storage project is a necessary project which only the Federal Government has the resources to construct.

That is why Congress authorized it. That is why it was not built by private enterprise before. If it had been possible, the demand for water and power—water, particularly—for consumptive use was so strong that the people would actually have built the project without coming to the Congress. It would have been built before the reclamation project went into effect in 1902 if the people could have managed it themselves.

High Hells Canyon Dam cannot qualify under Lincoln's philosophy nor under the basic requirement of the Reclamation Act of 1902.

Mr. President, I wish to expand in another statement with respect to this project.

The administration's endorsement of the three-dam proposal for the Hells Canyon reach of the Snake River, an action licensed by the Federal Power Commission, clearly conforms to long-established national policies.

Back in 1854, Abraham Lincoln set forth this basic policy of the role of Government, as quoted by Nicolay and Hay in Lincoln's Works, volume II, pages 182 and 183:

> The legitimate object of government is to do for the people what needs to be done but which they cannot by individual effort do at all or do so well for themselves.

This is a sound general policy of the role of Government that I am sure is as eminently acceptable to many members of both major political parties today as it was to forward-looking Americans in Lincoln's day. It is a policy wherein the administration's decision to endorse the three-dam proposal for Hells Canyon, as licensed by the Federal Power Commission, is entirely compatible.

This policy of expecting the Government to do only those things which individuals and State and local governments cannot do or do as well is reflected in congressional consideration of the history-making Reclamation Act of 1902. In Senate Report No. 254, 57th Congress, 1st session, on this measure, this answer is given to the question, "Where should Government works be built?"

> Government works should be built for the reclamation of arid lands so situated that private enterprise has been found to be impracticable.

In the case of Hells Canyon, private enterprise has found it practicable to build the project and a construction license has been issued by the appropriate Federal regulatory agency. Is it right now for Congress to upset that decision of its own agency and authorize the project as a Federal reclamation project in violation of the 54-year-old policies of the National Reclamation Act, under which Federal authorization is now sought?

Proponents of the high Hells Canyon Dam have contended that the action of the Eisenhower administration in supporting the FPC decision on the three-dam plan would not have been supported by President Theodore Roosevelt.

Let us take a look at the record. As a long-time admirer and supporter of Teddy Roosevelt, I did some research on that subject and came upon a policy statement made by the trust-busting Republican President at the conference of governors in 1908. This historic conference is being hailed by Senators NEUBERGER, MURRAY, and other proponents of the high Hells Canyon Dam as a milestone in conservation and a conference which should be commemorated by the Congress, so I feel that Teddy Roosevelt's comments at that time should be acceptable even to those who may have charged that the present Republican administration is not in step with the policies laid down by the frank-talking colonel of the Rough Riders. Here, therefore, is what President Theodore

Roosevelt declared on this subject as the 1908 Conference of Governors, as reported in the official proceedings, pages 212 to 213:

The PRESIDENT. We are greatly indebted to Governor Comer for his speech protesting against centralization. Governor, I do not understand that you object to the National Government appropriating money to clear out the Muscle Shoals. [Laughter and applause.]

Seriously, I want to say one word about what has been called the twilight land between the powers of the Federal Government and the State governments. My primary aim, in the legislation that I have advocated for the regulation of the great corporations, has been to provide some effective popular sovereign for each corporation. [Applause.] What I am trying to avoid is finding out, not negatively but by decisions, first that the State cannot act, and then a few years later, by another decision, that the Nation cannot act either; and I am trying to find out where one or the other can act, so that there shall always be some sovereign power that, on behalf of the people, can hold every corporation, every individual, to an accountability, and so that its or his acts shall be beneficial to all the people as a whole. [Applause and cheers.] In matters that relate only to the people within a State, of course, the State is to be sovereign, and it should have the power to act. If the matter is such that the State itself cannot act, then I wish, on behalf of the State, that the National Government should act. [Applause.] Take such a matter as charging rent for waterpower. My position has been simply that where a privilege, which may be of untold value in the future to the private individuals granted it, is asked from the Federal Government, that the Federal Government shall put on the grant a condition that it shall not be a grant in perpetuity. [Applause.] Make the term long enough so that the corporation shall have an ample material reward. The corporation deserves it. Give an ample reward to the captain of industry, but not an indeterminate reward. [Applause.]

Mr. President, I interpolate at this point that Theodore Roosevelt was discussing the question of permitting corporations which desired to develop waterpower resources on the great interstate rivers to be granted a license for a certain length of time, and that they should also pay something for it.

I continue with the quotation:

Put in a provision that will enable our children at the end of a certain specified period to say what in their judgment should be done with that great natural value which is of use to the grantee only because the people as a whole allow him to use it. It is eminently right that he should be allowed to make ample profit from his development of it, but make him pay something for the privilege, and make the grant for a fixed period, so that when the conditions change, as in all probability they will change, our children—the Nation of the future—shall have the right to determine the conditions under which that privilege shall then be enjoyed. [Applause.] Where that policy can be best carried out by the States, carry it out by the States; where it can be best carried out by the Nation, carry it out by the Nation. My concern is not with the academic side of the question. My concern is in the employment either of the principle of States rights or the principle of National sovereignty as will best conserve the needs of the people as a whole. [Great applause and cheers.]

One would conclude from this statement that Teddy Roosevelt would have strongly approved of the Eisenhower administration's decision on the Hells Canyon question.

The matter was one affecting more than one State, because the high dam and reservoir are located on the river which forms the border between Oregon and Idaho. The matter is of concern to more than one State and there is no doubt that the Federal Government and not a single State has adequate jurisdiction.

The Snake River at that point is the boundary line between Idaho and Oregon.

The privilege is granted to a private corporation not for perpetuity, but for a specific licensing period of 50 years. It was granted by the appropriate Federal agency, after extensive hearings extending for more than a year.

The period for which the privilege is granted is not long enough for the corporation to derive an "ample reward," as Teddy Roosevelt recommended. In fact, the licensing period is just long enough for the corporation to pay out on its investment and make payments of nearly a half billion dollars in State and local taxes. However, the area is in need of kilowatts, and the fact that they can be provided, and soon, through this FPC-approved project probably is reward enough for the private utility under the circumstances.

There is a Roosevelt-approved provision in the FPC license that will "enable our children at the end of a certain specified period—50 years—to say what, in their judgment, should be done with that great natural value which is of use to the grantee only because the people as a whole allow him to use it." At the end of this license period, the Federal Government can, if it chooses, take over the power works merely by paying the using company its net investment, which at that time should be extremely moderate.

I am speaking, of course, Mr. President, of Hells Canyon, where authority to construct a hydropower dam has been granted by the Federal Power Commission to the Idaho Power Co. What I have been saying applies at the end of the license period, when it is possible for the Government to take the facilities over completely. That is what Teddy Roosevelt was talking about when he said there should be a definite limitation on the grant. That was later embodied in the Federal Power Act, adopted under the administration of Woodrow Wilson and readopted and expanded during the administration of Franklin D. Roosevelt.

This demonstrates that the three-dam Hells Canyon project is not a giveaway, as charged. It is a wise use of our natural resources, wherein the Federal Government reaps tremendous advantages without making the capital investment, and without relinquishing either the title to the dam site nor the opportunity to regain possession of the power facilities at the end of the initial 50-year licensing period. It is the type of federally licensed power operation that Theodore Roosevelt would have heartily approved of had he been living today.

Mr. President, I shall make further remarks, probably during this evening or tomorrow, when the matter is being considered, but at this point I desire to yield the floor.

AUTHORIZATION FOR COMMITTEE TO FILE REPORTS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Finance and the Committee on Post Office and Civil Service may file reports notwithstanding the recess or adjournment of the Senate.

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

PRESIDENT EISENHOWER'S HEALTH

Mr. McNAMARA. Mr. President, I have noticed in recent weeks that a few newspapers have begun directing a questioning look at some of the propaganda concerning the President's health. Some newspaper reporters, who know more than they are permitted to print about this issue, apparently are becoming increasingly unhappy over this unwholesome state of affairs. This was evidenced during the past weekend, when reporters sharply questioned the President's press secretary, and received very unsatisfactory answers. I commend Doris Fleeson, of the United Features Syndicate, and the other reporters, who tried to skim the whipped cream off the propaganda, and to get at the facts.

I am glad to see these indications of a desire to know the truth, even though they are far too few. It is a healthy sign for the American press, even if it is late.

I do not want to take issue with the many hundreds of newspapermen in Washington who are anxious to print the truth. Nor have I any personal quarrel with the press. However, I do speak as one who has become greatly alarmed at the apparent manipulation of facts and the lack of information in the press on this subject.

Furthermore, I do not wish to criticize the President personally on this issue. We have plenty of other matters about which to criticize him. I hope he makes the "vigorous" campaign he mentioned, because the people should have an opportunity to defeat him—and I am sure they will—on the basic failures of his administration.

I am quite sure the President has not been a party to the shotgun medical bulletins and the hucksters' propaganda barrage from Madison Avenue that has been fired at the American public from his bedside.

I believe most emphatically, however, that the American public is entitled to know the truth, and know it completely and totally, regarding the health of any man so important as the President of the United States.

Newspapermen in Washington have been talking about the skillful coverup of James Hagerty, the President's press secretary. But few of them have been writing about it. The only conclusion I can draw is that they are not allowed to do so.

They know that no doctor can predict a few hours after an operation that his patient can recover from a

major operation and assume four more years of the burden of the White House.

And the newspapermen have seen the medical differences of opinion expressed by competent doctors regarding ileitis. They have seen the statements of these doctors that it is a recurrent disease. But few of the newspapermen have been able to tear down the "Hagerty curtain." This curtain is still shielding the American public from the truth in one of the most masterful suppressions of the facts ever put across by the advertising techniques of Madison Avenue.

For a month the American public has watched Hagerty operate. They have seen him call in the press and make announcements that the President is making important decisions. But does any newspaperman point out that those decisions were made—if they actually were made—when the President apparently was still under sedatives; when he could not be making decisions, or should not be if he really was?

The newspapermen know the facts, but most of them are mute. The reason, I am afraid, must be because the publishers do not want them printed.

I am happy to note that there are exceptions. And one of them is the publisher of a newspaper which has sometimes criticized me, and which I, in turn, have sometimes criticized—the Detroit Free Press.

John S. Knight, publisher of the Free Press, the Chicago Daily News, the Akron Beacon Journal, the Miami Herald, and the Charlotte Observer, is one publisher who has had the courage to publish the truth.

Shortly after Eisenhower was taken ill, the second time, Mr. Knight reported in his Editor's Notebook, June 16:

> The seriousness of the President's illness has been minimized by friendly editorialists. How idle and misleading it is to pretend that the President, a former heart case and chronic sufferer from gastric disturbances, can fully regain his old vigor.
>
> But in their anxiety over the future the Republican strategists and the big guns in the business world are determined to have Ike run, even though he may not last through a second term under the pressures of the job.
>
> But this time, President Eisenhower can decline to be a candidate for reelection if, as he said on March 7, he should not feel up to the performance of his Presidential duties.

I ask that Mr. Knight's editorial of June 16 be printed in the RECORD at the close of my remarks.

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

(See exhibit A.)

Mr. McNAMARA. In his Editor's Notebook in the Free Press of Sunday, July 8, 1956, Mr. Knight mildly castigates two well-known newspapermen, including one long-time Knight employee, for becoming enveloped in the Hagerty curtain.

This is what Mr. Knight says:

> Edward F. Folliard, capable White House correspondent for the Washington Post and Times Herald, says "the greatest political fallacy of the times is the notion that President Eisenhower is being dragooned into running for a second term * * *." Folliard adds that Ike gets bored at Gettysburg, likes his job and wants to hold onto it.

The view is shared by Paul R. Leach, retired Washington bureau chief of the Knight newspapers, who also accepts at face value Republican Chairman Len Hall's statement that no pressure has been exerted on Ike to run.

First thing you know—

Concluded Mr. Knight,

We'll be hearing that Ike wasn't ever sick.

I am sure that Mr. Knight is not delighted to write such editorials as that. I doubt if there have been more staunch supporters of Eisenhower than John Knight and his newspapers. Yet, Mr. Knight's desire for the truth has apparently pushed his politics into the background.

Another newspaper, the New York Times, has finally admitted that the newspaper profession has not given the American public the facts. On June 25, in an article by James Reston, it is reported that the press had been giving a lopsided view of Eisenhower's health.

The New York Times is a little more discreet in its language than I. It does not say "lopsided." It says that—

> Some balance has been restored to the flow of information on an important political subject.

The Times goes on to note prophetically:

> It does not mean that the new balance will affect the President's decision. It is too late for that.

In other words, the New York Times, one of our great papers, tacitly admits that the barrage of misinformation fed to the American public has so colored the political atmosphere that the President is certain to run regardless of his health.

> Last fall, when the President was carefully considering his political future—

Says Mr. Reston, of the New York Times—

> the opinions of writers, editors, and doctors might have influenced him if these opinions had been expressed as candidly in public as they were in private. This did not happen, however—

Says the New York Times.

The other side was seldom written, continues the Times.

> And when it was—you may be sure nobody on the White House staff rushed it to the President. That was the decisive period. It's too late now. The machinery of election is in full swing. The normal skeptical tradition under which the press consciously tries to decontaminate political announcements from whatever source, or fill in the missing background, was for a time abandoned—

Says the New York Times.

I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. McNAMARA. Mr. President, I am disappointed that another great newspaper perhaps has not been so forthright as either John Knight of the Detroit Free Press or Mr. Reston of the New York Times. I refer to the Washington Post and Times Herald.

I note in the CONGRESSIONAL RECORD of June 25 an extension of remarks by Representative FRANK THOMPSON, of New Jersey, in which he pointed out the omission from the columns of the Post of one of its regular features, the column of Drew Pearson on the President's illness.

This column was particularly significant, because it cited a long list of important matters concerning the President's health that have been enveloped in the Hagerty curtain.

The column is printed in the daily RECORD of June 25, so I will not burden the RECORD with extensive quotations from it at this point.

However, after detailing many instances of how the cover-up operated, Mr. Pearson concludes:

> That is part of the record—of how the American people have not been told the truth about the President's health. It's strongly suspected that perhaps the President himself has not been told the entire truth—either.

I do not know why the Post did not print Mr. Pearson's column. Perhaps it felt it had good reason not to do so, and I certainly do not deny the paper's rights in this respect. At any rate, the Post more recently has been trying to put this health issue into greater perspective.

I also commend to every Senator who has not seen it, the Washington News column of June 28 by Tom Donnelly, in which he invites Mr. Russell Wiggins, editor of the Washington Post, to meet Mrs. Eugene Meyer, wife of the chairman of the board of the Washington Post.

Mrs. Meyer, a great lady in her own right, long before her husband acquired the Washington Post, made a speech at the High School of Music and Art, expressing, according to Mr. Donnelly, "strong dismay over the shocking reluctance of United States newspapers to criticize that nice man in the White House."

The newspaper which is owned by Mrs. Meyer's husband, however, did not carry her remarks.

Here is what Mrs. Meyer said about Eisenhower:

> President Eisenhower's cheerful disposition has its value but not when, as is often the case, he tells the American people what they want to hear instead of the stern realities which they should hear.
>
> Mrs. Meyer complained—

According to Tom Donnelly—

> that the high-powered public relations machine which holds Mr. Eisenhower prisoner "has so intimidated public opinion that it poses a serious threat to democratic government and freedom of thought." The President has a constitutional duty to inform the people of the facts however unpleasant, Mrs. Meyer said sternly, but "he has not lived up to this definition of the constitutional role * * * when he failed to warn the Nation that we are falling behind the Communists in our diplomacy, our armaments, and even in the education of sufficient scientists. * * *"

Now all this is fine, rugged, printable stuff, much livelier than a lot of things we read in the Post that Mrs. Meyer said on other occasions—

Says Mr. Donnelly.

The most serious accusation Mrs. Meyer makes refers to the silence of most United States newspapers about

Eisenhower's "serious lapse in responsible leadership—but one of many indications that there is outright fear in this country of expressing any criticism of the President."

We need a few more representatives of the press such as Mrs. Meyer, John Knight, Doris Fleeson, Drew Pearson, Mr. Reston, and Mr. Donnelly, if we are not to make the tragic mistake made in Germany and Russia, namely, a press which represents the views of the administration in power and gives the American people only what the Government wants them to know.

I sincerely hope the President will completely recover and will be able to wage a strong campaign. The people are entitled to that kind of a campaign if he desires to be their President for the next 4 years.

I am, however, making an issue of what seems to be a deplorable departure from the normal skeptical tradition of the press in presenting this case to the public. I hope the items I have mentioned in this brief address are signs that the press is returning to this fine tradition.

Mr. President, it has not been my intention to damn the press. Nor do I charge that there is a conspiracy to withhold important information from the public. But the very fact that a few responsible writers have brought up this situation is what has called it to my attention.

As Mr. Walter Lippmann wrote recently on the question of the President's health:

> To refrain from the discussion, not to try to inform the discussion and to lead it and to enlighten it, would be to engage in a sentimental conspiracy of silence.

Perhaps this is what has happened.

EXHIBIT A

[From the Detroit Free Press of June 16, 1956]

THE EDITOR'S NOTEBOOK

(By John S. Knight)

Everyone has the same question, "What about Ike? Do you think he'll run?"

I don't know why they ask me. I was wrong the last time; I thought Ike had too much sense to kill himself in office.

Actually, those informed people who have told you they "knew all the time that Ike would run" didn't know any such thing.

Ike decided to make the race only after he had been persuaded by Republican Chairman Leonard Hall, Presidential Assistant Sherman Adams, Gen. Lucius Clay, and a small coterie of other close friends, that the Republicans had no other candidate who could win.

When Ike was recuperating at Gettysburg. Hall kept him from saying "no" by arguing that a negative decision would jeopardize the administration's legislative program.

With Ike's good recovery, the buildup began. Business leaders were urged to write the President about his indispensability." Undocumented stories were circulated that an always active Ike was beginning to get bored with the pastoral life at Gettysburg.

NO REAL DESIRE TO RUN

But the President remained reluctant. Intimate and unselfish friends of older days who talked with Ike during his convalescence were convinced that the President had no desire to wage another presidential campaign.

What they failed to take into account was the tremendous pressure exerted by a powerful combination of political and business leaders upon a man with a deep-seated sense of duty.

Ike had no illusions about himself. He told his first press conference after the heart attack:

"It would be idle to pretend that my health can be wholly restored to the excellent state in which the doctors believed it to be in mid-September. * * * My future life must be carefully regulated to avoid excessive fatigue."

He had reservations on January 20 when he said, in speaking to the Salute to Eisenhower dinners in 56 cities: "My own future role remains undetermined. * * * I could devoutly wish that there were some method by which the American people could point out the path of my true duty. But it appears this is a question I alone must answer."

ANOTHER FATEFUL CHOICE

In finally deciding to run, the President yielded to appeals of the potent influences who have such a big stake in his reelection.

I like to think, too, that his affirmative decision was encouraged by the people's will.

Now the President must again make a fateful choice.

Should he fail to show the expected good recovery, his words of March 7 may prove prophetic * * *. "I have said, unless I felt absolutely up to the performance of the duties of the President, the second that I didn't, I would no longer be there in the job, I wouldn't be available for the job."

As things stand today, it would appear that the pattern of Gettysburg is being repeated. Republican leaders are chanting that Ike is sure to run and physicians who operated on the President believe it likely that he may be in better health than before.

The seriousness of the President's illness has been minimized by friendly editorialists who point to Adlai Stevenson's operation for kidney stones; Harry Truman's gall bladder operation; the recent surgery on Gov. Averell Harriman's prostate gland; and Senator LYNDON JOHNSON'S heart attack and Senator SYMINGTON'S sympathectomy (for high blood pressure) in 1947.

How idle and misleading it is to pretend that the President, a former heart case and chronic sufferer from gastric disturbances, can fully regain his vigor.

But in their anxiety over the future, the Republican strategists and the big guns in the business world are determined to have Ike run, even though he may not last through a second term under the pressure of the job.

But this time, President Eisenhower can decline to be a candidate for reelection if, as he said on March 7, he should not feel up to the performance of his Presidential duties.

Certain it is that the President will reappraise his original decision.

He will seek, by inner self-examination, to determine the path of true duty * * * whether he can conscientiously run, or finds the burdens of office too heavy for him to carry.

IN THE PEOPLE'S CONFIDENCE

It is a very great tragedy indeed that President Eisenhower, respected abroad and beloved at home, has been twice stricken.

Probably no other President in our history has enjoyed such a full measure of the people's confidence and affection.

Ike has been almost an ideal President of our times. A nation weary of war and government by crisis found in his leadership the road to peace and a restoration of public morality.

Few men are as free from prejudice and few men have done as much to stamp it out. The esteem in which the President is held crosses economic groups and party lines.

Unlike the shrill and sometimes bitter partisan leaders of other days, Eisenhower, the "economic conservative" and "humanitarian liberal," thinks solely in terms of the general welfare.

When in 1952 the Republican Convention nominated a war hero as its presidential candidate, it was an admission that the party had no leaders, including the respected Senator Taft, who could win the election.

WHAT OTHER POSSIBILITIES?

Should Eisenhower be unable or unwilling to make another campaign, the GOP faces a serious, if not an insuperable problem.

Vice President NIXON, young, able and diligent, is not popular with voters of independent tendencies.

Senator WILLIAM F. KNOWLAND, of California, Harold Stassen, and Gov. Christian Herter, of Massachusetts, lack national appeal.

Other than Herter, there are no Republican governors who come to mind as men of presidential stature. Former Gov. Thomas E. Dewey, of New York, has been twice defeated.

This brief summation of the men other than Ike who comprise the Republican list of presidential possibilities explains the wishful and almost hysterical conviction that Eisenhower must run.

The Republican party, out of power for 20 long years, desperately wants to win again.

But, as on January 20, when the words of a humble and conscientious man were expressed to the Nation, so it is once more:

"This is a question that I alone must answer."

EXHIBIT B

[From the New York Times of June 25, 1956]

PRESIDENT AND THE PRESS—A STUDY OF THE DIFFERENCES IN REPORTING AND COMMENT ON HIS TWO ILLNESSES

(By James Reston)

WASHINGTON, June 24.—There has been a marked change in the reporting and comment on President Eisenhower's illness during the last couple of weeks.

The general tendency still is to play up the Eisenhower side of the story, but the other side has been given far more play during the second illness than the first.

Part of the reason for this is that some doctors who disagreed with the optimistic official medical estimates of the President's future have spoken up since his abdominal operation.

It is fair to say that more doctors had more doubts about Dr. Paul Dudley White's comments on the President's heart attack than about Dr. Leonard Heaton's remarks about ileitis, but they made their remarks in private last fall. This summer at least a few of them have spoken up publicly about the second illness and this, of course, has been published.

Moreover, the reporters have been more willing to dig into the medical literature about the possible dangers of the recurrence of ileitis than they ever were about the life expectancy of heart patients. And editors, publishers, and commentators have been much more outspoken this time against James C. Hagerty's efforts to create the impression that the President was back running the Government.

PUBLISHER CHANGES VIEW

For example, John S. Knight, of the Knight papers, the Chicago Daily News, the Akron Beacon Journal, the Miami (Fla.) Herald, who was a strong supporter of the Eisenhower-Nixon ticket in 1952, has written an extremely sharp editorial condemning the official Ike's-as-good-as-ever thesis.

Walter Lippmann, the columnist, has emphasized the main point in the whole controversy—namely, that the election of 1956 is not merely a judgment on whether the President has done a good job in his first term, but on the selection of a President who can run the Government full time for 4½ more years after having sustained 2 major illnesses at the age of 65.

The Alsop brothers, who played the whole thing pianissimo in the first illness, have reported this time on the insurance statistics on patients who have had a heart attack and ileitis at the President's age.

And Doris Fleeson has led the way this time in reporting the differences between the official doctors remarks on ileitis and the medical literature on the subject.

All this means is that some balance has been restored to the flow of information on an important political subject. It does not mean that the new balance will affect the President's decision. It is too late for that.

WERE CANDID IN PRIVATE

Last fall and early winter, when the President was carefully considering his political future, the opinons of writers, editors, and doctors might have influenced him if those opinions had been expressed as candidly in public as they were in private.

This did not happen, however. Most of the published opinions came from those who sincerely felt the President should seek a second term regardless of his heart attack, and these, of course, were shown to the President by aids who naturally agreed with them and used them in their arguments for a second term.

The other side of it was seldom written, and when it was, you may be sure nobody on the White House staff rushed it to the President.

That was the decisive period. It is too late now. The machinery of the election is in full swing. Movies of the President's administration are being made every day and circulated to Republican Senators and Representatives for use in their State and district campaigns. All the GOP plans are being made on the assumption that the President and Vice President RICHARD M. NIXON will be the nominees.

The President knows all about this, so any statement reiterating his second-term candidacy is merely a formality. Just after the President announced his second-term plans last February 29, Merriman Smith, the well-informed White House correspondent for the United Press, reported that General Eisenhower had said to an aid in the White House that he had made up his mind to run because he was told that there wasn't time to build up anybody who could win.

UNITED PRESS KILLED STORY

This was killed on the United Press wire, but the President was later asked about it and he replied that if he said it, he must have been talking facetiously.

Nevertheless, that is about what the situation is today. It has been demonstrated that neither the President's own personal feelings about his health nor his doctors' estimates were able to foresee either of his illnesses. But he and his party have decided to take the gamble, and in fairness to them, it must be said that, in doing so, they seem to be responding to wishes of the people.

Nobody here has any right to object to the President's making a second run provided all the facts are known, and provided everybody expresses his honest opinion on the matter.

There is room in all this for honest differences of opinion. The trouble was that the honest doubts about the wisdom of a second term were not expressed, and judgments were thus being formed on the basis of one-sided expressions of fact and opinion.

In short, the normal skeptical tradition under which the press consciously tries to decontaminate political announcements, from whatever source, or fill in the missing background was for a time abandoned, but fortunately it is now gradually being restored.

Mr. KNOWLAND. Mr. President, I came into the Chamber while the distinguished Senator from Michigan, the acting majority leader [Mr. McNAMARA], was making his remarks. I hope the remarks were purely personal on the part of the junior Senator from Michigan, and that he was not speaking as the acting majority leader of the opposition. I hope, indeed, that neither do they express the viewpoint of the Democratic Party, nor the viewpoint of even the United Auto Workers or the CIO.

It seems to me that these remarks cast reflection upon the integrity of the President of the United States. They cast reflection upon the integrity of the able and outstanding men of the medical profession who have attended the President of the United States in his illness.

I have had the opportunity, as the minority leader of this body, to meet with the President of the United States on numerous occasions, both before and subsequent to his illness. Men may differ with the political views of the President of the United States, and, in our constitutional system, that is perfectly proper. The President of the United States is the first one to recognize that under our constitutional system not only is there a separation of the powers of the executive, the legislative, and the judicial branches of the Government but, by the very nature of the executive and legislative branches, they are political in character, and they must submit themselves to the electorate from time to time for the endorsement or repudiation of the people of the United States. But, Mr. President, I do not believe there is any individual—at least I hope there is no individual on either side of the aisle—who believes that President Eisenhower would deliberately misrepresent to the American people the condition of his health or his ability and his capacity to serve as President of the United States, either in his present term or in the next term, to which I believe he will be overwhelmingly reelected by the people of the United States.

Mr. President, when the remarks of the Senator from Michigan are examined, I believe that no other observation can fairly be made than that, in fact, he does cast reflection upon the integrity of the President of the United States by suggesting that the President would attempt deliberately to mislead the American people in regard to his capacity to serve in that high office.

I do not believe that President Eisenhower, under any circumstances, would misrepresent the situation to the people of this country.

Mr. President, I do not personally know all the doctors who have been called upon to serve the President of the United States in a professional capacity. I know some of them. I believe they are of the highest caliber and have the highest reputation in the medical profession. I do not believe it is fair to challenge either their integrity or their medical capacity or ability. I do not believe that one of those learned gentlemen would deliberately misrepresent to the people of the United States the condition of the President of the United States. I think that when the speech of the Senator from Michigan is carefully examined, it will be found to be a reflection upon them.

Mr. President, I do not believe that the Senator from Michigan can show that during the entire history of the Nation, from George Washington down to the present day, there has been an instance when the American people have ever been taken into fuller confidence by the President of the United States, regarding his illness, than they have been by the present Chief Executive, Dwight D. Eisenhower.

I did not want this opportunity to pass without challenging the statements which have been made.

Of course, the American people are entitled to the facts. I believe that to the best of his ability, the President of the United States has laid the facts—as bare as bones—before the American people. I think he has not only wanted the medical men who attended him to lay the full facts before the American people but he has insisted that that be done, and that it has been done by them.

As for me, Mr. President, I am not a medical man. But I would much rather take the word of those who have been in contact with the President, those who performed the operation, those who cared for the President during his illness, those who have had a chance to examine all the tests which have been made, than to take the word of some medical persons who have neither seen the President, nor examined the tests which have been made, nor know anything personally about the patient himself.

I wanted to take this opportunity to raise my voice in protest that a challenge of that type should be made in this Chamber to the President of the United States.

Under the Constitution, the President of the United States himself cannot defend himself in this Chamber.

But if I believed that an unjust criticism had been made of the President, and a challenge of his integrity, a statement upon which no other interpretation can be placed than that he has deliberately set out to deceive the 165 million American people, I would not consider that I was properly performing my function as either minority leader or as a Senator of the United States if I did not rise in protest. So I say that I am greatly shocked by the statement which has been made by the junior Senator from Michigan.

Mr. McNAMARA. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. McNAMARA. Mr. President, I wish to say to the distinguished Senator from California that I was occupying the chair of the majority leader only as a coincidence, and not in any manner as representing the majority leader of the United States Senate. I stepped to the desk of the majority leader only for the convenience of using the equipment which already was on that desk.

The Senator from California questioned whether I was speaking for the majority leader. I think it important that that point be cleared up.

Mr. KNOWLAND. I raised the question of whether the Senator from Michigan was speaking, not for the majority leader as an individual, but for the ma-

jority party on the other side of the aisle.

Mr. McNAMARA. I wish to make it clear that I was not speaking for the majority leader. The majority party can speak for itself.

Mr. President, I was talking about the newspaper accounts regarding the handling of the President's illness. If the Senator from California reads into what I said many things that I did not say—and a careful examination of my statement will not justify many of the things the Senator from California said about it—I can do nothing about that.

I did not say anything derogatory of the President. I did not charge that he was making these claims. I was referring to the press, and to what I called the Madison Avenue technique and the Hagerty curtain, and things of that sort. I was referring strictly to the press.

Mr. KNOWLAND. Mr. President, I listened to the speech the Senator from Michigan made. The only interpretation one can place upon it is that the President is so surrounded by those who are keeping facts from him, even perhaps keeping some of the medical information from the President, that he does not know what is going on either regarding his own illness or regarding the functioning of the Government of the United States. Mr. President, I challenge that statement: I say it is not true. I am surprised that such a statement should be made on the floor of the Senate of the United States.

Mr. McNAMARA. Mr. President, will the Senator from California yield again to me?

Mr. KNOWLAND. I yield.

Mr. McNAMARA. I made no such statement. The Senator from California has successfully attacked his own statement, not mine, I most respectfully submit.

Mr. KNOWLAND. Mr. President, I also submit that neither in the case of any situation existing in the United States of America nor, to the best of my knowledge, in the case of any situation existing anywhere else in the world, has the press more fully covered the facts than in this case, here in the United States of America. I dispute the claim that there is any kind of a controlled press in the United States, or that there has been any kind of conspiracy on the part of the press either to hide the seriousness of the President's illness or to hide the facts of his recovery or to hide any of the other facts relating to the Presidency of the United States.

Mr. GOLDWATER and Mr. JOHNSON of Texas addressed the Chair.

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

Mr. KNOWLAND. I yield first to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I wish to associate myself with the remarks of the minority leader.

I have known the distinguished junior Senator from Michigan [Mr. McNAMARA]; I have served with him on committee. I have always found him to be a kindly, understanding man.

I was very much shocked to hear what he had to say on the floor this evening. I sincerely hope that the remarks he delivered were not prepared by the junior Senator from Michigan. I hope that, instead, they were prepared by some person with a "gray flannel typewriter," some person whom the Senator from Michigan can repudiate.

Coming from the West, I have known all my life that the donkey is a very skittish and nervous animal; but I have never known the donkey to be a coward. Yet the comments being made on the floor of the Senate for the avowed candidates on the opposition ticket indicate to me that the opposition party knows it has no candidates, and that the opposition is attempting to do everything it can to discredit, in the eyes of the 165 million Americans, the President whom a majority of the people of the United States want reelected.

Mr. President, I do not blame the donkey for being scared—so scared that his knees are shaking, his ears are drooping, his hair is coming out in large quantities, and his tail is very low—in fact, it is dragging on the ground—all for a good reason, namely, that he needs rejuvenation, needs new oats and new pasture, and, above all, he needs someone with new ideas to ride on his back.

I should like to suggest to the Senator from Michigan that if any of the facts in this case have not been reported, let him document the facts which have not been reported. I should like to suggest to the junior Senator from Michigan that if the press of the Nation has failed to inform the people of the Nation regarding the President's health, let him document where the press has failed. I should like to have the Senator from Michigan tell us who in the press has been covering up, if such has been the case.

In closing, Mr. President, I should like to remind the Senator from Michigan and all other Members of the opposition party, and all other Members of this body, that our distinguished majority leader suffered a heart attack about a year ago; but since then he has done not only a valiant job, but also an outstanding job, in a difficult position, and he seems to be doing it well and to be holding up admirably under the strain.

I deplore the use of the political technique which has been used in this body, where it has been suggested that the President of the United States is operating under sedatives; that the President does not even know his own condition. Mr. President, political campaigns can be conducted on a much higher plane than that.

Mr. CHAVEZ. Mr. President, I also come from the West—as does the Senator from Arizona [Mr. GOLDWATER]. We are not asking the permission of anyone from the West or elsewhere to serve in the United States Senate.

I associate myself with the remarks of the Senator from Michigan. What kind of a body is the Senate if Senators do not dare express an opinion?

I can either agree or disagree with the remarks of the Senator from California and the remarks of the Senator from Arizona. But the Senator from Michigan took the same oath of office the Senator from Arizona and the Senator from California took. Therefore, why deny his sincerity of purpose, even if he is wrong? Why impugn his motives.

No one has more admiration for a President of the United States than I have. I did not vote for the present President, and I do not intend to do so in the future. But when we try to make of the President an infallible person, we find that we are dealing with human beings. I, for one, do not believe that anyone who happens to be President is infallible. If I had my way I would elect only Presidents like Lincoln. But as human beings, either as Senators or as President, we are subject to error.

I resent the remarks of the Senator from California, so far as they pertain to the Senator from Michigan. I do not know that the Senator from California has any more rights or any more votes than the Senator from Michigan.

So far as my good friend from Arizona [Mr. GOLDWATER] is concerned, we love him. He is our neighbor. He says, "Let us have no politics." What was his speech? It was nothing but a political speech. It will not do any good in Arizona.

Let us keep politics on a high level. The Senator from California knows that I have tried to be as fair as anyone to him, and I shall always continue to be, because he deserves that kind of treatment. But I dislike to hear anyone say that the person who disagrees, or who says that the light is too bright, or not bright enough, must necessarily be bad. I want the Senator from California to have his way of thinking, but I also want the Senator from Michigan to have his way of thinking.

Mr. NEUBERGER. Mr. President, I am very glad to rise on the floor of the Senate tonight, after the distinguished Members of the minority party in the Senate have displayed such great admiration for the American press, and have offered such encomiums to the American press. In a moment, I shall have something to say regarding the comments of the American press on the conduct of this administration in the Hells Canyon fight. I know that, inasmuch as the minority Members of the Senate have been so glowing in their praise of the American press, they will not deny the truth as to what the American press is saying today about the conduct of the national administration in the Hells Canyon situation.

THE NATIONAL FORESTS PROBLEM

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a most effective editorial from the Pendleton East Oregonian, of Pendleton, Oreg., of July 10, 1956, entitled "The National Forests Problem." This editorial states extremely succinctly the case for establishment of a so-called Mission 66 to improve and promote recreation in the national forests, along the lines of S. 4096, a bill which I have introduced with other Members of the Senate to authorize a

comprehensive study of national forests recreational needs.

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

THE NATIONAL FORESTS PROBLEM

On periodic trips through the Umatilla National Forest with Supervisor Charles Rector, we have been impressed by the immensity of the forest's potential as an area for recreation, and how little has been done toward achieving that potential.

The Umatilla Forest has 30 camp and picnic areas that will accommodate 1,280 people; a winter sports area, spout springs, which will care for 1,500; and an organization camp, Buck Creek Camp, which has a large building for rent to groups of 150 or less. In 1955 the forest had approximately 225,000 visitors. That number included hunters, fishermen, hikers, picnickers, and campers.

Last fiscal year (1955–56) Umatilla forest headquarters was given $4,600 to maintain those facilities. At midyear a special appropriation of $2,000 was added, half to be spent for maintenance and the rest for new facilities. It was necessary to use all the special appropriation at Woodward camp near Langdon Lake to repair the water system.

For years Umatilla Forest has not been given sufficient funds to maintain existing facilities. This is obvious to anyone who sees the camp and picnic areas. Beyond this one sees many places in the forest that provide ideal sites for camping and picnicking. They need to be cleared of brush, some campfire installations, a few tables, and sanitary facilities built. Of all we have seen the one that begs loudest for development is the beautiful Olive Lake area.

Last substantial work on forest recreational facilities was done by the Civilian Conservation Corps. Since the CCC's closed up shop virtually nothing has been done because forest headquarters hasn't had sufficient money to do it.

Failure to maintain national forest and national park facilities has been outrageous the country over. The complaints about it became so violent that the Congress in the past year was forced to recognize the national parks problem. Funds were appropriated to bring national park staffs up to a level that could restore parks, facilities and henceforth maintain them at that standard. Nothing was done about the much larger problem that exists within national forests.

Oregon's Senator RICHARD NEUBERGER has recently introduced legislation which, it seems to us, is the best approach to the national forest problem. Rather than to demand a large sum of money for restoring camp and picnic areas in the forests and developing others, Senator NEUBERGER's legislation asks for a study of the problem in order that it can be determined exactly what is needed now and in the future.

As our population grows and as people have more time for recreation our national forests must answer much of the growing demand. National forests had 45,713,000 visitors in 1955. By 1960 that number very likely will double if the forests have necessary facilities to carry the load. It is essential that they be ready for all who wish to visit them. The forests belong to everybody.

Senator NEUBERGER's legislation would establish use of the national forests as a policy of Congress, and direct the Secretary of Agriculture to make comprehensive study of national forest recreational use needs.

Senator NEUBERGER's bill reads:

"Be it enacted, etc., That in recognition of the fact that the national forests constitute an invaluable asset in the recreational life of the people of the United States, providing actual and potential recreational possibilities of great importance to the national economy; that use of such forests for recreational purposes, including picnicking, camping, skiing, swimming, hunting, fishing, hiking, and mountain climbing is rapidly increasing, reaching an all-time high of 45.5 million visits in 1955; that visits to improved recreational areas within the national forests have almost tripled since the 1930's when most of such areas were planned and their facilities constructed in connection with Civilian Conservation Corps projects; that many of such facilities are now reaching the age where heavy maintenance and even replacement are becoming necessary; that many popular recreational areas are now regularly overcrowded and an intensive program of construction of new facilities to accommodate present use is necessary; that the continuing increase in our population emphasizes the growing need for increasing the national forest recreational opportunities with new facilities; that the national forests comprise the largest area of productive habitat for public fishing and hunting grounds in the country; and that funds available to the Department of Agriculture for providing the necessary maintenance, replacement, and construction of national forests recreational areas and facilities and for wildlife habitat management are not adequate to meet present and future needs; it is declared to be the policy of the Congress that public use of the national forests for purposes of recreation is a beneficial and proper use of such forests and that development and maintenance of areas and facilities for such public use, including maximum safety, sanitation, and wildlife habitat values, is a proper function of the Federal Government.

"SEC. 2. The Secretary of Agriculture is authorized and directed to initiate and carry out a comprehensive study of the personnel, funds, and other requirements necessary to develop within 5 years an adequate program for recreational use and wildlife habitat on the national forests and to provide the proper services and facilities to carry out the program. The Secretary shall within 1 year report to the Congress the results of the comprehensive study and his program recommendations including funds and any legislation necessary to permit implementation of the recommendation, such report and recommendations specifically to include provisions for (a) the development, maintenance, and operation of areas and facilities needed for public recreational use, (b) coordinating wildlife management with other resource uses and development and maintenance of wildlife habitat, and (c) adequate safety, sanitation, and health measures and facilities."

RESTORATION OF FUNDS FOR UNITED NATIONS TECHNICAL ASSISTANCE

Mr. WILEY. Mr. President, we shall shortly have the opportunity to vote on one of the most important elements in the free world program, for uplifting the standards of living throughout this globe.

I refer to the United States contribution to United Nations technical assistance, for the 1957 fiscal year.

I know of few other appropriations which have done more good among more people for so comparatively little in outright expenditures.

It is a source of pride to me that it was our own United States Government which helped supply the initiative and leadership for the establishment of this U. N. program in 1950.

The program represents effective international cooperation in its essence. From its start, it has helped some 131 countries and territories.

It has mobilized the services of 5,000 technical experts from 77 countries in providing specific advice and guidance—against hunger, disease, malnutrition, and low productivity.

It has provided some 10,000 fellowships.

During its brief 6 years of existence, 77 other countries besides ourselves have pledged over $142 million to the central account of the program. Of this sum, our own Government has contributed approximately $80 million.

This is a self-help program. Every government receiving assistance contributes substantially in the form of local supporting costs of projects.

It was with regret therefore that we learned that a slash of $5½ million had been proposed by the House of Representatives, and by the Senate Appropriations Committee. This slash represents a cut of 35.5 percent in the $5.5 million authorization figure previously approved.

While I respect the difference of viewpoint of my colleagues on the committee, I most respectfully disagree with their specific action.

The $5.5 million cut will constitute around 19 percent of all the funds pledged to the program for the calendar year 1956 operations. Our past experience shows that other countries will tend not to be able to take up the shortage brought about by the reduction of our American contribution.

Indeed, other countries may in turn lessen their own support.

The net effect of the cut is to slash technical projects in all fields of activity—health, agriculture, education, and so forth.

In the eyes of the world, a United States slash would run completely contrary to the best interests of the free world—indeed, the best interests of the United States itself.

After all, what we are witnessing today on the part of Messrs. Bulganin and Khrushchev is the dangling of all sorts of offers of technical assistance under Soviet auspices. Such Soviet assistance is actually a rope which the Russians hope to tie around the necks of underdeveloped peoples.

But if we were to slash U. N. funds, then among the underdeveloped nations themselves, there would be a feeling of bewilderment, regret and despair, over the United States action. Their confidence in us would be impaired.

Soviet propaganda would find enormous fuel in the cut.

Summing up, it seems to me in the best interests of our own country, in the best interests of the free world, that the slash be restored. Thereby, we will strengthen our negotiating position in the United Nations: more important, we will deservedly strengthen our moral position in the eyes of the world; we will strengthen the confidence in which the free world rightly holds us.

Let us not take an action which we will have cause to regret and which our friends will have cause to regret.

I shall, therefore, support and vote for the restoration amendment when it is offered by my colleagues of the Foreign Relations Committee.

I have in my hand a series of telegrams which had come to me from many sources, from leading religious and lay groups throughout the country—from organizations, and alert, civic-minded individuals in my own State, particularly in our State capital.

In the instance where individuals have wired to me, I will refrain, of course, from using their names without their permission. But I should like to cite the names of group officers who have formally communicated with me in their organizational capacity.

I send these fine messages to the desk and ask unanimous consent that they be printed at this point in the body of the RECORD. I underline their position emphatically.

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

NEW YORK, N. Y., *July 16, 1956.*

Senator ALEXANDER WILEY,
Foreign Relations Committee,
Senate Office Building,
Washington, D. C.:

Proposed cut one-third appropriation for United Nations technical assistance incredible when more, not less, such help is demanded by world situation. Hope you and others concerned for this vital need will make successful floor effort to restore full appropriation requested by President and authorized by your committee for U. N. and United States technical assistance. Churches consistently support such constructive programs for peace.

ROY G. ROSS,
General Secretary, National Council of Churches.

CLEVELAND, OHIO, *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Shocked to hear of Appropriations Committee cut in request for United Nations technical assistance program, trust you and your colleagues on Senate Foreign Relations Committee will make strong and successful floor fight to restore full $15½ million appropriation. Commission on Christian Social Action of the Evangelican and Reformed Church, like other church groups, regards technical aid, especially through United Nations, as practical expression of our belief in dignity of men and our hope to build foundations for peace. We can ill-afford to cut back now.

HUBER F. KLEMME,
Executive Secretary, Commission on Christian Social Action, Evangelical and Reformed Church.

LAKEWOOD, OHIO, *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The following resolution concerning United States aid was adopted unanimously by the members of the board present at meeting July 16, 1956, Genoa, Ohio:

"Concerning current Senate consideration on foreign aid we urge that there be restored at least so much of President Eisenhower's original recommendations that the United States foreign-aid program will provide full support for the United Nations organization and the United States and United Nations programs of technical assistance."

THE BOARD OF WORLD PEACE, THE NORTH-EAST OHIO CONFERENCE OF THE METHODIST CHURCH,
JOHN CHITTUM, *President,*
JOHN R. WILLIAMS, *Secretary.*

RACINE, WIS., *July 14, 1956.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

Urge restoration of House cut in funds for U. N. Technical Assistance program.

Mrs. MARSHALL BEAUGRAND,
President, League of Women Voters of Wisconsin.

LA CROSSE, WIS., *July 15, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

Am at loss to understand the acceptance by the Senate Appropriation Committee of a five and a half million cut in the United States contribution to the United Nations Technical Assistance program. Urge that the Senate follow the May 7 recommendation of the Senate Foreign Relations Committee: "The subcommittee believes that the United States should continue to support the United Nations program of technical assistance. Compared to the United States bilateral activities the U. N. program is small but in the subcommittee's judgment, highly effective. As no move was made by either the House or the Senate when considering the authorization bill to cut or place a ceiling on these funds, the House and Senate committee action appears to be illogical. As a citizen deeply concerned with the integrity and welfare of the country I urge you to do everything in your power to restore the five and a half million cut in the United States contribution to the United Nations technical assistance program.

MADISON, WIS., *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

Strongly urge full restoration of appropriation for the United Nations technical assistance program we realize the great value of this international work.

MADISON, WIS., *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We are in favor of technical assistance program with maximum appropriation. Wishing you luck.

MADISON, WIS., *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Please do utmost to insure restoration of cut in United Nations technical assistance program appropriation to $15 million. Best of luck and good wishes.

MADISON, WIS., *July 16, 1956.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We believe the technical aid program very important in helping other countries build for themselves self-supporting economy. Urge that you support Mansfield amendment to restore program to its original size.

MADISON, WIS., *July 16, 1956.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We respectfully urge your affirmative vote for restoration of full amount to United States technical assistance appropriations for U. N. and for entire bill. We believe it a way to world peace. Thank you for your attention to this matter. Sincerely,

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MADISON, WIS., *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Urge your support of U. N. technical-assistance program to $15 million.

CHICAGO, ILL., *July 16, 1956.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Sincerely urge your support of general foreign aid and technical assistance appropriation as essential to America's basic role and program as leader for peace in world family of nationals.

MADISON, WIS., *July 17, 1956.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We urge you to vote for the $5 million increase in United States technical aid through the United Nations which is supported by Senator Mansfield. This money will meet world problems more effectively than a similar amount spent on military aid.

MADISON, WIS., *July 17, 1956.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We understand effort to be made in Senate tomorrow to restore full appropriations for United Nations technical-assistance program. Hope you will support this strongly. This seems to us an important opportunity for demonstrating sincerity of our commitment to cooperative efforts to improve conditions of life everywhere.

WATERTOWN, WIS., *July 13, 1956.*

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Need your help in Senate to restore House cut appropriation for United Nations technical-assistance program. We must not fail now.

KENOSHA, WIS., *July 13, 1956.*

The Honorable Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We urge you support restoration of full appropriation for U. N. technical assistance. Deplore House cut.

POLITICAL PRESSURES IN THE HELLS CANYON CONTROVERSY

Mr. NEUBERGER. Mr. President, the junior Senator from Arizona [Mr. GOLDWATER] complained on July 17 that the chairman of the Democratic National Committee has urged enactment of the bill to authorize a high Federal dam at Hells Canyon. He got quite indignant at his own allegations of the pressure and power he imagines the Democratic chairman to have over Senators.

Inasmuch as this question of pressure has been introduced, I call attention to some real pressure—the heavy and sustained pressure being exerted upon Republican Senators by the White House staff to vote against the Hells Canyon bill.

A front-page article in the New York Times this morning, July 18, 1956, begins:

Intensive White House pressure is being brought to bear on Republican Senators to persuade them to vote against the Democratic-backed Hells Canyon project.

The New York Times article goes on to report:

One Republican Senator has received 4 telephone calls from the White House and 2 from the Department of the Interior in recent days. Others have received two or more calls. Some have been visited by White House aides, such as I. Jack Martin, President Eisenhower's administrative assistant for legislative affairs.

The pressure, in the opinion of many Senators, is as great as that applied on any issue in the last 3 years.

Mr. President, I ask unanimous consent that the entire article from the New York Times be printed in the RECORD at this point as a part of my remarks.

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

WHITE HOUSE BIDS SENATE BAR DAM AT HELLS CANYON—EXERTS INTENSIVE PRESSURE ON REPUBLICANS TO REJECT FEDERAL POWER BILL

(By Allen Drury)

WASHINGTON, July 17.—Intensive White House pressure is being brought to bear on Republican Senators to persuade them to vote against the Democratic-backed Hells Canyon project. The bill would authorize a high Federal dam in Hells Canyon of the Snake River on the Idaho-Oregon border.

One Republican Senator has received 4 telephone calls from the White House and 2 from the Department of the Interior in recent days. Others have received two or more calls. Some have been visited by White House aids, such as I. Jack Martin, President Eisenhower's administrative assistant for legislative affairs.

The pressure, in the opinion of many Senators, is as great as that applied on any issue in the last 3 years.

There was preliminary discussion of the bill today, interrupting the Senate consideration of social security changes. Full debate and a final vote are expected Thursday.

Both proponents and opponents agree that the issue is so close that it could be decided by 1 or 2 votes.

At stake is one of the basic features of the Eisenhower "partnership" theory of power and water development. The Democrats favor a high Federal dam that would provide flood control and federally produced power.

REPUBLICANS FAVOR UTILITY

The Republicans, acting through administration appointees on the Federal Power Commission, have rejected this in favor of three dams to be built by the Idaho Power Co. The company would produce and distribute the power.

If the Democrats are successful in passing the bill in the Senate, it is believed the Democratic leadership in the House will make a strong attempt to win approval by that chamber also and send the measure to the President. A Presidential veto would dramatize the issue for the fall campaign.

Senator BARRY M. GOLDWATER, Republican, of Arizona, charged today that the Democratic bill was "politics and nothing else, in its rawest form."

His charge was echoed by Senator HERMAN WELKER, Republican, of Idaho. Senator WELKER told the Senate that Oscar L. Chapman, Secretary of the Interior in the Truman administration, "is quarterbacking the Hells Canyon play."

Senator RICHARD L. NEUBERGER, Democrat, of Oregon, only proponent of the Federal dam to enter the debate today, said that if the administration should succeed in defeating the bill it "will mean a reversal of 50 years of conservation policy."

Meanwhile, the Idaho Power Company challenged the Supreme Court's jurisdiction over the Federal Power Commission grant of authority to the company to build the three lower dams.

The National Hells Canyon Association and other public power groups have asked the court to require the company to stop construction of the first of the three dams until the controversy is settled.

In still another phase of the controversy over the administration's power policies, a House Government Operations Subcommittee heard a spokesman for Ebasco Services, New York engineering concern, deny that his organization had joined an attempt by private power companies to influence the Secretary of the Interior.

The charge had been made by the subcommittee chairman, Representative EARL CHUDOFF, Democrat, of Pennsylvania. Mr. CHUDOFF linked Ebasco with the Idaho Power Co., the Montana Power Co., the Arizona Public Service Co., the Utah Power & Light Co., and the Public Service Company of Colorado to an organized effort to influence the Interior Department.

Calvin W. Raff, an official of the Montana Power Co., testified that Ebasco had no control over his company.

Mr. NEUBERGER. I do not believe, Mr. President, that the White House will deny that it is using all resources at its disposal to maintain a solid lineup of Republican Senators against the Hells Canyon bill, whatever may be the best interests or expressed preferences of their constituents. If the White House does deny this, let them state publicly and authoritatively that every Republican Senator is entirely free to vote his own convictions of the national interest in this case.

It is significant that the press, including such distinguished commentators as, for instance, Mr. James Reston of the New York Times, have criticized the administration for sitting idly on its hands while Republicans helped send the school-construction bill down to defeat in the House of Representatives.

The administration is not sitting on its hands during the Hells Canyon fight. It is busy and active. It leaves no stone unturned in its fight to turn over Hells Canyon—the finest water-power site left in our country—to a private utility company for wasteful, partial exploitation.

I call the attention of the people of this country to the relative values emphasized by a national administration which will sit supinely by, or issue belated statements of mild concern, while a bill to aid the school children of America goes down to defeat with Republican votes, but which is intensely active and aggressive in its efforts to surrender a magnificent national resource to a private utility company.

I am glad these are not my standards of government. I repeat, the unprecedented White House pressure against the Hells Canyon bill stands in eloquent contrast to the administration's inaction, or expressions of mild interest, when such national needs as school construction, foreign trade or the mutual-security program are concerned.

The point was made briefly, but forcefully in an editorial in the Washington Post and Times Herald this morning, July 18, 1956. The editorial is short enough so that I shall read it in its entirety:

The administration reportedly is using its influence to prevent any wavering Republican Senators from voting for the Hells Canyon bill when it comes up this week. Completely apart from the merits of this measure, why is it that the Administration, which failed so dismally to prevail on the school construction bill and which has had great difficulty in getting its ideas on foreign aid accepted, seems to be able to muster its strongest artillery for the essentially negative purpose of stopping legislation?

Mr. President, if anyone cares to challenge the reports in the press of this White House pressure on Republican Senators to line up against Hells Canyon dam, there is an easy way for the Republican Party to prove me wrong. The distinguished minority leader [Mr. KNOWLAND] need merely announce that, so far as the White House is concerned, each Republican Senator should vote on the Hells Canyon issue freely and entirely on his own views and those of the majority of his constituents, be they farmers, conservationists, or utility shareholders.

But I suggest that the American people watch the Senate rollcall closely when the Hells Canyon bill comes to a vote. The choice of Hells Canyon as the issue on which is concentrated the strongest and most determined White House pressure of the entire congressional session is a shocking indication of the priorities recognized by this adminstration. What is to be said for an administration which uses the full impact of its strength where private utilities stand to be the beneficiaries, but remains passive when the welfare of schoolchildren is at stake?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House insisted upon its amendments to the bill (S. 2568) to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes", disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Georgia, Mr. WILLIAMS of Mississippi, and Mr. BROYHILL were appointed managers on the part of the House at the conference.

The message also announced that the House insisted upon its amendments to the bill (S. 3275) to establish a sound and comprehensive national policy with respect to fisheries; to strengthen the fisheries segment of the national economy; to establish within the Department of the Interior a Fisheries Division; to create and prescribe the functions of the United States Fisheries Commission; and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. BOYKIN, Mr. KLUCZYNSKI, Mr. TOLLEFSON, and Mr. ALLEN of California were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10947) to provide particular designations for the highway bridges over the Potomac River at 14th Street in the District of Columbia; asked a conference with the Senate on the disagreeing votes of

the two Houses thereon, and that Mr. DAVIS of Georgia, Mr. WILLIAMS of Mississippi, and Mr. BROYHILL were appointed managers on the part of the House at the conference.

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

H. R. 2603. An act to increase the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside;

H. R. 4993. An act to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to business property situated in the District of Columbia;

H. R. 5853. An act to amend the act entitled "An act to regulate the practice of veterinary medicine in the District of Columbia," approved February 1, 1907;

H. R. 8149. An act to amend the first sentence of paragraph (a) of section 756 of title 11 of the District of Columbia Code, 1951 edition (par. (a) of sec. 5 of the act of Apr. 1, 1942, ch. 207, 56 Stat. 193), relating to the transfer of actions from the United States District Court for the District of Columbia to the Municipal Court for the District of Columbia; and

H. R. 9842. An act to authorize the Postmaster General to hold and detain mail for temporary periods in certain cases.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

S. 2280. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes;

S. 2895. An act to amend the acts of February 28, 1903, and March 3, 1927, relating to the payment of the cost and expense of constructing railway-highway grade elimination structures in the District of Columbia;

S. 3246. An act to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research;

H. R. 5566. An act to terminate the existence of the Indian Claims Commission, and for other purposes; and

H. R. 7380. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities.

HELLS CANYON DAM

Mr. NEUBERGER. With the imminent vote on the Hells Canyon bill, the Senate stands on the verge of a decisive moment in the history of our Nation's policies toward its natural resources. During the past days, while many other important issues have been before the Senate, we have seen some preliminary skirmishing, as opponents of the project have sought in advance of the debate to fill the RECORD with long diatribes against it. In the next 24 hours, however, the Hells Canyon issue will occupy the full attention of the Senate. In these 24 hours, the Senate will be called upon to make a decision which—if it should be adverse to the project—will be irreversible, and which, I repeat, will for this generation stand as a symbol of our husbandry of the resources on which our strength and our future wealth depends.

Much of the effort of the opponents has gone into the attempt to obscure, behind clouds of rhetoric about free enterprise, the wide differences between the high Federal project and the alternative private utility development. But the great issue before the Senate, Mr. President, is whether we can afford to waste forever the additional flood control and power potential provided by the high Hells Canyon Dam.

Can we afford less than maximum development of this potential?

Mr. President, this issue comes before the Senate at a time when America is passing through a stage of transition, from an era of unmeasurable and apparently unlimited abundance to an era of predictable exhaustion of our resources, at a time of intense international competition with the growing strength of vast empires ruled by men dedicated to ultimate dominance over us and our friends in the world.

Mr. President, perhaps a hundred years ago, we could afford the kind of policies advocated by those who prefer partial development of an irreplaceable resource—who prefer wasteful development, inefficient development, high-cost development, just so long as it is development by private capital, for the profit of private shareholders, rather than Federal investment. A century ago, Americans might well feel and act as if we were alone in the world, a few million men on a vast, open continent—there to be explored, taken, exploited for the immediate profit of those who had the strength to grab their share of the continent's seemingly limitless resources.

TEDDY ROOSEVELT STARTED UNITED STATES CONSERVATION MOVEMENT

But 50 years ago, under the leadership of a great Republican President, Theodore Roosevelt, our Nation began to recognize that our resources are not limitless, and that future generations have a claim on the present generation not to dissipate these resources needlessly and wastefully for short-range gain. From this recognition, Mr. President, basic national resource policies were born which have, until today, endured for a half a century.

Are we to abandon them now, when America faces a greater strain of economic expansion at home, and greater peril abroad, than ever before?

Recent studies have abundantly shown that the time is overdue for us to plan with care the future use of the resources available to us on our own continent. Within very few years, the rapid expansion of our population will place unprecedented pressures on all of these resources—on energy above all—and also on the remaining resources of wildlife and wilderness, which are imminently imperiled if the Hells Canyon site is frittered away. Already, the administration is pushing for the authorization, as a so-called substitute for Hells Canyon, of a storage dam at Bruces Eddy on the Clearwater River which threatens the steelhead runs, the elk refuges, and the majestic solitudes of this last, great upland wilderness in our country.

Mr. President, I wish to digress briefly to mention Bruces Eddy in this respect. I am a member of the Senate Committee on Public Works. On July 17 the distinguished senior Senator from Idaho [Mr. DWORSHAK] appeared before the committee to urge Federal authorization of the Bruces Eddy Dam as a Federal project. Tomorrow we shall discuss Bruces Eddy and Hells Canyon. However, what I wish to emphasize to the Senate today is that Bruces Eddy Dam, which the distinguished senior Senator from Idaho seeks to have authorized as a power and flood-control project, has less flood-control benefits than Hells Canyon. Yet, a Senator who is urging the Senate to reject the Hells Canyon Dam, a dam with greater power resources than Bruces Eddy, is asking Congress at this hour to grant Federal authorization for the Bruces Eddy project, which would have less flood-control benefits than Hells Canyon.

At the same time, Mr. President, we learn with every month that passes of new projects behind the Iron Curtain, in Soviet Russia, in Red China, and actually throughout the world, designed to squeeze every kilowatt of precious energy, every ounce of the other possible multiple uses, out of the great rivers of those nations.

Our competitors for the future leadership in the world have learned the value of full and comprehensive development of a great river's potential, which was pioneered in our own Nation. Can we now afford to forget the lessons we taught them, and return to the short-sighted and greedy methods of piecemeal exploitation which we abandoned as national policies way back in the days of Teddy Roosevelt and Gifford Pinchot?

Mr. President, if the bill for authorization of a high Federal dam at Hells Canyon is passed by the Congress and signed by the President, these basic questions will be answered in the public interest. Its defeat will mean a reversal of 50 years of conservation policy—a sorrowful and adverse answer to the needs of the American people for full development of natural resources.

The decision on Hells Canyon will be a moment of destiny for the Nation, but especially for the present and future generations who reside in the Pacific Northwest region. Nearly 40 percent of this Nation's hydroelectric energy lurks in the waters of the Columbia River drainage. The die will be cast for years to come when action is taken on S. 1333, the Hells Canyon bill. At that time, it will be determined whether we are to establish a policy which will wring the last kilowatt of energy from a power site, fully utilize its potential for flood-control storage, for irrigation project financing benefits, for aid to navigation, and for the ultimate in wildlife and recreation uses; or whether these vast values will be relinquished to partial and piecemeal use for the benefit of private-power monopoly interests.

This is an issue of special significance to the Pacific Northwest because a policy of wasteful use of our great water resource—the region's only abundant source of fuel for manufacture—will place a ceiling on prospects for economic growth. Less-than-full development at Hells Canyon will mean less-than-full

use of our region's greatest natural asset—its falling water.

POLICIES OF TEDDY ROOSEVELT AND GIFFORD PINCHOT AT STAKE IN HELLS CANYON

I first visited Hells Canyon in 1939. I have been there many times since. I have ridden its surging rapids on the mailboat *Idaho*. I have trudged its narrow trails and ridden horseback over Freezeout Saddle, the great pass on the Oregon rim of the chasm where Capt. Benjamin L. E. Bonneville and his fellow explorers escaped from the gorge nearly a century and a quarter ago. My wife and I have camped alone in the Seven Devils Range of Idaho, along the eastern wall of Hells Canyon, and peered down upon the foaming mountain river, which has trenched more than a mile into the earth. Little did I realize that the use of Hells Canyon for the benefit of the American people would one day become a monumental struggle against great odds, against powerful financial interests which fear public development as a threat to their monopoly position.

Hells Canyon passed into protected public possession when Theodore Roosevelt and Gifford Pinchot set aside the forest reserves in 1908. The vast chasm is divided between the Nez Perce and Clearwater National Forests of Idaho and the Wallowa National Forest of Oregon. The hydroelectric power resources of Hells Canyon need not be given to the absentee-dominated Idaho Power Co., if this Congress will only stand by the principles of those progressive Republicans, Theodore Roosevelt and his chief forester, Gifford Pinchot. Indeed, Roosevelt and Pinchot deliberately located forest ranger stations along swift rivers at power sites, to keep these sites out of the clutches of what Pinchot called "the power octopus."

We are again confronted by the same kind of challenge which sent Roosevelt and Pinchot into action. This is like the struggles which in the past brought forth the great efforts of men like Senators George W. Norris, William E. Borah, Charles L. McNary and Hiram Johnson. While it would be presumptuous to assume their qualities of stature and oratory, it is at least possible to emulate their characteristic decisions to discharge a public trust in the public interest. Great projects such as Hoover Dam, Grand Coulee Dam and McNary Dam stand today as monuments of their beliefs. As we again face the hour when it will be determined whether the objectives for which they fought and worked will be continued, it may be well to review an event which is parallel to the one which confronts us today.

Grand Coulee Dam is the greatest single source of electricity on our planet. It stokes the Hanford Works, where material for the atomic bomb goes through its final processing. Its energy made possible 50,000 planes a year during World War II. It is pumping water to irrigate thousands of fertile homesteads where ex-GI's are getting a new chance in life.

Yet Grand Coulee was nearly lost to us forever in the 1920's, when a private utility company wanted to choke this roaring stretch of the Columbia River with a pygmy, dog-in-the-manger dam at Kettle Falls which would have prevented construction of the massive dam which now spans the river. Like the Idaho Power Co. and its small dam which would block Hells Canyon high dam, the Washington Water Power Co. sought a Federal Power Commission license for the Kettle Falls project which would have stymied Grand Coulee.

I am glad that the distinguished junior Senator from Washington [Mr. JACKSON] is on the floor, because he and his eminent senior colleague [Mr. MAGNUSON] have fought for Grand Coulee and for appropriations to advance that greatest of all power projects.

WHAT DID FPC EXAMINER DECIDE?

On August 5, 1955, the Federal Power Commission consisting of four Eisenhower men and one Hoover appointee, licensed the Idaho Power Co. to erect three low dams in the Hells Canyon reach of the Snake. If this decision stands, there never will be constructed one of the biggest multiple-purpose projects of all time—the high Federal dam. The three little dams of the power company and the towering dam of the Federal Government are incompatible with each other. Both systems would occupy the same stretch of the Snake River.

Low-cost power produced by Federal dams like Hells Canyon have tremendous impact on economic development of a region such as the Pacific Northwest which has no source of industrial fuel, except its valuable falling water. Giving the Hells Canyon stretch of the Snake to an absentee-dominated corporation for less than full development means not only a loss of 45 percent of the potential waterpower but power at a cost 2½ times higher than the Federal dam. The Commission's decision means less power, higher cost power, less industry, and fewer jobs for the Pacific Northwest.

The Federal Power Commission is an administrative arm of Congress established under the Federal Power Act. It has always seemed clear to me how Congress intended the Federal Power Commission to function in cases such as the Hells Canyon issue. The act specifically declares that the Commission shall base its determination on the project best adapted to comprehensive development of a river basin. How can the less than full development provided by the Idaho Power dams be the best policy, when an alternative will produce maximum use?

This is not the first time an administrative arm of Congress has distorted an interpretation of a congressional directive. When such an occasion arises and the national interest is endangered, it becomes necessary for Congress to clarify and redefine the meaning of previous acts. It is a legislative responsibility to chart the proper course for congressional administrative branches. By authorizing a Federal dam at Hells Canyon, the Congress will again establish the proper guideposts for determining what constitutes full and comprehensive development of water resources.

Two and one-half pages of the 4-page dissenting report of the minority of the Senate Interior Committee are devoted to expounding the view that only the Federal Power Commission can judge the Hells Canyon issue; and that it is against all public policy, and perhaps even somehow immoral, for the Congress to exercise an independent judgment, on the basis of the evidence before it, of the merits of this project. The minority states that they do not presume to decide these issues as between Hells Canyon one-dam plan and the three-dam plan of the Idaho Power Co. Their only objection, then, is that the majority would have the Congress undertake this task.

Let us note this well, Mr. President. The minority do not state—and they cannot state—that the three-dam plan is better than the one high dam. They do not tell the Senate that the three low dams are as good as the high dam to be authorized by S. 1333—for that, too, would be contradicted by all the evidence in the record before the Interior Committee. I invite all Senators to read the minority report with care, Mr. President—to compare it with the committee's report and with the evidence in the hearing transcript—to see how little of substance the minority had to say about the Hells Canyon project. Their report is based entirely on the supposed expert judgment of the Federal Power Commission, which has licensed the low dams of the Idaho Power Co.

Very well, then—what about the actual findings which resulted from the 12 months of hearings before the Federal Power Commission? As every Senator will, of course, realize, those hearings were not held before the five men who sign the final opinion and license. They were held before a hearing officer, Mr. William J. Costello, an expert career Government officer. It was Mr. Costello who sat through these months of hearings, who listened to the witnesses, who studied the exhibits and listened to the engineers and the economists. If there was any expert judgment exercised on the basis of the 12 months of hearings conducted by the Federal Power Commission, it was the judgment which found its form in the 184 findings and 79 pages of text of the initial decision issued by Hearing Examiner Costello on May 6, 1955.

And what was the final distilled conclusion of the hearing examiner on the merits of the high Hells Canyon project, the project whose fate the Senate is called upon to determine soon?

FPC EXAMINER FOUND HIGH DAM BEST ON THE MERITS

His conclusion was that, as a Federal project, "the high dam would be dollar for dollar the better investment and the more nearly ideal development of the Middle Snake." Those are the FPC examiner's words, Mr. President, "dollar for dollar the better investment and the more nearly ideal development of the Middle Snake."

Why, then, did Mr. Costello recommend granting a license to Idaho Power Co. for a project which is a worse investment and a partial and incomplete development of the irreplaceable potential of the Middle Snake? He did it, very

frankly and expressly, for one reason and only one reason, Mr. President, which he explained fully in his opinion. He guessed that it was unlikely that Congress would act favorably on the recommendation, which he would otherwise make under section 7 (b) of the Federal Power Act, that the Federal project be authorized.

That was the only reason why the expert hearing officer of the Federal Power Commission went against his own findings of the superiority of the high dam and recommended a license for partial development by the Idaho Power Co. He guessed Congress would not accept the recommendation for the high dam, anyway.

CONGRESS IS ASKED TO ACCEPT ALPHONSE-GASTON RUNAROUND

Mr. President, my point here is not whether this guess would have been proved right or wrong, or whether it vitiates the legal basis of the license granted by the Federal Power Commission. My point is to draw to the attention of any Senator who may be impressed with the minority's emphasis on the FPC decision just what a runaround the Congress is asked to accept in this case.

Mr. President, it needs to be pointed out that the Federal Power Commission could not authorize a Federal project even if the commissioners may have wanted to do so. Judgment must be exercised as to whether there should be built a high dam. This is the responsibility of Congress, as exercised before, and which Congress will exercise again. It has not been without some interest to the minority Members of the Senate in connection with the upper Colorado project and the Fryingpan-Arkansas project.

At this point, Mr. President, I should like to comment very briefly on the speeches we have been hearing from the other side of the aisle concerning the Glen Canyon Dam. It is quite significant and very ironic, to me, that Members on the other side of the aisle, who are leading the fight against Hells Canyon Dam, are themselves the foremost advocates of the Glen Canyon Dam in the upper Colorado River project.

I have here the report of the Committee on Interior and Insular Affairs concerning the upper Colorado project. What do I find with respect to the Glen Canyon Dam? I find, for example, under the heading "Lands To Be Irrigated" not one single acre of land listed in the committee report for Glen Canyon Dam. The $421 million Glen Canyon Dam is located so far downstream that none of the water to be stored there will be available for irrigation, in connection with the Colorado participating projects.

Glen Canyon Dam has an installed generating capacity of 800,000 kilowatts, approximately the same as at high Hells Canyon Dam. The storage capacity of Glen Canyon Dam will be used for final regulation of the Colorado River to permit delivery of the 7½ million acre-feet of water to the lower basin States, as required by the Colorado River Compact. That is the only other purpose of Glen Canyon Dam. It has no flood control, no navigation, and no irrigation benefits assigned to it. If it has, the Senate committee report is incorrect; and we know the report is not incorrect.

Mr. MORSE. Mr. President, will my colleague yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. I am glad the Senator is discussing a point about which I should like to ask him a question.

Is it not true that Glen Canyon and Hells Canyon are similar in that they both would generate a great deal of power, but they are dissimilar in that Hells Canyon, over and above the power features, will develop navigation features, great flood control features, recreation features, and will cost somewhat less in construction and will cost much less in the sense of a comparison of the cost of a kilowatt of power?

Mr. NEUBERGER. There is no question that the senior Senator from Oregon is correct. Hells Canyon will produce somewhat more power than the Glen Canyon dam and will cost over $100 million less to erect.

Mr. MORSE. Does my colleague share my perplexity over the attitude of some of our good friends on the other side of this issue who are strong for Glen Canyon but are strongly opposed to Hells Canyon, and whose position we cannot explain, certainly on any ground of consistency or logic, because the Glen Canyon is such a fine project that I am for it. If it is such a fine project, Hells Canyon is even a finer project on the basis of the same criteria.

Mr. NEUBERGER. Of course the Senator is correct in his comments on the inconsistency of those who are leading the fight against Hells Canyon and who are foremost advocates of Glen Canyon.

It has been said that Hells Canyon is nothing but a power project. It is quite interesting to look at Glen Canyon with reference to the estimated cost of $421,250,000. The reimbursable benefits for power are $370,974,000, and for the irrigation benefits only $50,296,000. None of the costs of Glen Canyon will be paid by irrigation water users. They will be paid by power users. In other words, 87 percent of the cost of Glen Canyon Dam is assigned to power. This is the dam promoted by Members of the Senate who loudly complain because they say Hells Canyon is nothing but a power project. According to the Corps of Army Engineers, Hells Canyon is also a flood-control project, which cannot be said of Glen Canyon.

There is one great difference between Hells Canyon and Glen Canyon. At Hells Canyon the unit cost of power for each kilowatt used is comparatively low. At Glen Canyon the individual unit cost for power is comparatively high. Therefore, no private utility is anxious or even willing to take over for its own the Glen Canyon site.

The Idaho Power Co. wants the Hells Canyon site because of the comparatively low unit cost at which power can be generated there. Therefore, our friends on the other side of the aisle have adopted this policy. They have adopted the policy of reserving for the taxpayers of the United States the privilege of paying for the high cost of the Glen Canyon project, and, at the same time, they are leading the fight against the comparatively low-cost, Hells Canyon project, because it is on a site which a private-power company desires.

I think it is significant that the Federal Power Commission examiner found, in his report, substantial flood-control benefits at Hells Canyon. Let me repeat, Mr. President, that there are no flood-control benefits at Glen Canyon.

My record in the Senate, and that of my distinguished senior colleague [Mr. MORSE], will show that we are not against Glen Canyon Dam. Both of us supported the upper Colorado River project which includes the Glen Canyon Dam, because we believe that the whole West must go forward. We do not take the inconsistent position that the Federal development should take place only in those parts of the West which the private utility companies have picked over and have decided that they are not for them, and, therefore, they are willing to have Federal development take place where the cost is so high that no private corporation wants to grab it.

The Idaho Power Co. and its supporters have argued vociferously against the proponents of the high dam on the ground that Congress would never authorize high Hells Canyon even if it is the best possible project. The FPC examiner is stampeded into joining this political guessing game and thus fails to report to Congress his factual conclusions that the Federal high dam is dollar for dollar the better investment and the more ideal development of the Middle Snake. And now the minority, on the basis of the FPC decision, asks the Congress to abandon its responsibility for assuring the best use and development of the Nation's vast resources, which the Constitution has placed under its trusteeship.

When the Congress delegated to the Federal Power Commission its authority to license private hydroelectric projects, it certainly did not contemplate this kind of an Alphonse-and-Gaston act.

And, Mr. President, it needs to be pointed out that it was only the authority to license which was delegated, not the power to authorize Federal development. The FPC cannot do that. No matter what the FPC may do about private applications, only the Congress can and must exercise the judgment, and the minority's songs of praise for the Federal Power Commission cannot alter that responsibility.

It is a responsibility the Congress has exercised before and will exercise again. In this session, it has exercised it, for example, in two instances which have not been without interest to the minority—the upper Colorado project and the Fryingpan-Arkansas project.

The minority did not think the Congress too inexpert a body to judge the merits of these projects, Mr. President. And what was the evidence on which we acted? It was the testimony of the engineers and the hydrologists and the economists of the Federal Government—in many cases the identical Federal expert witnesses who for years have studied the Hells Canyon site, who have assembled the streamflow data and the economics of power in the Northwest, who have

designed the great dam itself, and whose favorable testimony for the Hells Canyon project forms the basis of the Interior Committee's report to the Senate.

Mr. President, I urge that we debate the Hells Canyon bill on the actual merits of the project. Its opponents naturally want to avoid this ground of debate. They would prefer to seek shelter behind an administrative agency. But when we vote on S. 1333, the Senate cannot escape its own responsibility for the fate of the finest multipurpose waterpower site left to our Nation. The Senate must judge Hells Canyon on its merits as a Federal project; it must judge it with the yardstick applied to other Federal projects; and by such standards, it will be unable to avoid the conclusion which FPC Examiner Costello called "inescapable": That the high dam is, dollar for dollar, the better investment and the more nearly ideal development of the Middle Snake.

Mr. President, before I conclude I wish to discuss briefly the preservation of wildlife and wilderness areas.

HELLS CANYON PRESERVES WILDLIFE AND WILDERNESS VALUES

Mr. President, few more delicate tasks confront the United States than that of developing natural resources for continuance of national strength and prosperity without impairing some of the wilderness and wildlife values so essential to our well-being.

This task is dramatically symbolized in development of the Columbia which has 40 percent of the Nation's hydropower potential and sustains a commercial fishery valued at $10 million annually and provides sports fishing and recreation for thousands of Americans.

The conflict between developing the Columbia for fish and kilowatts has raised this question: Where can power best be generated without destroying fish runs and scarring scenic grandeur? That is the issue created at Hells Canyon, because if we fail to develop the full potential of this greatest natural storage site on the continent, then pressures will increase to find the power and storage elsewhere at sites which would impair either fishery or scenic values. The blueprint of what is to come if Hells Canyon is relinquished to less than full development, is seen in the statements of governmental agencies that so-called substitute storage and power might be found at Bruces Eddy and Penny Cliffs sites on the Clearwater River; on the untrammeled Salmon River, which is the heart of the chinook spawning ground; or at Glacier View, which would invade the pristine grandeur of a great national park.

The abandonment of Hells Canyon site will definitely result in attempts to construct dams which would blockade fish runs, drown out wildlife habitat, and generally ruin and destroy irreplaceable realms of scenic majesty and outdoor enjoyments. Thoughtful custodianship of our natural resources demands that the Hells Canyon site be dedicated for full development, lest great values in fish, wildlife, and scenic grandeur be wasted for generations to come.

ADMINISTRATION SPENDS TAX MONEY FOR PUBLIC POWER—IF PRIVATE UTILITIES PERMIT

Responsible elements of the press, in good faith and on apparently ample evidence, have frequently pointed out that the present administration is opposed to public power. The record does not wholly bear out this view. True, the administration has whenever possible favored private utility corporations against local, regional, or Federal public agencies; but that is not the whole story.

The present administration favors extensive Federal, taxpayer-supported, public power projects—wherever the sites are so doubtful in quality, so low in streamflow, so high in unit cost, so far from adequate transportation and markets—in a word, so uneconomical—that no private power company would consider touching them with a 300-mile transmission line. Sites of this sort are proposed by this administration for development by the Federal taxpayers.

Hells Canyon is not such a site; it is quite the opposite. As the committee finds, Hells Canyon is the finest natural water storage and hydroelectric power site remaining in the United States. It is recommended for Federal development as a high storage dam and reservoir in the master plan for the Columbia River Basin, the 308 Report of the Corps of Army Engineers. The chief expert witness of the Bonneville Power Administration testified that addition of Hells Canyon power to the present Columbia River power system would result in an average rate of about 2.75 mills per kilowatt-hour. Similarly, the Federal Power Commission's presiding examiner found, in comparing the Federal high dam with the Idaho Power Co.'s lower project, that power from the Federal dam would cost 2.7 mills per kilowatt-hour.

This compares with 6 to 7 mills power costs at much costlier Federal developments which are backed by the administration and its spokesmen for far smaller rivers elsewhere in the West.

This administration has repeatedly favored costly Federal public-power developments, as justifiable investments of taxpayers' funds, in areas where electricity can be produced only at a cost of from 6 to 9 mills. I do not mean to disapprove all of these projects, which can play an important role in the full development of our country's available resources. But what is to be said of a policy which promotes such projects as public investments, while simultaneously raising the most captious and frivolous objections to justify the giveaway of Hells Canyon, which can generate power for 2½ to 3 mills a kilowatt-hour and help prevent floods, too?

WHOLE NATION MUST PROGRESS ECONOMICALLY TOGETHER

I am convinced that the economic progress of our whole country must be seen as a continuing whole. That has been true when Federal investment has been necessary for such essential foundations of economic development as river channels, ports, and other navigation facilities, railroads subsidized by gifts of land, and modern roads, as well as for soil conservation. It must be equally true when Federal investment is necessary for the best development and conservation of the great natural resources of the West.

Rarely has it been openly proposed to segregate from an essential Federal function the portions which offer an opportunity for private profit, and retain only the risks and the potential losses for the public.

The investment of Federal funds to furnish the essential capital foundation for western economic development is entirely consistent with our national tradition—especially where public resources such as our great rivers are concerned. The best development and conservation of these resources is in the national interest. I have joined with the majority of the Committee on Interior and Insular Affairs in supporting programs of federally financed development throughout the West in the conviction that such development is in the national interest, and that in the long run the public investment will be repaid even in marginal projects.

Others might disagree and take the position that there should be no Federal capital investment whatever; that development which cannot attract private capital must be too uneconomic to be worth while. While I cannot share such a shortsighted approach, at least it can be consistently argued in good faith. But a program which would preserve for public development only the doubtful, marginal projects, while turning over to partial, wasteful, high-cost private exploitation the richest public resources, is not a national policy; it is organized plunder.

Why should the Northwest be penalized for being blessed by the Almighty, in the Columbia River and its tributaries, with vast volumes of water and magnificient natural dam sites. The private utilities have given the go-ahead to Federal development of high-cost sites elsewhere in the West, but they have claimed the Columbia Basin for themselves—for exploitation at power rates which will forever foreclose future cheap-power-based industrial development of the Pacific Northwest.

If the utilities are thus to be permitted to call the tune for the march of western development, it will be an economic death march—not only for the Pacific Northwest, but for all the American West.

Mr. President, the administration may hope to make some political capital out of bringing about the defeat of the Hells Canyon Dam—perhaps in the Senatorial campaign to take place this year in the States of Oregon and Washington.

I am not a prophet, because only the seventh son of a seventh son can prophesy. But the people of Oregon and Washington are literate, intelligent people. They have more libraries, more schools, and more colleges per capita than do the people of almost any other part of our country. They know what is going on in the Government; they know what is going on in the Nation. They know that while the members of the Republican Party in the Senate and other spokesmen for the administration

say there is no money in the Treasury for the $310 million high Hells Canyon Dam, the same administration has aggressively taken the lead in bringing about the Federal authorization of almost $900 million worth of high-cost marginal projects in the Rocky Mountain region.

Mr. President, the people of the Pacific Northwest will have that in mind when they go to the polls in November.

Mr. JACKSON. Mr. President, in reviewing the history of the fight for the full development of our natural resources, I am reminded of A. Conan Doyle's classic tales of Sherlock Holmes.

The brilliant Holmes was pitted against the evil genius, Professor Moriarty. In each tale the battle was tense and close, but in the end Moriarty was defeated and disappeared. But the next story always brought Moriarty back—in a new disguise, with a new scheme, but with the same ends in mind.

The power lobby is like Professor Moriarty. Regardless of how often their schemes are rejected, or how soundly they are defeated, they keep coming back—in a new disguise and with a new scheme.

Our debate today could well be called The Return of Professor Moriarity, for the ghost of an old antagonist has been revived and is before us, sporting a false moustache, and supporting a disguised scheme, but still the same old Moriarty nevertheless.

It must be our task, therefore, to unmask the villain, so that we can clearly recognize the issues on which a decision should be based.

Mr. President, the principle that must stand or fall on our decision is this: the comprehensive development of our water resources. Let there be no mistake about it. The attack on Hells Canyon is an attack on the principle of water conservation.

It is the same old attack, rising from the same sources, and defending the same narrow interests which have fought every effort to protect public resources.

More than 50 years ago a great President, Theodore Roosevelt, enunciated the principle of comprehensive river development. In 1901 he urged that the Federal Government undertake multiple-purpose river development too vast for private effort. And he spelled out, in 1903, the fundamental conception that every waterway should be made to serve the people as largely and in as many different ways as possible. He vetoed projects which failed to provide for the maximum development of the navigation and power. His successor, President Taft, did likewise.

The principle was established, and in 1920 was written into law. The Federal Water Power Act of that year called for the full and comprehensive development of public water resources. In 1935 this law was incorporated in the Federal Power Act, the applicable statute today.

It may seem redundant to recite this history now. We have all heard it before.

But great truths are not redundant. To repeat them is neither unnecessary nor superfluous. We should review the truths which Theodore Roosevelt clarified.

Dedication to these truths built Grand Coulee and Bonneville and Hoover Dams in the West, and the TVA in the South. Dedication to these truths has reclaimed vast areas of arid land, and has saved millions of other acres from flooding. The application of these great truths has provided low-cost power which has stimulated the creation of new industry by private enterprise.

Because of the understanding and foresight of the men who carried out these principles, we entered World War II with enough low-cost power to produce the aluminum and the airplanes, and the atomic energy and other weapons and supporting goods which enabled us to win.

It is necessary to recall this brief history. If this history were unimportant, the fight for comprehensive river development would be without consequence.

Permit me just another moment of pertinent history.

In 1927 the Congress authorized the Army Corps of Engineers to conduct comprehensive river-basin surveys and to report on them. The reports, resulting from House Document No. 308, became known as "308" reports. Since 1927 there have been more than 200 of these comprehensive river studies.

The first "308" report for the Columbia River was issued in 1932. It outlined 10 projects for the main stem of the Columbia River. One was Grand Coulee Dam. The Chief of Engineers at that time predicted that Grand Coulee Dam would meet all foreseeable power needs for 30 years, and he thought the other projects should await growth of a power market.

His estimate was wrong, and was proven more wrong by the overwhelming demands of World War II. So Congress in 1943 directed the Army engineers to review and modify the report. The result, the so-called 308 review report, was completed in 1948.

The Bureau of Reclamation had been preparing a similar plan, and in 1949 the two plans were integrated. In 1950 the resulting comprehensive plan, representing years of study by the Corps of Engineers and the Bureau of Reclamation, and endorsed by the Federal Power Commission, and other interested Federal and State agencies, was transmitted to the Congress.

The comprehensive plan called for 125 million acre-feet of storage, 32 million kilowatts of firm power, 500 miles of uninterrupted inland navigation, about 8 million acres of irrigated land, and other benefits.

The heart of the plan for achieving these objectives is in 14 key multipurpose projects comprising the main control plan. Eight of these projects were already existing, under construction, or authorized when the review report was presented. Of the remaining 6, the Army engineers and the Interior Department recommended 5, including high Hells Canyon Dam, for immediate authorization. All but Hells Canyon were authorized by the Congress in May 1950. Hells Canyon was left out only because of unacceptable reclamation provisions, which are not in the bill now before us.

With Hells Canyon not authorized, the Idaho Power Co. moved in to file an application with the FPC for a license to build a single dam at Oxbow. Approval of this proposal would have made construction of the high dam impossible.

Secretary of the Interior Chapman intervened in the FPC proceeding to oppose the low-dam project and protect the high-dam site.

The Federal Government's defense of full and comprehensive development was, therefore, assured until May 1953, just 5 months after the change in administration. Then the Eisenhower-appointed Secretary of the Interior, Douglas McKay, withdrew the Interior Department's intervention.

With conspicuous speed, the Idaho Power Co. stockholders acted the next day and approved an application—filed with the FPC 9 days later—for two additional low dams.

The Federal Power Commission subsequently commenced hearings, and both the Interior Department and the Bureau of the Budget took the position that Congress should not act on the then pending Hells Canyon authorization until the FPC had ruled on the application.

The FPC's presiding examiner recommended, on May 6, 1955, that 1 of the 3 proposed low dams, Brownlee, be licensed.

The Federal Power Commission itself did not act until the last Congress adjourned. On August 4, 1955, a few days after adjournment, the FPC made public its decision to license all three low dams.

The National Hells Canyon Association has appealed this decision, and the matter is now pending before the United States court of appeals.

At this point the Hells Canyon association deserves a word of praise. When the administration defaulted on its responsibility to protect the public interest, no champion remained to carry on the fight for the water-resource-development program contemplated in the 308 review report. It was then that individual private citizens united to form the Hells Canyon association, and dedicated themselves to saving the dam site.

The individuals who have contributed to this fight deserve our gratitude and appreciation. They can expect no personal gain from their work. No profits will go into their pockets. They can expect to share in the overall benefit to the economy which would result from comprehensive development.

It should be made clear that the expected court decision on the appeal filed by the National Hells Canyon Association in no way limits the authority of the Congress to now authorize construction of the high Hells Canyon Dam. Let there be no misunderstanding on this point.

A warning against misunderstanding the Hells Canyon issue is particularly appropriate. Surely, there has been no issue more disguised with distortions or maligned with myths.

These, Mr. President, are the principal myths:

First. The myth that the impending power shortage in the Northwest will be relieved by construction of the low dams.

Second. The myth that the taxpayer will gain if the low dams are built, and that the taxpayer will lose if the high dam is built.

Third. The myth that construction of the high dam would be a blow against free enterprise.

Fourth. The myth that the low-dam plan is best adapted to comprehensive development of the Snake River Basin. These are the excuses being offered as justification for the inconceivable waste of the low-dam development.

To go behind these myths, it is necessary to compare the two proposals for use of the Hells Canyon site. First, let me say that these proposals are not really comparable. One is designed for the single purpose of making money by providing power at a high price to consumers in a limited service area; the other is intended to develop the site for all the multiple purposes of wide public benefit which are possible. The basic point is this—the proposals are mutually exclusive. There cannot be both a high dam and a low dam on this single site.

The pending bill, of which I am proud to be a cosponsor, calls for the Bureau of Reclamation to build on this site the second highest dam in the world. It would be 722 feet from foundation to crest, or 4 feet less than Hoover Dam on the Colorado River. It would cost $308,472,000. It would have these multiple benefits:

First. Some 686,000 kilowatts of prime power produced at the site, with an additional 436,000 kilowatts of prime power from increased generation at dams downstream. This totals 1,122,000 kilowatts of prime power—steady, around-the-clock power. Bonneville Power Administration experts say this 1,122,000 kilowatts of prime power would be the equivalent of 1,461,000 kilowatts of salable firm power.

Second. Upstream storage—4,400,000 acre-feet of water storage space of which 3,880,000 acre-feet would be usable for flood control.

Third. Navigation benefits essential to the goal of a 500-mile inland navigation route from the mouth of the Columbia to Lime Point, 30 miles above Lewiston, on the Snake River.

Fourth. A tourist attraction and recreational area that would attract an estimated 500,000 to 600,000 visitors a year.

Fifth. A guaranty of 500,000 kilowatts of low-cost firm power for eastern Oregon and Idaho, in an area where low-cost power is not now available.

Sixth. Power rates approximately one-third of those at which low-dam power could be sold. These rates would make possible:

(a) Full-scale development of phosphate rock reserves (estimated at 60 percent of the Nation's supply) for production of fertilizer to serve a market from the Pacific coast to the Great Plains, and

(b) The stimulation of industry, particularly the electro-process industry, which needs low-cost power in order to make use of low-grade deposits of strategic minerals.

Seventh. Power revenues to extend irrigation in the central and upper Snake Basin.

Eighth. New industry, jobs, and payrolls, and the resulting increased corporate and personal income taxes flowing into the Treasury.

Against these multiple benefits of the high dam, what does the low-dam proposal offer? It offers these multiple drawbacks:

First. Only enough power for the company's limited service area.

Second. Rates nearly three times as costly.

Third. One-quarter the storage of the high dam.

Fourth. Less than one-half the flood-control benefits.

Fifth. Barely one-half the navigational benefits.

Sixth. One-half of the tourist and recreational benefits.

Seventh. None of the power revenues to aid irrigation projects.

Eighth. Very little or no stimulation to development of phosphate fertilizer or electro-process industries.

Ninth. Approximately one-fifth the return to the Federal Treasury in taxes.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a comparison of the high Hells Canyon Dam with the Idaho Power Co. plan, as the comparison appears on page 38 of the committee report.

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

Comparison of high Hells Canyon Dam with Idaho Power Co. Dam plan

	Hells Canyon	3 dams	Oxbow and Brownlee only [1]
Height of dam (feet)	722	205, 395, 320	
Size of reservoir (acre-feet of usable capacity)	3,880,000	1,000,000	1,000,000
Power output (prime kilowatts)	1,122,000	505,000	325,000
Construction cost	$308,472,000	$175,766,000	$119,052,000
Annual cost of power at market	$28,567,000	$27,921,000	
Cost of power at market (mills per kilowatt-hour)	2.65	6.69	
Other benefits (annual):			
Flood control	$2,300,000	$1,000,000	
Navigation	$189,000 to $230,000	$108,000	
Recreation (number of annual visitors)	500,000 to 600,000	250,000 to 325,000	
Benefit-cost ratio	2.37 to 1	(2)	
Irrigation (availability of power revenues to subsidize).	Yes	No	

[1] Although the FPC license is for 3 projects, it provides no assurance that more than 2 will ever be constructed. At p. 20 of the Opinion and Order Issuing License the Commission stated:

"If a sufficient load does not develop to justify construction of low Hells Canyon within the time limits imposed in the license, the Commission may either extend the time for construction or terminate the license for that project, whichever is in the public interest at the time the matter is under consideration."

[2] Examiner's figure, 0.91 to 1; Commission's figures, 1.29 to 1. (Annual value of power at market divided by annual cost of power at market.)

Mr. JACKSON. Mr. President, on the basis of this background we can examine the various myths which have been propounded about Hells Canyon.

The first myth, which I cited earlier, is the claim that the Idaho Power Co.'s three low dams will alleviate the power shortage in the Northwest—an area which will require 500,000 more kilowatts on the line every year from 1960 on.

Part of this fallacy is the assumption that the low-dam proposal is really for three dams.

The footnote to the above table tells the true story. The footnote reads:

Although the Federal Power Commission license is for 3 projects, it provides no assurance that more than 2 will ever be constructed. At page 20 of the Opinion and Order Issuing License, the Commission stated:

"If a sufficient load does not develop to justify construction of low Hells Canyon—

One of the low dams, Mr. President—

within the time limits imposed on the license, the Commission may either extend the time for construction or terminate the license for that project, whichever appears to be in the public interest at the time the matter is under consideration.

That footnote is extremely significant, for supporters of the low-dam scheme talk with assurance of "three dams". They keep talking of the three-dam plan as a single whole, and then compare it with the high dam. Even then the low-dam plan does not measure up to the high dam.

Not only have the advocates of the low-dam plan misled us as to the number of dams that we can be sure will be built, but they have tried to mislead us as to the amount of power the low dams will produce.

For instance, the House minority views on the Hells Canyon bill blithely assert the 3 low dams would have an installed capacity of 783,400 kilowatts—360,400 kilowatts at Brownlee, 151,000 kilowatts at Oxbow, and 272,000 kilowatts at low Hells Canyon.

But installed capacity does not mean a thing if there is not behind it the water to generate the full capacity.

The Federal Power Commission examiner estimated the 3 dams will generate only 505,000 kilowatts, and he also pointed out there is little likelihood that the third dam will ever be built. The 2 dams that could be expected to be built would produce 325,000 kilowatts.

Yet, the myth has been created that the Idaho Power Co. proposal will alleviate the power shortage in an area of the country that will require 500,000 more kilowatts on the line every year.

As a nation our power requirements are doubling every 8 years.

We cannot afford to sacrifice for all time the high dam power—686,000 kilowatts at the site, plus 435,000 kilowatts downstream, that would start coming

on the line only 5 years after construction begins—in exchange for the 325,000-kilowatt low-dam power, merely because it might be available to consumers a couple of years sooner.

Are we to be, like wasteful heirs, trading away our future inheritance for a few years' spending money? This will be our role if we fall victim to myth No. 1.

The facts are more appalling, the more we think about them. Four of the downstream dams already authorized by Congress are dependent upon Hells Canyon storage to make them more economically feasible.

With Hells Canyon storage gone, could we not expect the next attack to be against these downstream projects? The result of not building a high Hells Canyon Dam could well be not just the lost 686,000 at-site kilowatts and the 436,000 downstream kilowatts; it well could be an additional downstream loss of more than a million kilowatts at authorized projects—projects for which the Congress might refuse, on the grounds of economic unfeasibility, to appropriate funds.

The low-dam proposal would make no significant reduction in the region's power shortage. Even if it produced power excess to the Idaho Power Co.'s own monopoly-service area needs, the rates would be prohibitive. The FPC examiner called the private company's power "fancy priced." He was right. Six-mill power cannot be peddled in a 2-mill region. The Idaho Power Co.'s customers have to pay 6 mills because they do not have a choice. They buy from Idaho Power Co., or do without.

Corollary to the myth that the low-dam development will help save the Northwest from a power shortage is the charge that a high dam development will "cost" the Northwest power pool in excess of 400,000 kilowatts for 3 to 4 months, every year. I put quotation marks around the word "cost," to demonstrate the lengths to which some supporters of the low-dam plan will go to sell their case.

During the summer months the high dam would be storing water for the winter low-water, high-peak period. During this time, something more than 400,000 kilowatts of power from the Northwest power pool would be wheeled into Idaho and eastern Oregon, to meet the guaranty in this bill for 500,000 kilowatts of firm power the year around for that area.

But the power to be shipped into the Oregon-Idaho area during those months is power that would not be used otherwise. The whole point is that during these months the rest of the Northwest power pool generating system is capable of producing more power than is needed. By selling to the Oregon-Idaho area, power that otherwise would go unused during these months, we can stop generation at Hells Canyon, and can store the water to be released during low-water periods to meet winter peak loads.

This storage accomplishes the collateral purpose of flood control. This water we propose to store 3 or 4 months a year is a part of the water that now ends up in the basements of homes along the lower Columbia.

In summary on this point, a major concept involved in the high Hells Canyon Dam is to balance the Snake's storage against the Columbia's summer runoff. We propose to trade surplus summer kilowatts for scarce and valuable winter kilowatts.

The second great myth of the propagandists is that the taxpayer will get soaked if the Federal Government builds a high dam.

Just the other day the New York Chamber of Commerce charged that a high Hells Canyon Dam would cost the Nation's taxpayers $508 million to build and that the taxpayers of New York State, alone, would have to "divvy up" $76 million.

How many times is it necessary to say that all our multipurpose dams involving generation of power are ahead of schedule in paying back Uncle Sam—with interest.

The record of our great multipurpose projects paying their own way has pretty well discredited this type of argument.

But there is another part of the myth that requires some discussion. This is the claim that if the Federal Government builds the dam the United States and State Treasuries will lose vast sums of taxes.

Both the majority and minority agree that the Idaho Power Co.'s development of Hells Canyon will result in between 9 and 10 million dollars each year in taxes to the State and Federal Treasuries.

These figures stand in weak contrast to the estimated $45 million a year in Federal income and corporation taxes and $3 million annually in local property taxes that would result from the high dam.

To understand the tax contribution of the high dam, it is necessary to take into account the new taxable wealth which low-cost Federal power would create.

The Senate committee report on the Hells Canyon bill concludes, on the basis of expert testimony, that power from the high dam would create 35,000 jobs in manufacturing, another 35,000 jobs in service industries, and would create new industrial production of $700 million annually in the Pacific Northwest.

Parenthetically, let me assure Senators of this: These will not be Government jobs nor Federal employees. The Federal Government does not propose to mine our Pacific Northwest deposits of tungsten and manganese and ilmenite, nor process it. The Federal Government does not propose to manufacture the phosphate rock into fertilizer. The Federal Government is not going to farm the reclaimed lands.

Neither will private power monopolies do these jobs!

All this will be done by private enterprise and private individuals on the basis of opportunity created by a large new source of low-cost power from the high dam.

The estimates of how many new jobs and how much increase in the volume and value of our manufactured products and how much more in taxes will flow into our State and National Treasuries as a result of the high dam have not been grabbed out of thin air. They are based on past experience with the growth of new industry side by side with the growth of low-cost public power.

Permit me to cite an example.

Between 1940 and 1951 the electro-processing industry settled and grew in the Northwest, producing nearly $1½ billion worth of aluminum, magnesium, chlorine, caustic soda, ferroalloys, carbon and the like. From 1940 to 1951 these plants paid an estimated $73 million in Federal income and excess profits taxes. Local property taxes exceeded $200 million. Wage earners and salaried employees in this new industry, alone, paid an estimated $13 million in Federal income tax on their earnings. And the industry has been growing steadily every year since 1951.

The impact of these new factories has stimulated markets and business throughout the Nation.

Mr. President, the figures purporting to show that the private development of Hells Canyon will return vast sums of money to the United States and State Treasuries in taxes do not take into account the Idaho Power Co.'s pending application for a fast tax writeoff.

Only a few months after last summer's favorable FPC ruling the Idaho Power Co. applied for tax amortization certificates for 2 of the 3 low dams. The fact that it applied for a fast tax writeoff for only two of the dams, incidentally, is a direct indication from the company that it never intends to build the third dam.

The fast tax writeoff, if granted, would save the company taxes which, invested at average rates, would put a $338 million windfall profit in the pockets of the company during the next 50 years—more than the cost of the high Federal dam.

This is sheer irony. The company bases its application for license on the grounds that it will pay large amounts in taxes into the Federal Treasury. With the license in hand, it immediately starts trying to avoid paying these taxes be applying for the fast tax writeoff benefits.

There is a nice theory behind the fast tax writeoff which the Office of Defense Mobilization still, years after the original wartime purpose has ended, is authorized to grant private businesses. The theory is that private enterprise must be given incentive to provide additional power—or whatever the product might be—which is necessary to national defense, and which otherwise might not be produced.

Not once in its hearing before the FPC did the Idaho Power Company attempt to sell its case for the low dams on the basis of contributions to the national defense. The reason for this is, of course, that there is no defense justification for the Idaho Power Company plan. The low dams would produce, at best, half of what the high dam will contribute to the region's power supply, and at rates which would put it out of the reach of defense industry.

A number of Senators and Representatives from the Northwest, including myself, have made a very strong protest to the Office of Defense Mobilization

against granting the Idaho Power Company the Tax Amortization Certificates.

I am glad, though, that the power company has now brought up the subject of national defense. While it is clear the low-dam proposal has virtually nothing to offer in the way of national defense, the defense implications of the high Federal dam are clear—abundant cheap power that will stimulate the electroprocess industries; the development of mineral deposits valuable to defense in which the Northwest abounds, but which for lack of low-cost power remain largely untapped. The minerals must be developed in this age of airpower.

The Pacific Northwest, for example, has considerable deposits of ilmenite, from which is produced the new metal, titanium, which in turn goes into our jet engines.

Aluminum is well known as a kilowatt-eater. It takes 10 kilowatts per pound to produce finished aluminum. But it takes 19 kilowatts per pound to produce titanium—titanium which is absolutely vital to national defense.

We also have deposits of tungsten, copper and manganese—all important to national defense.

I might say further that we may be sure that the Soviet Union is not standing still in developing its hydroelectric potential. The Soviets recently boasted that three new hydroelectric projects each will have greater capacity than Grand Coulee Dam. As the committee report emphasizes:

> There is no underdevelopment in Russia.

Mr. President, the third great myth about Hells Canyon says the low-dam plan has met and passed the test of comprehensive development of the Snake River.

This myth has been perpetrated on us by the Federal Power Commission, itself. I cannot help but note the reliance of both Senate and House minority reports on the FPC's finding that the low-dam plan "is best adapted to a comprehensive plan of development."

I certainly would join with them in supporting the low-dam proposal if, indeed, this were true.

But wishing does not make it so.

The FPC conclusion is completely without substantiation. As a matter of fact, the FPC's findings constitute one of the best cases I have ever seen for the high dam.

But the FPC has concluded the low-dam plan is best, so the minority accepts this as fact and further asserts the law has been complied with. But has the FPC complied with the law? The applicable statute is the Federal Power Act and the pertinent parts are sections 7 (b) and 10 (a).

Section 7 (b) reads:

> Whenever, in the judgment of the Commission, the development of any water resources for public resources should be undertaken by the United States itself, the Commission shall not approve any application for any project affecting such development, but shall cause to be made such examinations, surveys, reports, plans, and estimates of the cost of the proposed development as it may find necessary, and shall submit its findings to Congress with such recommendations as it may find appropriate concerning such development.

Section 10 specifies that all licenses issued by the FPC shall be on the following conditions:

> (a) That the project adopted, including the maps, plans, and specifications shall be such as in the judgment of the Commission will be best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use of interstate or foreign commerce, for the improvement and utilization of waterpower development, and for other beneficial public uses, including recreational purposes.

And what did the FPC find? It found that the high dam would provide more effective flood control, more usable storage, more power, cheaper power, more navigation benefits, more recreational benefits. It found that the high dam would provide revenues to finance irrigation, make possible more extensive development of phosphate resources and stimulate the electroprocess industry.

These are the findings of the Federal Power Commission on which it based its decision to license the Idaho Power Co. low-dam plan, on which it found the low-dam plan "best adapted" to comprehensive development.

The minority reports in both the House and Senate make much of the fact the FPC conducted hearings over the period of more than a year, accumulated 20,000 pages of testimony, and amassed some 400 documents before reaching its decision.

Apparently the minority thinks that the more testimony and evidence the FPC disregards, the better is its decision.

Somebody please tell me, on the basis of the FPC's own findings, how the low-dam plan is "best adapted to a comprehensive plan."

Whose comprehensive plan? The Idaho Power Co.'s comprehensive plan for making money at the expense of real free enterprise and the public interest, including national security? Certainly not the comprehensive plan set forth by the Army engineers and the Bureau of Reclamation.

Let there be no doubt as to what is the comprehensive plan for the Columbia Basin, including the Snake. It is the comprehensive plan spelled out by the Army engineers and the Bureau of Reclamation. The Supreme Court, in 1953, referring to the Army engineers' comprehensive plan for another river basin, declared:

> Congressional approval of a comprehensive plan can be read, as we think it should be in this case, simply as saying that a plan such as that here, recommended by the Corps of Engineers for the fullest realization of the potential benefits of the river basin, should be accepted by the Commission as the comprehensive plan to be used in the application of these statutory provisions.

And if the main control plan, as I have outlined it at the outset of my remarks, is not the FPC's conception of a comprehensive plan, where is the FPC's substitute? Mr. President, the low-dam proposal approved by the FPC is a comprehensive plan for underdevelopment. The only uncertainty is the exact degree of underdevelopment.

Mr. President, I hold that the FPC was not established by Congress to indulge in fiction. Nor was it established to indulge in political considerations. It was set up to advise Congress on how best to develop water resources to the public's advantage.

Mr. President, I think I know how and why the FPC reached the decision it did. The examiner, who established so clearly the superiority of the high dam in meeting the tests of comprehensive development and public purposes, knew what kind of a decision could be expected from the FPC and he provided the excuse for the decision. Said the examiner:

> The likelihood or absence of likelihood of authorization of and appropriation for development by the United States of particular water resources are factors which, with propriety, may be taken into consideration in arriving at a decision as to whether or not to recommend under section 7 (b) development of water resources by the United States, itself.
>
> Even assuming that substantial benefits would accrue to the people of the United States by Federal development of the Hells Canyon site on the Snake River, and that such benefits would exceed by a substantial amount those to be conferred by development under private auspices, there is no reason to assume that if a recommendation of Federal development were to be made under section 7 (b) by the Commission, that development of these water resources would be undertaken by the United States within a foreseeable time.

Here is the nub of the matter. I must compliment the examiner for certainly recognizing the political complexion of the decision the FPC was about to make. His words speak for themselves—the high dam is best, but some excuse must be concocted for not recommending it.

Mr. President, this is the first time I have heard of an FPC examiner basing his decision on a political guess as to what Congress might or might not do. This is a brandnew device concocted to permit a political decision that could not be made on the facts.

Mr. President, I say it is not the FPC examiner's job, and not the job of the FPC, to tell Congress what it might or might not do.

The FPC has made a mockery of the law and of the Congress of the United States. It has said this Congress will not support Federal development of a multipurpose project when the merits of the case plainly call for it.

I certainly do not think Congress should be flattered by the FPC's judgment of its sense of duty, and if I were a member of the minority I would not be proud to associate myself with this judgment of my colleagues.

Mr. President, a great effort has been made to characterize this issue as a fight between free enterprise and the Government. This is, perhaps, the greatest myth of all.

First, let us examine what the power interests call free enterprise. The Idaho Power Co., as an example, is licensed by the Government to use public property in a way which, by its very nature, must constitute a natural monopoly. It furnishes power to consumers in a defined service area. The rates charged for this service are set by a public-utilities commission and, by law, the rates must be

sufficient to pay the company's operating expenses, including all taxes—and the company's anti-Government advertising—and above all else to guarantee a 6-percent profit.

This description makes clear what the Idaho Power Co. is: It is a regulated public utility, like the telephone company or a city transit system. It must necessarily be so because of the essentially monopolistic nature of its operation. It has no competition. The customer has no choice but to use its service.

It is ludicrous for such a regulated utility to compare itself with the corner grocery store, and then to justify its demands for an unreasonable extension of its monopoly privileges on the ground that it is a competitive free-enterprise business.

Mr. President, I have no quarrel with the regulated utilities. Their operation follows long-established principles and has been extremely successful. They are performing essential services. In my own State private utilities are right now building dams which will generate new power for their consumers. They are doing a proper job of developing power resources and I am certainly not opposed to their operations. They are not attempting to exploit a great multiple-purpose site by partial development. They are building dams on sites which are primarily suitable for power development and, therefore, should be utilized by private utilities or local public utilities. The construction of such dams in no way impairs full development of our water resources.

The construction of the high Hells Canyon Dam would actually benefit the Idaho Power Co. and its consumers. The Idaho Power Co. itself would market power from Hells Canyon at a guaranteed profit in its service area.

Mr. President, the high Hells Canyon Dam will mean this to my own State of Washington: Flood control for the towns and farms along the Columbia; better transportation for the Palouse farmer; and additional vitally needed power. The additional power which will be fed into the Northwest power pool and marketed by the Bonneville Power Administration is vitally necessary to meet the growing needs of existing industry. It will provide support for new industries yet to come to my State of Washington and our sister States of Idaho and Oregon.

All this will mean new wealth to the Pacific Northwest. But the prosperity created by this development would by no means be limited by regional or State lines. The wealth of Hells Canyon is no more limited to Idaho than the prosperity created by the TVA is limited to Tennessee; it is no more limited to the Northwest than the benefits of the St. Lawrence Seaway are limited to the Northeast.

These great developments contribute to a national prosperity which Senators on both sides of the aisle are proud to point out.

Mr. President, the issue before us is simply this: Comprehensive river development versus underdevelopment or partial development. One proposal is a scheme to make some quick money. The other is a part of a carefully planned effort by an alert Government to meet the needs of its people.

I think we established, at the outset, the well-recognized responsibility and obligation of the Government, as first set forth by Teddy Roosevelt, to develop our waterways to the maximum.

Please understand, also, that I do not believe in Federal monopolization of power development. But neither do I believe that selfish private power monopoly interests should be allowed to hinder the Government in its proper role of developing multiple-purpose sites.

A little more than a year ago, on this very Senate floor, our beloved and distinguished late colleague, Alben Barkley, said:

> My attitude in regard to the development of our waterways indicates no opposition to private utilities. I am interested in their success. We all know that no private utility can develop a river valley. It cannot afford to undertake such a gigantic task. A private utility will build a dam in order to create power for a local purpose.
>
> A private utility has stockholders who look to it for dividends. Therefore, a private utility will build a dam in order to create power for a local purpose, but in the very nature of things we cannot look to private utilities to develop a great system in any great river valley in the United States.

Can anyone find any quarrel with this great statement? I do not, and neither do I find fault with the succeeding portion of his remarks that day.

> It is, however, quite possible for the Government of the United States and for private utilities to work together in cooperation in developing these great valleys for the benefit of both the public and the utilities.

Mr. President, this must be our goal—a goal which cannot be reached if the Hells Canyon site is lost. A defeat for Hells Canyon would not be merely a defeat for this single project, it would be a lasting blow to the very principle of conservation. It would destroy our dream of river valley development just as we are recognizing the magnitude of its benefits.

The legislation before us must pass. To neglect this responsibility would cause a tragic and irrevocable loss.

Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, first of all, I wish to compliment my colleague on his very fine presentation of the matter in controversy. I think he brought out some points which needed to be brought out in regard to the Hells Canyon project, and I wish to associate myself with his remarks. Mr. President, I shall have more to say on the subject tomorrow, but I desire now to turn to another matter.

The PRESIDING OFFICER. The Senator from Washington has the floor.

PERIODIC SURVEY OF NATIONAL SHIPBUILDING CAPABILITY

Mr. MAGNUSON. Mr. President, the minority leader has asked me to have action taken on a House amendment to a bill, S. 3705, which came from the Committee on Interstate and Foreign Commerce. It is a technical amendment, merely to the title.

Mr. WATKINS. Mr. President, may I inquire what is the subject matter of the bill?

Mr. MAGNUSON. It is a bill under the terms of which the Secretary of Commerce will make a periodic study of the national shipbuilding capacity. The title was incorrect, and the Senator from California is vitally interested in it and wished to have the title amended.

The PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3705) to require periodic survey by the Chairman of the Federal Maritime Board of national shipbuilding capability, which was to amend the title so as to read: "An act to require periodic survey by the Secretary of Commerce of national shipbuilding capability."

Mr. MAGNUSON. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

INCREASING IMPORTS OF OIL

Mr. CARLSON. Mr. President, I again want to call the attention of the Senate to the ever-increasing imports of foreign oil.

Total imports in the latest 4-week period averaged 1,376,000 barrels daily, compared with 1,096,500 in the like period a year ago.

These imports continue to increase despite the fact that the Congress, when it extended the Reciprocal Trade Agreements Act, wrote into it a provision that the imports of foreign oil should be based on a percentage of the current production.

During the past few weeks, I have had many letters from Kansas stressing the fact that these oil imports are seriously affecting the development and production of oil in our State.

If the present rate of imported oil continues to increase in volume, I am confident that the Congress will want to take some very definite action in the next session.

I ask unanimous consent that the short article which appeared in the Oil Daily, Thursday, July 12, 1956, be made a part of these remarks.

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

TOTAL OIL IMPORTS FOR 4 WEEKS HOLD 25.5 PERCENT OVER YEAR EARLIER

Imports of crude and products in the 4-week period ended July 6 held 25.5 percent, or 279,500 barrels daily, above the level of the like year-earlier period, due to average increase in receipts of both crude and residual fuel.

Total imports in the latest 4-week period averaged 1,376,000 barrels daily, compared with 1,096,500 in the like year-ago period.

Total imports in the week ended July 6 averaged 1,425,800 barrels daily, a gain of 179,400 or 14.4 percent, from the average of 1,246,400 in the preceding week, and compared with an average of 1,240,600 in the like year-earlier week.

Total receipts of crude in the latest 4-week period averaged 968,900 barrels daily, up 192,400, or 22 percent, from the average of 794,400 barrels daily in the like period of 1955.

Imports of residual fuel in the 4-week period averaged 380,500 barrels daily, up 108,600, or 39.9 percent, from the average of 271,900 in the like 1955 period.

Combined receipts of other petroleum products in the 4-week period ended July 6 averaged 22,200 barrels daily, compared with a daily average of 30,200 barrels in the like year-earlier period.

Average receipts of distillate in the period were 6,200 barrels daily, compared with 5,300 in the like year-earlier period; asphalt imports averaged 14,300, compared with 10,300, while receipts of other petroleum products were off to 1,700 barrels daily from an average of 14,600 in the like year-ago 4-week period, according to the report of the American Petroleum Institute.

HELLS CANYON DAM

Mr. LEHMAN. Mr. President, we are told there is a right way and a wrong way to do things. To do things the right way requires the knowledge of what the right way is, and it also requires the will to apply that knowledge.

Applied to the problem of developing our river basin resources, our knowledge today is at a very advanced stage, as becomes a Nation that prides itself on its technical know-how. I wish it were possible to add that our will to apply that knowledge is in proportion.

Many areas in the world provide examples of the fates of nations which did not apply their knowledge of water resources utilization. The once lush irrigated valleys of the Tigris and Euphrates were permitted to erode and decay, until they could barely support nomadic tribes. Recent archelogical discoveries in the Negev Desert of Israel show that there were elaborate irrigation works in that area in ancient days. The irrigation works were abandoned, and the area was reclaimed by the sands of the desert. Today, water again flows through irrigation pipes and lush vegetation has overspread the sand in many parts.

In the other areas of the world, including our own country, the wanton cutting of trees denuded forests and brought erosion to vast stretches of formerly fertile land.

In this country today we have available a body of river basin and water resource utilization technology which has grown and matured for many decades. One of the crucial concepts in the evolution of our techniques of river basin development was that of the unity of all resources, and of the compatibility of their development. A great former Governor of my State of New York, Theodore Roosevelt, first gave expression to this concept and lent great impetus to the comprehensive development of the resources of our river basin. This concept embodied essentially two elements. One is the principle that water resources should be developed to their utmost; the other principle, in the words of Teddy Roosevelt, states that "each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such." He was the first to see that the various water uses—navigation, flood control, power, prevention of soil erosion, and domestic water supply—far from being in conflict, could "often be made to assist one another."

The recognition of this concept gave the right direction to our river basin work. It remained for structural and electrical engineers, aided by many other related professions, to discover the best physical works to carry out these principles.

Gradually the engineers devised better and stronger dams. They learned to build them to greater heights; they designed intricate irrigation works. Each time they took a new step forward, the cynics expressed disbelief, opposed the particular project as fantastic, and later discovered that not only could it be done, but that it also worked, and brought great economic benefits. Thus gradually this country has won a worldwide reputation for its river-basin engineering. Visitors come from far and wide to study, or merely to see, some of the proudest examples of this technology in the United States. Our engineers are sought after all around the world.

This Nation, with the help of its engineers, has learned to plan river-basin development in the right way. We have the knowledge. Have we the will?

Congress has shown that it has the will, at least sometimes. We have authorized the huge Colorado River Basin plan. The Senate voted to authorize the redevelopment of the Niagara River in my own State of New York. There is another project—Hells Canyon—now before Congress, on which the will to apply our knowledge is to be tested.

Pooling our cumulative engineering knowledge, the Army engineers in 1948 completed a comprehensive plan for the Columbia River Basin. This plan reflected years of work and the fruits of years of practical experience at Hoover Dam and at many other existing successful projects. Yet since 1950 Congress has demonstrated no will whatsoever to carry out the work on this master plan. The plan would utilize the resources of the Columbia Basin to its utmost. It would assure that the various water uses would be made to assist one another, thus carrying on the principles enunciated by Teddy Roosevelt.

The plan for the Columbia is of bipartisan origin, as are most of our major efforts in the resource conservation field. Begun in the late twenties, a first so-called 308 report was drawn up in 1931. The current master plan, the so-called 308 review report, drew on the work of its predecessor, but applied the knowledge gained in the decade following the preparation of the earlier plan.

It provided for flood control, combined with power, navigation, recreation, and domestic water supply. Based on exhaustive investigations, this plan applied our best engineering know-how.

The next project work which is needed to carry on the design of the plan is the Hells Canyon Dam, now before the Senate in S. 1333. The same great engineering organizations which designed Hoover Dam and the upper Colorado River storage project laid out the basic plan for Hells Canyon Dam. They used the same skills on that project as they are now applying in new hydroelectric projects around the world at the request of many foreign governments.

Hells Canyon Dam is an essential element in the comprehensive plan for the Columbia. Construction at the same site of a lesser project will destroy this carefully contrived master plan. It will reject and discard the years of work that highly skilled technicians have devoted to this project. It will abrogate our faith in our own technique of comprehensive river basin planning. It would show a lack of will to do the job in the Columbia Basin in the right way.

The many engineers in the Bureau of Reclamation and the Army Corps of Engineers who spent long years to produce the best possible plan for the Columbia, and to design the best possible dam for the Hells Canyon of the Snake River, must feel a great sense of frustration at the reluctance of the Senate to endorse their work. They must wonder whether perhaps in the future they should devote their talents to rivers like the Nile or the Zambesi, or to rivers in the Soviet Union, rather than to our own Columbia River and its tributaries. In nations abroad there is great competition for the skilled services and the bold designs of the engineers who have conceived these high-dam plans.

Will the civilizations of countries like Egypt, Northern Rhodesia, and the Soviet Union sometime in the future look back on the United States with the same archeologic nostalgia which we feel when we think of the disintegration to the old civilizations which formerly irrigated the Tigris-Euphrates Basin, and the Negev? Pointing to evidence of our magnificent technological relics, our posterity may well wonder why the Americans lost the will to apply their know-how.

It is not enough to develop the resources of one section of the country in the right way, while permitting the wrong way to govern in other sections. We in New York are not selfish; we want to help other sections of the country to utilize their water resources as fully as we insist that the water resources of our State be developed. The same high standard should govern our river-basin engineering in every watershed of this Nation. This standard should be based simply on our best engineering science. It has nothing to do with politics.

Comprehensive river-basin develop- was nonpartisan. The great leaders of both parties have brought it to the present high state of advanced technology.

Let us again remember the words of Theodore Roosevelt who, as Governor of the State of New York, warned us:

> Do not give up your waterpower for a promise of quick development. We are poor citizens if we allow the things worth most to get into the hands of the few.

Let us carry on the nonpartisan American tradition which has brought us the admiration of the world. Let us carry on the comprehensive plan for the Columbia River Basin by authorizing the high Hells Canyon Dam.

New York State will gain no immediate, direct profit from the development of Hells Canyon. Like many other areas of the Nation, however, New York will profit from the increased development and prosperity of the Pacific Northwest,

as it will from the development and prosperity of every other section of the Nation. The prosperity of the Pacific Northwest and all other areas of the Nation will insure the prosperity of my beloved State of New York, too.

The people of New York State, Mr. President, I am certain, favor the public development of the resources of Hells Canyon; and I support the plan which is now before Congress with the utmost confidence and with great enthusiasm. I hope the bill will be passed by the Senate and by the House of Representatives.

Mr. MORSE. Mr. President, tonight I shall make my major argument in presenting my case in chief in support of having a high dam at Hells Canyon; but before I turn to my argument, I wish to express my very deep appreciation to the Senator from New York [Mr. LEHMAN], to the junior Senator from Washington [Mr. JACKSON], and to my colleague [Mr. NEUBERGER], for the three exceedingly able speeches which they made in support of the Hells Canyon Dam bill now pending before the Senate.

In my more than 11 years' service in the Senate, I have fought for the development of the maximum resource potential of the streams of the United States, and Hells Canyon Dam is but a part of that fight. But I want to say, Mr. President, when I sit and listen, as I just did, to the great Senator from the great State of New York make what I consider to be a national argument in the national interest, for the welfare of all the people of our country, it warms my heart.

When we are talking about the development of the maximum potential of the natural resources of our country, we are not talking about a regional problem, as the Senator from New York so well brought out in his eloquent speech. When we are talking about the development of the maximum resource potential of the Snake River and the Columbia River, we are also talking about the development of the maximum economic opportunities of the people of the State of New York, because, the increase in wealth production which will necessarily ensue from such development will help American industry as a whole.

I have been heard to say before, and I say it again tonight, Mr. President, that if we are really going to protect the best economic interests of our country for our generation and for future generations, then we must cast aside narrow regionalism and sectionalism, and recognize the totality of the economy of the United States.

So as I discuss this great natural resource problem tonight, I wish to lay down the major premise which is basic to my philosophy in the whole field of the development of natural resources and their conservation, not only for our generation, but for future generations. It is a very simple, but sound premise, Mr. President: It is that each generation is but the trustee of God's gift in the form of natural resources. In my judgment, we have the profound moral obligation to see that we leave those natural resources for the next generation in a better condition than that in which we found them.

In the case of every natural resource issue which has come before the Senate since I have been a Member I have tried to apply this trustee doctrine to it. I applied it in the case of the upper Colorado project. I applied it again the other day in the case of the so-called Arkansas-Fryingpan project. I am proud of the fact that my record, during my 11 years in the Senate, is a record of consistent support for the development of the natural resources of our country, wherever located, for the benefit of all the people.

The second premise I wish to lay before the Senate, by way of introduction to this argument in presenting my case in chief in support of the Hells Canyon Dam bill, Mr. President, is the premise that I do not favor a monopoly of power developments by the Federal Government of the United States.

Many of my critics constantly seek to misrepresent my position on this matter, Mr. President, by undertaking to leave the impression that, because I have fought for a high dam at Hells Canyon, I am therefore in favor of a Federal monopoly of electric power development. Such is not the case, and yet the denial of it apparently must be repeated over and over again in order to check the misrepresentation.

As I have said many times, and as I repeat tonight, I shall give my support to any private utility in the building of a low-head dam at a low-head dam site; but I shall oppose a private utility that seeks to develop a low-head dam at a site which in effect prevents full use of a great multipurpose site which ought to be preserved not only for our generation, but for the benefit of future generations of American boys and girls.

One of the reasons I have fought as I have during my terms in the Senate in support of the Hells Canyon high dam is that I have felt that in making that fight, I, in my small way, have tried to keep faith with the statesmanship and leadership of the great George Norris who preceded us in the Senate, in fights he made in support of the same case we are supporting on our side of the proposition in the Senate tonight. because it was Norris and McNary and Dill and Hiram Johnson and La Follette and a group of other bipartisan Senators, Republican and Democrat alike, who fought to save Grand Coulee, when, in my opinion, an identical scheme was then attempted to scuttle Grand Coulee by private utility combines which were seeking to build a low-head dam at Kettle Falls, and they almost got away with it.

This group of bipartisan Senators—and the record of their activities is perfectly clear—went to the White House, which was then occupied by Franklin D. Roosevelt, and pointed out what the scheme of the private utilities was. With the assistance of Franklin D. Roosevelt, they succeeded in preventing the scuttling of the great Grand Coulee dam site. The result was the economic and security insurance provided by the majestic Grand Coulee Dam—the greatest economic and security ally we had in World War II, in the sense that without it we would not have been able to make the progress we have made with the atomic energy program, and without it we would not have had the aluminum production so essential to superiority in the air in the momentous contest for the very life of our Nation during World War II.

Mr. President, I cannot escape the fact that the result of the Idaho Power Co.'s attempt to build these smaller dams would be exactly the same as the one those bipartisan Senators and President Franklin D. Roosevelt prevented from occurring when the private utilities wanted to scuttle Grand Coulee Dam. In my judgment, the building by the Idaho Power Co. of a dam which would prevent the subsequent building of a high dam at Hells Canyon would be a great disservice not only to our generation, but also to future generations of Americans. I have said in Oregon, I have said in the Senate, and I now repeat, that the Idaho Power Co. will have my cooperation in building low-head dams, provided it does not seek to build a low-head dam at a multiple-purpose dam site; and the Hells Canyon dam site is the greatest remaining multiple-purpose dam site on this continent.

Mr. President, I raise my premise of trusteeship. I say—as Norris and his colleagues made crystal clear in the record of statesmanship which they established on this very floor, on this natural-resource issue—that, in my judgment, on this issue, we should not walk out on our moral obligations to future generations of American boys and girls. We should say, here and now, that in the great Pacific Northwest, public power and private power can operate successfully, and at a profit to the private utilities, as well as to the people of the Nation, by way of repayment over the years, into the Treasury of the United States, of many times the cost of these projects, from the returns from the power which will be sold.

Of course, Mr. President, I have also taken the position that there is a third premise which I believe to be particularly applicable to my section of the country, in the case of the development of power, by both private and public groups. That is the pooling of the power.

Mr. President, some persons have not agreed with me on this point; but I have never been one to oppose the idea of having a great multiple-purpose dam built at Hells Canyon and a reasonable contractual relationship worked out with the Idaho Power Co. for a supply of that power to serve the customers of the Idaho Power Co., of course with the understanding that the Idaho Power Co. would join the Northwest Pool operation, that the Idaho Power Co. would be willing to enter that pooling arrangement, so that all power—that developed by the private utilities and that developed by the public utilities—would be placed in a common pool. In my opinion, in the long run that would be the most economic way of handling the power. I believe that in the long run it would be to the financial advantage of the private utilities; and, Mr. President, I am certain that it gives the greatest assurance of

maintaining the cheap power rates which are so essential to the economic expansion and building up of the economic productive power of the great Northwest.

Mr. President, I have made these comments by way of introduction, because I know the misrepresentation that is made about my position in connection with so-called public power development. Again, Mr. President, I deny that I am in favor of a Federal power monopoly. I am in favor of having the Federal Government and the private power utilities work together, under a pooling arrangement, in the development of the maximum power resources of the Pacific Northwest.

MAXIMUM DEVELOPMENT VERSUS WASTE OF RESOURCES: THE ISSUE AT HELLS CANYON

Mr. President, Hells Canyon Dam is is the only project in the C–2, or 1960–70 phase of the main control plan for the Columbia River Basin which has not yet been authorized by the Congress.

The bill before us today, S. 1333, would authorize this project. I should like to point out how this great dam fits into the main control plan and is, in fact, the key to the future of the plan.

Through construction of 15 major multiple-purpose projects, the main control plan will harness the water of the Columbia Basin to prevent disastrous floods, to generate power for home and industry, to provide new arteries of commerce, and to add to the wealth of the people of the Northwest and of the Nation.

The main control plan was the fruit of many years of study, by the Congress, by the United States Army Corps of Engineers, and the Bureau of Reclamation. It could be considered quite properly to be a fruit of President Theodore Roosevelt's determination to consider each of the rivers in the United States as a unit, to be developed as a whole, from its source in the mountains to its outlet in the sea.

THE RESOURCE PRINCIPLES OF THEODORE ROOSEVELT

That we must preserve the wealth of our rivers for the benefit of all was recognized before the turn of the century, in section 7 of the River and Harbor Act which became law on September 19, 1890. The act provided that—

> It shall not be lawful to build any wharf * * * dam * * * or structure of any kind * * * in any navigable waters of the United States where no harbor lines are or may be established, without the permission of the Secretary of War, on any * * * navigable river, or other waters of the United States, in such manner as shall obstruct or impair navigation, commerce, or anchorage of said waters, and it shall not be lawful hereafter to commence the construction of any * * * works over or in any * * * navigable river, or navigable waters of the United States, under any act of the legislative assembly of any State, until the location and plan of such bridge or other works have been submitted to and approved by the Secretary of War.

Shortly after the introduction of central-station electric service in our country, the energy in our rivers became attractive to the mushrooming electric utility industry, and by 1901 Congress was obliged to make some provision for such use of the waters, already being cognizant of the fact that the people must be protected from piecemeal exploitation of their water resources. In 1901, the Secretary of the Interior was authorized by law to issue revocable permits for power development on public lands and reservations.

The General Dam Act of 1906 was a milestone in the evolution of comprehensive resource development. It became law only after a bitter struggle, in which President Theodore Roosevelt led the way in protecting the public interest.

In his first message to Congress in 1901, this far-sighted President, who might be called the "father" of comprehensive water resource development, declared that, "The forest and water problems are perhaps the most vital internal questions of the United States."

How appropriate to the present issue of Hells Canyon were these declarations, also part of Teddy Roosevelt's first message to Congress:

> Great storage works are necessary to equalize the flow of streams and to save the floodwaters. There construction has been conclusively shown to be an undertaking too vast for private effort. Nor can it be best accomplished by the individual States acting alone. Far-reaching interstate problems are involved; and the resources of single States would often be inadequate. It is properly a national function, at least in some of its features. It is as right for the National Government to make the streams and rivers of the arid region useful by engineering works for water storage as to make useful the rivers and harbors of the humid region by engineering works of another kind. The storing of the floods in reservoirs at the headwaters of our rivers is but an enlargement of our present policy of river control, under which levees are built on the lower reaches of the same streams.
>
> The Government should construct and maintain these reservoirs as it does other public works. Where their purpose is to regulate the flow of streams, the water should be turned freely into the channels in the dry season to take the same course under the same laws as the natural flow.

T. R. OPPOSED GIVEAWAYS

President Theodore Roosevelt's historic veto in 1903 of the Muscle Shoals giveaway laid the groundwork for the subsequent enactment of the General Dam Act of 1906. He pointed out that—

> The recent development of the application of waterpower to the production of electricity available for use at considerable distances has revealed an element of substantial value in streams which the Government is or is liable to be called upon to improve for purposes of navigation, and this value, in my judgment, should be properly utilized to defray the cost of the improvement. Wherever the Government constructs a dam and lock for the purpose of navigation there is a waterfall of great value. It does not seem right or just that this element of local value should be given away—

And, Mr. President, Theodore Roosevelt understood the "giveaway," and used the words "given away" in this famous message of his.

I shall repeat the beginning of the sentence:

> It does not seem right or just that this element of local value should be given away to private individuals of the vicinage, and at the same time the people of the whole country should be taxed for the local improvement.

In concluding that veto message, he declared:

> I think it is desirable that the entire subject of granting privileges of the kind referred to in this bill should be considered in a comprehensive way and that a general policy appropriate to the new conditions caused by the advance in electrical science should be adopted under which these valuable rights will not be practically given away, but shall be disposed of after full competition in such a way as shall best conserve the public interests.

President Theodore Roosevelt's leadership in the field of comprehensive resource development was demonstrated also in his appointment of the Inland Waterways Commission, assigned the task of evolving "a comprehensive plan designed for benefit of the entire country" and the National Conservation Commission. The latter reported that "broad plans should be adopted providing for a system of waterway improvement extending to all uses of the waters and benefits to be derived from their control, including the clarification of the water and abatement of floods for the benefit of navigation; the extension of irrigation; the development and application of power; the prevention of soil wash; the purification of streams for water supply; and the drainage and utilization of the waters of swamp and overflow lands."

The Commission's report was approved by the Joint Conservation Conference, attended by governors of 20 States and Territories, representatives of 22 State conservation agencies, and 60 national organizations, in addition to representatives of Federal agencies. The conference noted that in addition to approving the report, "we also especially approve and endorse the proposition that all the uses of the waters and all portions of each waterway should be treated as interrelated."

It was this kind of nationwide concern for the public interest in resource development, translated into legislation and approved by the Congress, which resulted in a provision in the General Dam Act—

> That when, hereafter, authority is granted by Congress to any persons to construct and maintain a dam for water power or other purposes across any of the navigable waters of the United States, such dams shall not be built or commenced until the plans and specifications * * * have been submitted to the Secretary of War and Chief of Engineers for their approval.

Later, when the General Dam Act was amended, in 1910, President Roosevelt insisted upon this provision:

> That in acting upon said plans as aforesaid the Chief of Engineers and the Secretary of War shall consider the bearing of said structure upon a comprehensive plan for the improvement of the waterway over which it is to be constructed with a view to the promotion of its navigable quality and for the full development of waterpower.

POWER COMPANY PROPAGANDA

During recent weeks, there have been expensive advertisements with a picture appearing in many national magazines, of a workman who presumably is saving

the taxpayers money by building the Brownlee Dam of the Idaho Power Co. The picture, part of a paid advertisement of "America's Independent Light and Power Companies," exemplifies to me the shortsighted versus the long-range approach to water resources, in conflict today just as they were in the early 1900's. I believe that in the eyes of those early pioneers of river-basin planning, as in mine, the Idaho Power Co. is not saving the taxpayers money, but rather attempting to frustrate comprehensive planning for the Columbia River Basin, both with respect to its navigable quality and in the full development of waterpower.

COMPREHENSIVE DEVELOPMENT

One of the most widely quoted statements of President Theodore Roosevelt is that "each river system, from its headquarters in the forest to its mouth on the coast, is a single unit and should be treated as such."

In this one sentence, I believe, is summarized the national water policy which this Nation has followed since the turn of the century. In calling for comprehensive planning of our water resource development, President Roosevelt also noted in a message to Congress that "no plan once underway should be changed except for grave reasons."

Mr. NEUBERGER. Mr. President, will the senior Senator from Oregon yield?

Mr. MORSE. I will say to my colleague that in order to meet the time schedule which confronts us tonight, and as a matter of courtesy to other speakers on the other side, who have delayed their speeches presenting their case in chief on this subject, I shall decline to yield until I finish my speech, and until my colleagues have had an opportunity to present their speeches. Then I shall be glad to subject myself to any cross-examination which any Senator wishes to put me through on this subject.

I think this is the proper place to make a very brief comment on the procedural problem which confronts us. We have a unanimous-consent agreement that, beginning tomorrow immediately after the morning hour, there will be a limitation of debate. We all know that we could not make our cases in chief under that unanimous-consent agreement. The time limitation is too restrictive.

Through the cooperation of both the majority leader and the minority leader time has been made available to us tonight to present our so-called closing major arguments on the Hells Canyon Dam issue.

It is also true that during the past few years the CONGRESSIONAL RECORD contains a rather exhaustive record of our respective positions on this issue. I consider this speech of mine tonight pretty much a summary of the position I have taken over the years on this question. I think it is particularly fitting, under those circumstances, that we try to conform to what I think is a matter of parliamentary courtesy tonight, each one of us finishing his speech without interruption. Then, if any Senator wishes to subject us to cross-examination, he can do so at a later hour.

I hope my colleague will not consider me guilty of discourtesy in declining to yield to him. I have said to the majority leader that I would go through with my speech, so that other Senators could make their speeches, and that if there should be any cross-examination, it could come later.

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

Mr. MORSE. I yield.

Mr. WELKER. Is it fair to say that the distinguished author of the bill and the Senator from Idaho made an agreement that we would not interrupt each other during the presentation?

Mr. MORSE. Yes. The Senator from Idaho called my attention to the fact that in one of his major speeches yesterday he felt that it was in the interest of continuity that his speech be made without interruption. I agree with him that that was a very reasonable position to take, and we agreed that that would be our position here tonight.

I do not think there is any doubt the fact that the two speeches will be so obviously in conflict with each other that we could not make the conflict any clearer by engaging in colloquy.

Mr. WELKER. I think that is correct.

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

Mr. MORSE. I yield.

Mr. WATKINS. I think it will be agreed that neither of us would be able to convert the other.

Mr. MORSE. I have no hope—and I am disappointed by that fact—of being able to convert my good friend from Utah. I feel very sad about it, because he converted me with respect to the upper Colorado project. I thought he was as right on that subject as a man could be, and I have never seen any difference between the objectives of the upper Colorado project and the Hells Canyon Dam objectives.

However, the Senator from Utah has been able to see some difference. Either I suffer from myopia or he does. I know that I would not be able to convert him tonight.

Mr. WATKINS. I am just as sad over the prospect that I shall not be able to convert the Senator from Oregon.

Mr. MORSE. I hope we shall meet at some future time other than on a plane of sadness.

Returning to the thesis I was developing, I had quoted what I consider to be a very famous statement by President Theodore Roosevelt on the problem which I think is involved in this discussion. He said:

> Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such.

As I have already stated, I believe that in this one sentence is summarized the national water policy which this Nation has followed since the turn of the century.

In calling for comprehensive planning of our water resource development, President Roosevelt also noted in a message to Congress that "no plan once under way should be changed except for grave reasons."

TAMPERING WITH MAIN CONTROL PLAN

What is involved at Hells Canyon is an attempt to make a major change in a river basin plan. If the small-dam scheme of the Idaho Power Co. is substituted for the Federal high dam which we seek to authorize, the Nation will lose 3 million acre-feet of flood and power storage and at least half a million kilowatts of electric energy, losses which necessitate further changes in the main control plan.

Are there grave reasons for this critical change in the plan? I think not. And none have been cited.

There is a certain gravity in the coming into power of an administration which withdrew from its responsibility to save the Hells Canyon gorge for full development.

Yes, a grave situation has been created, but one which points to a change in leadership rather than a change in our natural resources policy, which has survived the coming and goings of many Federal administrations.

The natural resources policy of this administration is one of the main reasons why I stand on this side of the aisle in the Senate of the United States tonight. When the natural resources plank of the Republican platform was adopted at the 1952 Republican convention, I knew that my then party sought to take me back far beyond the days of Theodore Roosevelt, and was making a liberal out of McKinley.

I have always taken the position that the welfare of the people of the country must come before party. I insist that if one is going to be true to his conscience, and if he is going to live up to his responsibility of statemanship, when his party walks out on the people of his country, it is his duty to walk out on his party.

I did that, Mr. President, with no regrets.

I am glad I am not in a position where I have to try to defend the natural-resources program of the Republican Party. That program under this administration has walked out not only on the boys and girls of this generation, but also on the boys and girls of generations yet to come, for decades and decades ahead.

When we come to this point, we come, I think, to the crux, to the great difference between the two parties on the subject of natural-resource development.

This administration, by the position it took in 1952 in its platform of that year, in my judgment, walked out on the development of the maximum potential of the natural resources of the United States.

A great many people do not understand me in this matter. They cannot understand that when the point is reached where a man's conscience tells him he cannot go along any further in trying to change a political course of action of his party, he then has the duty, as Woodrow Wilson made it so clear, to leave the party, because under those circumstances to stay in the party, as Wilson said, a man would have to be either a knave or a fool.

I stood with my conviction on the subject of natural resource-development.

I do not mean to say, Mr. President, that that was the sole cause for the political course of action I followed. I happen to be the kind of person, however, who is perfectly willing to let future events and the voters of my State be the judge of whether I was right in keeping faith with the principle of trusteeship that is so fundamental and vital to my political policy and philosophy.

By doing it, Mr. President, I at least attempted to walk in the footsteps of the great George Norris, of Nebraska. He, too, found it was incompatible to follow the reactionary Republican natural resources policy of his party at the time. He, too, left the party, as his writings show, in part, at least, because he no longer could go along with the natural-resource program of his party which he felt broke faith with the trusteeship that each generation owed to future generations in regard to the protection and development of the country's natural resources.

EXAMPLE OF WILLIAM HOWARD TAFT

Therefore, I wish to say that not only can we look to a great Republican President, Teddy Roosevelt, for a sound decision, as my sights give me to see it, on the subject of natural resources, but President William Howard Taft, in vetoing a bill to permit a private power company to build a dam on the White River, in Arkansas, declared that since a series of Federal dams were under construction downstream, "to introduce a diversity of title into a series of dams which may all become eventually a part of a single improvement directed at the same end would, in my opinion, be highly objectionable."

A more famous Taft veto involved a proposed development on the Coosa River by the Alabama Power Co. President Taft told the Senate in 1912 that the Coosa bill "presents a typical case of a river where its development by the Federal Government for navigation should go hand in hand with its development for water power."

President Taft suggested in his veto message that Federal development of power on rivers being improved for navigation purposes "may in time greatly reduce the swollen expenditure for river improvements which now falls wholly upon the general taxpayer."

It is the comprehensive plan that is involved here rather than the diversity of title which concerned Presidnt Taft. At no time has the Idaho Power Co. or any other private interest proposed the construction of a single high dam at Hells Canyon, as envisioned in the main control plan.

It is the sacrifice of the plan, the loss of the resource, which gives urgency to our action in authorizing the high dam. If the Federal Government fails to build the dam, no one will build it.

Congress wrestled with the question of comprehensive river development through the years of World War I, and the war itself brought to the forefront the need for hydroelectric power. President Woodrow Wilson, in 1917, presented to Congress a draft of a Federal waterpower bill which ultimately became the Federal Water Power Act of 1920.

PRINCIPLES OF FEDERAL POWER ACT

That act provided for a Federal Power Commission composed of the Secretaries of the Army, the Interior, and Agriculture. The legislative history of the 1920 act shows that it was the intent of Congress to provide for non-Federal river development, but at the same time to protect the public interest.

Senator Jones, chairman of the Senate Committee on Commerce, while discussing the legislation which became the Federal Power Act, made a statement which is pertinent to the Hells Canyon issue. He said:

> It will thus be seen that under the terms of the act the Federal Government has, through its Commission, the first right to develop any of the water powers under its jurisdiction. Should the Federal Government elect not to do so, then States and municipalities are accorded a preference right to licenses on even terms over citizens, associations of citizens, or corporations.

In the Hells Canyon decision of last August, the Federal Power Commission elected to give away the great Hells Canyon damsite to the only private bidder without regard for the first right of the Federal Government.

It might well be said that the company was low bidder—for it offers less water storage, less flood control, less power, less recreation, and imperils fish and wildlife conservation. The administration has consistently favored, advocated, and worked for the permanent waste of Hells Canyon by handing it over to this low bidder. Only Congress can assert that first right, and the opportunity to do so is now before us.

The purpose of the Act of 1920 was summed up by Senator Henderson, of Nevada, when he said that:

> The purpose of the law as finally enacted was not mere investigation, but the making of plans for actual construction, upon which appropriations could be asked and made to actually build the works and do the things which the plan showed were necessary to be done, in any and every flood-menaced valley, and to make available for beneficial use for every practicable purpose, the standardized flow of all the rivers of the country.

The language of the Federal Power Act of 1920 required that whenever in the judgment of the Federal Power Commission the "development of any project should be undertaken by the United States itself," the Commission shall not approve "any application for such project." This language was changed in 1935, as many Senators will recall, to require that whenever, in the judgment of the Commission, "the development of any water resources for public purposes should be undertaken by the United States itself", the Commission shall not approve any application "affecting such development."

A key provision of the 1920 Act was that specifically requiring that the project adopted be that best adapted to a "comprehensive scheme of improvement and utilization for the purposes of navigation, of water power development, and of other beneficial public uses."

The Federal Power Commission, in its Hells Canyon decision, has distorted this principle in order to justify approval of a plan providing the lesser navigation benefits, little more than half the waterpower development, and barely one-fourth of the water-storage benefits.

Historically, the comprehensive approach moved ahead in 1925, when Congress directed the United States Army Corps of Engineers and the Federal Power Commission jointly to prepare and submit an estimate of the cost of surveying those navigable streams "whereon power development appears feasible and practicable." The purpose of the estimate was to formulate "general plans for the most effective improvement of such streams for the purposes of navigation and the prosecution of such improvement in combination with the most efficient development of the potential waterpower, the control of floods, and the needs of irrigation."

THE 308 REPORTS

The appraisal was submitted to Congress in 1927 and printed as House Document No. 308, and during that same year Congress, in the River and Harbor Act, authorized the prosecution of the surveys by the Corps of Engineers. Upon this historic foundation rests the main control plan for the Columbia River Basin, which was contained in an 8-volume report of the Corps of Engineers in 1948 and a 2-volume report of the Bureau of Reclamation in 1947. The two reports were blended into a 1949 agreement between the Secretaries of the Army and the Interior.

Essentially, the comprehensive plan for development of the Columbia River and its tributaries has four principal objectives which need to be studied in this debate:

First. The elimination of major floods by providing about 125 million acre-feet of flood storage;

Second. The development of approximately 32 million kilowatts of firm power, an inland navigation system 500 miles long, and more than 8 million acres of newly irrigated land.

Other objectives are the development of recreation and fish resources and mineral resources.

THE MAIN CONTROL PLAN FOR THE COLUMBIA BASIN

The Federal Government has completed phase A and phase B of the main control plan, with phase C–2 scheduled for completion in the early 1960's. With the completion of phase C–2, the Columbia Basin would have 27 million acre-feet of storage for flood control and other purposes, 12 million kilowatts of installed generating capacity, and substantial completion of the 500-mile navigation channel.

In order to give a complete picture of the main control plan, I would like to list the major projects planned for completion by early 1960 under the plan, noting the progress which has been made on each project.

Bonneville Dam, on the Columbia River, was authorized by the Rivers and Harbors Act of 1935, went under construction in 1934, and commenced generation of electricity in 1936.

Grand Coulee Dam, the world's largest man-made structure, also on the Columbia, was authorized in the same act,

was under construction in 1934, and generated its first electricity in 1941.

Hungry Horse Dam, on the South Fork of the Flathead River, was authorized in the Hungry Horse Dam Act of 1944. Construction started in 1945 and generation began in 1952.

McNary Dam, on the Columbia, was authorized by the act of 1945 and construction got underway in 1947. First generation was accomplished in 1953. Of 4 other dams authorized in the Rivers and Harbors Act of 1945, only 1, Ice Harbor Dam, is now under construction, having commenced last year. Ice Harbor is on the Snake River, as are Lower Monumental, Little Goose, and Lower Granite, all authorized in the same act but not yet under construction.

Chief Joseph Dam, on the Columbia, was authorized by the Rivers and Harbors Act of 1946. Started in 1949, Chief Joseph generated its first power last year and is still under construction.

Albeni Falls Dam, on the Pend Oreille River, was authorized by the Flood Control Act of 1950, got underway in 1951, and was completed in 1955.

The great Libby Dam, in Montana, also was authorized by the Flood Control Act of 1950. The Libby site on the Kootenai River is considered by many to be one of the finest in the Columbia Basin; however, its construction cannot get underway until agreement is reached with Canada with respect to Canadian lands which would be flooded by a section of the proposed Libby Reservoir.

John Day Dam, on the Columbia, was authorized by the same 1950 act. Construction has not yet begun at John Day. Not even the planning has been completed.

At the Dalles Dam, on the Columbia, work began in 1952 and is continuing. The Dalles also was authorized by the 1950 act.

HELLS CANYON ONLY DAM IN PLAN UNAUTHORIZED

Hells Canyon Dam alone, of the 15 planned for the C–2 phase, remains unauthorized. And yet, as I mentioned earlier, the feasibility of the lower Snake River dams, one of which already is under construction, is largely dependent upon water storage upstream at Hells Canyon.

An earlier plan of the Corps of Engineers, the so-called C system of projects, preceded the present C–2 plan. It is significant that a high dam at Hells Canyon on the Snake River was included in the C as well as the C–2 phase, as a key project in the overall development of the Columbia Basin.

HELLS CANYON WATER STORAGE

Nearly a third of the Columbia Basin's potential power lies in the Snake subbasin, and Hells Canyon is the only storage project in the series of dams envisioned for the Snake River. Hells Canyon is expected to contribute about one-seventh of the C–2 flood-control objective and upon the high dam depends nearly 500,000 kilowatts of prime power which would be added to other dams downstream.

Efforts have been made in the past to secure authorization for the Hells Canyon Dam, as a key project in the main control plan. However, in the past Congress approached the issue with the comfortable assumption that the decision could be made by a future Congress.

URGENT NEED FOR ACTION

This 84th Congress is faced with decision under terms of extreme urgency. If we do not act before adjournment this year, the site, the dam, and the comprehensive development of the Snake River may be lost forever.

It has taken this Nation half a century or more to come to full realization of the meaning of full and comprehensive resource development. Theodore Roosevelt pointed the way many years ago, and Congress through the years has developed a resources policy which has brought both tangible and intangible benefits to the entire Nation, not merely to isolated regions.

This policy is being tested in the Senate today. Our action to save Hells Canyon for the Northwest and the Nation will be a logical forward step in the bipartisan policy of conservation which we have been following through the 20th century.

Our failure to act could mean the beginning of the end. The destruction of a policy which has evolved out of the foresight of Presidents and legislators alike in past years could be effected in a single day, should S. 1333 go down to defeat.

The superiority of the high dam is clear. Based upon the testimony of the experts of the Bureau of Reclamation, some of the findings of the Federal Power Commission examiner which were not overruled by the Commission and by the findings of the Interior Committees of both House and Senate, the following table and summary show precisely how high Hells Canyon dam means full development of the great natural resources and how the Idaho Power Co.'s scheme means perpetual waste of that irreplaceable source.

GREATEST REMAINING DAMSITE

The proposed Federal Hells Canyon Dam would make maximum use of the greatest remaining dam site in the United States. Every person in the country has an immediate and direct interest in Hells Canyon, for it is a natural resource which belongs to all the people of the Nation. This great multipurpose dam means defense strength and economic health to benefit the whole Nation in addition to the immense importance of its benefits to the people of the Pacific Northwest.

Each Member of the Senate has a grave responsibility in voting upon Hells Canyon. A future flood, which the records show will take place in the Columbia basin, which Hells Canyon could reduce, will be the responsibility of those who oppose the high dam. A future defense emergency which Hells Canyon power could avert, will be the responsibility of those who oppose the high dam. Failure to develop the rich phosphate fertilizer resources of Idaho, which Hells Canyon power alone would avert, because of its cheapness, will be the responsibility of those who oppose the high dam.

COMPANY DAMS CANNOT BE REPEALED

In most cases, a bad law can be repealed. But loss of Hells Canyon, if unreversed by the courts, cannot be repealed and the inadequate company dams will stand for at least 50 years as immovable testimony to partisanship. I believe that the voters will repudiate such narrow motivation. But, political consequences are not the reckoning to fear. It is the dreadful physical consequences and their impact upon the potentialities of a whole region that are the true wages of defeating Hells Canyon, if that is what will come to pass. It is history, not mere political fortune, that will inexorably judge those who decide the fate of Hells Canyon and the Columbia Basin.

I am making my plea tonight to repudiate the policies of the Idaho Power Co. in respect to this great controversy which involves the question whether there shall be constructed a high dam at Hells Canyon or the small dams as proposed by the Idaho Power Co.

As the Senator from Washington [Mr. JACKSON] pointed out so ably in his speech a few moments ago, we have no assurance that three dams will be built by the Idaho Power Co. It is a very interesting commentary that all the propaganda in this controversy has concerned itself with three dams to be built by the Idaho Power Co. There is no assurance that three dams will be built. There is no assurance that two dams will be built.

A license has been granted, with certain conditions attached thereto, authorizing the Idaho Power Co. to build three dams; but it is interesting to note that they are not required to do so.

That leads me to make some comments about the policies and the practices of the Idaho Power Co., because I have become accustomed to the tactics of that company.

VIOLATION OF CRIMINAL LAWS BY IDAHO POWER CO.

I shall discuss for a few minutes the chronology of some of the legal action which has been taken against the Idaho Power Co., because, in my judgment, the Idaho Power Co. tonight stands as a corporation which is guilty of a violation of the criminal laws of the State of Oregon and the criminal laws of the United States. I have no right to make such a serious charge without offering some proof, so I now proceed to document my charge as to the criminality of the Idaho Power Co. I turn first to the chronology of the Oregon legal action in regard to the Idaho Power Co.

During the 1930's Oregon passed a hydroelectric act to protect its hydroelectric resources from private exploitation and to permit easy coordination between the Federal river program and the State's objective to protect its power and fish resources against private monopoly.

In July 1947 Idaho Power Co. applied for a preliminary permit to investigate 1 dam, at Oxbow, and a 16,000-cubic-feet-per-second water right therefor.

In September 1947 the Oregon Hydroelectric Commission held a hearing on this application. No action thereon has ever been taken.

On May 21, 1954, Idaho Power Co. filed applications for permission to build Brownlee and low Hells Canyon Dams before the Oregon Hydroelectric Commission and to be granted a right of 24,500 cubic feet per second of the river's flow for the operation of the dams. No action has even been taken upon these applications.

In December of 1955 the Oregon Hydroelectric Commission set hearings for January 20, 1956, on the Brownlee and low Hells Canyon applications.

On January 20, 1956, hearings were held at Baker, Oreg., on applications for Brownlee and low Hells Canyon Dams. The Oregon State Fish and Game Commissions protested the low-dam applications. No action has ever been taken upon these applications.

At hearings on January 20, 1956, Idaho Power Co., through its contractor, declared it had started construction at Brownlee Dam. The date of the start is identified in the press of the area as immediately after January 1, although materials movement and investigation work was noted as early as December 1, 1955.

At hearings on January 20, 1956, a motion was placed before Oregon Hydroelectric Commission that the commission cite the Idaho Power Co. for criminal violation.

OPINION OF OREGON ATTORNEY GENERAL

On February 29, 1956, Oregon Attorney General Robert Thornton issued an opinion to Representative Bob Steward, of Baker County, that Idaho Power Co. was in criminal violation of the Oregon Code, and by communication on the same date he so advised the district attorney of Baker County. In my judgment, our attorney general is completely right as a matter of law.

In May 1956, the district attorney presented the matter to the Baker County grand jury. The grand jury heard witnesses, including Representative Steward. The report of the grand-jury action has never been made public.

On July 16, 1956, United States Senator JAMES E. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, after he had read an editorial published in the East Oregonian, which I shall place in the RECORD in a moment, telegraphed Circuit Judge Forrest L. Hubbard for information within the bounds of judicial propriety relative to the case.

On July 16, 1956, Circuit Judge Forrest L. Hubbard, of Baker County, replied to Senator MURRAY, the chairman of the committee, as follows:

In answer to your wire this date there has been no unwarranted delay in any criminal matter pending before this court. I am not permitted under the laws of this State to furnish you with any information as to what may have occurred before the grand jury nor what action may have been taken with reference thereto, if any, until it has become a matter of public record. Any person furnishing such information is in contempt of court.

REPORT COMPANY INDICTED BY OREGON GRAND JURY

On July 10, 1956, the East Oregonian, a newspaper published in Pendleton and having the largest circulation in the eastern part of Oregon, carried the following editorial comment:

It has been an open secret for some time that a Baker County grand jury has returned an indictment against the Idaho Power Co.

Idaho Power Co. has a Federal license to build dams in the Hells Canyon stretch of the Snake River. But it does not have authority in the State of Oregon.

Last year Representative Bob Steward, of Baker, got an opinion from Oregon's attorney general, Robert Y. Thornton, that it would be a criminal act for Idaho Power Co. to start work without an Oregon license. The attorney general then referred the case to Baker County for investigation. Subsequently, a Baker County grand jury heard the testimony from Steward and others. The grand jury is reported to have returned an indictment. It was, however, sealed and was not made public.

Will it ever see daylight?

I have no comment to make on what may or may not have happened in the Baker County grand jury; but I should like to say that I agree with the attorney general of our State in the opinion that under the Oregon law the Idaho Power Co. had no right, on the Oregon side of the river, to proceed with any construction until it had a license from the appropriate Oregon authorities. The Idaho Power Co., flouting the Oregon law, and proceeding in defiance of State law, proceeded with the building, as is shown on the picture in the rear of the Chamber, with the Brownlee Dam on the Oregon side of the river.

COMPANY VIOLATED FEDERAL LAW WITH SMALL DAM PROJECT

But that is not its only questionable act, Mr. President. I now want to turn to the United States Code, and I cite the applicable provisions of that code under title 33, namely, sections 401, 406, 413, 525, and 533.

Mr. President, I ask unanimous consent that those sections of the United States Criminal Code may be printed in the RECORD at this point in my remarks.

There being no objection, the sections of title 33, United States Code, were ordered to be printed in the RECORD, as follows:

IDAHO POWER CO.—CONSTRUCTION OF THE BROWNLEE BRIDGE

APPLICABLE PROVISIONS OF THE UNITED STATES CODE—TITLE 33

SEC. 401. It shall not be lawful to construct or commence the construction of any bridge, dam, dike, or causeway over or in any port, roadstead, haven, harbor, canal, navigable river, or other navigable water of the United States until the consent of Congress to the building of such structures shall have been obtained and until the plans for the same shall have been submitted to and approved by the Chief of Engineers and by the Secretary of the Army.

* * * * *

SEC. 406. Every person and every corporation that shall violate any of the provisions of sections 401, 403, and 404 of this title or any rule or regulation made by the Secretary of the Army in pursuance of the provisions of section 404 of this title shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $2,500 nor less than $500, or by imprisonment (in the case of a natural person) not exceeding 1 year, or by both such punishments, in the discretion of the court.

* * * * *

SEC. 413. The Department of Justice shall conduct the legal proceeding necessary to enforce the provisions of sections 401, 403, 404, 406, 407, 408, 409, 411, 549, 686, and 687 of this title; and it shall be the duty of United States attorneys to vigorously prosecute all offenders against the same whenever requested to do so by the Army or by any of the officials hereinafter designated.

* * * * *

SEC. 525. (a) The consent of Congress is granted for the construction, maintenance, and operation of bridges and approaches thereto over the navigable waters of the United States, in accordance with the provisions of sections 525–533 of this title.

(b) The location and plans for such bridges shall be approved by the Chief of Engineers and the Secretary of the Army before construction is commenced, and, in approving the location and plans of any bridge, they may impose any specific conditions relating to the maintenance and operation of the structure which they may deem necessary in the interest of public navigation, and the conditions so imposed shall have the force of law.

* * * * *

SEC. 533. Any person who fails or refuses to comply with any lawful order of the Secretary of the Army or the Chief of Engineers issued under the provisions of sections 525–533 of this title, * * * or who otherwise violates any provisions of said sections shall, upon conviction thereof, be punished by a fine of not to exceed $5,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

Mr. MORSE. Mr. President, I shall now state the chronology of the Idaho Power Co.'s actions in regard to the Federal law.

On January 3, 1956, an amended application for permission to construct a bridge across the Snake River at Brownlee was filed with the Corps of Engineers and the Secretary of the Army.

On January 9, 1956, the construction of the bridge was commenced.

January 20, 1956, was the end of the period for the filing of objections to the granting of a permit for the construction of the bridge. Hearings on the application were held at Walla Walla, Wash.

On March 10, 1956, I wrote a letter to the Attorney General of the United States, pointing out the violation, in my opinion, of the United States Code by the Idaho Power Co.

On May 8, 1956, I received a letter from Assistant Attorney General Warren Olney, admitting the criminal violation by the Idaho Power Co.

On May 18, 1956, the application by the Idaho Power Co. was approved by the Chief of Engineers and the Secretary of the Army.

COMPANY DEFIED FEDERAL LAW

Now, let me point out that this company, obviously in a concerted attempt to rush through some construction, because it thought it might help it in an argument in its favor when the Hells Canyon Dam bill came before the United States Senate, in open defiance of the Federal law, proceeded to build the Brownlee Bridge. When it did so, it violated the criminal law of the United States. Mr. Olney, of the Department of Justice, admits it. Listen to this letter. I read it into the RECORD:

MAY 8, 1956.

DEAR SENATOR MORSE: This is in reply to your letter to the Attorney General dated March 10, 1956—

Mr. President, I shall start the letter over in a moment. I only say in passing, it is very interesting that I should write a letter under date of March 10, and get a reply under date of May 8, when the letter was of an emergency nature, in that it raised a question as to whether or not the Idaho Power Co. was in criminal violation of the Federal Code. But I return to the letter, and shall now read it:

DEAR SENATOR MORSE: This is in reply to your letter to the Attorney General dated March 10, 1956, calling attention to the construction of a bridge by the Idaho Power Co. across the Snake River without the approval of the plans and location by the Chief of Engineers and the Secretary of the Army, and requesting to be advised as to the action the Department intends to take to enforce the law.

As your letter states, the commencement of the construction of this bridge without prior approval of the plans by the Chief of Engineers and Secretary of the Army is a violation of title 33, United States Code, section 401, for which criminal sanctions are provided. We therefore requested the Chief of Engineers to furnish us with a report concerning any violation of section 401. In response we received a letter dated April 25, 1956, from the Honorable Wilber M. Brucker, Secretary of the Army. He advises that an application had previously been made for the approval of the plans, that there is no objection to the bridge from the standpoint of navigation, that there is no legal objection to the approval of the application at this time, and that but for the circumstance that construction had been commenced there could be no reason to withhold approval. His letter also states that the Idaho Power Co. had demonstrated a willingness to comply with the law, that there is no evidence of willful violation, and that he does not recommend that any action be taken to compel removal of the bridge or to impose any penalty.

While title 33, United States Code, section 413, provides that the Department of Justice shall conduct the legal proceedings necessary to enforce the provisions of section 408, that section contains the somewhat unusual but, nevertheless, binding provision that, "[I]t shall be the duty of district attorneys of the United States to vigorously prosecute all offenders against the same whenever requested to do so by the Secretary of War or by any one of the officials hereinafter designated." Since the interested Government agency does not recommend prosecution, no such action is contemplated.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

I desire to dwell a bit on this letter from the Assistant Attorney General. In the letter he speaks about the building of the bridge not being a "willful violation." Mr. President, take a look at the picture in the rear of the Chamber and the size of the bridge. It is a massive construction. It was not an accidental violation. It was not an unknowing violation. Mr. President, the Idaho Power Co. knowingly and willfully built the bridge after it filed an application for a permit, but before the protest period expired let alone without the required license.

Mr. President, they can be charged with the knowledge of the law, and the law prohibits just such conduct as they engaged in, and the law provides criminal sanctions for such conduct.

Mr. President, I will tell you what my interpretation is. The Idaho Power Co. got caught; and when it was pointed out to them that it was caught in its own wrongdoing, it let all the time lapse from the date notice was served on them in my letter of March 10 as to the criminal conduct of the Idaho Power Co.

Mr. President, I am not going to surmise as to what happened. Let the dates speak for themselves. The fact is that after they were caught, between that time and May 8, when Mr. Olney replied to me, they worked out with the Army engineers an approval of the bridge, because Mr. Olney wrote that at that time the Army engineers had no objection to the bridge.

Mr. President, that has nothing to do with whether or not the people of this country are going to be protected from the criminal depredations of a corporation or an individual. What do you think would happen, Mr. President, to some lowly citizen who was in violation of the criminal law? Do you think he would be excused on the ground that somebody had come to the conclusion he did not think it was a very serious matter, or that he was willing now to approve of his criminal conduct? It only goes to show what I consider to be the whole social attitude of the Idaho Power Co. in this attempt on their part to take advantage not only of this generation, but of future generations, by the very selfish course of action which it has followed in this matter.

ILLEGAL BRIDGE FOR PROJECT BUILT BEFORE PROTEST PERIOD EXPIRED

I want the Senate to keep in mind that the bridge was started on January 9, 1956, which was before the end of the period for filing objections to the granting of a permit for the construction of a bridge. The construction of the bridge was started before the period for filing objections to the construction of the bridge had elapsed. Will anyone tell me that was not a willful violation? While I do not charge the Idaho Power Co. officials with being nonreaders—they can read—in view of the chronology of the matter and the date sequences, in my judgment it adds up to a rush act. It adds up to an act of trying to rush through some construction, even though both the Oregon law and the Federal law were violated, to such a stage that it could be said, "Well, at least part of it is an accomplished fact. What shall we do now?"

I am perfectly willing to let any court apply the law of damages to determine what damages, if any, should accrue to the Idaho Power Co. if the Hells Canyon Dam bill is passed and there is a stoppage of the work at Brownlee. That is what we have a court system for.

No one needs to shed any crocodile tears over the poor Idaho Power Co. if it is damaged in any way by a bill which seeks to protect the interests of future generations of Americans. The courts of law will give it the damages to which it is entitled.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement I released under date of March 12, 1956, in which I discussed the letter to which I have previously referred, which I had sent to the Department of Justice.

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

ATTORNEY GENERAL ASKED WHAT HE PROPOSES TO DO ABOUT ALLEGED VIOLATION OF LAW BY POWER CO.

Senator WAYNE MORSE, Democrat, of Oregon, in a letter to Attorney General Brownell, called attention "to a situation which in all likelihood constitutes a flagrant violation * * * of the United States Code" by the Idaho Power Co. in building a bridge in connection with its dams in the Hells Canyon area without the approval of the Secretary of the Army required by law.

He pointed out that the office of the Assistant Chief of the Army Engineers had informed him that no approval for the bridge over the Snake River had been given at the very time that reports from the area were that the Idaho Power Co. had almost completed the bridge.

In his letter, Senator MORSE also wrote that it seems clear that the company commenced operations on the bridge before the January 20 closing date for protests on the application.

Senator MORSE's letter quoted the applicable sections of the code which makes it unlawful "to construct or commence the construction of any bridge * * * over * * * any navigable river" without such prior approval of the Chief of Engineers. Violation is a criminal misdemeanor punishable by fine and removal of the structure by court order. The statute places responsibility upon the Attorney General to institute proceedings.

The letter closed: "I request that you institute an investigation of this matter. Please advise me at the earliest possible moment of what action you propose to take to enforce the law."

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a release I issued on May 11, in reply to a letter I received from Mr. Olney.

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

SECRETARY OF THE ARMY AND DEPARTMENT OF JUSTICE CONDONE IDAHO POWER CO. VIOLATION OF LAW

"Secretary of the Army Brucker and the Department of Justice have condoned the unlawful action of the Idaho Power Co. in building a bridge without the license required by law," Senator WAYNE MORSE, Democrat, Oregon, asserted today.

"The law and the facts are clear. Title 33, section 401 provides 'it shall not be lawful to construct or commence the construction of any bridge * * * over any navigable river * * * until the plans for the same have been submitted to and approved by the Chief of Engineers and by the Secretary of the Army.'

"Assistant Attorney General Olney has just written me: 'As your letter states the commencement of the construction of this bridge without prior approval of the plans by the Chief of Engineers and Secretary of the Army is a violation of title 33, United States Code, section 401 for which criminal sanctions are provided.' However, Secretary Brucker has advised the Justice Department that because the Army has no objection to the bridge as such, he recommends against any action under the law.

"This is further proof of the administration's favoritism toward private utilities and the Idaho Power Co. plan to scuttle the high Hells Canyon Dam. Brucker's action is open

approval of an unlawful action. Thousands of American citizens and companies seek to do perfectly lawful things for which licenses are required, but suffer severe penalties if they begin before the license is obtained. A motorist who does what the Idaho Power Co. has done could find himself in jail.

"Apparently the law means little to this company and even less to this administration if it means dealing with illegality on the part of a private utility."

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "What the United States Is Losing," written by Roscoe Fleming, and published in the Denver Post of July 11, 1956.

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

WHAT THE UNITED STATES IS LOSING

(By Roscoe Fleming)

We need to put a money value on our national natural resources, if only so that the people may realize how much of their public wealth is being given away or dissipated.

Imagine the Southwest without Hoover Dam, or the Northwest without the Grand Coulee, or the Southeast without TVA. How much is Hoover worth? How much the Grand Coulee? How much the TVA system? Let nature or an enemy blow any one, and what do we lose? Billions of dollars in each instance.

This is because great multipurpose structures, wisely placed, have unlocked the golden door to development of public treasure beyond price—which could never have been developed otherwise.

Now, how much would a high multipurpose dam be worth in Hells Canyon as an integral part of the Columbia Basin development? The Bureau of Reclamation planned to spend $400 million on such a dam. In place, it would be worth several times that. I should say a billion dollars would be a small measure of what is being thrown away there, in potential value of the people's property.

A high dam would mean more power there, and all the way downstream, rather than the diminished power supply which a private company will now develop to sell at more than twice what the public power would have cost, This higher cost will in itself sterilize and stifle regional development such as would have been possible with low-cost public power.

But the high dam would bring many more benefits than power, which the lower dams will not. For example, flood control. Just as with a defense program, a second-best flood-control program is worse than useless. It lulls the people into a false feeling of security.

The Columbia Basin has just been saved—by a foot or two of freeboard—from a flood as disastrous as that of 1948, with possibly hundreds of millions of dollars' worth of damage. That achievement can be chalked up to the dams now in place, the socialistic dams built by Uncle Sam.

But the engineers anticipate someday a bigger flood. Their original plans were for about 21 million acre-feet of flood storage, enough safely to bypass even the giant Columbia. But half that potential storage has been lost, due to just such niggling and piggling as we've seen in the Hells Canyon giveaway.

Among the cutbacks was one from 2,600,000 acre-feet of flood storage at Hells Canyon behind the dam to 1,500,000 acre-feet. Incidentally, flood control is a public function, not a private one, and a private outfit has no legal or moral right to provide it at all, unless it is getting a great big diamond-and-platinum bargain at the expense of the people, as here.

This administration has at Hells Canyon made such indecent and unseemly haste to give away the cream of the natural benefits of this great site that it is letting the milk run down to the gutter, too.

Golden cream! Rich milk! To allow a corporate friend of the administration to make a few million dollars extra profit yearly, we the people are being lulled into wrecking our natural resources rather than developing them.

Come to think of it, ought we to let the Hells Canyon deal stand, as a horrible example for all time of what the resource wreckers invariably do when they get their hands on the people's property? It might be cheap, at the price, if the lesson should sink home in the people's consciousness.

WHAT TAXPAYERS WILL LOSE IF COMPANY DEFEATS HELLS CANYON DAM

Mr. MORSE. Mr. President, speaking of the Idaho Power Co. and its representations about the great losses the American taxpayers will suffer as a result of the building of a high dam, instead of the Idaho dam program, I wish to make a few brief remarks on what the taxpayers will pay the Idaho Power Co. if the Hells Canyon Dam bill is defeated.

Mr. President, we have heard much, and will hear more, about the generosity of the Idaho Power Co. This company, we are told by its spokesmen, is willing to bring to the people of Idaho—even to the entire Pacific Northwest—benefits of great value "at no expense to the taxpayers." Even the Federal Power Commission, I am sad to report, used this Madison Avenue slogan as one of its justifications for awarding a license to the company to build 2 or 3 dams at Hells Canyon. Those among our predecessors who spent so many years of legislative effort to fashion the Federal Power Act into an instrument designed to help promote comprehensive development of our river basins, would be appalled to find that for this standard has now been substituted, among others, the avoidance of expense to taxpayers. I have examined the Federal Power Act, and it contains not a shred of a statutory requirement that bids the Commission consider that criterion.

The claim has not even the virtue of truth to recommend it. It is absolutely and completely unfounded. In fact, construction of 2 or 3 dams by the company would cost the taxpayers—

First. Three-fourths of the potential flood control storage of the site.

Second. Over one-half of the power potential of the site and downstream benefits.

Third. It would destroy the comprehensive plan for the Columbia River basin in which the taxpayers have already invested great sums of money.

Fourth. It would cost the taxpayers the tax revenue from about $300 million annually which might be spent in the area by tourists who would come to see the high Hells Canyon dam, but not the 2 or 3 small dams.

Fifth. It would cost the taxpayers about $100,000 or more a year in navigation benefits.

Sixth. It would cost the taxpayers the revenue from about $250 million in annual payrolls for new jobs created by the low-cost power which the high dam would make available for use in electro-process industries; $200 million for investments created by these additional workers; plus about $160 million investment in plant facilities to employ them; and about $6 million annually in State and local taxes which these plants would pay.

Seventh. It would cost farmers in the West and Midwest a new supply of low-cost phosphate fertilizer which, with the availability of low-cost power, would be produced from the vast, barely tapped deposits of eastern Idaho.

Even over and above these tangible and substantial losses to the people of the Pacific Northwest and of the Nation, the claims of the company and its friends as to the company's own estimated tax payments are grossly exaggerated. Thus, the company has repeatedly stated that it would pay almost $10 million annually in State, local and Federal taxes.

The advertisements which it and its fellow utilities have sponsored in national magazines and newspapers at great expense to the ratepayers and the taxpayers, have stressed this $10 million claimed tax payment as if it were more important than the power to be generated by the 2 or 3 dams.

All this ballyhoo about the company's singular taxpaying virtues naturally omits any reference to a rather basic fact of utility life; namely, that the utility pays no taxes whatsoever; its customers actually make the payments; the utility merely collects them, and passes them along.

This tax-collecting activity, judging by the power-company advertisements, seems to have become the primary function of our private utilities, far overshadowing in importance their generation of electric power.

COMPANY SEEKS QUICK TAX WRITEOFF

What the Idaho Power Co. and its associates do not disclose, however, is that they diligently seek to avoid performing this function which they have elevated to such solemn status. Thus, neither the company nor its sister utilities disclose in either their advertisements or through their spokesmen, that it has applied to the Government for permission to defer a large portion of its Federal income-tax payments.

In 1953, the Idaho Power Co. filed with the Office of Defense Mobilization a formal application for permission to write-off its proposed new investment in the Oxbow and Brownlee plants in 5 years, instead of in the customary 33 years. These applications carry the file numbers TA-26407 and TA-26500. The company did not request a quick amortization certificate for their third dam, the low Hells Canyon Dam. Apparently, already in August 1953, the company had certain doubts whether it would ever get around to build it. The Federal Power Commission left the question open when it issued the license for the other two dams in August 1955. Yet all the comparisons they make are always based on the construction of all three dams.

The applications requested accelerated tax amortization certificates to cover $67 million for Brownlee and $36 million for Oxbow, or a total of $103 million for these 2 projects.

In order to qualify for these certificates, the projects would have to be completed by December 31, 1958. Further, to qualify under this so-called defense goal 55, electric power, some relation must be shown between the company's little dams and national defense.

That these applications confer far more than the right merely to pay the same amount of taxes after the first 5 years is indicated by the huge amounts of such certificates asked for and received by private utilities. The total amount certified by the end of 1955 amounted to about $5.4 billion.

In the case of the applications by the company, the tax savings in the first 5 years would amount to about $30 million, based on almost 65 percent of the total requested. The Federal Power Commission has called such savings interest-free loans from the Government to the company, for the company has this amount of money available without having to pay interest on it. If the company were to invest this amount over the life of the project, it would in fact receive a bonanza larger than the cost of the high dam, about $325 million, after repayment, later, of taxes earlier withheld.

Yet this is the much-touted plan to save the taxpayers' money.

PEOPLE WILL PAY COMPANY TO BUILD ITS DAMS

Mr. President, what it amounts to, when we get down to the interest-free feature of this tax-acceleration scheme, is that we, the people, will build a large portion of the project for the Idaho Power Co., and will give it to the company; and after the company has it built, the company will own it, whereas we are fighting for a high dam at Hells Canyon, to be built by the people, for the people, to be owned by the people, Mr. President, and to repay into the Treasury of the United States many times its cost, by way of Federal power revenues, over the years.

Yet, this issue is a rather vital one, in my judgment, in the great contest over this bill.

The applications have not yet been granted, but the Interior Department, on the basis of unsubstantiated data, has recommended their issuance. The Office of Defense Mobilization, which finally approves the certificates, relies on the Interior Department to pass on applications for quick writeoffs.

According to a staff paper on these applications, issued by ODM in October 1955, the Interior Department, ironically enough, wrote to ODM:

> The Oxbow and Brownlee hydro projects of the Idaho Power Co. will contribute to the power supply shortage in the Pacific Northwest.

That is probably the outstanding unpremeditated admission of the year. If the Interior Department actually held this view, it would have long fought for the construction of the high Hells Canyon Dam, and it would certainly not have recommended quick tax amortization for the Idaho Power Co.'s inferior projects.

As the reason for this recommendation Interior cited not only the power shortage in the Northwest power-pool area, but also defense requirements and those of the Atomic Energy Commission. New capacity on the company's system, Interior contended, will "add materially to the capacity needed to meet the requirements of the present defense industries and any new defense loads that might be located in the Pacific Northwest."

Picking up this wholly unsupported and unsupportable claim, the ODM staff paper adds a sizable number of additional distortions. Perhaps as the result of a letter a number of Senators addressed to Chairman Arthur Flemming of the ODM, pointing out some of these distortions has so far halted issuance of the certificates.

Let me list merely some of the grossest of these misstatements of fact on the basis of which Idaho Power Co. was to be granted a bonanza of over $300 million.

The company during the hearings before the FPC has continuously claimed that the power from the proposed development was required to meet the company's normal load growth. Normal load growth does not mean a reserve will be available for sudden defense requirements. Yet that is the theory behind the granting of accelerated amortization certificates to electric utilities.

Let us understand the significance of that, Mr. President. They are talking about normal rate growth, to take care of their normal consumers. It has nothing to do with any accelerated load caused by a defense establishment which might come into the area.

HIGH COST COMPANY POWER

Furthermore, the power from the development would be so high in cost, that defense industries would not wish to buy it. Any surplus power which the company might have, would not be marketable in the Pacific Northwest at three times the Bonneville rate. The FPC examiner referred to it as "fancy priced" power, and doubted its marketability to any member of the Northwest power pool; yet the staff paper claims that this would be one of the important defense contributions of the project.

In my judgment, one of the main reasons why, over the years, without a break in consistency on this subject, the Army engineers and the engineers of the Federal Bureau of Reclamation, which is a part of the Department of the Interior, have constantly recommended a high dam at Hells Canyon is that the engineers know that the high dam would produce cheap power, and the Idaho Power Co. dams would produce high-cost power. High-cost power is not the power need of the Pacific Northwest. The economic need of the Pacific Northwest is low-cost power. The need of the farmers who would benefit from the high dam at Hells Canyon is cheap power. Power at from 2 mills to 3.7 mills per kilowatt hour is necessary to develop the phosphate fertilizer beds of Utah and Idaho, which will give the farmers the cheap fertilizer they need. We are talking about cheap power at the Hells Canyon high dam, and the high-cost power from the Idaho Power Co. dams. The Office of Defense Mobilization ought to take a look at the economic facts with respect to these two systems of dams. If it did so, we would not get the kind of distortions to which I am now referring in the staff paper.

The staff paper also contends that storage releases from Brownlee Reservoir will add to downstream generation at Federal dams. Yet no such showing has been made, not even by the Federal Power Commission.

In order to bring the projects under the deadline of the December 31, 1958, expiration of the whole program, the Interior Department's report on the applications issued in October 1955, stated that the projects were begun in August 1955, which they should have known they were not. Interior, in its headlong eagerness to support the company's applications, thus claimed Brownlee would be in service in November 1958. In fact, the company began construction of Brownlee in November 1955, and using the same schedule, would not complete it until February 1959—2 months after the expiration of the tax-amortization program. The staff paper issued in February 1956, apparently assumes, based on the misinformation furnished by the Interior Department, that the company could meet the deadline.

It is not my purpose tonight to discuss the irresponsible manner in which ODM relies upon the Interior Department to hand out billions of dollars of the taxpayers money. Nor do I wish to single out the three little anonymous men in the Interior Department who have the sole responsibility for recommending this giveaway, this "artificial stimulus" as Secretary of the Treasury George Humphrey called it, which, he said should be used "only sparingly." Tax collections in 1956, the Secretary estimated, would be cut down by $880 million in fiscal year 1956 as the result of the granting of accelerated tax amortization. The net loss in taxes during 1951–65 has been estimated at $2.8 billion, based only on certificates issued as of June 29, 1955.

If this is a program designed to increase our defense production capacity, the Idaho Power Co. applications for its two dams in Hells Canyon should be denied most emphatically. If the Office of Defense Mobilization were doing its job properly, it would have turned them down long ago, and would have instead recommended the construction of the high Hells Canyon Dam, which would contribute to defense production capacity not only by its large block of low-cost power, but by its effectiveness in controlling floods which might inundate defense plants on the lower Columbia; by its contribution to navigation; and by its contribution to the availability of phosphate fertilizer which would sustain the fertility of land which might be required to feed hungry peoples here and abroad in case of another world conflict.

If Idaho Power Co. were to be granted accelerated tax amortization it would add insult to injury; it would result in direct out-of-pocket expense to the taxpayers heaped on top of all the other losses they would incur as the result of the company's program.

To show the superiority of the high dam over the Idaho Power Co.'s assumed

free dams, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing a comparison between the high Hells Canyon project and the Idaho Power Co.'s three-dam scheme, showing a comparison with respect to the following items: Power output; power costs; active storage; flood-control benefits; navigation benefits; recreation benefits; power revenues for aid to future reclamation; availability of power to entire region; development of phosphate fertilizer; development of electroprocess industries; cost of project; and benefit-to-cost ratio.

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

I. Comparison between the High Hells Canyon project and the Idaho Power Co. 3-dam scheme

Item	High Hells Canyon Dam	Idaho Power Co. 3-dams [1]
1. Power output (prime kilowatt).	1,122,000	505,000.
2. Power costs (per kilowatt-hour).	2.7 mills	6.69 mills.
3. Active storage (acre-feet)	3,880,000	1,000,000.
4. Flood control benefits (annual).	$2,300,000	$1,000,000.
5. Navigation benefits (annual).	$189,000	$108,000.
6. Recreation benefits (number of annual visitors).	500,000 to 650,000	250,000 to 325,000.
7. Power revenues for aid to future reclamation.	Yes	No.
8. Availability of power to entire region.	Yes	No.
9. Development of phosphate fertilizer.	"The high-dam project, by providing power at low rates, might be expected to stimulate large-scale development of the phosphate resources and large-scale expansion of fertilizer production" (examiner's finding No. 159). This means fertilizer to farmers in Midwest and West at savings of $10 to $20 a ton.	"The 3-dam plan would stimulate less phosphate development and less fertilizer production than the high-dam project" (examiner's finding No. 160).
10. Development of electro-process industries.	"The high-dam project, because of its high volume and low-cost power output, might be expected to stimulate the expansion of electro-process industries to a greater extent than the 3-dam plan, including those which would utilize regional mineral resources" (examiner's finding No. 162).	(See examiner's finding No. 162, opposite column.)
11. Cost of project (less transmission lines)	$308,473,000. FPC examiner said: "The facts seem to point to the inescapable conclusion that with the marked and substantial advantage of the Government's credit the high dam would be dollar-for-dollar the better investment and the more nearly ideal development of the Middle Snake."	$175,766,000.
12. Benefit-to-cost ratio	1.83 to 1	0.91 to 1 (dividing the examiner's figures on annual value of power at market by the annual cost of power at market. This shows the 3-dam plan as being economically unfeasible.)

[1] In fact, the FPC and company have indicated that the 3d dam may never be built, even if the FPC decision is not reversed.

Mr. MORSE. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a statement dealing with the loss to the people if the Federal Power Commission decision is allowed to stand.

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

II. THE LOSS TO THE PEOPLE IF THE FPC DECISION IS ALLOWED TO STAND

1. Active storage capacity of 2,800,000 acre-feet vitally needed to aid in controlling the river and meeting the goals of the Army Engineers' main control plan.

2. Nearly the equivalent of the power production of Bonneville Dam—419,000 prime, year-round kilowatts. Several important downstream dams are dependent upon Hells Canyon storage for power output. Lacking Hells Canyon storage they may not be built. The total loss would amount to 2¼ million kilowatts of prime power capability.

3. 1,122,000 kilowatts of prime power generated at 2.7 mills per kilowatt-hour and available over the Bonneville transmission grid to serve loads throughout the region at Federal wholesale rates of slightly over 2 mills per kilowatt-hour. The Commission wishes to substitute in their stead 505,000 kilowatts of private power costing 6.69 mills per kilowatt-hour to generate and available only to the Idaho Power Co. service area.

4. 35,000 jobs in manufacturing—another 35,000 jobs in service industries—$700 million in manufactured products.

5. $45 million in annual Federal income and corporation taxes—$3 million annually in local property taxes.

6. Full development of the Nation's greatest phosphates reserves—for high analysis, low cost farm fertilizer which would save the farmers of 17 Midwestern and Western States more than $5 million annually, increase use of fertilizer on the land, reduce soil depletion, increase yield and nutritional content of crops.

7. Millions of dollars in flood control, navigation, and recreation benefits.

8. Rightful control by the people over development of their rivers to be used for their greatest benefit.

9. Realization of the goals of the comprehensive plan for development of the Columbia Basin—for this decision would mean its dismemberment for the benefit of the power companies and the attendant loss of millions of kilowatts of low-cost power and millions of acrea-feet of vitally needed upstream storage. This would result in slow stagnation of the Pacific Northwest's economy, for it has but one abundant, cheap energy base—falling water—to attract new industry that cannot now be established in this country.

10. Power revenues to aid in repaying reimbursable costs of upstream irrigation projects which will be needed to provide more food in decades ahead for our rapidly growing population.

Mr. MORSE. Mr. President, I have two other major insertions which I should like to make in the RECORD before I close.

The first is an editorial entitled "Conundrum," published in the Washington Post of July 18, 1956, which comments upon the statement my colleague made in regard to the White House pressure which is being put upon Senators in an attempt to defeat the bill of which I am an author.

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

CONUNDRUM

The administration reportedly is using its influence to prevent any wavering Republican Senators from voting for the Hells Canyon bill when it comes up this week. Completely apart from the merits of this measure, why is it that the administration, which failed so dismally to prevail on the school-construction bill and which has had great difficulty in getting its ideas on foreign aid accepted, seems to be able to muster its strongest artillery for the essentially negative purpose of stopping legislation?

Mr. MORSE. Without taking the time to read the statement, although I had intended to make it a part of my speech tonight, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement entitled "Hells Canyon Supported by the People." In this statement I discuss the 79 Idaho organizations and groups favoring Hells Canyon.

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

HELLS CANYON SUPPORTED BY THE PEOPLE

This week the United States Senate will make an historic decision: whether the greatest remaining dam site will be developed fully in the public interest or sacrificed to permanent underdevelopment.

The people of the Pacific Northwest support the high Hells Canyon Dam.

SEVENTY-NINE IDAHO ORGANIZATIONS AND GROUPS FAVOR HIGH HELLS CANYON

The people of Idaho recognize the value of the high dam to their State. The report of the Senate Committee on Interior and Insular Affairs details those benefits: a new phosphate fertilizer industry; low-cost power for new industry, jobs and taxes; low-cost irrigation pumping power; and the only possibility of power revenues for future irrigation projects.

That is why 79 Idaho organizations, representing thousands of people, have gone on record as favoring the Hells Canyon Dam. They are:

1. Mountain Home Reclamation Association.
2. Idaho State Federation of Labor.
3. Democratic Party of Idaho.
4. Idaho CIO Council of Communications Workers.
5. Idaho CIO Political Legislative Council (representing 5,000 CIO members).
6. National Farmers Union of the State of Idaho.
7. Group of ranchers, Washington County, Idaho.
8. Two petitions carrying 157 names, Minidoka County, Idaho.
9. Minidoka County Farm Bureau Federation.
10. National Rural Electric Cooperative Association.
11. Idaho Hells Canyon Association.

12. Idaho County Light and Power Cooperative.
13. Northern Lights, Inc. (REA Cooperative).
14. Idaho-Oregon-Washington Hells Canyon Association.
15. Lewis and Clark Production Credit Association, Lewiston.
16. Local 338, United Steelworkers of America.
17. AFL Central Labor Council, Nez Perce County.
18. AFL Lumber and Sawmill Workers, Local 2257, Orofino.
19. District 2, Idaho Wildlife Federation.
20. Idaho Rural Electric Cooperative Association.
21. Nez Perce Grange.
22. Pomona County Grange.
23. Lapwai, Idaho Grange.
24. Lewiston Local, Farmer Union.
25. Pacific Supply Cooperative, Walla Walla, Wash. (75,000 farmers in 3 Northwest States).
26. Ada County Democratic Central Committee.
27. Black Canyon Farmers Union, Local 200.
28. Black Canyon Water Users' Association, New Plymouth, Idaho.
29. Idaho State Legislative Board, Brotherhood of Locomotive Fireman and Enginemen.
30. Central Labor Council (28 local unions), Lewiston, Idaho.
31. Nine members of Farmers Union Local No. 39, Northwest Shoshone, Idaho.
32. Gem County Democratic Central Committee.
33. Hotel and Restaurant Employees International League of America, local 490, Lewiston.
34. International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers, subordinate lodge No. 52.
35. International Brotherhood of Electrical Workers of Pocatello, Idaho, local union No. 582.
36. Local 2816, Lumber and Sawmill Workers, AFL, Emmett, Idaho.
37. Mountain Home Reclamation Committee, Mountain Home, Idaho.
38. Nampa Trades and Labor Council (1500 members voting), April 2, 1955.
39. Pocatello System Federation No. 105, Union Pacific Railroad, Pocatello.
40. Rocky Mountain District Council of Carpenters of Idaho.
41. Local No. 236 Sheet Metal Workers Railroad Organization, Pocatello.
42. Water Users Under North Side Canal Co., Ltd., Gooding, Idaho.
43. Wingville Grange, No. 650.
44. Young Democratic Clubs of Idaho, Boise.
45. Petition, Gem County—94 signatures.
46. Petitions—262 signatures (Pocatello, Baker, Nampa, Roberts, Blackfoot, Idaho).
47. Petition—175 signatures (Heyburn, Burley, Paul, Pocatello, Rupert, Burby, Twin Falls, Minidoka, Idaho).
48. Canyon County Democratic Central Committee.
49. Farmers Union, Action Officials of the Gooding Local No. 46, Gooding.
50. Minidoka-Cassia Counties Farmers Union, Rupert.
51. Brotherhood of Railway Carmen of America, Camas Prairie, No. 754, Lewiston.
52. Clarkston Chapter 431, Farmers Union.
53. Clarkston Heights Grange.
54. International Woodworkers of America, Coeur d'Alene.
55. International Brotherhood of Paper Makers, AFL.
56. Lapwai Valley Grange, No. 330.
57. IWA-CIO, local 10-364.
58. Patrons of Husbandry, Culdesac Grange No. 337, Culdesac, Idaho.
59. IWA Local 10-119, Coeur d'Alene, Idaho.
60. Idaho Mutual Benefit Association.
61. Typographical Union No. 634, Lewiston.
62. Petition—about 100 names.
63. Ahsahka Chapter 1-214, Idaho Farmers Union.
64. United Brotherhood of Carpenters and Joiners of America, local No. 2257, Ahsahka, Idaho.
65. Hells Canyon Dam Club, Weiser, Idaho.
66. Local 1491, International Association of Machinists, AFL, Boise.
67. Laborers Local 434, Boise.
68. Iron Workers Local 646, Boise.
69. Local 291, Electrical Workers, Boise.
70. Local 370, International Union of Operating Engineers, Boise.
71. Idaho State Group, National Rural Electric Cooperative.
72. Northwest Public Power Association (77 public and cooperative distribution systems in Montana, Idaho, Oregon, and Washington).
73. Kootenai Rural Electric Association, Coeur d'Alene, Idaho.
74. Lost River Electric Co-op, Inc., Mackay.
75. Raft River Electric Cooperative, Malta.
76. Clearwater Valley Light & Power Association, Lewiston, Idaho.
77. Lewis-Clark Local of the Idaho-Oregon Hells Canyon Association, Lewiston.
78. Lewiston Grange.
79. Rupert Chamber of Commerce, Rupert, Idaho.

OREGONIANS AGAINST COMPANY LOW DAMS

Mr. MORSE. It is equally clear that thousands of Oregonians favor the high Hells Canyon Dam. Leading the fight for it has been the Oregon State Grange, which expresses the views of its membership in resolution after resolution at the local and State level. The Oregon State Farmers Union membership is equally dedicated.

The recently merged AFL-CIO reendorsed the long-standing endorsement of the State federation of labor and CIO, which, in turn, are supported by countless resolutions of their members.

Only recently numerous groups and individuals in Oregon have submitted evidence of their determined support.

I ask unanimous consent that a series of communications I have received in support of the high dam be printed in the RECORD at this point.

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

OREGON STATE GRANGE,
Portland, Oreg., July 11, 1956.

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

DEAR SENATOR MORSE: Since 1947 the Oregon State Grange has been fighting with all the resources at its command against the "giveaway" of the Hells Canyon Dam site. Year after year at our annual sessions we have renewed and reaffirmed our position.

Anything less than full development of the hydroelectric potential of Hells Canyon is a senseless and shameful waste of a God-given natural resource. The only plan advanced for the full development of the Hells Canyon reach of the Snake River is that for the high Federal dam.

I want to commend you for the valiant fight you have made, and are making, to secure authorization for the high dam. Best wishes for your success in pushing through the passage of S. 1333 providing for the construction of a high Federal dam in Hells Canyon.

Sincerely yours,
ELMER MCCLURE,
Master, Oregon State Grange.

SALEM, OREG., *July 16, 1956.*

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

The Oregon Machinists Council representing all local lodges of the International Association of Machinists in the State of Oregon has by unanimous vote again reaffirmed its support of the high Hells Canyon Dam. We wish you all good luck in the your fight to preserve the benefit of Hells Canyon Dam site. We are behind you 100 percent.

OREGON MACHINISTS COUNCIL,
MILO O. HOLT,
Secretary-Treasurer.

TIGARD, OREG., *July 11, 1956.*

Senator WAYNE L. MORSE,
Washington, D. C.

Honorable SENATOR MORSE: As an Oregon voter I am highly in favor of the high dam on the Snake River for further development of the Northwest and for flood control.

Respectfully,
MARGARET O. PEARSON,
(Mrs. Milford S. Pearson).

CENTRAL LABOR COUNCIL OF LA GRANDE,
La Grande, Oreg., July 11, 1956.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

HONORABLE SIR: We urgently urge that you and all Senators do all in your power to get the Hells Canyon high dam, which is so badly needed in this region.

The Idaho Power Co. years ago started the Ox Bow plant but did not do anything with it, the farmers in that part of the State tried for years to get power for their farms but could not get Idaho Power Co. to do much about it.

We must have the Hells Canyon high dam to do the most people the most good.

Hoping the Hells Canyon high dam federally owned will be approved.

Sincerely yours,
RETTA CAMERON,
Secretary.
W. I. HERRMANN,
Vice President.

CENTRAL LINCOLN
PEOPLES' UTILITY DISTRICT,
Newport, Oreg., July 11, 1956.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: One of the major issues of the day is the Hells Canyon Dam issue.

To remind you of the position of the district in regard to this issue there is enclosed herewith a copy of Resolution No. 190, adopted over a year ago. We are of the same opinion now as then.

Very truly yours,
L. J. BAUER,
Manager.

RESOLUTION NO. 190

Whereas the Central Lincoln People's Utility District has the responsibility of providing electric service to approximately 45,000 people in westen Lincoln, Lane, Douglas, and Coos Counties along the Oregon coast; and

Whereas the power demands of the District's service area during the past 10 years have increased more than tenfold and the present demands are expected to triple in the next 10 years; and

Whereas the demands for increased power supplies are general throughout the Pacific Northwest; and

Whereas the economic development of the Pacific Northwest will inure to the benefit of the entire nation; and

Whereas the full potential economic development of the District's service area and

the Pacific Northwest is dependent upon a continuing, abundant, low-cost power supply; and

Whereas full development of the hydroelectric power potentials of the Northwest are a requisite for a continuing adequate power supply in the area; and

Whereas a Federal high Hells Canyon Dam on the Snake River between Idaho and Oregon is essential for full development of the power potentials of the Snake and Columbia rivers: Now, therefore, be it

Resolved by the Central Lincoln People's Utility District, a municipal corporation of the State of Oregon, That the district go on record as favoring the construction by the Federal Government of the Hells Canyon Dam on the Snake River between Idaho and Oregon as proposed by Senate bill 1333; and be it further

Resolved, That the district's position on Senate bill 1333 be made known to the joint Senate and House Interior and Insular Affairs Committee, the congressional delegations of the Pacific Northwest States, and other members of the 84th Congress, 1st session.

Adopted this 29th day of March 1955.

MILLARD MARTIN,
President.

Attest:

JOHN GREENBO,
Secretary.

ASTACADA, OREG., *July 12, 1956.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SIR: Continue your fight for High Hells Canyon Dam.

Yours truly,

EMMA PARKER.

TIGARD, OREG., *July 14, 1956.*

SENATOR MORSE: We helped you now you help us. We want the High Dam.

Mrs. ALINE JUNG.

PORTLAND, OREG., *July 11, 1956.*

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

DEAR SENATOR MORSE: Your fight to prevent the Idaho Power Co.'s preempting the Hells Canyon Dam site is a very wise and courageous one. Regardless of the outcome you have performed a great service to the people of the northwest, and I think the majority of them appreciate it.

I want to wish you every success in securing the passage of the legislation providing for the full development of the hydroelectric potential of Hells Canyon by the Federal Government.

Sincerely yours,

MILDRED NORMAN.

PORTLAND, OREG., *July 12, 1956.*

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

DEAR SENATOR MORSE: I am aware that you have long advocated the full development of our natural resources for the benefit of all the people—and that you have most vigorously opposed the "giveaway" program of the present administration, including the Hells Canyon Dam site—so asking your support for legislation authorizing the high Federal dam in Hells Canyon is indeed carrying coals to Newcastle.

However, I do want you to know that I strongly advocate the Federal high dam development in Hells Canyon and that I believe the overwhelming majority of the people of the Northwest are in complete agreement with your stand on this issue.

Sincerely yours,

CLAIRE ELLIOTT.

KLAMATH FALLS, OREG., *July 11, 1956.*

Senator WAYNE MORSE,
Washington, D. C.

GREETINGS: I am writing this letter to give you my personal views and to appeal to you for your support in the passage of a high Hells Canyon Dam, constructed by the Federal Government.

It is my opinion a great natural resource such as this should not be given to any private utility or ownership. The people will have to pay for the construction either in consumer prices or by taxes written off to the private concern for the construction of low head dams. I believe the average person would rather have the dam built by the Government and pay for it in taxes or rates.

The construction of a Hells Canyon high dam means more to the future of Oregon, Idaho, and Washington than anything in the foreseeable future.

Therefore I would like to appeal to you as a representative of the people to do your utmost to see the passage of any legislation which may come before your body favoring a high Hells Canyon Dam.

With best wishes, I remain,

Sincerely yours,

H. W. WAITS, Jr.,
Business Representative, Local Union 191, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

TIGARD, OREG., *July 18, 1956.*

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

Our wishes and prayers with those of thousands of people are with you in your effort to save our God-given heritage.

WASHINGTON COUNTY
JANE JEFFERSON CLUB,
ADA NIVA.

LOS ANGELES, CALIF., *July 10, 1956.*

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

Urgently request your support on the national Hells Canyon project which is to be voted on within a few days.

P. A. JUDD,
Secretary, Western States Conference of Operating Engineers.

KLAMATH FALLS, OREG., *July 12, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

The Klamath Falls Central Labor Union AFL–CIO and its approximately 25 affiliated local unions favoring the Federal construction of the high Hells Canyon Dam for the past several years and urge your support in passage of such bills as are before your body to bring this about.

ALMA SWEETMAN,
Secretary-Treasurer, Klamath Falls Central Labor Union.

KLAMATH FALLS, OREG., *July 12, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

The Plumbers and Steam Fitters Local Union 191, AFL–CIO, of Klamath Falls, Oreg., has instructed me by a unanimous vote to go on record as favoring a high Hells Canyon Dam constructed by the Federal Government. We urge your support of any such bills that may come before your body.

H. W. WATTS, Jr.,
Business Manager, Local Union No. 191.

KLAMATH FALLS, OREG., *July 12, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

As a representative of the Klamath Falls Building Trades Council, composed of 21 affiliated unions, I am requesting your fullest support of the pending Hells Canyon federally constructed dam on the Snake River.

This dam will be built with taxpayers' money whether built by public or private interests, so it should be federally built, so the cost and maintenance will be returned to the Federal Treasury. If built by private interests the cost and maintenance will be added to the consumer bill, so the consumer will be losing a natural resource that should be held in trust for the people of this Nation, instead of being turned over to the big electric corporations to exploit at the expense of the public.

EARL F. SWEET, *Secretary.*

KLAMATH FALLS, OREG., *July 12, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

I am instructed by the members of Laborers Union, Local 1078, to urge your fullest support of the Hells Canyon bill about to come up for vote in the Congress and Senate. We as electric consumers, paying the highest rate in this State, are concerned with the prospect of the last great dam site being turned over to the electric corporations to exploit at the expense of the people of Oregon.

As a Federal dam the project will return its cost to the Federal Treasury with interest, and still afford a lower rate to the consumers of this State.

EARL F. SWEET,
Secretary.

TIGARD, OREG., *July 18, 1956.*

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

We pray that what God gave us Congress will not give away. Good luck.

Mr. and Mrs. ALBERT NIVA.
IDA ANDERSON.

INDEPENDENCE, OREG., *July 18, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

We want to let you know we are backing you up for the high Hells Canyon Dam.

Sincerely,

Mr. and Mrs. L. O. BUCKNER.

COOS BAY, OREG., *July 17, 1956.*

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

At meeting last night southwestern Oregon Central Labor Trades Council voted unanimously to request that you support the Senate bill 1333 for a high Hells Canyon Dam.

C. P. GLASS,
Secretary.

BAKER, OREG., *July 17, 1956.*

Senator WAYNE MORSE,
Washington, D. C.:

We urge you to vote for Hells Canyon high dam.

HAL PERSHALL.
ERMA PERSHALL.
ETHEL PIPER.
JOHN TOMPKINS.

PORTLAND, OREG., *July 12, 1956.*

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

DEAR WAYNE: Best of luck in your efforts to obtain authorization for construction of a high Federal dam at the Hells Canyon site on the Snake River.

Favorable action must be taken by this session of Congress or this valuable resource will be forever lost to the people of America.

Sincerely,

URSEL C. NARVER.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
UNION NO. 190,
Klamath Falls, Oreg., July 11, 1956.

Senator WAYNE MORSE,
Washington, D. C.

Greetings: This letter is written to advise you of my personal opinions and views on the Hells Canyon controversy. Quite some time ago I wrote a resolution urging the Congress to adopt a bill authorizing the construction, by the Federal Government, of the high dam at Hells Canyon, a copy of which was sent to you in April of 1955, and which Senator NEUBERGER had printed in the RECORD, shortly thereafter.

All our members are in favor of this move and believe that much of Oregon's future will be involved in this matter. We feel that such a natural resource as this should not be given to any private ownership but should be developed by the people. After all, the total costs of the project must be borne by the consuming public, whether charged to us as rates or in taxation, we will still pay the bill. Therefore, we again urge you to vote for the passage of such bills as may be before you to authorize Federal construction of this great asset.

Sincerely,

C. D. LONG,
Business Representative.

OPHIR GRANGE, NO. 767,
Ophir, Oreg., July 12, 1956.

United States Senator WAYNE MORSE,
Senate Chambers,
Washington, D. C.

Ophir Grange, No. 767, still supports the Hells Canyon Dam bill, now before Congress, and will give full support to any action to get this bill passed.

This is the key to the full use of power, at a price we can afford to use, and a full development of the program for the Columbia River.

Sincerely,

RUTH M. MOORE,
Secretary.

BAKER, OREG., *July 12, 1956.*

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

DEAR FRIEND: I wish to compliment you on your stand on S. 1333, and hope Congress will pass it this session. I hope this letter will help you in the cause.

We need the full development of the Columbia River system, and it is not electric power at any price, but power at a price that industry can afford to use that we have got to have.

Yours for full utilization of the resources of the Northwestern United States of America.

FRED J. SCHUETZ,
Farmer near Baker, Oreg., and Baker County Grange Deputy.

INTERNATIONAL HOD CARRIERS' BUILDING AND COMMON LABORERS' UNION OF AMERICA,
La Grande, Oreg., July 14, 1956.

Senator WAYNE L. MORSE,
Washington, D. C.

DEAR SENATOR: The majority of the citizens in the Northwest want and need the high Federal dam in Hells Canyon. We stand behind you in your fight to preserve same.

Keep up the good work.

Respectfully yours,

WILLIAM I. HERRMANN,
Secretary, Local No. 1368.

OPHIR, OREG., *July 12, 1956.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: The people of Oregon are looking to you and our other Representatives to do everything in their power to get the bill passed for Hells Canyon Dam. It's the key to the full development of Columbia River, and we in southwestern Oregon are as interested in the passing of this important bill as any legislation before this session of Congress. Oregon can ill afford to be deprived of a dam which can mean so much to every citizen of the State. With every good wish,

I am,

Yours respectfully,

FRED W. ADAMS.

SHERWOOD, OREG., *July 12, 1956.*

DEAR SENATOR MORSE: I heartily approve your stand on the Hells Canyon issue. More power to you.

Yours truly,

Mr. and Mrs. ANTON HORTON.

PORTLAND, OREG., *July 13, 1956.*

Hon. WAYNE MORSE,
United States Senator,
Washington, D. C.

DEAR SIR: The high Hells Canyon Dam is a structure dearly necessary for the future of our western country. We have large areas of land, sparsely settled, and the high Hells Canyon Dam will be of great benefit for the West, and for our whole country. We are asking that you give your fullest endeavor in passing Senate bill S. 1333.

Very sincerely yours,

Mrs. ELFIE WIDMER.

PORTLAND, OREG., *July 12, 1956.*

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

DEAR SENATOR MORSE: I know you are working just as hard as you possibly can for the passage of the Hells Canyon Dam bill and I want you to know how much I admire the work you are doing.

I am certain that, like me, the majority of the people in the Northwest are hoping and praying that your efforts will meet with success.

Sincerely yours,

OLGA M. WILSON.

PORTLAND, OREG., *July 12, 1956.*

Senator WAYNE MORSE.

DEAR SIR: Do us a great favor and vote for the Hells Canyon Dam bill.

Mr. and Mrs. A. J. JORDAN.

PORTLAND, OREG., *July 13, 1956.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: As time draws nigh for voting for the high Hells Canyon Dam it behooves us to consider the weight of the proposition.

That dam was thought of far back in F. D. R.'s time. Our engineers had seen that such a dam was the logical thing that should be done next. It has been waiting for a long time. Our country needs it. Let our Western States have something that will build up our vacant lands for a vaster population.

The States of Oregon, Washington, and Idaho need the high Hells Canyon Dam because of its ability to give our people, home folks and business folks, electricity at a rate which we can pay for the long run. High Hells Canyon Dam will build up the Northwestern States in the quickest and surest way, in a boost that will redound to all the West, and the whole country. Surely our statesmen cannot overlook such a clearcut and needful proposition.

We ask your fullest endeavor in passing the bill in the Senate, S. 1333.

Most sincerely yours,

EDWIN WIDMER.

PORTLAND, OREG., *July 12, 1956.*

Hon. WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: Good luck in your, and our, fight for Hells Canyon Dam—a high dam.

Sincerely,

CLAIR E. ELLIOTT.

PORTLAND, OREG., *July 13, 1956.*

Hon. WAYNE MORSE,
Washington, D. C.:

As a member of Friendly Grange, No. 897, Portland, Oreg., I urge your support of a high Hells Canyon built by the Federal Government.

The future of the Northwest is at stake.

Yours truly,

FRANK L. BUEHLER.

PHILOMATH, OREG., *July 15, 1956.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

The Wren Farmers Union is vitally interested in a multipurpose high dam at Hells Canyon. We urge you to present our case before the Senate. We appreciate your past efforts in our behalf.

Mrs. J. R. GRAHAM,
Secretary-Treasurer, Wren Local,
Corvallis, Oreg.

LANGLOIS, OREG., *July 15, 1956.*

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

Sixes Grange in meeting tonight heartily backs you in your support of Hells Canyon bill.

SIXES GRANGE,
C. H. BROOKS,
Legislative Chairman.

PORTLAND, OREG., *July 13, 1956.*

Senator WAYNE L. MORSE,
Senate Office Building:

Full development of power, flood control, reclamation, irrigation, navigation, conservation and recreation in the Pacific Northwest depends upon the enactment of legislation providing for Federal construction of a high, multipurpose dam in the Hells Canyon reach of the Snake River. The high dam proposed by S. 1333 and the companion bill in the House is an integral part of the main control plan submitted by the Army engineers in their 308 report. We urge your support of this legislation on behalf of thousands of workers and their families in Oregon, Washington, Idaho, California and Montana.

JAMES E. DICEY,
Vice President, International Woodworkers of America.

BLOOMINGTON, ILL., *June 28, 1956.*

Senator WAYNE MORSE:

Please tell us the reason this administration has fought to keep the Government from building the Hells Canyon Dam? Which the Pacific Northwest seems to be needing so bad.

They didn't try to stop the Government from building the dam in Colorado. Why?

A. E. MAYER.

SHERWOOD, OREG., *July 11, 1956.*

Senator WAYNE MORSE,
Senate Office Building.

DEAR SENATOR MORSE: Hundreds of us are watching with great concern the outcome of the struggle you and DICK NEUBERGER and others are waging to save Hells Canyon for the people. I was raised at the head of the canyon in Weiser, Idaho, and I know something of the importance of this wonderful site for purposes of irrigation, reclamation, and recreation, in addition to the power.

Best wishes for success and my personal gratitude to both you and Dick for your courageous stand.

ALICE (Mrs. Alfred) TAYLOR.

OREGON GRANGE BULLETIN,
Portland, Oreg., July 12, 1956.

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

DEAR SENATOR MORSE: Anything less than maximum development of our natural resources is a disservice to the people of America.

Failure to enact legislation authorizing the high Federal dam at the Hells Canyon site by this session of Congress will invite the building of three inadequate dams there by the Idaho Power Co. which will stand forever as symbols of the stupidity and greed of our generation.

Let's do the job that needs to be done now.

Good luck.

Sincerely,

BEN BUISMAN,
Editor.

OREGON VOTED AGAINST COMPANY LOW DAM SCHEME

In 1948, the voters of Oregon rejected senate bill 99 in a referendum which was fought out on the basis of the high dam versus the Idaho Power Co.'s Ox Bow Dam proposal. This is how the Oregon Voter, which favored Senate bill 99, characterized the issue in 1948:

"The development which precipitated the proposal embodied in senate bill 99 has been the wish of the Idaho Power Co. to obtain a license and build a $15 million to $28 million powerplant at Ox Bow, Baker County, beside a wing dam on the Oregon side of the Snake River. This power company's representatives lobbied at Salem for the bill. The unfortunate feature of this circumstance is that it particularly affords opportunity for public ownership crusaders to assail the measure as a power-site grab. They are enabled to assert that little else than the selfish motives of the Idaho company would be served.

"BROAD INTERESTS AT STAKE

"During the campaign much will be heard of a selfish purpose of this particular company to 'stop forever the Federal Government from building Hells Canyon Dam—a project bigger than Boulder Dam.'

"The building of Hells Canyon Dam, another monolithic river barrier like Grand Coulee, cannot be advocated as wholly wise and in any event belongs in the remote future. Hydroworks at Ox Bow could be of great usefulness over a considerable period of time before hundreds of millions of dollars are dumped into Hells Canyon, if ever.

"If the voter prefers to look as Senate bill 99 in the narrow view, as some cliques do, then he may perhaps in good conscience but unwisely vote "no" on the measure in November. It is to be hoped that a majority of electors will take the broader view of Oregon's possible development which was taken by 70 of the State's 90 legislators and will vote to remove the out-of-date hampering restrictions which preclude licensing and useful development of new hydroprojects."

The people of Oregon rejected Senate bill 99 by a vote of 242,100 against and 173,004 for it. In 35 of Oregon's 36 counties a majority were against Senate bill 99.

WASHINGTON SUPPORT CLEAR

The pattern in Oregon and Idaho is repeated in the State of Washington where the Grange, labor, and many other groups favor Hells Canyon Dam on the basis of the votes of their membership.

HOTEL ROBERTS,
Provo, Utah, July 8, 1956.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: Many people, regardless of party affiliations, are aware that a fundamental principle is involved in the Hells Canyon controversy. As I see it there is no basic difference between the Colorado River system and the Columbia River system or that of any other large river system rising in and flowing through several States. I have always believed that our streams, particularly the larger rivers including their watersheds, should remain in Federal ownership to be developed and administered by the Federal Government for the benefit of all the people.

The Federal Government is the only agency that can qualify to carry out a coordinated plan of development and operation for these rivers. The Federal Government is the only agency that has the political and financial strength to do this job as it should be done. The Federal Government is the only agency that can properly represent all the people and see that justice is done in handling these vast natural resources that are worth many billions of dollars.

When private monopolies take over the job is not being done by the people or for the people. These rivers belong to the public in the first place. The public should in no way be done out of this heritage. It is my opinion that no private monopoly should be permitted to get any kind of a hold on these publicly owned resources, our rivers and forest watersheds.

Countless private interests will be better served if private monopolies are not permitted to tie up and foul up these river systems or in any way interfere with a comprehensive overall plan of development and administration. It has already been demonstrated that these so-called socialistic developments have aided every private enterprise in the areas served and these benefits extend to include the entire national welfare. They are all paying off both directly and indirectly in a big way.

It is essential that each river system be developed and administered in accordance with an integrated and coordinated plan. Much has been said about saving money for the taxpayers by turning Hells Canyon over to a private monopoly. Much has also been said about the taxes that private utilities pay. The same arguments were used against the Boulder Canyon project. In fact, a low privately owned dam was recommended by some instead of the Federal high dam that was eventually built. We all know that taxes paid by private utility are made a part of their rate base and charged to the consumers of electrical energy.

It was also argued that this socialistic power development on the Colorado would ruin the Southern California Edison Co. On the contrary, the Southern California Edison has been greatly benefited. First, in being able to buy a billion kilowatts a year from Boulder and, second, by the great economic boost that these socialistic developments on the lower Colorado have given all business and industrial activities in southern California.

It is true that the whole Colorado drainage needs more water and that water conservation is, therefore, extremely important in this area. Power generating is secondary on all smaller reclamation projects in Utah, but on the larger developments electric power will far exceed sale of water as a revenue producer.

We feel that Utah's congressional delegation has done a great job in securing approval of the upper Colorado and central Utah project, but many of us do not agree with their thinking on Hells Canyon.

I am writing you because a great many people believe that you have a clear picture of this situation and that you will lead in the fight to protect the interests of the entire public in shaping river legislation.

Best wishes.

Respectfully yours,

MARK ANDERSON.

PEOPLE OF PACIFIC NORTHWEST KNOW VALUE OF MULTIPURPOSE DAMS

Mr. MORSE. Mr. President, vigorous debate in the Pacific Northwest has convinced most people there of the superiority of Hells Canyon and its place in comprehensive plan for multipurpose development of the water-rich Columbia Basin.

Moreover, they have the examples of the great multipurpose dams such as Grand Coulee, Bonneville, McNary, and others which have proven great national and regional assets for defense and economic development. They cannot be fooled into believing that smaller dams with one-fourth the water storage, one-half the power potential at almost three times the cost at market and a fraction of the conservation benefits of Hells Canyon are somehow more desirable.

Even newspapers which are not strong supporters of Hells Canyon deplore the absurd propaganda against Hells Canyon, as an editorial on July 5, 1956, of the Portland Oregonian shows.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

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

PHONY TAX ARGUMENT

We have no patience with the kind of attack on a proposed Federal dam in Hells Canyon of the Snake River being conducted by the Council of State Chambers of Commerce and injudiciously assisted by such local organizations as Oregon Tax Research.

The council has broadcast over the country a table showing an assumed cost of $508,300,000 for the Federal Hells Canyon project as allocated to each State on the basis of its respective share of the present Federal tax revenues. By this means is shown the tax cost of each State for Hells Canyon, ranging from $762,450 for Maryland to $75,990,850 for New York.

Oregon Tax Research not only circulates these figures but includes a reprint of an editorial in the Oklahoma City Times headed, "Oklahoma, Can You Spare $5 Million?"

This is a disservice to the Northwest and the Nation which can scarcely be explained by politics or tax conservation. Carried to its logical conclusion, this line of argument is that multiple-purpose projects have no benefit to the Nation as a whole; that there is no repayment of Federal investment in such projects; that natural resources must be developed solely by private investment.

Leaving aside the advisability of Federal or private construction of dams in the Snake, does Oregon Tax Research intend to say that the Federal Government should not have built Bonneville, Grand Coulee, Chief Joseph, McNary, The Dalles, Detroit, Lookout Point, and other great multipurpose projects which now are the backbone of the Northwest's economy? Does this agency dispute the Eisenhower administration's formula for repayment of 93 percent of the costs of McNary and similar dams from revenues of power sales? Does it assert that Oklahomans have no responsibility to contribute taxes to flood control in Oregon, and Oregonians no responsibility to help pay for flood control in Oklahoma?

In singling out Hells Canyon to raise the false issue of tax burdens by States, the

Council of State Chambers of Commerce offers the same phony and emotional argument for use against other proposed Federal projects in the Northwest. These figures are not new. They were entered into the CONGRESSIONAL RECORD last year. They can be used as an excuse for voting against a Federal dam at John Day, should the partnership bill not be approved.

Whatever agency wins in Hells Canyon, this line of attack is negative, defeatist, and harmful to the Northwest's interests. It is also misleading, because it does not consider repayment from power revenues, and because it fails to recognize the national interest in power, flood control, navigation, and irrigation.

CANNED EDITORIALS AGAINST HELLS CANYON

Mr. MORSE. Mr. President, the "Phony Tax Argument" is the basis for a series of editorials and articles against Hells Canyon put into the RECORD on July 11, 1956.

The remarkable part of these editorials and articles is not merely the similarity of the arguments—mainly the tax gambit—but the repetition of precisely the same language.

So, for example, the editorials from the Evansville (Ind.) Courier and the Biloxi (Miss.) Herald are verbatim the same. One is not copied from the other for they both appeared on June 23.

Five paragraphs from both of these editorials are reproduced almost verbatim in the June 23 Camden (N. J.) Courier-Post. Clearly this is a boilerplate editorial. Perhaps the three newspapers have common ownership or merely a common source of editorial inspiration.

In any event, they are wrong in their facts. As an example they are so uninformed and misinforming as to state that the smaller company dams "would flood the site of a larger, higher dam in Hells Canyon." In order for that to be true, the Snake River would have to flow opposite to its present direction.

The Cleveland Plain Dealer and the Beckley (W. Va.) Post Herald also are in the business of copying misinformation. They claim that the estimated cost of the high dam—and they overestimate it to begin with—"will probably double this figure if the experience of other Government dams holds true."—Beckley editorial; similar statement in Plain Dealer. If these papers were not reproducing predigested misinformation, they would know that the most recent experience at Hungry Horse, McNary and other Federal dams is that new methods have reduced the actual cost below the estimates.

It is unfortunate that these papers, whose editorials were placed in the RECORD on July 11 for the edification of the Senate, have subordinated fact to advocacy.

HIGH HELLS CANYON IRREPLACEABLE; COMPANY HAS OTHER SITES

There are only a few sites at which feasible multipurpose high dams can be constructed. Of these, Hells Canyon is the best of those remaining in the United States. If its water storage, so vital to flood control and downstream power output, is lost, it cannot be replaced.

That is not true of the company's smaller dams. Just a few days before Secretary of Interior McKay withdrew from the FPC case on May 5, 1953, just before the company filed its two additional dam license applications for the Hells Canyon reach, the following report appeared in the Ontario (Oreg.) Argus-Observer on April 23, 1953:

"The Idaho Power Co. plans to begin building a $15 to $20 million dam within the next few months," A. C. Inman, attorney for the company, told the Ontario city council Monday night.

Robert Ball, assistant to the president of the company, verified the statement to the Argus-Observer Wednesday.

Ball said that the demand for power was so great that the company would soon need to build another dam. He said that the company hoped the Federal Government would approve the Oxbow site but if it did not, the company had other sites nearer the head waters of the river.

This is borne out by the fact that the Idaho Power Co. has filed requests for other dams with the State of Idaho at three other upriver sites: Eagle Rock (near American Falls Dam), Guffey (near Murphy, Idaho) and upper Bliss (near the company's present Bliss power site).

The high Hells Canyon site is irreplaceable. If it is not developed to its full economic capacity for flood control, power at site and downstream, conservation and recreation, navigation and aid to irrigation, the loss to the Pacific Northwest and the Nation will be permanent.

At his confirmation hearing, Secretary of Interior Seaton indicated he was not free to reach an independent conclusion on Hells Canyon but had to be guided by administration policy.

The elected representatives of the people in Congress have the obligation to exercise their independent judgment on the facts and the record. The superiority of the high dam is clear.

History will not honor narrow partisanship on this issue. It will not honor a concept of "team play" that calls for sacrificing the greatest remaining damsite for permanent underdevelopment.

The vote on Hells Canyon may well turn on whether party or the public welfare is to be given priority by each individual Senator.

Mr. President, I am proud to submit my record, not only to the Senate, but to the people of my State and to the people of my Nation. It is the position I have taken over these many years in support of the high dam at Hells Canyon. It is a position which has sought to put into legislative effect a great principle on natural resources which I believe should guide us, namely, that as elected representatives of a free people we should try to carry out our trusteeship obligation, so that future generations of American boys and girls will receive those natural resources handed down to them in a better condition than that in which we found them.

That is basically the issue over Hells Canyon.

Mr. WELKER. Mr. President, I trust my distinguished colleague, the senior Senator from Oregon, the author of this bill, will extend to me the courtesy that I have extended to him by remaining in the Chamber and listening to my remarks.

The senior Senator from Oregon is a kindly man. He has been my personal friend for many years. He has been a law professor, and the dean of the law school at the University of Oregon. He is without doubt an outstanding debater. However, I venture to say, in my humble opinion, that I have probably tried more law suits than he has.

Without rancor or bitterness, I wish to discuss a few of the legal principles involved in this case, as applied by the dean of the law school, to which I disagree.

I attended law school, and I graduated from the University of Idaho. I have had differences with law deans and law professors, and I shall continue to have difference with them. I believe there is no substitute for experience in the actual trial of law.

Thus based upon my experience I must say I have noted that the senior Senator from Oregon is quite an expert in the field of criminal law. He said the great State he in part represents and the United States Government have had a crime perpetrated upon them.

Without rancor or bitterness, I believe I can say I know where all that propaganda has come from. I have listened to it for nearly 6 long years. It is a part of the same theme.

I should like to ask the senior Senator from Oregon, who is a reasonable man, If he, the Mike Strauses, and the Chapmans, who advocate law and order so strongly, felt that a grievous crime had been committed against them, whether for one moment they would have waited for this huge bridge to have been built across the river to Oregon to file a complaint and to prosecute the violators. Certainly if it was so damaging the State of Oregon, if they were truly interested, would have stopped the alleged violation by an injunction or a prosecution.

How ridiculous can we get? How ridiculous can we become? Where have they been all this time, these learned men, who know all about Hells Canyon? Did the fact escape them that this giant bridge, costing a quarter of a million dollars, was being erected? Oh, no. They had their men there. They knew about it all along. They never said that the State of Oregon had had its laws violated, or that the Federal Government had had its laws violated. That is mere hogwash, pure and simple in the opinion of the Senator from Idaho. Otherwise, they would have had the representatives of the Idaho Power Co. arrested and indicted, or had an injunction granted against this company before this huge interstate bridge was completed.

Is there any criminal prosecution pending now? What was done to be a crime must have been done willfully and maliciously. I believe the senior Senator from Oregon knows that there was no willful or malicious intent involved. I am not about to say these people committed a crime. In fact I say this accusation is just a bit more of politics injected in this case.

At the outset, Mr. President, let me say that I am not, nor have I ever been, with one sole exception, in the employ of the so-called vicious Idaho Power Co. In

27 years of practice of the law, which is just about 27 years longer than the senior Senator from Oregon has practiced law, I received from the Idaho Power Co. the tremendous and stupendous sum of $15. I was paid that fee for the examination of an abstract on a piece of property at Cambridge, Idaho. Perhaps if there had been any other attorney in my hometown, I would not have been given that business, I never had their business. I do not have it now—nor do I ever expect to be their lawyer.

Incidentally, the little city of Cambridge, Idaho, where I was born, is thriving as a result of the free enterprise business which has come to it from the building of the road that winds down to the place on the river where the Brownlee Dam is being constructed. Much material is purchased there, many of my old friends are employed at this dam—not only from Cambridge but from all over Idaho and Oregon.

I have seen some crocodile tears shed, and I have heard some vicious accusations made against the terrible Idaho Power Co. because it had been granted tax amortization. I wonder what the senior Senator from Oregon is going to say when I quote to him a little item which was printed in one of the great newspapers of the United States. I quote from the Wall Street Journal, not of 5 years ago, not of 3 years ago, not of 2 days ago, but of today. I will ask the senior Senator from Oregon to pay attention to this. I wonder what he will have to say about this tax amortization item I am about to quote to him from the Wall Street Journal. This is a very significant statement:

> The Harvey Machine Co. completed arrangements to finance construction of a $65 million primary aluminum plant at The Dalles, Oreg.

I digress to say that The Dalles, Oreg., is on the Columbia River far below Brownlee, or Hells Canyon.

I continue to read from the Wall Street Journal:

> The company has borrowed $44 million for the project from the Bank of America, Chase Manhattan, and the First National City Bank of New York. The Government is guaranteeing 95 percent of the loan and will allow—

Please follow me on this—

> and will allow the vast amortization of 85 percent of the plant's cost. Harvey will become the fifth United States producer of primary aluminum Others are Alcoa, Reynolds Metals, Kaiser Aluminum, and Anaconda Co.

Mr. President, I suppose the Senator from Oregon will scream even more loudly with respect to the vast amortization of the Harvey Machine Co. which is going to do business in the State of Oregon than he has about the Idaho Power Co. That is exactly the reason why the Senator and those who have joined him have been screaming to high heaven—not for flood control, not for navigation, not for fish and wildlife, not for recreation, but to drain water from the State of Idaho in order to promote the plants at The Dalles and all over their respective States.

I should like the Senator from Oregon to tell me in the debate tomorrow what he has to say about the Harvey Machine Co. receiving this vast tax amortization, and what is the difference between the grant made to Idaho Power Co. and the Harvey Machine Co.—not an Oregon corporation but I am informed a foreign corporation that the senior Senator from Oregon seems to abhor.

It seems to me, Mr. President, that it all depends on whose ox is being gored.

Mr. President, I wish to refer for a moment to Mr. Blaine Hallock, of Baker, Oreg., now deceased, truly an immortal man, who was a friend of the senior Senator from Oregon, and the greatest lawyer I have ever known. It has been my privilege to practice law in the city of Los Angeles with some very good lawyers and to watch and observe some very famous ones. Blaine Hallock was a great lawyer; I learned a great amount of law from him. He could have taught many of my colleagues something about law. He was on the ground at Baker, Oreg., engaged in the practice of law in that small community, the hotbed of those who advocate the high dam, according to the assertions of the proponents of the bill. Blaine Hallock had these significant words to say:

> It will serve so many purposes and will serve those purposes that are incidental to other purposes, and when we boil it all down we find that the only purpose it will serve will be the generation of electrical energy, and the purposes incidental to those purposes are incidental to the generation of the same energy. We have thrown in here some suggestions about flood control and about recreation. There is no semblance of flood control about this proposal, and, so far as recreation is concerned, they are going to destroy it completely.

That great lawyer from Baker, Oreg., who passed on a few years ago, further stated in opposition to this so-called Federal dam, and referring to a speech made by the senior Senator from Oregon in Chicago, stated, on page 564 of the hearings of 1952, as follows:

> Now, in that speech, about the only other thing that the Senator had to say with respect to the program of the Idaho Power Co. was this. He said:
>
> "When we build Hells Canyon Dam we will drown out all of the dams, the other five dams that the Idaho Power Co. wants to build."
>
> And that seemingly was treated as a valid and convincing argument, but it occurred to me, as it must have to all of you, that you can drown out every hydroelectric dam in the Northwest, if you just go down the stream a little farther and build another dam a little higher. We can drown out this 700-foot Hells Canyon Dam if we want to go down the canyon a little ways and build one 1,000 feet high, and for that matter, if we are interested in that question of whether or not a Federal dam will drown out the dams of the private power companies, we can go down to Bonneville or Cascade Locks, where those mountains tower thousands of feet high, pushing themselves right up against the Columbia River, and we can drown out every hydroelectric plant in the State, so surely there can be little merit to the argument that if the Idaho Power Co. develops the resources of this river by a series of low dams, the Government is going to have to come along and drown them all out.

Mr. President, we are told that the Hells Canyon Dam will be a multipurpose dam. I challenge that statement. In doing so I shall stand upon the record, and I expect to prove my statement.

Mr. President, I was born and raised within 20 miles of this place at which I am pointing on the map, and I know more about it than do the senior Senator from Oregon and any other advocates or sponsors of this bill.

I asked the senior Senator from Oregon a while ago whether he had ever been to Hells Canyon. He told me he had been, three times. I asked him how, and he told me he had flown over it in an airplane.

Mr. President, the recreation feature which it is supposed would be created by the high dam is absolutely nil, fictitious, and false. It might be able to catch there a few frogs or a chub or catfish or two, but that could also be done in the smaller private-enterprise lake. All around this area at which we are looking, there is nothing but bunchgrass on which sheep and cattle have a hard time even to stand. Splendid grazing indeed but recreation no. It is the deepest gorge on the continent. There is not one place in the picture to which I am pointing where any person could participate in any recreational activities.

Suppose the high dam had created this vast lake and the generators were turning, and suppose, Mr. President, that we took a rowboat for a little ride on that big pond. It is very likely that before we got back from whence we started we would run into something like 40 miles of mud flats. We would see the walls of the canyon straight up and down, sheer walls of solid rock—not a fit place for recreation—caused by necessary use of the water going through the turbines of the Federal dam in order to have it produce its necessary power output.

As to wildlife, in the dead of winter, without a doubt there is in that area some of the best deer hunting to be had in all the world. But unfortunately the deer season is closed at that time. Furthermore, I do not know of four human beings who would have the strength to walk a quarter of a mile on the ridges to which I am pointing in this picture. That disposes of the plea for fish, wildlife, and recreation.

The proponents of the measure refer to the project as a multiple-purpose dam. Aside from power development, flood control is the only purpose which they can advance to try to make us believe this would be a multiple-purpose dam. All the other purposes fall of their own weight.

Navigation? What is meant by "navigation"? I venture to say that, if the Federal dam were built, the only person who could navigate upon the stream would be some idiot, who might get into a rowboat and paddle back and forth; and the only thing he could haul in his attempt at navigation would be a coyote or a gopher. There is nothing else there. Oh, yes; some sagebrush, but that is about all.

So let us forget the sales talk which has sought to make the people of my hometown of Weiser believe their town will be another Pittsburgh—another sea-

port—with ocean liners coming up to it. Actually I have heard many of my friends who thought this navigation tale would make southwestern Idaho have cheap waterway straight to the sea.

What do the proponents of the high dam mean by "navigation"? They mean only that the water of the State of Idaho would be used to firm up the stream below, in order to permit some navigation at Cascade locks, on the Columbia, and Snake into Lewiston, Idaho. But there it would end.

So let us take the mask off the fictitious thing called "navigation." To say there would be navigation is ridiculous and absurd in the extreme.

Mr. President, I have listened to the argument about God having put the water there for the benefit of everyone, and to the statement that it should not be destroyed but should be kept for the benefit of present and future generations. I wonder how far one can go in this matter. Is it not true that God Almighty created the sun, which causes the grass to grow? The grass in turn feeds the cattle.

Let us go further. I believe God Almighty created the forests, too. I believe He put the minerals and the metals into the bowels of the earth.

If we are to adopt the philosophy that the water is to be used for the benefit of everyone, why should we stop with the water? Why not have the Government take the mines, the forests, the cattle lands? Why not go all the way? Mr. President, what upon this earth did God Almighty not create? Should the Government take it all over?

This is not a question of public versus private power. Certainly public power has its place; and the many millions of dollars which the Government has spent in the last year are the best evidence that public power will always thrive even though private enterprise is allowed to construct those projects which it can and is best adapted to handle.

I wish to trace exactly what the proposed Federal monstrosity will do for my State of Idaho. As I said on the floor of the Senate in a speech last Monday, if I failed to stand up and say everything I could on behalf of the great State of Idaho, how could I go home and look my people in the eye? How could I say that I represented the people of Idaho with honor, dignity, or courage? If I failed to protect my State as best I could I should not be here in these sacred chambers. I would be not deserving of the honor my State has bestowed upon me.

I expect to take the mask off the proposal and state exactly what the States of Oregon, Washington, and Idaho want to do. The Governors of those States—each and all of them—have opposed the proposed Federal monstrosity. Remember that, Mr. President. The people who live in that area at the grassroots have opposed it, and they will continue to oppose it. Yes, the Governors of the three States affected are against the proposed Federal project.

Oh, the people there so urgently demand a Federal dam; do they? What about the great Representative COON, of Baker County, Oreg., which is in the shadow of the proposed Federal dam? He confronted the voters face to face. He campaigned in opposition to the Federal project, not once, but twice; and, in western language, he beat their brains out every time. He will beat their brains out again, come November.

What about the State of Idaho? My distinguished colleague, the senior Senator from Idaho [Mr. DWORSHAK], who sits at my right, opposed the Federal project. He received the largest majority of votes ever recorded for any candidate in the history of Idaho, even including the fabulous immortal, William E. Borah, who was our great Senator for so many years.

What about Representative BUDGE, a great Member of the House of Representatives from the Second District of Idaho? In a wide-open campaign he opposed the project. He knows more about the whole Hells Canyon issue than do all the other Senators and Representatives I know. He has spoken long and firmly upon this matter. Representative BUDGE, by the same token, also received one of the largest majorities ever received by any candidate in a congressional election because of his opposition to the bill.

Oh, yes, Idaho has a lady Representative from the First District. But compare the number of votes which she received with those received by Representative BUDGE. Compare the number of votes which she received with those received by Governor Smylie, who also ran 2 years ago and overwhelmed his opposition. She received a mere handful of votes in excess of her opponent. She was very, very lucky to get in under the wire.

I may say, Mr. President, that I had had very little experience in the field of politics when I first ran for the Senate. I recall that I prepared a little half-cent postal card, asking the people to support me—the first statement on it was that I was opposed to the Government going into the power business or any other kind of business—the record will show that the junior Senator from Idaho, HERMAN WELKER, received one of the largest majorities in the history of Idaho on his first time out. This is an indication, Mr. President, how popular this issue is in Idaho.

The only place where it has any popularity is in the Chamber of the Senate, where it is used as a campaign vehicle, and nothing more.

I now wish to discuss what the bill will do to my State, and I hope Senators will bear with me. I am continually astounded by the errors in facts and figures with which the advocates of the high Hells Canyon Dam attempt to sell their bill of goods to Congress and the people.

There are two important questions about which I should like to talk.

First, how much more storage is actually needed on the Snake River, above the mouth of the Salmon and the Clearwater; that is, in the Hells Canyon area, and on all of the river and its tributaries upstream from Hells Canyon?

Second, how much storage can reasonably be filled, in good water years and bad, in the Hells Canyon area of the river? Let us remember that it is the bad water years, when the river is running low—and there are many of them—when water to fill the reservoir for power down at Hells Canyon would be needed most; let us also remember that it is those same low water years—and sometimes there are several of them in succession—when the farmer needs to take that same water out of the river upstream to fill his irrigation reservoirs, and store it, and hold it back so that it cannot flow down to Hells Canyon. That is where the conflict exists between Hells Canyon power and upstream irrigation needs in southern Idaho and eastern Oregon, and the Idaho farmer knows it is a serious conflict indeed.

How much storage is needed on the middle and upper Snake? Is it the 3,880,000 acre-feet to which the Hells Canyon advocates point with pride?

The Army says not. Both at the Federal Power Commission hearing, and in other documents, the Army says that 2,300,000 acre-feet of additional storage would be desirable—not necessary, mind you, Mr. President, but desirable—on the Snake River above the Salmon. According to their testimony before the Federal Power Commission, that is all that they assigned to the Hells Canyon project—not 3,880,000 acre-feet, but 2,300,000 acre-feet.

Does that 2,300,000 acre-feet have to be in the Hells Canyon reach of the river? Of course not, and in fact, it should not be. A part of it is badly needed far upstream, where additional storage would serve both irrigation and flood-control needs. In that area, damaging floods occur every year; there irrigation water storage is needed, not only for new lands, but to provide an adequate supply for lands already under cultivation; and there crops are lost in many, many years because there is not enough water to go around for all the land.

Has the Army Corps of Engineers opposed the licensing of the three dams which are proposed in the Hells Canyon area? No, it has not, and the record is clear on that point. Instead, after studying the Brownlee reservoir, with its 1 million acre-feet of usable storage, which will be provided without cost to the United States, the Army filed its recommendations with the Federal Power Commission as to how the 3 dams should be operated for the best flood-control protection. The Commission adopted these recommendations verbatim, and made them a part of the license requirements—article 42. The evidence shows that when the three smaller dams are operated under the Army's main control plan—as they have to be under the FPC license—they will provide substantially the same flood-control benefits as would the half-billion dollar Government dam, only at much lesser cost, and with no cost or investment at all by the United States.

To illustrate some of the points that I am going to make, and to give a better idea of the geography of this fine section of our country, I have in the Chamber a map of the Pacific Northwest. It is an enlarged copy of the map presented before the Federal Power Commission in the Hells Canyon case. It shows the

three Pacific Northwest States—Washington, Oregon, and Idaho—and those portions of Montana and Wyoming which are a part of the Columbia River drainage area. It shows the Columbia River and its tributaries. The various markings on these rivers are existing or proposed dams for the development of power, and storage of water, or both.

I now point to the Snake River as shown on the map. It commences in Wyoming, at Jackson's Lake, and winds through the southern part of the State of Idaho——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WELKER. I shall be happy to yield.

Mr. JOHNSON of Texas. I wonder if the Senator will consider yielding to me for the purpose of laying aside the pending business and proceeding to the consideration of the Hells Canyon bill, and carrying it to the third reading, with the understanding that, with the consent of the Senate, the Senator will not lose his rights to the floor, that he may complete whatever speech he has planned for this evening, that his colleague, who will be recognized following him, may complete his speech, and that then the Senate will recess until 9:30 o'clock in the morning?

Mr. WELKER. Is the Senator from Arizona going to speak tonight?

Mr. JOHNSON of Texas. Not that I am aware of.

Mr. WELKER. He is on the list.

Mr. JOHNSON of Texas. If the Senator from Arizona desires to speak, I shall be glad to include him.

Mr. WELKER. Is the Senator from Utah going to speak?

Mr. JOHNSON of Texas. If the Senator from Utah desires to speak, I shall be glad to place him on the list. The Senator from Texas has no desire to cut off any Senator. The Senator from Texas hopes to have a vote on the bill as has been planned. He made arrangements for some Senators to speak yesterday and some to speak today, and he is very willing and anxious to agree that every Senator who wants to speak shall have the opportunity. But he has certain responsibilities to have the Senate proceed, if he can bring that about, to the consideration of the Hells Canyon bill, with the understanding that the junior Senator from Idaho may conclude his speech, and that the senior Senator from Idaho may conclude his speech.

The Senator from Arizona had not informed me that he had planned to speak tonight, but if he cares to speak, we shall ask that the Senate remain in session until he does. Then tomorrow we shall have 3 hours on the bill. We shall convene at 9:30 a. m. By the time we get through the morning hour and quorum calls, we shall probably be able to have some votes between 1 and 3 o'clock.

Mr. WELKER. In reply to my distinguished friend, the great majority leader from the State of Texas, I should like to say that we have sat here hour after hour listening to proponents of Federal power. I certainly do not want any inference, expressed or implied, that the Senator from Texas or any other person tried to cut off any debate on the part of those who oppose the Federal dam; but that inference will be made by the press no matter what the Senator from Texas may do. It will be said that when the defenders of the three private enterprise dams were ready to speak, we were asked if we would stop things, and then we could just ad lib off the cuff, when the pending order of business came up in the morning.

Mr. JOHNSON of Texas. The Senator from Texas has said nothing to give that impression——

Mr. WELKER. Will the Senator from Texas speak loud enough for the members of the press to hear?

Mr. JOHNSON of Texas. The Senator from Texas has said nothing that would leave any such implication or impression. Yesterday, when the minority leader spoke to me and informed me—before we entered into a limitation agreement—that the Senator from Idaho desired to make a speech and the Senator from Arizona desired to make a speech, he had the perfect cooperation of the majority leader. Those were the only two Senators, as I recall, who desired to make speeches at that time on this subject. There was no implication that they were "hogging" the time, so to speak——

Mr. WELKER. I think we had a right to have time. We were not operating under a limitation. We were proceeding under the rules of the Senate.

Mr. JOHNSON of Texas. Certainly, the Senator has a right to proceed in that way, and he has that right tonight, just as all other Senators have. The Senator from Texas does not want to foreclose any speeches which Senators plan to make.

Mr. WELKER. As a matter of fact, the Senator from Texas is the one who suggested that we make the speeches tonight.

Mr. JOHNSON of Texas. Certainly, and the Senator from Texas still so desires. He has not suggested that they stop. The Senator from Texas has no speech to make, and he plans to be here at 9:30 in the morning to open the session of the Senate.

Mr. WELKER. Mr. President, I will do anything for my pal, the distinguished majority leader. I am sorry I have detained him.

Mr. JOHNSON of Texas. Mr. President, I certainly will not attempt to foreclose the right of the Senator from Idaho to deliver his remarks. The Senator from Idaho can speak just as long under the arrangement I am proposing as he is at liberty to speak now; and his colleague [Mr. DWORSHAK] will be able to do likewise. That is a part of the consideration, so to speak.

Mr. WELKER. Very well; I simply wanted to avoid the possibility of such an inference as I mentioned.

Mr. JOHNSON of Texas. There was no such inference.

Mr. WELKER. I wish to be sure that such an arrangement will be agreeable to my distinguished colleague.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Idaho [Mr. WELKER] may yield to me, for the purpose of making it possible for the Senate to proceed to the consideration of the Hells Canyon Dam bill and then to proceed to the third reading of the bill, with the understanding that the Senator from Idaho will not thereby lose the floor or jeopardize his right to the floor, and that he may conclude his speech; and that at the conclusion of his speech, his colleague from Idaho [Mr. DWORSHAK] may be recognized to make his speech.

Mr. THYE. Mr. President, and with the further understanding that if the Senator from Utah [Mr. WATKINS] desires to speak, he likewise will be given an opportunity to do so.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Idaho [Mr. WELKER] may yield to me, for the purpose of enabling me to move that the pending business be laid aside; that notwithstanding the previous unanimous-consent agreement, the Senate proceed to the consideration of the Hells Canyon Dam bill; that the committee amendments be agreed to; and that the Senate then proceed to the third reading of the bill, and that it be read the third time; and with the further understanding that upon the completion of the third reading of the bill, the Senator from Idaho [Mr. WELKER] again be recognized, to conclude his speech this evening; that at the conclusion of his speech, his colleague from Idaho [Mr. DWORSHAK] be recognized, to make and to conclude his speech this evening; and that if the Senator from Utah [Mr. WATKINS] desires to speak thereafter, he may make and conclude his speech this evening.

Mr. THYE. And that the Senator from Idaho [Mr. DWORSHAK] may do likewise—and all without having the time thus used charged against the time allowed under the unanimous-consent agreement with regard to controlled time, as previously entered into.

The PRESIDING OFFICER (Mr. LAIRD in the chair). Is there objection? The Chair hears none.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1333.

CONSTRUCTION OF HELLS CANYON DAM

The PRESIDING OFFICER (Mr. LAIRD in the chair). The Senator from Texas moves that the Senate proceed to the consideration of Senate bill 1333, providing for construction, operation, and maintenance of the Hells Canyon Dam, and for related purposes.

There being no objection, the Senate proceeded to consider the bill (S. 1333) to authorize the construction, operation, and maintenance of the Hells Canyon Dam on the Snake River between Idaho and Oregon, and for related purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments.

Mr. JOHNSON of Texas. Mr. President, under the agreement, I now ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 1, line 4, after the word "tributaries", to strike out "the Congress, in the exercise of its constitutional authority to provide for the general welfare, to regulate commerce among the States, and to make all needful rules and regulations respecting property belonging to the United States,"; on page 3, line 4, after the numeral "2", to strike out "The" and insert "Notwithstanding the provisions of any other law, the"; in line 9, after the word "the", where it appears the first time, to strike out "upstream"; in line 10, after the word "tributaries", to insert "upstream from the dam and downstream"; in line 15, after the word "of", to insert "firm"; and on page 4, line 2, after the word "amended", to strike out "16 Stat. 832" and insert "50 Stat. 731", so as to make the bill read:

Be it enacted, etc., That in order to foster comprehensive development of the resources of the Snake River and its tributaries, and for the purposes, among others, of controlling and utilizing the Snake River and its tributaries for beneficial objects, including generation of hydroelectric power and energy for the national defense and other purposes, irrigation of lands, navigation and flood control, and for purposes incidental to any of the foregoing, including providing financial assistance to Federal reclamation projects, the Department of the Interior, under the supervision and direction of the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to construct, substantially in accordance with the physical plans set out in the reports referred to hereinafter as—

(a) the Hells Canyon Dam, as described in volume 2 of House Document No. 473, 81st Congress, and as modified by the report of the Commissioner of Reclamation, approved by the Secretary on May 11, 1951; and

(b) the Scriver Creek power facilities of the Payette unit of the Mountain Home division, as described in the report of the Commissioner of Reclamation, approved by the Secretary on May 11, 1951.

The Secretary in prosecuting his activities under this section and in operating and maintaining said projects shall, except as is otherwise provided in this act, be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto).

SEC. 2. Notwithstanding the provisions of any other law, the operation of the Hells Canyon Dam shall be only such as does not conflict with present and future rights to the use of water for irrigation or other beneficial consumptive uses, whether now or hereafter existing, valid under State law, of the waters of the Snake River and its tributaries upstream from the dam and downstream.

SEC. 3. (a) In order to facilitate the development of the Central and Upper Snake River Basin, and also that of downstream areas, the Hells Canyon Dam and powerplant and the Federal Columbia River power system shall be interconnected, and 500,000 kilowatts of firm power attributable to the Hells Canyon project, or such portion thereof as is required from time to time to meet loads under contracts made within this reservation, shall be made available for use in Central and Upper Snake River Basin and to all other parts of Idaho lying outside the Central and Upper Snake River Basin.

(b) Electric energy available from Hells Canyon Dam and powerplant and the Scriver Creek power facilities not required for the operation thereof shall be marketed by the Secretary in accordance particularly with sections 1, 2, 3, 4, 5, 6, and 7 of the Bonneville Project Act of 1937, as amended (50 Stat. 731), dealing with transmission, distribution, sale, and rate schedules.

(c) The Secretary is authorized and directed to supply and transmit from the McNary Dam the necessary construction power for the Hells Canyon Dam.

SEC. 4. (a) The initial works of the projects authorized by section 1 of this act and any additional works or division, including the irrigation features of the Payette unit of the Mountain Home division, that may be authorized as hereinafter provided shall be treated as one project for the purpose, among others, of providing for the application of project revenues to the return of reimbursable costs in accordance with the provisions of the Federal reclamation laws. Federal reclamation developments proposed to be constructed in the Central and Upper Snake River Basin may be authorized as works or divisions of these projects but only if such authorization is specifically provided by an act of Congress. Recommendations by the Secretary with respect to such authorizations shall be made in connection with the Secretary's report and findings under section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), which report shall include findings as to the costs and benefits of the proposed developments and as to the effect of such authorization on the project's power rate structure. In the case of the irrigation features of the Payette unit of the Mountain Home division, such a report shall be made and transmitted to the Congress not later than during the term of the 85th Congress.

(b) The term "Central and Upper Snake River Basin" as used in this act shall mean the area comprising the drainage basin of the Snake River and its tributaries down to and including the Clearwater River.

SEC. 5. There are hereby authorized to be appropriated, out of moneys not otherwise appropriated, such sums as may be required to carry out the purposes of this act.

Mr. JOHNSON of Texas. Mr. President, under the agreement, I now ask unanimous consent that the bill be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. Is there objection? Without objection, the bill is ordered to be engrossed for a third reading and will be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, no further amendments to the bill are in order.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The bill has now been read the third time, has it not?

The PRESIDING OFFICER. That is correct; and no further amendments to the bill are in order.

Mr. JOHNSON of Texas. Very well.

Mr. President, as previously stated, I also ask unanimous consent that, as a part of the unanimous-consent agreement, at this time, following the third reading of the bill, the Senator from Idaho [Mr. WELKER] again be recognized, for the purpose of resuming and concluding his speech this evening; that at the conclusion of his speech, his colleague from Idaho [Mr. DWORSHAK] be recognized, to present and conclude his speech this evening; that thereupon the Senator from Utah [Mr. WATKINS] be recognized, if he desires, to present and conclude his speech this evening.

Mr. THYE. And also that the Senator from Arizona be then recognized for the same purpose, Mr. President; and, with the further understanding that the time thus required not be charged under the allowance made pursuant to the unanimous-consent agreement previously entered into, regarding control of the time on tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Idaho [Mr. WELKER] is now to be recognized, to resume his speech; that also under the unanimous-consent agreement, the Senator from Idaho [Mr. DWORSHAK] may, if he desires to do so, then proceed to make his speech; and that if the Senator from Utah [Mr. WATKINS] or the Senator from Arizona [Mr. GOLDWATER] desire to do so, they may then speak this evening. Is that the understanding, under the unanimous-consent agreement?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I thank the Chair.

Mr. THYE. And also that the controlled time will commence on tomorrow.

Mr. JOHNSON of Texas. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understood the previous unanimous-consent agreement—which in no way is affected by the agreement just entered into this evening—on tomorrow there will be 3 hours for debate on the bill. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I desire to thank my friend, the Senator from Idaho [Mr. WELKER] for his courtesy and understanding.

The PRESIDING OFFICER. The Chair also points out that under the unanimous-consent agreement which has just been entered, the committee amendment has been agreed to, prior to the third reading of the bill; and the bill has now been read the third time.

Mr. JOHNSON of Texas. That is correct.

Mr. President, I also wish to thank the Senator from Idaho [Mr. DWORSHAK] for his courtesy, and I also wish to thank the distinguished acting minority leader, the Senator from Minnesota [Mr. THYE], for his courtesy. I appreciate very much the consideration they have shown.

Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. There has previously been entered an order that on tomorrow the Senate will meet at 9:30 a. m.; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I thank the Chair.

Mr. President, again I thank the Senator from Idaho [Mr. WELKER].

Mr. WELKER. Mr. President, a few minutes ago I started to refer to the map which shows the Columbia River on its course past Bonneville, Portland, Oreg., and thence to the sea. The various markings shown on the map along the

rivers are existing or proposed dams for the development of power or the storage of water, or both.

I now point on the map to the Snake River. It rises in Jackson Lake, in northwestern Wyoming, near Yellowstone Park; curves across southern Idaho to the west; then turns north, where it forms the boundary between Idaho and Oregon; and finally turns west again, through southeastern Washington, where it flows into the Columbia, near Pasco, Washington.

The Snake has two main tributaries. The Salmon River rises in central Idaho, and flows to the north and west, emptying into the Snake south of Lewiston, Idaho. The Clearwater, farther to the north, rises in central Idaho, and flows westerly to where it empties into the Snake at Lewiston, Idaho. I wish to point out that both of these rivers flow into the Snake below Hells Canyon. These two tributaries of the Snake, the Salmon and the Clearwater, are as important as the Snake itself—much more so, in fact, from the standpoint of flood control; and later I shall have more to say about them.

It will be noticed that some of the markings on this map are colored—red or blue. The four red dots on the lower Snake, in southeastern Washington, before it joins the Columbia, are the so-called four lower Snake plants—at Ice Harbor, Monumental, little Goose, and lower Granite. I have colored them red to call attention to them. Why? Because thy are not there. They will not be there until the Congress appropriates another half a billion dollars to build them, over the protests of the Columbia River salmon and fishing industry, in which millions of dollars have been invested, and upon which thousands of workers depend for their livelihood. A few million dollars have been appropriated for preliminary work at the Ice Harbor site, and that is all.

Down on the Columbia is another red dot, the site of the proposed John Day Dam, between McNary and The Dalles. That plant also is not there, and to build it would cost nearly another half a billion dollars.

Why have I shown these five plants by means of red dots? Why do I call particular attention to them, when they are not there? Because it is upon these nonexistent powerplants—some of which may never be built—that the advocates of the Government dam at Hells Canyon depend for the exaggerated power-production figures which they ascribe to this monumental structure, which they wish to erect through the expenditure of taxpayers' funds.

There are also some blue markings on this map. They extend from the headwaters of the Snake, at Jackson Lake, over by Yellowstone Park, clear across southern Idaho to the Malheur River, another large tributary of the Snake, in eastern Oregon. Every one of those blue dots indicates a large storage reservoir. They represent only the big reservoirs. If the map were large enough, there would be dozens more of these blue dots, representing small reservoirs on practically every tributary of the middle and upper Snake, where water is stored for irrigation use, and serves the purpose of flood control at the same time.

The average annual runoff of the Snake River below Weiser, Idaho—that is in the Hells Canyon area—is about 12,500,000 acre-feet. That is an average figure; some years there is more, in many years there is less. It includes the return flow of the water temporarily stored and held back in all the reservoirs. These upper reservoirs—blue dots on the map—already have an existing storage capacity of about 8,800,000 acre-feet of water, more than two-thirds of the total annual runoff of the Snake River in an average year, and almost as much as the total flow of the whole river in low-water years.

The Snake River above the Salmon, with its existing storage dams and reservoirs, is already one of the best controlled streams in the whole Pacific Northwest—in fact, in the entire Nation.

It will be noted that there are no blue dots on either the Salmon River or the Clearwater River—both tributaries of the Snake. This was not an oversight. There are no markings there because there are no dams there. There are no storage reservoirs on either of these major streams, both of which are bad flooders. Both the Clearwater and the Salmon are absolutely uncontrolled rivers. Their water resource value, both for power and flood control, is wasted because of lack of storage, and both of them are major contributors to the floods on the lower Columbia. In fact, the Army engineers have characterized the Clearwater and the Salmon as being the worst flooders in the entire Columbia River Basin.

If we seriously and honestly want to control floods, the place to control them is where the flood waters occur; and on the Snake River system the place to build reservoirs to help control floods on the lower Columbia is on the Salmon and Clearwater Rivers, both of which enter the Snake below Hells Canyon. In other words, when the proponents of the big dam talk about flood control at Hells Canyon, the only practical result would be to dam up the trickle and let the deluge go.

I am not indulging in froth and oratory. The facts and figures support what I say. As Al Smith used to say—and I can remember his campaign when I was a young man—"Let's look at the record"—and by the record I mean the official records and reports of the United States Geological Survey and the United States Army engineers.

Since 1948—and that was the year of the bad flood on the lower Columbia—a number of large storage reservoirs have been completed on the middle and upper Snake, which further reduce the flow at Hells Canyon. Anderson Ranch Dam has been completed on the Boise, and Cascade Reservoir on the Payette—both built by the Bureau of Reclamation.

The Army engineers have completed Lucky Peak on the Boise; and the Palisades Reservoir on the upper Snake, over in southeastern Idaho, is nearing completion by the Bureau of Reclamation. These four dams, completed since 1948, and built where storage is needed for both irrigation and flood control, will provide over 1,600,000 additional acre-feet of storage on the Snake that is usable both for flood control and irrigation purposes. In fact, a witness from the Army engineers, testifying before the Federal Power Commission, stated that if a flood should recur, identical with the greatest known historical flood of 1890, the flow in the Hells Canyon area would be reduced to only 59,000 cubic feet per second—Federal Power Commission transcript, pages 13491, 13592–13593—instead of nearly 130,000 cubic feet per second, which occurred in 1894. This is a result of the upstream storage which has been constructed.

It is true that we do need more storage on the Snake and its tributaries in eastern Oregon and southern Idaho. We need it for irrigation, not only for new lands, but also to provide supplemental water for land already under cultivation but without an adequate water supply. We need it especially in poor water years, years of low spring runoff, when every drop must be diverted from the river into the upstream reservoirs, and stored and released later when it is most needed for irrigation use. That is where the conflict comes with storage for power down below at Hells Canyon.

Storage is also needed for flood control, too, on the upper Snake and its tributaries. Year after year thousands of dollars of flood damage occurs, first on one tributary, then on another. The Wood River in south-central Idaho, up by Hailey and Sun Valley, is one example. There are others all along the upper reaches of the Snake in eastern Idaho and Wyoming.

I digress to say that at Cambridge, Idaho, where I was born, from whence the road shown in the picture began, passing over the hill, this year there was a damaging flood in the Weiser River, which actually tore out of the channel a bridge on which I had climbed and played as a little boy. It was called the Cove Bridge. It did not throw it down into the channel, but threw it clear over to the roadside. It damaged the countryside, farms, livestock, and property of all kinds. It was the most damaging flood in Weiser River history.

The same thing occurred in the area where I now live, at Payette, Idaho. Hundreds of thousands of dollars of damage was done. Why? Because of lack of upstream storage, where storage is needed. Where a storage is needed, there should be an empty dam, not a filled one. What good would a filled dam do in the event of a flood? To have storage, it is necessary to have something in which to store water, and not something out of which to let the water run. We read about these floods every spring in the Idaho newspapers.

Here is a dispatch of last spring from up in the high country where the runoff is late. It is an Associated Press dispatch from the Boise Statesman—datelined from Jackson, Wyo. I read only a part of it:

> Crews worked feverishly Monday (that was June 13) to reinforce dikes as the rapidly rising Snake River threatened to flood an area of rich farmland between Jackson and Wilson * * * Highway crews and volunteers sought to strengthen the dikes with new earth, old automobile bodies,

and rock and gravel hauled in by trucks * * * Dikes washed out by a flood last spring in the same area were replaced in construction work last fall. Extensive damage was caused by the 1954 flood.

The Corps of Engineers recognize these facts. Hearings were held at Idaho Falls February 15 of last year, and again only last week. Numerous projects were discussed which would provide storage in the high watershed area, where the bulk of the annual flow of the Snake River originates, and where it can be put to its maximum use.

Take a look at the river with me again. Let us see if there would be enough water there to fill the big Hells Canyon Reservoir, which requires 3,880,000 acre-feet of storage water to fill it. Let us look not only at the occasional years of heavy runoff. How about the average years? How about the dry years? Those are the years that count. How many of them are there. Let us look at a 20-year period of historical records and see what would happen to this big dam which it is desired to build.

Let us take a look at last year—1955. The winter of 1954–55 was one of low precipitation on the Snake River watershed. Had we not had a late, cold spring, which delayed the beginning of irrigation, 1955 might well have been the farmers' tragic year.

Fortunately, the big American Falls Reservoir in southeastern Idaho filled. But because of lack of upstream storage, when the spring runoff came down, American Falls actually had to spill water, because there was no upstream storage to hold it back. And so in a low-water year we had to waste water and let it run unused to the sea. See what I mean? See what Colonel Tandy meant by the need for upstream storage?

The situation was the same all across southern Idaho, and over on the Owyhee project in eastern Oregon. Here are some newspaper clippings.

April 1, 1955:

Rationing of water seen on Owyhee irrigation unit.

The Owyhee Reservoir, which supplies water for 100,000 acres in southwestern Idaho and eastern Oregon, had less than half of the water as at the same time the previous year.

Then, in spite of a cold, wet spring, on June 14, 1955, the Idaho Daily Statesman said:

Eastern Oregon water lack said critical.

The Owyhee Reservoir was 80,000 acre-feet lower than at the same time the year before. The Agency Valley Reservoir was only half full; and the Warm Springs Reservoir, with a capacity of 191,000 acre-feet, had less than 35,000 acre-feet of water.

Here is another one—April 6, 1955:

Boise area irrigation quotas cut.

Water allocations for the 150,000-acre Boise project were cut almost in half because of the below normal snowpack.

Here is an AP dispatch out of Washington, D. C., May 10, a year ago:

In the southern half of the Columbia Basin—

That is eastern Oregon and southern Idaho, the Snake River Valley—

Critical water supply shortages are developing. The Big and Little Lost Rivers, the Big Wood, the Little Wood, Salmon Falls Creek, and the Owyhee have low reservoir storage and a low snowpack.

It goes on to say that in the Snake River Basin water conditions would range from a high of only 90 percent of average, in the few places where there are reservoirs with carryover storage, down to a low of 32 percent of average in the Owyhee Basin. And these percentages were not based on good water years, but only on average conditions, under which water shortages normally occur in many areas.

In spite of these conditions, when the spring runoff came, there were local floods in many areas because of lack of upstream storage.

What the middle and upper Snake Basin needs is not one mammoth reservoir far downstream at Hells Canyon—below all irrigation, below the areas where numerous floods occur every year—but reservoirs located upstream in the higher country, where they can serve a real multiple-purpose use for irrigation and flood control, as well as for power—to catch and hold the water that is now wasted because it cannot be stored.

There are numerous sites for such reservoirs. Both the Idaho State engineer and a former deputy State engineer testified to this before the Federal Power Commission. Altogether these sites could provide an additional 7 million acre-feet of storage, all of it where storage is needed for irrigation, and will serve downstream flood-control needs as well. I have prepared a list of only a few of these reservoirs, and ask unanimous consent to append it at this point.

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

Proposed reservoirs—Name, stream, and capacity

State of Wyoming, Snake River drainage:	
Blind Canyon, Snake River	765,000
Hoback Site, Snake River	1,223,000
Buffalo Fork, Buffalo Fork	200,000
Cottonwood, Gros Ventre	200,000
Pfisterer Ranch, Hoback	400,000
Elbow Site, Greys River	200,000
Stump Creek, Stump Creek	15,000
Elk Valley, Spring Creek	3,000
Crow Creek, Crow Creek	1,500
Bechler Meadows, Bechler River	186,000
Mountain Ash, Falls River	49,600
Teton Canyon, Teton Creek	3,000
State of Idaho, upper Snake River drainage:	
Tetonia, Teton River	131,000
Lower Willow, Willow Creek	200,000
Beacon, Bannock Creek	25,000
Molly's Nipple, Rock Creek	3,000
Thornton, Rock Creek	45,000
Raft River, Raft River	25,000
Otley, Cassia Creek	20,000
Albion, Marsh Creek	25,000
Crockett, Rock Creek	25,000
Williams No. 2, McMillan Creek	8,000
Williams No. 1, Cottonwood Creek	
Camas, Camas Creek	27,000
Modoc, Modoc Creek	10,000
Medicine Lodge, Medicine Lodge Creek	6,000
Birch, Birch Creek	35,000

Proposed reservoirs—Name, stream, and capacity—Continued

State of Idaho, upper Snake River drainage:—Continued	
Garden Creek, Big Lost River	180,000
Castle, East Fork, Big Lost	100,000
Antelope, Antelope Creek	70,000
Little Wood, Little Wood River	45,000
Forks Site, Big Wood River	130,000
Warm Springs, Warm Springs Creek	20,000
Upper Clover Creek, Clover Creek	10,000
State of Idaho, central Snake River drainage:	
Bruneau Forks, Bruneau	350,000
Castle Creek, Castle Creek	5,000
Reynolds, Reynolds Creek	20,000
Squaw Creek, Squaw Creek	19,000
Jordan Creek, Jordan Creek	40,000
Twin Springs, Boise River	300,000
Dog Creek, Boise River	200,000
Garden Valley, Payette River	1,250,000
Johnson Park, Johnson Creek	2,300
Horse Flat, Camp Creek	3,300
Voder, Mann Creek	7,000
Lost Valley, Lost Creek	5,500
Tamarack, Weiser River	20,000
Upper Crane Creek project:	
Upper Hog Creek	3,000
Bed Rock Flats	7,400
Granger	2,000
Lower Hog Creek	2,800
Shirts Creek	2,300
Crane, Crane Creek	1,500
Squaw Flat, Weiser River	1,225
Bacon Creek, Weiser River	300,000
Duck Valley, Miller Creek	20,000
Thomas Creek, Little Weiser	3,500
State of Nevada, Snake River drainage:	
Duck Valley, S. Fork Owyhee	100,000
Bull Run, Bull Run Creek	15,000
Isaac, Succor Creek	38,000
Duncan Ferry, Owyhee River	1,000,000
South Fork, Malheur	90,000
Bully Creek, Bully Creek	31,000
Otis Creek, Cottonwood Creek	10,000
Mason Dam, Powder River	60,000
North Burnt, Burnt River	15,000
Thief Valley, Powder River	83,000

Mr. WELKER. Mr. President, there are many smaller ones which I have not included—reservoirs which the farmers badly need to supply their irrigation needs, as well as for local flood protection.

It will be recalled that a few moments ago I said that the total average runoff of the Snake River in the Hells Canyon area is only about 12.5 million acre-feet, and that figure comes from the official report of the Idaho State engineer. I also pointed out that existing reservoirs already have a capacity of 8.8 million acre-feet—more than two-thirds of the total average annual flow of the whole river. If only half of the available upstream sites are completed, this storage will equal the flow of the entire river in an average year.

What, then, is left for Hells Canyon, with 3,880,000 acre-feet to be filled with water that can only come from upstream? Even today, with the reservoirs we have now, taking the recorded river flow for a typical 20-year period, from 1929–1948, and adjusting the flow for the big reservoirs which have been completed since 1948—I named some of them—Cascade, Anderson, Ranch, Lucky Peak, and Palisades that will soon be finished, in many years the big dam could never be filled.

There was plenty of evidence before the Federal Power Commission on this

point—exhibits 88-A and 88-B. The hearing examiner referred to it in his initial decision. This is what he said:

> While there was some expert testimony which would cast doubt upon the dependability of water supply for the larger high-dam project throughout its economic life, there was no evidence of any lack of water forecast or diminution of flow contemplated that would affect the economic feasibility of the Idaho Power Co. proposal.

That is what the examiner found, and he recommended that the Brownlee Dam, which only requires 1 million acre-feet of storage, be licensed for immediate construction.

I want to say here and now that should this monstrous big dam be constructed at Hells Canyon, it will be the death knell for future irrigation in southern Idaho and the whole Snake River Valley. There is not enough water for both. That is why thousands of irrigators and scores of water-user organizations oppose the Government dam.

Does anyone think for a moment, if the Government spends half a billion dollars to build a dam and reservoir at Hells Canyon, with 3,880,000 acre-feet of storage, which could not even be filled today even under average water conditions, that there would ever again be another major storage reservoir built upstream in the Snake River Valley?

I want to see our Northwest prosper and grow. I want all of us to prosper and grow together. Of course, the cities on the coast need power. Idaho needs power, too, but most of all Idaho needs its water. Without more water, more storage, for future growth, Idaho is condemned to stagnation. The Snake River, as it flows across the State, is the artery which carries the lifeblood of agriculture for half a million people. Hundreds of thousands of acres of rich desert land are there, waiting for water to make that desert bloom for generations yet to come. We cannot have reclamation of arid lands, we cannot have irrigation without water. And we cannot store the same water in two places at the same time. There is not enough for both. The irrigators in southern Idaho know that. That is why they oppose the Hells Canyon Dam. Not only will it endanger their present water rights, but it would spell the end of growth forever in the Snake River Valley.

After a hearing which lasted over a year, the Federal Power Commission made definite findings in favor of the three smaller dams. It found that they will fully develop the Hells Canyon reach of the river, and without cost to the taxpayers. They heard and considered every phase of the question as to the best plan of development. They heard the advocates of the high dam, brought there to testify at Government expense. Their own technical staff presented a 44,000 man-hour study on every phase of the problem. They heard the testimony of a representative of the Army engineers. They considered all the complex problems of power production, and cost of power, navigation, flood control, recreation, and they found, on all the evidence, that the private enterprise three-dam plan was the best plan of development.

It will fully develop the 602 feet of power head in the river, exactly the same as would the more costly Government dam. The power will be developed immediately—the lowest cost power the Idaho Power Co. can possibly provide for its customers in southern Idaho and eastern Oregon. The Commission not only found that to be the case, but pointed out that this is one multiple-purpose river development that would be free of cost to the taxpayers. Instead, it will pay Federal and State taxes of $10 million every year.

It will provide large public benefits—other than power and taxes—likewise free of cost to the taxpayers. The Army testified that the larger release of water for downstream navigation from these smaller dams would be 2½ times the minimum release from the larger dam when it was storing water to fill. The evidence showed this, and the FPC license guarantees that the Army's downstream navigation requirements will be met.

The million acre-feet of storage provides an adequate amount of flood control for this section of the river, and, according to the Corps of Engineers, will fit into the Army's overall flood-control plan for the Columbia basin—a million dollars of flood-control benefits annually without cost to the United States.

The 3-dam development removes any possibility of conflict with upstream irrigation needs, either now or in the future. The license provides for this, and under private development the water rights are not only subject to the license provisions, but they are subject to State law and State control as well.

The project will help to meet a power shortage which already exists all over the Northwest—not 6 or 7 years from now, which is the time that Government engineers testified that it would require to build the Government dam.

Work at Brownlee, as well as preliminary work at the Oxbow development, has been underway since last November. Approximately a thousand men are at work there today. Seven or eight million dollars have already been spent on this construction, by an electric company that doesn't look to Uncle Sam to supply the needs of its customers.

If this development is stopped, the people of southern Idaho and the local utility will be placed in the anomalous position of having to build more expensive steam plants on the very banks of the Snake River, while its waters continue to flow unused down to the sea.

Finally, I should like to point out that a license has been issued for this construction, under the Federal Power Act by the Federal Power Commission, the body which Congress itself created to analyze and determine these complex problems of river development. The Commission, unanimously by its 5 members, made its findings against the so-called high dam, and in favor of the 3-dam program. In its decision, after reviewing all the evidence, the Commission specifically stated its judgment that the United States itself should not undertake the development of the Hells Canyon reach of the Snake River.

I believe the Federal Power Commission and their staff to be sincere and able men, just as I accept the testimony given by the Army on the flood-control and navigation benefits that the 3-dam project will provide. I certainly find no objection to the 10 million new tax dollars annually which the private development will provide for the States of Oregon, Idaho, and the Federal Government. I will be glad, finally, to see a huge, multipurpose development constructed, at long last, as the Commission said, without cost to the taxpayers of the United States.

Mr. President, in conclusion, I should like to call the attention of the Senate to the fact that great emphasis has been laid on certain findings by an examiner of the Federal Power Commission, and certain inferences were drawn unfavorable to the Federal Power Commission, the five man, bipartisan, quasi-judicial body of the Federal Government, which has been established to pass upon subjects such as this that came before it. The members of the Commission are able and honorable men, and they are learned men. The membership of the Commission is made up of both Democrats and Republicans. Let someone stand up and say otherwise. I would be glad to meet that argument in my closing debate tomorrow.

Is it reasonable to expect us in the Senate to take out of context some words of an examiner? Anyone who has practiced law, even for only a short time, knows what an examiner does. He brings the facts before the tribunal as he, the individual, must present them. In this case the examiner brought the facts before the five-man Commission. and that Commission determined the facts in a lawful, just manner.

I have confidence in the Federal Power Commission. I have President Eisenhower's thought in mind. I believe he has done his best to advocate the full development of this reach of the Snake River. America will profit, and certainly the taxpayers will not have to pay for the construction of a high dam. Mr. President, this will be my last lengthy debate on this bill. I have heretofore argued for the Idaho way, the American way. I rest my hope in the hands of the Senate of the United States. It is my prayer they will weigh my words as seriously as I have attempted to present them. To my farmers of Idaho I say I have done my best. I want your homes, your farms protected. We are all so proud of them. Without our water our State would fade away. Also let us see that private enterprise, with no expense to the taxpayer, be enhanced by our vote for America and for its sacred and great traditions.

Mr. DWORSHAK. Mr. President, I regret very much that the two Senators from Oregon found it necessary to leave the Chamber immediately after making their speeches this evening.

In view of the fact that the unanimous-consent agreement provides for 3 hours of debate tomorrow, before the final vote is had on the proposed legislation, I am sure that those of us who are speaking now, including myself, are speaking merely for the CONGRESSIONAL RECORD,

and that tomorrow we will indulge in the final debate on the issue.

I listened with a great deal of interest to the speeches this evening made by the supporters of the high-dam proposal, who profess great solicitude for the proper utilization of the water resources of the Snake River. Not necessarily for the benefit of the people of the State of Idaho, where most of the water originates, but, rather, so that the Nation may have the full benefit from any development in the Snake River Canyon. I share that concern, except that I make this one distinction: I have solicitude also and primarily for the people of the State which I have the honor in part to represent in the United States Senate.

Mr. President, we hear much about States rights. I am not going to detain the Senate long this evening, but I should like to discuss that phase of this particular controversy. In view of the fact that the Oregon Senators have reiterated the statement that a high Hells Canyon dam is essential as a flood-control project to safeguard the lower Columbia River Basin, I wish to refer very briefly to a chart which I moved from the rear of the Senate Chamber where it was placed by proponent of the high dam.

I wonder if I may emphasize something that should be emphasized in this debate. Here we have a chart showing the location of the main control reservoirs, but projects which are not a part of the main flood control plan are not shown.

In looking over the chart I find the great Snake River from the Wyoming border down through the central plain of southern Idaho, where there have been constructed approximately 20 reservoirs to store water from the Snake River.

In the northern part of the State of Idaho appears the Kootenai River which discharges its water and then joins the Snake River downstream near Pasco, Wash.

What I wish to point out is that on this map we find no trace of the great Salmon River or of the Clearwater River. My colleague from Idaho [Mr. WELKER] has already pointed out that much of the runoff of the Snake River and its tributaries originates in the Salmon and Clearwater Rivers; but they have been eliminated from the watershed of the great Snake River.

In 1948, Mr. President, there was a devastating flood in the Columbia River Basin, resulting in the loss of many lives, near Vanport and Portland, Oreg., and many million dollars' worth of property destruction. The record shows that in that devastating flood about one-sixth of the water discharged by the Snake River originated in the upper Snake River, two-sixths in the Salmon River watershed, and about one-half in the Clearwater River watershed. That means that about one-sixth of the volume of water discharged into the Columbia River by the Snake River and its tributaries originated in the Snake River, and five-sixths of it originated in the Salmon River and the Clearwater River.

But, Mr. President, the notation on the map says that projects which are not a part of the main plan for flood control are not shown. Does that mean that the two rivers which discharged five-sixths of the water in the great flood of 1948 are not involved in the runoff of the Snake River and its tributaries?

I wish my two distinguished colleagues from the State of Oregon were here to give us an explanation as to why they have seen fit to point to a chart which takes two great river watersheds out of the State of Idaho.

In their great solicitude for our State and for the lower Columbia River Basin, I wonder if my colleagues from Oregon know that the water which caused loss of life in their State originated in two rivers which are not even shown on this chart. The Senators should be here to answer that.

Mr. President, I see that the senior Senator from Oregon has returned to the Chamber. Possibly he can tell me why they have taken the Salmon River and the Clearwater River off the chart? I know he is thoroughly conversant with the various aspects of this entire controversy, and I wonder if he can explain why those two river watersheds have been taken off the chart.

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

Mr. DWORSHAK. I yield.

Mr. MORSE. I asked the Senator to yield because I wish to express my sincere apology for not being present to hear the first part of his speech. I had not eaten since early this morning, and I am now greatly refreshed, and I hope we shall hear a very enlightening speech on the subject.

Mr. DWORSHAK. I may say that, in view of the arrangement which has already been entered into, I have stated that I would make a very short talk tonight and would try to make a few pertinent remarks during the time allotted to our side tomorrow in concluding the debate on this subject. I suggest to the 2 Senators from Oregon, and possibly the 2 Senators from Washington, that overnight they make an effort to discover the Salmon River and the Clearwater River, so that we can restore five-sixths of the water discharged from the Snake River into the Columbia near Pasco, Wash., because I am fearful that we cannot so easily eliminate those great watersheds merely by taking them off the chart which has been displayed for the benefit of the Senate this evening.

Mr. President, I am not going to discuss the engineering or political aspects of this subject tonight. Those matters have been thoroughly covered. But the senior Senator from Oregon made a remark on Friday which intrigued me greatly. I say that in all sincerity. I quote from page 12673 of the CONGRESSIONAL RECORD, where the Senator from Oregon had this to say :

> I want the people of the State of Idaho, as well as the people of Oregon and Washington, to join together in the common enterprise of trying to do what we can, as citizens of the three States, to try to develop our economic resources as a region in the interest of promoting the prosperity of all of the people of the region.

That inspires me, Mr. President, to devote my brief remarks now to the question of why the compact between the seven States in the Columbia River Basin has not been ratified by the legislatures of either Oregon or Washington. The Legislatures of Idaho, Utah, and Nevada, the latter two States participating only to a limited extent in the utilization of the waters of the Columbia River Basin, have ratified the compact. I question whether there is any possibility of entering into the kind of an agreement which has been suggested by my colleague from Oregon pledging the full utilization of the resources of the Columbia Basin for the interests of all the seven States in that basin.

Negotiations for an interstate compact between the seven States comprising the Columbia River Basin have been in progress for more than 5 years. They were first conducted on an informal basis between representatives of the various States, prior to the passage of authorizing legislation. Then, after formal authority to conduct such negotiations had been enacted by the Congress and the legislatures of the States involved, the negotiations were continued by the officially appointed representatives of the various States.

From the point of view of the upstream States, the fundamental requisite of any compact was proper protection for present and future irrigation water rights against the large water rights which are necessarily required for, and become appurtenant to, the great downstream powerplants. In other words, already there are water requirements for the great downstream plants which, in low-water periods, require more than the entire flow of the stream. If these rights are strictly enforced, there can be no further irrigation expansion in the great semiarid upstream basins of the Columbia River tributaries.

This was particularly important to the State of Idaho, which has the greatest potentials for irrigation development. Admittedly this will reach a minimum of a million additional acres, and with the possibility that this may increase up to 2 million additional acres. All of this is over and above the present irrigated empire of approximately 2¾ million acres.

Accordingly, throughout all the negotiations, the Idaho representatives have insisted that, without qualification, there must be a provision that present and future upstream irrigation water rights have priority over downstream nonconsumptive—power—rights. Idaho was fully supported in this position by the other upstream States. It was agreed that the same priority for irrigation rights should prevail with respect to the eastern portions of the downstream States of Washington and Oregon, for they, too, are dependent upon expansion of irrigation reclamation for their future agricultural growth.

Also, the upstream States, with Montana as their leading spokesman, have insisted that with respect to any future power developments with large storage reservoirs in any upstream State, the rights of the State in which the project is located to an equitable share of all of the resulting power, both at site and downstream, should be protected. From the experience at Hungry Horse, it was

realized that storage reservoirs would be operated, not with the principal object of producing the most power at site, but rather with respect to producing maximum power in the overall hydro system, extending clear down through the lower reaches of the Columbia—so that much of the actual resulting power from the storage would be produced at lower plants. It was also realized that the impending power shortages on the Pacific coast would initially absorb all new power, but the State of Montana felt that they should have the right hereafter, after due and proper notice, to draw back for use in that State their equitable share of the new generation when it was there needed in future years.

The other upstream States fully supported Montana in this position.

Many other questions are involved in the compact, but these were the basic matters discussed.

HISTORY OF THE COMPACT

The history of the proceeding so far in the compact negotiations is:

First. Negotiations of Columbia River compact authorized by act of Congress of July 16, 1952, amended July 14, 1954.

Second. (a) The States of Idaho, Washington, Nevada, Montana each passed specific legislative acts in 1951 creating commissions to negotiate this compact.

(b) Wyoming, Utah, and Oregon all had continuing compact negotiating authority of a general nature which enabled them to participate without further legislative action.

Third. After many meetings in all the States of the basin of the full group of commissioners, comprising some 40 men, and many meetings of special subcommittees, drafting committees, and other groups, a draft of the compact was agreed upon and was formally approved by the full group in Spokane, Wash., on December 29, 1954.

Fourth. The compact was formally signed at Portland, Oreg., on January 15, 1955, by the commissioners, and was approved by the Federal representative, Mr. Frank A. Banks.

Fifth. The 1955 Legislatures of Idaho, Nevada, and Utah formally approved the compact.

It has not been approved by the legislatures of the other States.

BASIC FEATURES OF COMPACT

While necessarily lengthy, and technical in language, the compact is basically simple.

The one absolutely mandatory provision, article VII, is that which provides that all irrigation water rights in the upstream area which are either now in existence or which may be acquired prior to the year 2000 shall be prior to any downstream, nonconsumptive—power—rights.

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

Mr. DWORSHAK. I yield.

Mr. WATKINS. Does the Senator intend to discuss the potential possibilities of consumptive use upstream from Hells Canyon in Idaho?

Mr. DWORSHAK. No, I do not intend to, because I think that subject has been covered already; and I hope tomorrow we may use some of that information. I assume the senior Senator from Utah intends to use it.

Mr. WATKINS. I thought perhaps the Senator from Idaho would refer to that subject in his speech and would point out the potential uses and advantages which would accrue if an iron-clad agreement had been enforceable in the United States which would protect the upstream potentialities.

Mr. DWORSHAK. The Senator from Utah is a student of water law. He knows that frequently the Supreme Court of the United States renders decisions which are in conflict with existing States rights affecting water law. Because of that, obviously it is necessary for States such as Idaho and Utah, and other States in the upper watershed of the Columbia Basin, to resort to every possible safeguard to protect those future water rights and diversions for consumptive uses.

Mr. President, in the compact which was originally negotiated, it is provided that either at the year 2000—or in 2050, if it is later unanimously agreed to extend the time to that date—any then unappropriated waters may be apportioned among the States.

The importance of this provision is emphasized by the specific provision—article VII (D)—that the compact shall not become effective unless the Federal law approving it accepts this priority provision. This absolute priority provision is completely ignored in the committee report, page 28, and the completely erroneous statement is there made that no allocation to water will be made prior to the year 2000.

All other provisions of the compact with respect to power or water rights, other than the foregoing absolute priority of irrigation rights acquired up to and including the year 2000, are merely recommendatory.

The compact provides for a permanent Interstate Compact Commission comprised of 11 members, 2 each from Idaho, Montana, Oregon, and Washington, and 1 each from Nevada, Utah, and Wyoming. The Commission is intended to be a truly representative body, representing all of the States in the basin. It is given the power either to initially propose, or to review and consider proposals made by other Federal or State agencies with respect to all plans for the construction of works relating to flood control, navigation, power development, irrigation, or other water uses. It is intended to have general planning and review authority with the purpose of making it a truly adequate and representative spokesman for the whole basin. Among the things upon which this permanent Commission shall make recommendations are those with respect to the allocation of power in connection with all newly proposed projects. There is stated the basic provision that there shall be a fair and equitable apportionment of the hydroelectric power among the States in the basin. Also, that with this basic principle in mind, the Commission shall, with respect to all new projects, whether either federally constructed or constructed under licenses issued by the Federal Government, determine the amount of power and energy which, in its judgment is equitable for reservation and use in the State or States in which the project is located, and the kind of reservation which would be reasonable and practical in the particular case, and shall make its recommendation to the Congress or the licensing agency.

It is, of course, recognized that the only power of the permanent commission is to make such a recommendation, and that the determination with respect thereto would, in the final analysis, be made either by Congress or by the Federal Power Commission, as the case may be.

The commission also is directed to make recommendations to the proper agencies with respect to pollution control, fish, wildlife, and recreation protection, and to itself engage in general planning activities. The Commission would be financed by the States of the basin. A nonvoting Federal representative shall serve as chairman of the commission.

NEED FOR A COMPACT

The need for the execution of such a compact before creation of any new downstream Federal projects is very great. And particularly is there need for such a compact prior to the construction of any Federal project on the Snake River above the mouth of the Salmon River. For the demands for water in that section of the Columbia River Basin are already highly competitive, and will rapidly become more so.

All now concede that if any such Federal project as Hells Canyon Dam were constructed, the Federal Government, under its constitutional authority would be supreme, regardless of whatever protective language might be included in the act, for the reason that any such protective clause would be at best subject to immediate change by Congress and of no binding effect upon any Federal executive department claiming constitutional rights. A concise, current statement of this position is that made by J. Lee Rankin, Assistant Attorney General of the United States, at a hearing before the House Interior and Insular Affairs Committee on February 22, 1956, while that committee was considering the Water Rights Settlement Act of 1956, which is the same act as the so-called Barrett bill. Under questioning, Mr. Rankin testified as follows:

Mr. BUDGE. Just one question, and then I will yield. To bring this down to a specific bill which is pending before this committee * * * if that bill were enacted, then would the State laws be abrogated so far as the waters of the Snake River and its tributaries are concerned?

Mr. RANKIN. You have to have certain assumptions. Assume that it is a valid Federal project—and we would assume that—and that the Congress approved that action, any place where the State law would interfere with the carrying out of the will of Congress, we would say that the executive branch did not have to comply with that particular part of the State law, because they could not carry out the congressional will, and insofar as the State law would try to prevent the Federal Government from acting in its proper sphere it has no control.

Mr. BUDGE. In other words, if this Congress should pass the Hells Canyon bill, the control over the waters of the Snake River and

its tributaries would be under the control of the Federal Government insofar as any conflict arose between the operation of the project and State water laws. Is that correct?

Mr. RANKIN. I think that would have to follow.

And the majority report on S. 1333 admits, at page 27, "only a constitutional amendment can control actions of future Congresses" and that the protective language in S. 1333 has the limitation of being only "as complete and effective to both existing and future water rights, valid under State law as it is within the power of Congress to give."

The Snake River above the mouth of the Salmon River already has 8,800,000 acre-feet of storage, being by far the best developed stream in the basin. This existing storage will not fill in low water years. In 1934 the American Falls Reservoir, with the second oldest priority of the large reservoirs, filled only approximately 50 percent. Even the ardent advocates of the high dam admit it will not fill in years of low stream flow. Accordingly, there will inevitably be a clash between the demands for water in the Federal dam and the demands of the upstream irrigation water rights.

Without a prior interstate compact, the present and future irrigation water rights are in great danger. With an investment of a half billion dollars in the Hells Canyon project and its transmission lines, and additional billions of dollars in affected downstream projects, the pressure would be irresistible on the operators of the Federal dam in low water years to demand sufficient water for its full operation, even if it adversely affected upstream water rights. The downstream interests would demand that this be done. And Assistant Attorney General Rankin agrees it could be done.

A compact would be the only protection. It would bind the downstream States to recognize the upstream irrigation priorities. It would bind the Congress both morally and legally. And no Federal officials who were operating dams could trespass on irrigation rights unless and until the Congress had with all formality terminated or altered the compact.

Mr. WATKINS. Mr. President, will the Senator yield at that point?

Mr. DWORSHAK. I yield.

Mr. WATKINS. Is it not a fact that under the law and the Constitution, when a compact has been entered into between States and ratified by their legislatures, and also ratified by Congress, the States then can go into the Supreme Court of the United States and sue to protect their rights? In the case of a congressional act, which might be repealed or modified or amended at any time by the Congress, that could not be done; but there would not be any doubt whatsoever that the States could sue in the Supreme Court to protect their rights against other States.

Mr. DWORSHAK. I am sure that is the general understanding and the intention of the water districts and the water district leaders in my State. They feel that without the adequate protection of a compact committing the seven States in the Columbia River Basin to undertake an equitable distribution of the water, their rights might subsequently be placed in jeopardy because of the constant threat of Supreme Court mandates. To that extent I think it is obvious that, in the absence of a compact, there can be no adequate guaranty of the rights of the States in the basin.

Mr. WATKINS. I make this further observation: If the people or the governments or the representatives of the States of Oregon and Washington are so sure there is enough water in the upper Snake, not only to take care of present irrigation demands and present consumptive demands, but potential future demands, if possible, even up to 5 million acre-feet, they should be willing to write that assurance into a guaranty.

Mr. DWORSHAK. I cannot tell the Senator from Utah what has been the reason for the failure of the States of Oregon and Washington to ratify the compact, but certainly the fact that it has not been ratified by the legislatures of those two downstream States indicates that there is some fear or suspicion that the downstream rights will be limited or restricted in some way by the diversion of upstream consumptive use of water.

Mr. WATKINS. In other words, they are not willing to write their own guaranty. They want the assurance to be taken on the strength of something they say, but they are not willing to guarantee it in the future. They say there is plenty of water. If there is, why should not they guarantee it?

Mr. DWORSHAK. I wish the Senator from Utah would give the people of Idaho some assurance on that point. So far as I am concerned, I merely point to the fact that the compact has not been ratified by Oregon and Washington. For what reason, I do not know.

Mr. WATKINS. Should not those States follow the regular pattern which has been imposed upon the Colorado River States from the mouth of the river to the Gulf of California? Every foot of it had to be agreed upon before any project could be built.

Mr. DWORSHAK. Yes.

Mr. WATKINS. We had to have compacts on the overall river, and then we had to have compacts between the States on the upper division. That was the rule laid down by the Reclamation Bureau, the Department of the Interior, and the Congress. We could not get anywhere until we had all the compacts.

Mr. DWORSHAK. Yes; I readily agree with the Senator from Utah. That is a reasonable assumption. So long as no compact is ratified by the lower basin States, the people of Idaho are entirely justified in refusing to jeopardize the future use of their own water.

Mr. WATKINS. If the States of Washington and Oregon will not take a chance, why should the people of Idaho assume all the risk?

Mr. DWORSHAK. That is true.

Mr. President, the specious argument in the committee report, at page 28, completely overlooks the point that a compact would bind the downstream States. And it overlooks the fact that such documents, executed in accordance with the express permission of the United States Constitution, are instruments of the highest character—similar to international treaties. They are the aproved and frequently used methods for fixing rights between several States.

No further Federal dams on the Snake River, below the great irrigated empire, should be built until, by compact, the irrigation rights of the upstream areas have been assured protection.

The Senator from Utah has raised the very pertinent point that the two States of Oregon and Washington have failed to ratify the compact. It might be entirely appropriate at this point to refer to the fact that Public Law 464 of the 81st Congress, 2d session, is an act granting the consent and approval of the Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River. That act was approved on March 21, 1950. It is very significant that this compact is very vivid and conclusive evidence of the good will and the desire for cooperation on the parts of the States of Idaho and Wyoming to have an equitable distribution and full utilization of the waters of the upper Snake River. If the States of Idaho and Wyoming could agree, as they did, to this compact—which makes a division and allocation of the water of the upper Snake River—then certainly the States of Oregon and Washington could be expected to do likewise.

Article I of the compact or agreement between Wyoming and Idaho provides as follows:

> A. The major purposes of this compact are to provide for the most efficient use of the waters of the Snake River for multiple purposes; to provide for equitable division of such waters; to remove causes of present and future controversies; to promote interstate comity; to recognize that the most efficient utilization of such waters is required for the development of the drainage area of the Snake River and its tributaries in Wyoming and Idaho; and to promote joint action by the States and the United States in the development and use of such waters and the control of floods.

So, Mr. President, I am sure that the people of Idaho are justified in the position they take, namely, that in the absence of a compact ratified by the States of Oregon and Washington, there is little justification for the State of Idaho to consent to the building of a high dam in the Hells Canyon, almost entirely dependent upon water from the States of Wyoming and Idaho to operate the dam, until there is a complete understanding, based upon the provisions of the compact which already has been ratified by the Legislatures of the States of Idaho, Nevada, and Utah.

So, Mr. President, on tomorrow, as we enter the final minutes of the debate on the bill, I think that one of the most potent arguments which will be made by those who are opposed to the high Federal dam is that thus far there has been a complete lack of good faith and good intentions on the part of the officials of the two lower-basin States of Oregon and Washington.

Mr. WATKINS. Mr. President, I wish to express my appreciation of the very fine presentations of the pending measure which have been made this

evening by the two Senators from Idaho—the senior Senator [Mr. DWORSHAK] and the junior Senator [Mr. WELKER]. They represent a great State and a great people. They have worked hard for the development of their State; and I think that they are justified in the opposition which has been expressed by them to this project. I believe they have a right to worry about the water rights for consumptive uses upstream of the Hells Canyon dam site, because once the dam is built—and it calls for approximately 4 million acre-feet of water a year for its operation—if the development of the dam goes forward, and if water becomes scarce, so that almost the entire stream is used for consumptive uses upstream of this project—and there should be a right to do so, under the law in the West, whereby consumptive uses of water have a prior right over all other uses—then either the dam could not be operated, or those who operate the dam would insist upon taking water from the supply to which Idaho is entitled.

Mr. President, Senate consideration of Senate bill 1333 has placed me in the unusual position of opposing what is claimed to be a water-resource development measure. It purports to be a measure which would contribute to the economic growth and progress of my neighbor State of Idaho and of the entire Pacific Northwest.

In view, therefore, of my opposition to the high Hells Canyon Dam proposal, I want to make my position abundantly clear before proceeding with a discussion of the bill itself.

In the first place, I have been, am now, and will continue to be, in favor of as much support as the Federal Government can provide for water-resource development, based on the principle that the Government should develop only the necessary projects which the citizens cannot build with their own resources.

I strongly endorse President Eisenhower's water-resource policy statement to the effect that—

> The conservation and use which we make of the water resources of our Nation may in large measure determine our future progress and the standards of living of our citizens.

I endorse the policy, enunciated under other Republican administrations, that revenues from hydropower facilities may be utilized to develop other water resources on interstate streams. This policy is essential to the continued development of water for all uses, especially in the semi-arid West.

Furthermore, I am strongly in favor of river-basin development, such as proposed by the Colorado River Storage project, recently authorized by the Congress.

These are basic policies in water-resource development; and I believe that I can adequately demonstrate, in the comments which will follow, how my stand in opposition to Senate bill 1333 is consistent with these policies and with the positive performance record of the Eisenhower administration in the field of natural-resource development.

Unfortunately, the high Hells Canyon proposal has been a partisan issue for so long now, that there exists much confusion in the public mind—and I dare say in the minds of some of us in this body—about exactly what is at issue in this matter. Hence, to delineate the basic issue, I shall preface my remarks by pointing out some specific things that this legislative proposal would not do:

First. High Hells Canyon Dam would not contribute a drop of water for irrigation use or municipal consumption in Idaho or elsewhere in the semiarid West.

In spite of the fact that this measure was handled by the Senate Irrigation and Reclamation Subcommittee, of which I am a member, it is not fundamentally a reclamation project. On the contrary, it is a power project which has some very limited flood-control values which can be effectuated under an alternative program at Hells Canyon or elsewhere.

The high Hells Canyon Dam would not conserve water, nor would it provide any water for reclaiming land by irrigation. It would not be a holdover storage reservoir. The reservoir behind the dam would be used exclusively for flood control, river regulation, and power production, which means that the dam would merely retard the flow of the Snake River for a relatively brief period of time, not conserve it for use in dry cycles lasting longer than a few months.

In fairness, I must point out that S. 1333 provides that revenue from this project may be utilized to finance irrigation projects in the Snake River Basin, upon completion of the 50-year amortization period, if Congress so directs.

Of course, Mr. President, such a provision is perfect nonsense, because in that respect the bill says, in effect, that the Congress can do thus-and-so if it wishes to do thus-and-so. Mr. President, it is not necessary to provide in a bill that Congress can act if it wishes to act; such a provision would be completely redundant, unnecessary, and without value.

However, it is significant that the Idaho State Reclamation Association, representing over 2 million acres of irrigated land in the State most directly affected, has been adamantly fighting the high Hells Canyon proposal for the past 8 years, and is solidly opposed to S. 1333. The Governors of Idaho, Oregon, and Washington also oppose the measure.

In addition, it is also true that if a need exists for power revenues to finance reclamation projects in the Snake River Basin a half century from now, comparable revenues can be obtained from the FPC-approved three-dam project, if the Federal Government elects to recapture the project facilities during or at the end of the 50-year licensing period.

Mr. President, under the law, as I have pointed out, that agency of the Congress—which has a judicial capacity and also a legislative capacity, in accordance with the standards laid down in the Federal Power Act—can determine, and it has determined, that only a license is given this company; that the company has no permanent right; that its right or license is limited to 50 years; and that at the end of that time the project can be taken over by the Government. In that event, probably the company would have some equities there, which would have to be taken care of; but from that point on, the Government could take the project and could take the revenue and could use them for the development of the water resources of the entire basin. That would be in accordance with the principle, now well established, that the electric-power revenues can be used for the purpose of aiding and developing the other beneficial uses of such a stream.

Furthermore, the revenues from the latter project would be available several years ahead of irrigation returns from the high-dam project. This fact discloses the real nature of the "giveaway" propaganda unfairly directed against the FPC-approved plan.

Second. High Hells Canyon Dam would not solve the problem of flood-control needs on the Columbia River.

The alleged flood-control contributions of the high Hells Canyon Dam have been so magnified that I feel that many Americans, possibly even including some Members of this body, are convinced that construction of the high dam would immediately end all flood-control problems on the Columbia River; and that failure to build the high dam would contribute directly to destruction of life and property on the lower Columbia. Such is not the case.

The facts are that present irrigation dams higher up on the Snake River, together with direct diversions and irrigation pumping, have taken much of the crest from any possible floods on that tributary of the Columbia. Also, it is true that planned reclamation projects, together with the million acre-feet of flood-control storage in the FPC-approved 3-dam Hells Canyon project, will, for all practical purposes, eliminate the possibility of any consequential flood runoff from the Snake River above the Hells Canyon Dam site at the season when the other tributaries of the Columbia are at flood stage.

Today, the upper Snake River is not the real flood producer of Columbia River tributaries. The major flooding problems are now, and will continue to be, contributed by the Salmon and Clearwater Rivers, both of which join the main stem of the Snake well below the Hells Canyon reach. Little irrigation storage exists, or is contemplated, on these two flooding tributaries.

Unfortunately for the sake of understanding on this matter, all three of these rivers flow through a sparsely inhabited section of the West. If we were discussing the Potomac River, for example, no one would seriously believe that the problems of flood control on and below the Anacostia River could be solved by building a single flood-control reservoir far up on the upper reaches of the Potomac. Such a storage reservoir would, of course, contribute to a total reduction of volume in the river itself; but it would do little to counter the effect of heavy floods originating on the Anacostia drainage or pouring into the main river from tributaries between the Anacostia and the upstream flood-control reservoir. Also, the Snake River, unlike the Potomac, already has on the upper

river extensive irrigation storage dams—some 8 million acre-feet of storage, in fact—which serve an auxiliary-flood-control purpose, and make the need of an additional 4 million acre-feet of flood-control storage at Hells Canyon highly questionable.

Third. High Hells Canyon would not produce kilowatts for the Northwest in the immediate future, when they are needed.

Construction of two units of the three-dam, FPC-approved project is now well under way. Completion of two units by the end of 1958 now appears possible. To arrest this program, and to substitute a project to build the second highest dam in the world—a project which would require from 6 to 8 years, or more, to build—would delay actual power production from 1958 to 1964, or even later. One of the main reasons advanced for the construction of high Hells Canyon Dam has been the urgent need for additional energy for the Northwest. It is now extremely evident that this need can be met far more quickly by the program approved by the Congress' power agency, than by the delaying action proposed in S. 1333.

I interpolate to say that I know the State of Idaho is in need of increased electric energy. I know that because the Idaho Power Co., the utility which serves that State, or at least the south end of it, is actually purchasing electric energy now from the State of Utah, energy which is produced in steam plants located in Salt Lake City. That supply will not be available too much longer. So Idaho will be in desperate straits for power if the power development does not take place very soon.

Fourth. The high Hells Canyon project does not begin to compare with the Colorado River storage project for its contributions as a comprehensive water resource project.

Many uncomplimentary comments about the Colorado River storage project have been made by supporters of the high Hells Canyon project. I do not know what it accomplishes these destructive critics to attempt to obliquely discredit a great project that has been overwhelmingly approved by the 84th Congress, but there is no denying the fact that repetitive attempts have been made to undermine the Colorado project while extolling the virtues of the high Hells Canyon project.

What these people have been doing, in effect, is to compare a good power project, high Hells Canyon, with an outstanding comprehensive water-development project that produces power as a byproduct of water storage dams, namely, the Colorado project. The fact that power in the latter project costs more to produce than power from Hells Canyon is largely academic, because the real value of the Colorado project lies in the fact that it makes available to 4 semiarid States roughly 5 million acre-feet of water from the only large remaining source of water for that desert area.

If an honest comparison of the two projects is made, it will be readily apparent to any fair-minded person that high Hells Canyon does not begin to compare with the Colorado project for its regional and national contributions.

High Hells Canyon would produce hydropower, and do so quite efficiently. This cannot be denied. It also would make limited contributions in flood control, navigation, and recreation. However, an alternative development—the three-dam FPC-approved project—also would produce hydropower with comparable efficiency, as well as make certain other contributions, such as flood control, recreation, and navigation—at no expense to the Federal Government, and do so while local, State, and Federal taxes are being paid.

In addition to its tremendous contribution of making possible the ultimate development of the water resource of the upper Colorado River, the Colorado River storage project also possesses these values:

(a) Its great storage vessels, such as Glen Canyon, Flaming Gorge, and Navajo Dams, store and conserve water which is vital to continued growth and progress of the Mountain West. Glen Canyon, for example, will have holdover storage capacity for 26 million acre-feet—as compared with 4 million acre-feet at high Hells Canyon—and will store, for periods up to 20 years, surplus waters of wet cycles for use in dry years.

(b) Initial project units will provide 48,800 acre-feet of water for municipal purposes. Irrigation water developed also is available for future municipal and industrial use under priorities established by State laws.

(c) Initial units also will provide irrigation water for 233,930 acres of farmlands now inadequately supplied, and for 132,360 acres of new irrigation lands, required to meet future local food and livestock forage requirements.

(d) Project reservoirs would provide needed water recreation areas for a mountain-desert area.

(e) Indian peoples would benefit, both from construction employment and from augmented water supplies.

(f) The project will add roughly a million kilowatts of installed hydropower capacity to a power-deficient area.

(g) The above contributions and others add up to significant civil-defense values, personally vouched for by Civil Defense Administrator Val Peterson.

Finally, there was no alternative to the Federal action taken on the Colorado River.

I cite these recognized values of the Colorado River storage project, not to discredit the high Hells Canyon proposal, but to defend a highly commendable project against unjustified slurs. You may be assured that I will have more to say about this subject later on.

Fifth. Approval by the FPC of the three-dam Hells Canyon project does not penalize the Pacific Northwest in its overall water resource development.

If Oregon and Washington have been severely retarded in their water resource development under Federal auspices, then some 46 other States would like to be so penalized.

Oregon is the No. 1 State in construction appropriations for navigation and flood-control projects, and Washington is No. 3 on the list. These two States have received a total of $929,909,000 for construction of such projects, or roughly one-seventh of the seven billions which have been appropriated for this civil-works program in all 48 States.

In addition, Washington is No. 1 on the list of Federal reclamation construction expenditures in any one State. Oregon's reclamation program is considerably more limited, but both States have received a total of more than $600 million in Federal funds for reclamation projects, one-fifth of all reclamation construction funds.

During the 4-year period of 1953 through 1956, almost a half billion dollars was appropriated for new work by the Corps of Engineers in the Columbia River Basin alone, a sum far greater than that provided for any other river basin in the Nation and amounting to some 30 percent of the new-work appropriations for the Corps of the entire United States.

Hence, I think we can assume that regardless of the action on high Hells Canyon Dam, water resource development will proceed in the richly favored States of Oregon and Washington at a pace comparable with or in advance of all other States.

The FPC-approved three-dam project, which is now going forward, itself represents no penalty upon the Northwest. On the contrary, it represents a private extension of that very extensive Federal program which I have just described. Furthermore, the successful culmination of the privately sponsored Hells Canyon project undoubtedly would tend to strengthen the revived interest in resource development among private business interests in the Northwest. If private industry is able to participate with the States and the Federal Government in this development program, then it is possible that a large part of the rich, undeveloped energy resources of the Northwest can be harnessed and put to use, thereby benefiting both the individual States, the region, and the Nation as a whole.

Development of the remaining water and power resources of the Columbia River will require expenditures of from six to eight billion dollars, or more, and it appears good sense to utilize the partnership of all interest—local, State, Federal, and private enterprise—in this vital, but admittedly expensive development. Meanwhile the Pacific Northwest—which has the country's richest hydropower potential—already has the Nation's lowest power rates, a regional asset of tremendous value, in and of itself.

So much for some observations, apparently negative in nature, to help place this argument in proper perspective. Now let us proceed to a brief analysis of the measure to ascertain what it actually proposes.

First. S. 1333 violates the precedent of Congressional respect for State's rights in water-resource legislation affecting the semiarid West.

No interstate compact has been effected to adequately protect the rights of Idaho and other upper basin States to consumptive uses of water in the Columbia River. This was one of my basic reasons for voting against S. 1333 when it

came before the Senate Irrigation and Reclamation Subcommittee in 1955. It still remains a basic objection.

People who live in the humid sections of the country have difficulty in comprehending the active interest in water resource legislation that is taken by those of us who live west of the 98th meridian, in what is the semiarid region of this great country of ours. In much of my part of the West, annual precipitation averages only from 5 to 10 inches a year. This represents only a little more moisture than falls here in the East during a typical week of heavy hurricane rains. Furthermore most of this limited precipation in the semiarid West occurs in the winter in the form of snow. Therefore, to have water for our cities and our relatively small agricultural oasis, we are obliged to build storage reservoirs which trap moisture during the spring snow melt and conserve it for use during the dry months of the year.

In western water development, a major advantage has been enjoyed by the downstream water users on our large rivers. The downstream areas frequently are the first to develop, have the best hydro power sites, and build up population justifying earlier development.

This was the situation faced by the upper States of the Colorado River Basin when the downstream users first proposed large-scale storage on that river in the 1920's. The upper basin States, whose watersheds collect 90 percent of the water of the Colorado, recognized that the tremendous storage capacity proposed for the Boulder Canyon project would enable the downstream States of California and Arizona to put to use all the available, unappropriated water in that river. Hence, the upper basin States refused to approve the construction of the Boulder Canyon project until the lower basin States had guaranteed to them, in an interstate compact, specific consumptive water uses in the river. Ratification of such a compact was required by Congress as a condition to authorization of the project bill which ultimately made possible the construction of Hoover Dam.

A similar situation exists on the Columbia River today. Tremendous power and irrigation projects have been constructed on the lower river. In this river basin, however, unlike the situation on the Colorado, the coastal sections are a water-surplus area, and considerable reclamation development has occurred in Idaho's Snake River drainage basin. Hence, there has not been a comparable drive in that basin for compact protection or for downstream water use.

The day is approaching, however, when competing uses of the Columbia's water will have to be resolved by compact. That situation is now at hand on the upper reaches of the Columbia, where an international compact will be required to permit further development on that tributary. On the Snake River tributary, fears of barriers to future water development in Idaho are the basis of Idaho opposition to the high Hells Canyon proposal.

From my own experience as a resident of an upstream State, I can assure my friends in Idaho that their fears are justified. A power dam consumes little water, but it establishes an appropriation right to streamflow which must be considered in any future water development upstream. In the case of the high Hells Canyon Dam, a reservoir impoundment of 4 million acre-feet would be required for flood control storage, power production, and regulation of the river flow to provide seasonal prime power at 9 power dams downstream. Witnesses at the hearings on this bill testified that projected uses during the next 50 years would permit this single Government reservoir to function efficiently, without interfering with estimated future water needs upstream. However, no estimates were made on possible effects of these downstream power-regulatory storage needs upon Idaho water development after the 50-year amortization period, and the high dam itself would be built to last at least 150 years.

There was testimony to the effect that only during the 50-year payout period could the experts establish and more or less make a solid commitment that there would be enough water for that period. However, beyond that point, the testimony is vague and uncertain, and there is no definite statement by any of the experts that beyond that period there would be enough water for development.

We have known in the past how water becomes available. Lands are needed to take care of increasing populations, and the cost of water is a very small item if it is available at all. So the millions of acres in Idaho which are now desert may in the future, if the water right is preserved to them, and the right to use it, be developed to provide homes for hundreds of thousands, if not millions, of people.

This large question mark on water available after the turn of the century bulwarked by the obvious power of the lobby-propaganda support drummed up for the high Hells Canyon proposal, has alarmed officials and water-user groups throughout Idaho and crystallized opposition in the Gem State to S. 1333.

So far as I recall during my term here, Congress has never approved a large-scale reservoir project like this without the support of the State in which the structure is located.

On the other hand, there is the precedent of the Boulder Canyon project bill of 1928, which produced congressional support for Hoover Dam, contingent upon ratification of an interstate compact.

The Columbia River States have a proposed compact, drafted in 1954 after interstate considerations extending over many months. However, the proposed compact, while signed by the compact commission in early 1955, has not been ratified by the lower basin States of Oregon and Washington. In fact, the impression has been given that these States will not ratify such a document. Instead, Oregon and Washington are telling Idaho, in effect, "We refuse to guarantee upstream rights by entering into a compact, but we offer you in place of such a formal legal guaranty, a protective clause in S. 1333 which will effectively protect your rights to Snake River waters."

So far, Idaho has not accepted the assurances that a proviso of S. 1333 will protect its rights to develop a rightful share of Columbia River water. On the contrary, Idaho leaders and farm groups have accepted the alternative proposal of the Idaho Power Co. to develop needed kilowatts by a three-dam project which requires only 1 million acre-feet of storage, and which is not keyed into a regulatory program to increase firm power production at 9 large downstream power dams.

The suggestion has been made that a proviso to make authorization of high Hells Canyon contingent upon compact ratification would now remove all major objections to this legislative proposal. Such compromise action may have helped, if the measure's proponents had made such a proposal last session, or in previous sessions. However, a development last fall—approval of the three-dam proposal by the Federal Power Commission—injected another major objection which cannot be removed by a willingness at this time to effectively guarantee upstream rights. This objection is summarized as follows:

Second. S. 1333 proposes upsetting a decision of the Congress' own bipartisan power agency, the Federal Power Commission, made after the most extensive deliberations in FPC history, amassing 20,000 pages of testimony in 150 hearing days.

It is indeed surprising to see some of my good friends on the other side of the Chamber supporting a move which aims at undermining the Federal Power Commission, an arm of the Congress, not under the domination of the Executive, but our own instrumentality, which has been given the means, the experts, and the bipartisan judges to determine something which we cannot very well determine for ourselves.

The FPC was established during the Wilson administration—after some good Republican spadework in previous administrations—and its authority was extended during the early years of Franklin D. Roosevelt's administration. Democratic stalwarts like Senator Burton K. Wheeler must be appalled at the prospect of this attack upon a great utility regulatory agency by their modern counterparts in the Congress. The shades of Republican liberals, like conservationist Gifford Pinchot, who pioneered in the campaign to bring about the FPC, also must be disturbed at this prospect.

The Federal Power Act of 1920 was passed by the Congress to provide an independent, bipartisan expert body to license and supervise power projects and waterpower developments on the public lands, navigable streams, and other waters subject to Federal jurisdiction.

Deficiencies of direct congressional action in this field were well summarized in the minority views on S. 1333, as follows:

Late in the 19th century and in the early years of the 20th century, the Congress itself undertook to examine and license by separate statutes each individual non-Federal hydroelectric project proposal. This

practice did not assure consistency with the public interest because the Congress was not equipped technically to examine proposals from the point of view of optimum development of the resources of the region involved. Furthermore, the lack of uniform standards made determination of the best multipurpose development impossible and tended toward piecemeal, limited development of the better hydroelectric sites.

These deficiencies were early recognized by Presidents Theodore Roosevelt and William Howard Taft, who refused to approve individual licensing bills and who urged upon the Congress the necessity for legislation of general application that would establish standards to be met by non-Federal project proposals.

Today, we have the FPC, whose authority has been extended to regulate utilities as well as issue licenses, and we have well-defined Commission policies established during more than a quarter century of legislation and Commission operation. Yet, when the chips are down on a tough FPC decision, the parent body now is asked to overrule its expert Commission—in effect, to overrule itself—and put power-project licensing back a half century into the era of individual project bills.

The question naturally follows: If the Congress cannot draft general policies which can be followed by its bipartisan, administrative commission, then why not dispense with the commission and restore licensing action to Congress before we have any further repetition of the waste represented by this proposal to disregard a decision based on 150-hearing days of an expert commission?

In other words, if the FPC is now found wanting after years of successful operation—the solution appears to be action to modify the rules, the basic policies, and not a resort to special legislation to gain, retroactively, an end that was not acceptable to the expert body established by Congress to weigh such proposals.

Revocation of the Commission's studied action would be tantamount to a return to the days at the turn of the century, when Presidents Theodore Roosevelt and Taft used Presidential vetoes to help persuade the Congress to achieve expert, consistent action on matters of this type.

The position of the minority is very sound on this score, as the minority views attest:

We of the minority do not presume to decide these issues as between the Hells Canyon 1-dam plan and the 3-dam plan. The majority would have the Congress undertake this task. In so doing, the majority would commit the Congress to a task for which it has neither the time nor the technical resources. It would have the Congress return to a method of individual project review tried and found wanting 50 years ago.

Third. The action upsetting the FPC decision may entail Federal liability for a large investment, of as yet unspecified size, already made by a private utility acting under a license issued by a congressional agency.

Articles in Idaho newspapers have disclosed the fact that several hundred workers have been employed by Idaho Power on the construction of Brownlee and Oxbow Dams, and a diversion tunnel has been completed for one unit. Additional millions have been invested in constructing transmission tie-ins and in fabricating special generating equipment. This construction speed has been necessary because the license requires completion of the Brownlee unit by the end of 1958.

Inasmuch as this activity occurred following the hearings conducted by the Senate committee, it behooves the proponents of S. 1333 to clearly inform the Senate how much is actually involved in these FPC-authorized construction activities, what the Federal liability would be, and how these additional costs would affect the financial picture painted in the hearing record and report.

Fourth. Approval of S. 1333 would mark a departure from a half century of reclamation policy that reserves Federal sponsorship to projects which are not practicable for State or private financing.

Private enterprise has constructed three-fourths of the reclamation works in this country. Reclamationists are strong believers in private enterprise, and the whole purpose of the historic Reclamation Act of 1902 was to provide for Federal financing of sound reclamation projects which could not be undertaken by State or local interests. Nowhere in the reclamation movement do we encounter the feeling that the Federal Government should exclusively develop our water resources.

This does not mean that we reclamationists are not grateful for Federal assistance, when it is required. We most certainly are, and there are many good water development projects in the semi-arid West—including Washington and Oregon—that can never be developed without Federal financing.

However, we are also well aware that there exists a tremendous backlog of desirable public works projects that also need Federal financing. This backlog has been estimated at $80 billion, with three-fourths of the potential projects in the water resource field. To find these billions, and, at the same time, to meet our astronomical defense costs, it is essential that all avenues of financial assistance—Federal, State, local, and private business—be utilized.

Here in the Hells Canyon area, we have a sound private utility that not only has offered to finance a power-flood-control project, but also has obtained the necessary license from the FPC and energetically expedited construction work. Under these circumstances, and in view of the billions needed for a large variety of needed public works, it just doesn't make sense to kill a going project and waste the time, money, and effort involved.

Abraham Lincoln long ago told the people that the Federal Government should do for its citizens only those necessary things that the citizens cannot do for themselves. This is a paraphrase of President Lincoln's remarks, but the sentiments were sound a century ago, and they are a good guiding principle for us today.

I could go on at some length developing these and other ideas on this subject, and endeavoring to correct some of the misstatements and half-truths in the heavily one-sided committee report on this measure, but I shall not take time to do so at the moment.

CONCLUSION

In conclusion, I wish to summarize my position on this bill as follows:

First. The Congress' own power regulatory agency has authorized a three-dam project for the Hells Canyon reach of the Snake River which does virtually everything done by the proposed high Hells Canyon Dam, and at no expense to the Federal Government.

Second. If revenues are required to help finance water resource development in the Snake River Basin in the future, the Federal Government can obtain them by recapturing the facilities to be built and paid for by Idaho Power Co. under its 50-year FPC license. These revenues, incidentally can be made available several years before similar funds would be available from the proposed Federal high dam, because the low dams would be built much earlier, and the 50-year period would terminate much earlier.

Third. Construction of the three-dam plan will provide power for the Northwest by 1958, several years ahead of energy deliveries from a single high dam.

Fourth. The State of Idaho favors the FPC-approved three-dam program now under construction; it adamantly opposes the proposed high dam because of possible adverse effect upon its future water supply and agricultural economy.

Fifth. In pressing for the high dam, which has many professed downstream benefits, the downstream States of Oregon and Washington have resisted guaranteeing upstream water development rights by ratifying an interstate compact to govern use of the water resources of the Columbia River.

Sixth. Approval of the high dam proposal would mark a departure from half-century-old reclamation policies of requesting Federal assistance only for those projects which cannot be built and financed by State or local interests.

Seventh. Rejection of the high dam proposal would not retard, to any consequential degree, water resource development in the Pacific Northwest, an area where one-seventh of the national flood control and navigation construction expenditures and one-fifth of the reclamation construction appropriations have been concentrated in two States—Oregon and Washington.

In fact, defeat of the high dam proposal probably would enlist further participation by private interests, thereby supplementing the extensive program now going forward and planned for the future under Federal auspices.

One of the chief reasons the advocates advance for the authorization of a Federal Hells Canyon Dam project is the need for flood-control storage in the Snake River Basin. I requested a statement from the office of the Chief of Engineers on this matter last year, receiving a reply which I ask unanimous consent to be inserted in the RECORD at this point.

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

OCTOBER 6, 1955.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: Reference is made to your letter dated September 7, 1955, requesting information on several matters including the adequacy of the annual water supply at Hells Canyon site.

Annual emptying and filling of the entire usable capacity of Hells Canyon Reservoir was not contemplated by the Corps of Engineers. The preliminary plan of operation considered in connection with the developments outlined in House Document No. 531, 81st Congress, provided that Hells Canyon would be operated jointly for flood control and power on a streamflow forecast basis with a total of 3,280,000 acre-feet of storage space available for use. Later the Bureau of Reclamation studies indicated 3,880,000 acre-feet of storage space could be made available. Under the Corps of Engineers' plan the amount of storage to be evacuated annually would vary depending upon the runoff forecast, the entire 3,280,000 acre-feet being evacuated only when a runoff of more than 10 million acre-feet was estimated for the months February through July. Under this plan the reservoir would be refilled annually except during critical years of low water supply and power shortages under which circumstances the reservoir might advantageously be emptied below the point where refilling would be assured. Examinations of past records indicate that the reservoir would not have completely refilled four times during the measured record of 1910 to date.

In regard to your question relative to the basis for computing benefit ratios, a maximum amortization period of 50 years has been the general rule for economic analyses made by the Corps of Engineers. An extensive search of the large number of studies that have been made by the Corps of Engineers would be expected to reveal some exceptions to this general rule, however, it is believed that it would show very few instances where a period longer than 50 years was used in determining benefit-to-cost ratios.

The amounts of flood control storage space recommended in surveys by the Corps of Engineers for the rivers specified in your request are shown in the following tabulation. The amount of storage space shown for the upper Snake River includes storage existing or under construction in amount of 2,850,000 acre-feet.

Tributary	Recommended flood control storage space (acre-feet)	Survey report
Main stem of Snake River, confluence with Columbia to Clearwater River.	None	H. Doc. 704, 75th Cong., 3d sess.
Clearwater River	3,730,000	Review report, Columbia River and tributaries Middle Snake River Basin, Dec. 22, 1953.
Grande Ronde River	None	H. Doc. 531, 81st Cong., 2d sess.
Salmon River	None	Do.
Upper Snake River including tributaries.	7,380,000	Do.

Sincerely yours,

E. C. ITSCHNER,
Brigadier General, United States Army, Assistant Chief of Engineers for Civil Works.

Mr. WATKINS. Mr. President, the answer to the specific question of necessary flood storage is found in the report, printed as House Document No. 531, according to this reply. The Assistant Chief of Engineers says that 7,380,000 acre-feet in the basin above the Hells Canyon site is required. As in most storage reservoirs, this space can be used jointly for flood control, power, and irrigation when operated under regulations which include runoff forecasting based on snow measurements. Forecasts in this basin have been tested for more than 20 years.

The design and proposed operation of the Palisades Dam and Reservoir on the basis of joint uses for the purposes of flood control, power, and irrigation resulted in making it a financially feasible undertaking. It will be completed by the Bureau of Reclamation next year.

The letter of the Assistant Chief of Engineers also states that the 7,380,000 acre-feet includes storage on tributaries as well as on the main river, and that it "includes storage existing or under construction in amount of 2,850,000 acre-feet." An examination of the 1953 water supply paper of the United States Geological Survey for Snake River Basin shows that, including Palisades Reservoir, there now exists an active storage volume in this drainage area of 7,781,000 acre-feet, of which 3,742,000 is on the main stem of Snake River.

I ask unanimous consent that there be printed in the RECORD at this point table I.

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

TABLE I.—*Reservoirs in Snake River Basin above Hells Canyon*

[Data from U. S. Geological Survey Water Supply Papers]

Reservoir	Operation year	Active capacity, acre-feet	Stream
Jackson Lake	1906	840,000	Snake River.
Island Park	1938	125,000	Henry's Fork.
Henry's Lake	1922	76,000	Do.
Grassy Lake	1939	15,000	Do.
Palisades [1]	1957	1,202,000	Snake River.
American Falls	1926	1,700,000	Do.
Lake Walcott	1906	105,000	Do.
Oakley	1911	74,000	Goose Creek.
Magic	1909	190,000	Malad River.
C. J. Strike	1952	50,000	Bruneau River.
Owyhee	1932	1,120,000	Owyhee River.
Anderson Ranch	1945	464,000	Boise River.
Arrowrock	1915	286,000	Do.
Lucky Peak	1955	280,000	Do.
Lake Lowell	1908	177,000	Do.
Warm Springs	1920	191,000	Malheur River.
Agency Valley	1935	60,000	Do.
Deadwood	1930	160,000	Payette River.
Lake Fork	1926	16,000	Do.
Cascade	1949	650,000	Do.
Total in operation [1]		7,781,000	

[1] Palisades will be in operation in 1957.

[Data from other sources]

UNDER CONSTRUCTION			
Brownlee		1,000,000	Snake River.
BEING STUDIED			
Garden Valley		843,000	Payette River.
Burns Creek		120,000	Snake River.
Alpine		780,000	Do.
Marsing		830,000	Do.
Total		2,573,000	
Grand total		11,354,000	

Mr. WATKINS. Mr. President, the table includes the 1 million acre-foot capacity Brownlee Reservoir, now under construction under license from the Federal Power Commission. The Commission has required that Brownlee be operated to serve flood-control purposes to the greatest possible extent, and 500,000 acre-feet will be available on March 1 of each year, the whole capacity to be made available, under regulations of the Corps of Engineers, when necessary. The table also includes 4 reservoirs in planning and investigation stages. These aggregate 2,573,000 acre-feet of storage space, so that the total storage in a few years could be 11,354,000 acre-feet. Certainly three-quarters of this active storage space, 8,500,000 acre-feet as a minimum, is beneficial directly to alleviating flood damages not only locally but downstream in the Columbia River channel.

The Assistant Chief of Engineers, in this letter of October 6, 1955, also said that of the existing storage, including Palisades Reservoir, 2,850,000 acre-feet, are now set aside for flood control under regulations of the Corps of Engineers. By the further refinement of forecasting, I do not doubt but that this volume could easily be doubled in the existing structures. However, disregarding this probability, and adding the last items of the table, Brownlee Reservoir and those being studied, to the 2,850,000, there will be a total of 6,420,000 acre-feet for flood-control use, jointly with other uses, of course. This is not far from the requirement of 7,380,000 acre-feet suggested in the letter of October 6.

The comprehensive plan of the Corps of Engineers presented in House Document No. 531, 81st Congress, is not the final solution of the Corps of Engineers. These eminent specialists did not claim it was, and do not now. The corps held hearings in Montana, Washington, Oregon, and Idaho last month to hear local people on the matter of reviewing the 1949 plan. I ask that the notice of these hearings be placed in the RECORD at the conclusion of my remarks.

I note, however, according to this notice, that the 1949 report indicates that in computing the storage space needed at Hells Canyon no consideration was given to storage on the Clearwater River. Now, two sites on this stream, the worst flood producer in the Snake River Basin, will be studied. The construction of control storage on the Clearwater would result in the reduction or elimination of further space required on the middle and upper Snake drainage over that shown in my table I.

The argument for the high Hells Canyon project as a flood-control necessity does not appear now to have the particular validity to warrant our consideration.

Proceeding next to the subject of present and prospective irrigation in the Snake River Basin above Hells Canyon reach of Snake River.

I ask unanimous consent that there be printed in the RECORD at this point tables II and II-A.

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

TABLE II.—*Irrigation in Snake River Basin above Hells Canyon reach of Snake River*

	Irrigation acreage
Idaho	1,802,400
Oregon	205,700
Wyoming	66,700
Nevada	40,900
Utah	6,300

NOTE.—The acreage is taken from Bureau of Census reports for 1950 and represents that irrigated by enterprises, which includes a small percentage of lands deriving water from more than one local source. The Idaho acreage is corrected for lands shown in independent basins, such as Lost Lake.

TABLE II-A.—*Areas served by irrigation enterprises in Columbia River Basin.*

[Data from 1950 report of Bureau of Census]

	Columbia River Basin	Total in State
	Acres	*Acres*
Idaho	2,032,600	2,167,900
Montana	347,200	1,808,600
Nevada	40,900	722,900
Oregon	770,700	1,337,500
Utah	6,300	1,167,000
Washington	586,800	618,100
Wyoming	66,700	1,474,800

NOTE.—Data from drainage basin tables Nos. I, pt. I.

Mr. WATKINS. Mr. President, I have taken these data from the 1950 report of the Bureau of the Census to avoid any question as to their integrity. Table II shows irrigation in 1950 in the basin under discussion. Five States are here involved. The acreage now irrigated is not as important as the future increase of irrigated agricultural lands in this arid region. The testimony was that there will inevitably be an increase in irrigated areas, especially in Idaho; that this increase would result in the depletion of river flows in Hells Canyon reach of an average of 2,435,000 acre-feet annually in about 50 years. The evidence was that each acre of irrigated land would evaporate about 2 feet depth of water including losses from new reservoirs; in other words 2 acre-feet per irrigated acre.

The testimony was that there might be an increase in irrigated lands, between 1950 and 2010, of 1,300,000 acres, and that the effect of this depletion of Snake River flows for power at Hells Canyon had been considered in studies for project feasibility. There also was testimony that there has been an increase of 200,000 acres since 1950. It may well be that with new storage developments and increased pumping from groundwaters in the Snake River plains, the depletion by irrigation easily could be twice as rapid and much more extensive than the estimates. My concern is not altogether confined to the effects on power production. My principal concern is the absence of an agreement among the Columbia River Basin States to the effect that use of water for power production shall be subservient to all the beneficial consumptive uses for agricultural, municipal, and industrial purposes. The compact of the seven States of the Colorado Basin, signed in 1922, carries such a stipulation. It is a sure way to protect upstream water users, whether in the Colorado or the Columbia River Basins, against both Federal and private power developments downstream. It is one of the more important aspects of interstate stream compacts between interested States that they may determine their respective rights in basin water resources and the conditions to control the use.

The Congress has approved and consented to 15 such compacts in the West. Congress has also stated a policy for observing the rights of the States. The policy of the Congress is in forceful, strong, and plain language. It is in the preamble to section 1 of the Flood Control Act of 1944, better known in the West as the O'Mahoney-Milliken amendment. Let Senators pay close attention to it as I read:

> In connection with the exercise of jurisdiction over the rivers of the Nation through the construction of works of improvement, for navigation or flood control, as herein authorized, it is hereby declared to be the policy of the Congress to recognize the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, as herein authorized to preserve and protect to the fullest possible extent established and potential uses, for all purposes, of the waters of the Nation's rivers; to facilitate the consideration of projects on a basis of comprehensive and coordinated development; and to limit the authorization and construction of navigation works to those in which a substantial benefit to navigation will be realized therefrom and which can be operated consistently with appropriate and economic use of the waters of such rivers by other users.

We do not have recent official statements from the governors of any of the seven States of the Columbia River Basin approving construction by the Federal Government of the high Hells Canyon project. We have testimony that some of the governors do not approve, including the governor of Idaho. Most of the water supply originates in Idaho, and yet the bill, S. 1333, would ignore the interests of the State of Idaho.

As against the water demands of the large power developments constructed, under construction, and authorized to be built downstream from the agricultural areas of Idaho, Oregon, Nevada, Wyoming, and Utah, what are the rights of irrigators whose uses are initiated junior to the power developments at Bonneville, at The Dalles, at McNary, at John Day?

In addition to these dams on the Columbia River below the mouth of Snake River, I apply the same question to the four authorized power dams on the Lower Snake River in Oregon, which are Lower Granite, Little Goose, Lower Monumental, and Ice Harbor. The testimony was that the power drops over these eight dams aggregate 687 feet. Without an interstate agreement, approved by the Congress, no one can answer this question.

The proposed high Hells Canyon project that would be authorized by the bill before us, would, it is claimed by its sponsors, surrender its priority against future upstream consumptive uses. However, the project is feasible only because downstream powerplants, present and future, credit to the project the benefits received from its operation. Therefore, these also acquire rights under the project, all the way to Bonneville Dam. The States of Oregon and Washington have not at this date, agreed to have their power rights made subservient to upstream developments for irrigation, municipal, and industrial purposes. They must do so ultimately when the total basin resources are necessary to the Nation's welfare. They will do so when we return to the basic principle that the development of natural resources is not a matter of partisan politics, but, instead, is a matter involving the rights of sovereign States.

It has been claimed by the sponsors of S. 1333, as amended, that it protects present and future upstream uses of water under the laws of the affected States. These States are Nevada, Utah, Wyoming, Oregon, and Idaho. Rights to water obtained under the laws of these States are founded on the doctrine of priority of appropriation. This doctrine is the law also of the seven Colorado River Basin States. These States never entertained any doubts on the necessity of an interstate compact to cover the Colorado River stream system. What this compact, signed at Santa Fe in 1922, provides is pertinent here.

The Colorado River Compact of 1922 was approved and consented to by act of Congress in 1928. Article IV of this compact is as follows:

> (a) Inasmuch as the Colorado River has ceased to be navigable for commerce and the reservation of its waters for navigation would seriously limit the development of its basin, the use of its waters for purposes of navigation shall be subservient to the uses of such waters for domestic, agricultural, and power purposes. If the Congress shall not consent to this paragraph, the other provisions of this compact shall nevertheless remain binding.
>
> (b) Subject to the provisions of this compact, water of the Colorado River system may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use and consumption of such water for agricultural and domestic purposes and shall not interfere with or prevent use for such dominant purposes.
>
> (c) The provisions of this article shall not apply to or interfere with the regulation and control by any State within its boundaries of the appropriation, use, and distribution of water.

Subsection (b) of section 13 of the Boulder Canyon Project Act of 1928, in which act consent to the project was given, reads as follows:

> (b) The rights of the United States in or to waters of the Colorado River and its tributaries howsoever claimed or acquired, as well as the rights of those claiming under the United States, shall be subject to and controlled by said Colorado River compact.

The Colorado River Compact could not, as a practical matter, be terminated by a simple act of Congress, because Congress has approved article X which reads as follows:

> This compact may be terminated at any time by the unanimous agreement of the signatory States. In the event of such termination, all rights established under it shall continue unimpaired.

I have examined the Columbia Interstate Compact, which was approved by a commission representing the States of Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming, and the United States. The date of its approval was December 29, 1954. The legislature of the State of Idaho of 1955 ratified this compact. The compact provided that rights to beneficial consumptive uses in the States of Idaho, Montana, Nevada, Utah, Wyoming, and in the portions of Oregon and Washington, east of the Cascade Mountains, whether established heretofore or hereafter prior to the controlling date, under the laws of the States involved, if validly established under those laws, shall be recognized as against, and shall not be limited by, any rights, existing or future, to such waters for nonconsumptive uses by means of developments, locally, wholly, or partly, within a member downstream State whether the rights to such nonconsumptive uses are established under the laws of a member State, or are being asserted under the authority of the United States in connection with any water use or control development constructed by or under the authority of the United States. I note that it covers existing and future consumptive uses, and thereby, provides complete protection to those upstream areas which are relying on agricultural development, in large part, for their future prosperity.

I also note that this compact contains in article XII the following language:

> Except as otherwise specifically provided in subdivision D of article VII hereof, this compact shall remain in full force and effect unless and until terminated by action of the legislatures of the States of Idaho, Montana, Oregon, and Washington which action is consented to and approved by the Congress of the United States: *Provided*, That in the event of any termination all rights theretofore established hereunder or recognized hereby shall continue to be recognized as valid notwithstanding such termination.

This is the same provision as was agreed to in the Colorado River compact.

An act passed by the Congress without the approval of all of the States involved is certainly not in keeping with the policy of the Congress, which I have heretofore described. Moreover, a simple act of authorization is, as everyone knows, subject to later modification or repeal by another act of Congress at a later date. I have cited an article from the Colorado River compact of 1922 and also one from the proposed Columbia Interstate compact, which provide that these compacts, when approved and consented to by the Congress, could only be terminated by the States themselves. In the case of the Colorado River compact, it could be terminated only by the unanimous agreement of the States. In the case of the proposed Columbia Interstate compact, it would be terminated only by act of the legislatures of each of the States of Idaho, Montana, Oregon, and Washington, these being the major States of this basin. In my opinion, these provisions give complete protection to the use of waters in the States involved in interstate compacts and to their citizens who obtain rights to waters under their laws. I know of no other method for obtaining complete protection for all water users, large and small. I assure Members of the Senate that in rejecting approval of the measure before us they are taking an important step in maintaining the integrity of States rights and in guaranteeing political autonomy at the grassroots level.

The Committee on Interior and Insular Affairs of the Senate has in its files the briefs of the staff of the Federal Power Commission covering its protracted hearings on the applications before it concerning the development of power in Hells Canyon. I shall not go into these matters extensively, but I should like to present a brief summary from some of the evidence and from the findings of the Commission with respect to the three-dam plan for Hells Canyon, which has been approved and is under license to be constructed by a private utility, which serves the upper Snake River region, and with respect to the high Hells Canyon Dam.

I ask unanimous consent that there be printed in the RECORD at this point, a table containing these data.

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

TABLE III.—*Hells Canyon Reach of Snake River*

[Data from staff brief, Federal Power Commission]

	3-dam plan	High dam
Installation (kilowatts)	783,400	800,000
Nominal prime power (kilowatts)		
At site	565,000	646,000
Downstream	110,000	278,000
Total	675,000	924,000
Average annual generation (millions of kilowatt-hours):		
At site	4,783	5,554
Downstream	517	990
Total	5,300	6,544
At market (93 percent)	4,880	6,086

Mr. WATKINS. Mr. President, I note that the installations of generating capacities are for the three-dam plan, 783,400 kilowatts and for the high dam, 800,000 kilowatts; that the prime power capability is 565,000 kilowatts for the three-dam plan and 646,000 kilowatts for the high dam; that downstream capabilities for prime power will be increased 110,000 kilowatts by the three-dam plan and 278,000 kilowatts for the high dam; that the total nominal prime power for the three-dam plan will, therefore, be 675,000 kilowatts and 924,000 for the high dam. It seems to me, however, that the average annual generation for each plan is a better method of comparing them than the comparison of the prime power capabilities of installations. I think that the actual salable production of energy is a better measure. The table shows this and summarizing it we find that the three-dam plan will deliver 4,880 and the high dam will deliver 6,068 millions of kilowatt hours annually at market. The three-dam plan will produce over 80 percent of the energy produced by the high dam plan. If we consider the energy produced at the dam sites, and allow 7 percent for transmission loss, the three-dam plan will produce 86 percent as much power as the high dam. This should answer the claim that the licenses plan will result in a large loss of power potential, because the claim is without real substance.

We were supplied with costs of these two plans during our hearings. The complete cost of the three-dam plan will not exceed $133 million. The lowest estimated cost of the high dam is $328 million. Adding transmission costs to these, increases the total project costs to the following amounts:

For the 3-dam plan	$154,000,000
For the high-dam plan	405,000,000

I have a table which gives these and other data, and I ask unanimous consent that it be printed in the RECORD at this point.

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

TABLE IV

[All values in round numbers]

	3-dam plan	High dam
Total cost	$133,000,000	$328,000,000
Transmission, local and regional	21,000,000	77,000,000
Total project investment	154,000,000	405,000,000
Annual generation, at site in average kilowatts [1]	546,000	634,000
Investment cost per average kilowatt of output	$280	$640

[1] These values are derived by dividing the "average annual generation" quantity of the previous table by 8,760, the hours in a year.

Mr. WATKINS. Mr. President, the final item in the table shows the investment cost per average kilowatt of output of $280 for the three-dam plan and $640 for the high dam.

I have discussed the importance and scope of irrigation in the upper Snake River Basin, and included data in support of my views. I have shown that there exists nearly 8 million acre-feet of storage and about 3½ million acre-feet of storage space under construction or being planned. This storage, except for that under construction in the Hells Canyon reach of Snake River, is chiefly near the mountains where snowmelt runoff causes floods. Flood storage at high Hells Canyon would benefit no one in the basin upstream. That storage would tend to contain floods after they had traversed parts of Wyoming and Oregon and most of the length of Idaho.

The data I have presented on power production are from records and from conclusions of the Federal Power Commission's technical staff after long hearings and reviews of testimony and exhibits. I have made some calculations from these data, and it seems to me that when a non-Federal entity is able to provide 86 percent as much electric energy, with an investment of $154 million, as a Federal agency would with $405 million, there is actually little argument for an authorization to effect Federal intervention. To approve S. 1333 is completely unrealistic fiscally, and is in violation of the principles adopted by the Congress regarding such developments in the Western States.

I ask unanimous consent to have printed in the RECORD a summary on the Hells Canyon project, a summary on the

Scriver Creek power project, and a memorandum issued by the Corps of Army Engineers.

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

HELLS CANYON PROJECT

SUMMARY

1. The bill, S. 1333, in item a on page 2, refers to the report of the Commissioner of Reclamation approved May 11, 1951.

2. The bill will authorize Hells Canyon Dam as described in the Columbia Basin report, which is now a House document, and as modified by the 1951 report of the Commissioner.

The report states that the Hells Canyon project, consisting of a dam, reservoir, and powerplant will cost $356,810,000. Of this amount $43,424,000 is nonreimbursable. The report also states that the cost of transmission lines, based on 1948 price levels, is $120 million. Thus the total cost, according to the 1951 report of the Hells Canyon project, and transmission system required therefor, would be $476,810,000. Neither the 1951 report nor the "underlying report" of April 1948 mentions the cost of interest during construction. The interest item, however, has been estimated during our hearings on S. 1333 at $27 million. Thus, the total cost of the project and pertinent features would exceed $500 million.

3. There is an item also mentioned, in the 1951 report, in the amount of $5 million for migratory fish preservation facilities. However, in none of the studies which I have examined is the $5 million considered; that is, it has not been added to either the three-dam project or the high-dam project costs, and it does not affect a relative comparison significantly.

4. The 1951 report notes on page 2 that the "original comments of the States of Oregon, Nevada, Utah, Washington, and Wyoming are in agreement with the proposed plan set forth in this report. The Governor of Idaho, however, in commenting on the proposed report and on the Columbia Basin report, indicated that prior construction of the power units of the Mountain Home division in southern Idaho might be more advantageous to the State of Idaho." Apparently there were no comments from the Governor of Montana on the Hells Canyon project separately from the Columbia Basin report plan.

5. It is pointed out that the Columbia Basin report, printed as House Document No. 473, 81st Congress, is similar to the report on the Colorado River (H. Doc. 419, 80th Cong.) in that both are catalogs of possibilities which could receive the approval of most everybody in connection with the objective of accomplishing basinwide integration respecting water resources.

THE SCRIVER CREEK POWER PROJECT

SUMMARY

1. The Scriver Creek power facilities include works for diverting waters from the North Fork of Payette River to the Middle Fork through a total drop of 1,280 feet. In utilizing this difference in head, the waters will be used in two powerplants with capacities as follows: Upper Scriver Creek, 30,000 kilowatts, lower Scriver Creek, 90,000 kilowatts, initial installations.

2. The bill, S. 1333, in item B on page 2, refers to the report of the Commissioner of Reclamation, approved May 11, 1951. This report gives the estimated cost of these plants at $49,413,000, allocated to power. A part of this allocation, $2,245,000, will be an irrigation pumping power allocation, according to Project Planning Report No. 1-5.5-7.S., which report is referred to in the document of May 11.

3. In this Project Planning Report at page 140 is shown the pay-out period for the Payette unit of the Mountain Home project. That project, of course, includes Scriver Creek power facilities in one large project estimated to cost $253,234,000, of which $249,118,000 is reimbursable.

4. At the top of page 3, the May 11 report says that the Payette division of the Mountain Home project includes "192,000 acres of fertile desert land."

5. The last pargraph on page 2 of the May 11 report mentions the Garden Valley Dam and powerplant, stating that its construction will be deferred for a future stage of development. The active capacity of the reservoir is about 840,000 acre-feet and the power installation will be 60,000 kilowatts.

6. The May 11 report, however, recommends only the Scriver Creek power facilities.

7. Attached also is a special report of the Regional Director at Boise on the Scriver Creek power facilities, dated June 1955. Page 6 of this report gives the cost of the Scriver Creek facilities also at about $49 million, and the annual cost for producing power would be $2,405,700. On page 8 under the heading "Financial Feasibility" it is stated that the total project costs, including the unassigned cost of Cascade Reservoir, could be returned in 43 years at 2.5 percent interest. The return for energy sold would be 4.7 mills for firm energy; 2.6 mills for off-peak energy; and dump energy at 2 mills. On this basis, the annual revenue would be $2,566,000, as against the annual cost of $2,405,700.

8. In the future it is planned to add the Garden Valley unit at an estimated cost of about $30 million. The required revenues from power for the whole plan would be about the same as for the Scriver Creek plants alone.

9. The total cost of the Payette unit of the Mountain Home project is stated in paragraph 3. It would include the Scriver Creek and Garden Valley powerplants, the diversion works from the Payette drainage to the Boise River, the diversions from Lucky Peak Reservoir to the lands in the Hillcrest Division, the diversion from the South Fork of Boise River to the Long Tom Division constituting the Payette unit. The Project Planning Report referred to in the April 11 letter (or report) contains the following financial summary which was previously referred to at page 140:

Summary of cost allocation and repayment of reimbursable costs

ALLOCATION OF COSTS

Reimbursable: Irrigation	$199,705,000
Power:	
Commercial power	47,168,000
Irrigation pumping power	2,245,000
	49,413,000
Total reimbursable	249,118,000
Nonreimbursable:	
Flood control	940,000
Fish and wildlife	3,176,000
Total nonreimbursable	4,116,000
Total	253,234,000

REPAYMENT OF REIMBURSABLE COSTS

Irrigation allocation:	
Payments by water users	$22,455,000
Application of interest component earned on power investment	19,118,000
Surplus net power revenues from project in 79 years	80,737,000
Basin-wide repayment plan	77,395,000
Total	199,705,000
Power allocation: Payments from net power revenues	49,413,000
Total reimbursable costs	249,118,000

The summary assumes a schedule of construction in the development of irrigated lands which will include a total repayment period of 79 years. It is noted that something over $77 million must come from power revenues other than those of the project and it calls that source "Basin-wide Repayment Plan." However, water users would be required to pay 40 years only, exclusive of what might be collected during the development period. But, it is also pointed out that this financial summary, prepared in 1949, includes the application of $19 million of interest on power as repayment for irrigation costs. This method of financing is not presently accepted by the Congress, and thus a basin fund would be required to supply about $96 million instead of the $77 million.

CORPS OF ENGINEERS,
UNITED STATES ARMY OFFCE,
DIVISION ENGINEER,
NORTH PACIFIC DIVISION,
Portland, Oreg., June 9, 1956.

NOTICE OF PUBLIC HEARINGS ON COLUMBIA RIVER AND TRIBUTARIES

Pursuant to resolution adopted July 28, 1955, by the Committee on Public Works of the United States Senate, the Division Engineer has been directed to review the report on Columbia River and tributaries published as House Document No. 531, 81st Congress 2d Session. For your information the resolution reads as follows:

"Resolved by the Committee on Public Works of the United States Senate, That the Board of Engineers for Rivers and Harbors, created under section 3 of the River and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the report on the Columbia River and tributaries published as House Document No. 531, 81st Congress, 2d Session, and other reports, with a view to determining the advisability of modifying the existing project in any way at this time particularly with regard to present requirements of flood control including consideration of flood storage in Canada; the present needs of navigation; a restudy of hydroelectric power potentialities as a part of a combined hydrothermal system; and consideration of all related water uses."

In order that the report may fully cover the matter, public hearings will be held by the respective district engineers as follows:

HEARING TO BE CONDUCTED BY CORPS OF ENGINEERS

[*Date, time, location, and district*]

July 9, 1956, 9 a. m., Bitterroot Room, Florence Hotel, Missoula, Mont.; district engineer, Seattle district.

July 10, 1956, 9 a. m., Chamber of Commerce Auditorium, 1020 West Riverside, Spokane, Wash.; district engineer, Seattle district.

July 11, 1956, 9 a. m., Ball room, Lewis and Clark hotel, Lewiston, Idaho; district engineer, Walla Walla district.

July 12, 1956, 9 a. m., Crystal Ball Room, Boise Hotel, Boise, Idaho; district engineer, Walla Walla district.

July 13, 1956, 9 a. m., auditorium, Interior Building, 1101 N. E. Lloyd Blvd., Portland, Oreg.; district engineer, Portland district.

A description of the existing project for Columbia River and tributaries, as well as a résumé of the water-resource problems and potential solutions to these problems, are contained in the attached bulletin for your advance information and consideration. Additional information on the various projects under consideration will be presented at the public hearings. Advance information on any specific project or group of projects may be obtained from the appropriate district engineer.

This series of hearings is being held in the early stages of the review study to permit the Corps of Engineers to obtain suggestions and comments from those interested in resource development in order that full consideration can be given to these views in the formulation of a feasible and acceptable plan of development. It is planned to hold additional hearings in 1957 after specific proposals have been developed. All interested parties are invited to be present or represented at one of the above-listed hearings. Full opportunity will be afforded for the expression of views concerning the need for further water-resource development in the basin and general plans of improvement desired.

Oral statements will be heard, but for accuracy of record all important facts and arguments should be submitted in writing, in quadruplicate. Written statements may be handed to the district engineer conducting the public hearing or be mailed to him beforehand. Those wishing to present oral testimony should notify the district engineer in charge preferably in advance of the meeting. In order to permit maximum participation, it is desired that each presentation from the floor not exceed 10 minutes. Time will be allowed for answering questions from the floor.

For your information the addresses of the district engineers are as follows:

District engineer, Seattle district, Corps of Engineers, 4735 East Marginal Way, Seattle, Wash.

District engineer, Walla Walla district, Corps of Engineers, Building 602, City-County Airport, Walla Walla, Wash.

District engineer, Portland district, Corps of Engineers, 628 Pittock Block, Portland, Oreg.

Please bring the foregoing to the attention of persons known to you to be interested in the matter.

L. H. FOOTE,
Brigadier General, United States Army, Division Engineer.

INFORMATION BULLETIN ON A STUDY OF WATER RESOURCE DEVELOPMENT OF THE COLUMBIA RIVER BASIN

This bulletin outlines the objectives of the restudy being conducted by the Corps of Engineers, United States Army, of its 1948 "308 Review Report" on the Columbia River (published as H. Doc. 531, 81st Cong., 2d sess.), and outlines some of the possibilities being considered to achieve a fuller development of the basin's resources.

Detailed project studies and field investigations by the Corps of Engineers are being conducted by the respective District Engineers. The Seattle district area includes that portion of the Columbia River Basin above the head of the McNary pool near Richland, Wash. The Walla Walla district encompasses the Snake River Basin and that portion of the Columbia between the head of The Dalles pool near the mouth of John Day River to the head of McNary pool. The Portland district has jurisdiction over the balance of the Columbia River Basin, including the Willamette River Basin.

The Corps of Engineers is receiving assistance in this study as follows:

Project investigations in the Clark Fork and upper Snake River areas and irrigation studies—Bureau of Reclamation.

Power load growth studies—Federal Power Commission and Bonneville Power Administration.

Power transmission studies and transmission costs—Bonneville Power Administration.

Evaluation of effects of water resource development projects on the fish and wildlife resource—United States Fish and Wildlife Service and State fish and game agencies.

Evaluation of effects of water resource development projects on forest access and management facilities—United States Forest Service.

Appraisal of recreation values—National Park Service, the Forest Service and fish and wildlife agencies.

Requirements of future water supply and sanitation—Department of Health, Education, and Welfare.

Advisory committees composed of representatives of five Northwest States, Federal agencies, private and public power concerns and navigation interests have been established to review and advise on the studies as they progress.

A consulting board of four nationally recognized engineers has been formed to assist the Corps of Engineers, principally in the review of power problems.

THE PRINCIPAL OBJECTIVES OF THIS REVIEW

1. Flood control: To formulate an acceptable and effective plan for control of main river floods, giving full consideration to control of floods in upper river flood zones in the selection of reservoir projects.

2. Navigation: To investigate the need for improvement and extension of inland navigation systems.

3. Hydroelectric power: To investigate the future power needs of the Northwest area and to analyze major undeveloped hydroelectric resources. To investigate the economics and operating characteristics of hydroelectric developments in a future combined large hydro and thermo electric generating system.

4. Columbia River Basin in Canada: To study the effects of potential developments in the Canadian portion of basin on developments and needs in the United States and to study the cost and benefit relations as factual groundwork for negotiation between the United States and Canada in the interest of coordinated development of the resources.

5. Related water resource interests: In analyzing the foregoing main basin problems, to consider the need and possibility of conjunctive development for irrigation, pollution abatement, domestic and industrial water supply needs, fish and wildlife improvement and recreation development.

The main control plan of the 1948 review report: The Columbia River 308 report prepared in 1948 presented a comprehensive plan of water resource development to meet the present and immediate future needs of the region and outlined a plan to meet later needs as the region expands. As a first step, the report proposed for immediate development a system of large multiple-purpose dams and reservoirs which when operated as a coordinated system in conjunction with levees along lower Columbia River and other locations in the basin would provide a high degree of flood control for all floods of record. The development of these reservoirs also would improve inland navigation and supply a large quantity of hydroelectric power to help meet the growing loads of the region. This coordinated system of initial improvements was designated as the main control plan. The major storage reservoirs included in that plan are shown on the attached map, plate 1.

This main control plan provided 27 million acre-feet of storage usable for power, flood control, and other uses. Of the total storage provided, approximately 21 million acre-feet would be utilized in controlling a flood like that of 1894 (1,240,000 cubic-feet per second) to a flow of 800,000 cubic-feet per second at The Dalles and to control lesser floods to even lower discharges. Further storage development could provide additional control and a higher degree of protection.

The status of the major storage projects included in the main control plan is summarized in the following tabulation:

Flood control storage (usable at site to control the 1894 flood)

[Acre-feet] [1]

	Main control plan	Present outlook for early development
Existing:		
Hungry Horse	2,100,000	----------
Grand Coulee	1,200,000	----------
Palisades	[2] 1,200,000	----------
Payette and Boise Rivers	390,000	----------
Subtotal	4,890,000	4,890,000
Additional proposed in H. D. 531:		
Grand Coulee (increase)	3,900,000	[3] 3,000,000
Glacier View	1,800,000	([4])
Libby	3,900,000	([5])
Priest Rapids	2,100,000	[6] 500,000
John Day	[7] 1,400,000	[8] 500,000
Garden Valley	300,000	([9])
Hells Canyon	2,600,000	[10] 1,500,000
Subtotal	16,000,000	5,500,000
Total	20,890,000	10,390,000

[1] An acre-foot of water storage is equal to 1 foot of water standing on 1 acre of land.

[2] Operable for storage in 1957.

[3] Full increase in storage to 3,900,000 acre-feet not effective until other major storage above Grand Coulee is developed.

[4] Specific recommendation of this project withheld because of objections to the project by recreation and wildlife interests.

[5] Authorized but construction delayed pending completion of negotiations with Canada.

[6] 2-dam plan of Public Utility District No. 2 of Grant County would provide approximately 500,000 acre-feet in lieu of 2,100,000 acre-feet contemplated in main control plan.

[7] 2,000,000 acre-feet available for use as required.

[8] Authorized. Because of objections to surcharge storage feature of the project by local interests, recommendations for a modified project providing 500,000 acre-feet of storage will be submitted to Congress in near future.

[9] Not authorized.

[10] Not authorized. Plans of private power companies for development of Brownlee and Pleasant Valley would provide 1,500,000 acre-feet of storage.

New investigations relating to flood control: Because the present outlook visualizes the early attainment of only 50 percent of the storage development contemplated by the 1948 main-control plan, the review study will include an examination of other apparently feasible and economic storage developments in the basin. Table I attached to this bulletin lists the storage projects which have been considered. Those projects which appear to be worthy of more detailed investigation and appraisals are underlined in the tabulation. Two additional projects, the Bruces Eddy and Penny Cliffs projects on the Clearwater River, which would provide 3,700,000 acre-feet of usable storage, already have been studied in detail and have been recommended for construction in a report submitted to Congress on June 1, 1955. Further study of these projects will not be included in this review but the effects of their development will be evaluated in any revised main-control plan which may be derived from this study. The location of projects selected for further study are shown on plate II. All of these reservoirs are so situated that they will provide flood-control benefits in up-river damage areas as well as along the lower river. No projects are being considered at this time on Salmon River in Idaho because of the importance of that stream to the anadromous fishery resource.

This review study also will include a reexamination of the possibilities of extending and improving the lower river diking system in combination with alternative plans for up-river storage development. However, it

is expected that any major extensions of levees or seawalls along developed waterfront areas will be confronted with practical and economic difficulties.

While not a part of the main control plan for control of major Columbia River floods, the Willamette River Basin project will also be reviewed to determine the feasibility of providing additional protection to critical flood damage areas along Willamette River and its major tributaries. Projects under study in that basin include Gate Creek Reservoir in the McKenzie River Basin and Wiley Creek and Cascadia Reservoirs in the South Santiam River Basin. Studies also will be made of channel improvements, supplemental levees and the feasibility of increasing the storage capacities of the existing Fern Ridge, Cottage Grove, and Dorena Reservoirs.

New investigations relating to navigation: The navigation project for Columbia River provides for a deep-draft ship channel from the sea to Portland, Oreg., and Vancouver, Wash.; a channel of 27-foot depth from Vancouver to The Dalles, Oreg., and thence slack water for barge transportation to Pasco, Wash., and Lewiston, Idaho. The project also provides for barge transportation on Willamette River and for numerous side channels and turning basins along the lower Columbia River. While the slack water improvement above The Dalles is only partially complete, widespread use has been made of this transportation artery since completion of the Bonneville Lock in 1938. The growth of waterborne transportation since 1938 is illustrated by the following:

Year	Tonnage	
	Bonneville	The Dalles-Celilo Canal
1938	161,920	44,349
1940	707,444	325,900
1945	802,901	598,980
1950	1,143,901	834,303
1954	1,372,725	791,192

The review study will include a forecast of estimated future commerce on the Columbia-Snake slack-water navigation system above Bonneville, determination of the economic feasibility of extending slack-water navigation above Pasco, Washington, and Lewiston, Idaho and consideration of the need for improving existing navigation facilities at Bonneville Dam for future barge traffic.

New investigations relating to power: The demand for power in the Pacific Northwest has increased rapidly since 1935 and continued rapid growth is anticipated. Plate III depicts the results of a preliminary study of load growth between now and the year 2000 made by the Federal Power Commission. The prediction is in terms of firm energy requirements. Peak demands would be some 50 to 60 percent greater.

Preliminary estimates of the probable total development of hydroelectric power in the Northwest, based on practical and economic limitations, are indicated on plate III and amount to about 14 million kilowatts (firm energy resource) or double the approximately 7 million kilowatts obtainable from projects presently developed, under construction, or under license for immediate development. It is apparent from this estimated total, as the chart indicates, that loads of the magnitude forecast for 1975 and beyond cannot be met by hydro resources alone. Eventually and not too far in the future, large amounts of thermal power must be integrated into the system. Accordingly, system power studies and project appraisals in the review study will be predicated on future operation of the hydro projects in a combined hydro-thermal system. Evaluation of the benefits of storage projects operating in a future large hydro-thermal system is an important objective of this review. The effect of nuclear power generation on the study of potential power resources to meet future loads will be considered to the limit that information on costs of future nuclear generation becomes available during the study period. One concept, developed by the Bonneville Power Administration, of the position of nuclear generation in future regional resources is indicated on plate III.

Run-of-river projects on important tributaries also will be given some further analysis in the current investigation, but to a lesser extent than projects which will provide flood control and hydro power storage. Projects which may be included in this category are:

Name:	*Tributary*
Kootenai Falls [1]	Kootenai River.
Katka [1]	Do.
Yaak Falls	Yaak River
Yaak Canyon	Do.
McNamara	Clark Fork River.
Bonner	Do.
Plateau	Do.
Quartz [1]	Do.
Quinn [1]	Do.
Eddy	Do.
Coram	Flathead River.
Clarkston [1]	Snake River.
Asotin [1]	Do.
China Gardens	Do.
6 possible low head projects.	Clearwater River.

[1] These projects are shown on plate 2.

Development of the storage projects underlined in table I and Bruces Eddy and Penny Cliffs; the above indicated additional run-of-river projects; and expansion of the existing, under construction and planned downstream powerplants made possible by the resulting upstream control will provide an increase in system firm energy resource in the general magnitude of 5 to 6 million kilowatts. The remainder of the 14 million kilowatts of firm energy resource indicated above as a probable total hydroelectric development for the Pacific Northwest would be obtained as a result of possible Canadian storages, construction of the Libby project and other smaller tributary developments which eventually may be constructed at a cost less than steam.

Studies of other water uses: Storage provided for flood control and power generation can also be used for irrigating new lands or for supplementing the water supply for lands already under irrigation. This phase of the investigation is being closely coordinated with the Bureau of Reclamation which has primary responsibility for matters pertaining to irrigation.

In many instances, storage reservoirs will enhance the recreation potential of a given area. In general, project operation schedules will be such as to provide a full reservoir during all or a large portion of the summer recreation season. The lakes thus formed would offer opportunity for boating, swimming, fishing, camping, migratory waterfowl hunting in some instances, and other related water sports. Close collaboration is being maintained with the National Park Service and the United States Forest Service in the planning of recreational and public-use facilities to be provided at the reservoir projects.

Regulation afforded by storage reservoirs will increase the low water flow in the streams on which the reservoirs are located and thereby improve the quality and adequacy of water supply for domestic and industrial use, assist in pollution abatement and enhance the streams for fish life. Close collaboration in planning for such benefits is being maintained with the Department of Health, Education, and Welfare, the United States Fish and Wildlife Service and the State fish and game agencies. Studies also will be made to indicate the provisions or adjustments that may be required in project development in the interest of fish and wildlife culture.

Developments in Canada: The Canadian Government is currently making studies to determine the best plan of water-resource development for that portion of the Columbia River Basin in British Columbia. Until these studies have been completed, little concrete consideration can be given to the effect of Canadian developments on flood control and power production in the United States. The current review investigation is concerned with the plans for development in Canada which could result in benefits to the United States. The opportunity for exchange of basic engineering information and coordination with Canada is available through the work of the engineering committee of the International Joint Commission which is conducting international studies of mutual interest to both countries.

It is expected that the Canadian studies will be completed in time to permit a thorough analysis of the effects of proposed developments on projects in the United States in the forthcoming review report. Development of the Libby project with potential storage lying both in the United States and Canada is an important item contingent upon completion of the international studies.

Related investigations: Numerous authorities are available to the Corps of Engineers for investigation of flood control and related water-use problems in specific local areas throughout the Columbia Basin. Of primary importance among these are the upper Snake River above Weiser, Idaho, and Kootenai River (Kootenai Flats area), Idaho, investigations. The problems in these areas will not be included in this review study but will be covered by separate investigations and reports.

TABLE I.—*Potential storage projects*

Project	Location	Usable storage (acre-feet)	Remarks
Kootenai River Basin:			
Long Meadows	Mile 30, Yaak River	450,000	
Meadow Creek	Mile 11, Moyie River	320,000	Discontinued. Project entirely within United States of doubtful economic value.
Clark Fork River Basin:			
Atkins	Mile 43, Rock Creek	140,000	Discontinued because of high cost and interference with valuable sports fishery.
Ovando	Mile 47-52, Blackfoot River	310,000	Discontinued. Ninemile Prairie more beneficial project.
Ninemile Prairie	Mile 22, Blackfoot River	960,000	

TABLE I.—*Potential storage projects*—Continued

Project	Location	Usable storage (acre-feet)	Remarks
Smoky Range	Mile 167, North Fork, Flathead River	1,500,000	Further study dependent upon favorable decision by Department of the Interior.
Spruce Park	Mile 50, Middle Fork, Flathead River	300,000	
Swan River	Mile 2, Swan River	320,000	
Flathead Lake outlet improvement	Flathead River	500,000	Would provide more effective use of available storage within present levels of lake operation for flood control.
Little Bitterroot	Mile 0.6, Little Bitterroot	60,000	Discontinued. Site would be inundated by Buffalo Rapids No. 4.
Buffalo Rapids No. 4	Mile 37, Flathead River	568,000	
Thompson River	Mile 8, Thompson River	100,000	Little likelihood of developing economic project.
Paradise	Mile 240.6, Clark Fork	4,080,000	No further consideration because of major impact of project on local economy.
Spokane River Basin:			
St. Joe River	St. Joe River	200,000	Discontinued. None of the 4 projects investigated proved economically feasible.
Enaville	Mile 37.2, Coeur d'Alene River	805,000	
Springston	Mile 3.5, Coeur d'Alene River	2,600,000	Discontinued because of possible major damage to mineral resources developments.
Similkameen River Basin: Nighthawk	Mile 14, Similkameen River	30,000	Very limited value for flood control or power.
Wenatchee River Basin: Chiwawa	Wenatchee-Chiwawa	150,000	Being studied by Chelan County Public Utilities Department under preliminary permit from Federal Power Commission.
Snake River Basin:			
Thousand Springs	Mile 592, Snake River	500,000	Discontinued in favor of Marsing site.
Marsing	Mile 426, Snake River	830,000	Alternative studies in Guffey-Marsing area being conducted jointly with Bureau of Reclamation.
Nez Perce	Mile 186.1, Snake River	4,800,000	No further consideration because of interference with Salmon River fish resource. Alternative development covered by Mount Sheep and Pleasant Valley projects for which license application is now before the Federal Power Commission.
Garden Valley	Mile 4, South Fork, Payette	1,000,000	
Horseshoe Bend	Mile 47, Payette River	850,000	Discontinued in favor of Garden Valley where costs and flowage problems would be less.
Rays Ferry	Mile 19, Grande Ronde	970,000	Determined to have the most favorable prospects of 5 alternative projects on lower Grande Ronde River.
Main Stem, Columbia: Grande Coulee	Columbia River	[1] 4,000,000	Studies in progress by Bureau of Reclamation to determine modifications required to permit use of all outlets and full utilization of total 5,200,000 acre-feet for flood control as well as power.

[1] Additional.

Mr. GOLDWATER. Mr. President, it is not my intention to speak to this subject again before tomorrow. However, in listening to the speeches made earlier by the proponents of the high dam, particularly those portions of the speeches dealing with rapid tax amortization, I believe in all fairness to both sides that the entire subject of tax amortization should be cleared up.

Criticism of rapid tax amortization by the proponents of the high dam comes at a very peculiar time. I believe my distinguished friend, the Senator from Idaho [Mr. WELKER] touched on this subject earlier, particularly with reference to an article which appeared in the Wall Street Journal today. However, I should like to read it into the RECORD at this point, because it is strange that the subject should be raised by the proponents, particularly the Senator from Oregon [Mr. MORSE] and the Senator from Washington [Mr. JACKSON], in view of the fact that the Wall Street Journal reports on its front page today the following situation:

> Harvey Machine Co. completed arrangements to finance construction of a $65 million primary aluminum plant at The Dalles, Oreg. The company has borrowed $44 million for the project from the Bank of America, Chase Manhattan, and the First National City Bank of New York. The Government is guaranteeing 95 percent of the loan and will allow fast amortization of 85 percent of the plant's cost. Harvey will become the fifth United States producer of primary aluminum. Others are Alcoa, Reynolds Metals, Kaiser Aluminum, and the Anaconda Co.

It does seem peculiar to me to hear Senators from the Northwest both condemn rapid tax writeoff and then welcome it in their own States. At least I did not hear them condemn the Harvey Co. for coming into The Dalles with a $65 million plant.

In fact, I am continually astounded at the hue and cry that is being raised against utility companies and their customers obtaining some tax relief, by organizations that pay no Federal taxes at all.

Congress passed the accelerated tax amortization law, and it is being administered as the law provides by the Office of Defense Mobilization, an independent agency of the Government.

Is the proposition which the public power advocates now advance, that utilities should be discriminated against, under the law, and not be given the same equal treatment that is accorded to any other type of industry that provides new plants or facilities that are needed or valuable for national defense purposes?

Who are the ones that are in the forefront of this campaign against power users who obtain their electricity from utility companies, instead of from the public bodies that enjoy freedom from taxation?

Of course, the American Public Power Association is in the forefront of this campaign. See, for example, the statement of Alex Radin, General Manager of this public power lobby group on page 825 of the hearing on S. 1333. I quote Mr. Radin from his statement at the bottom of page 825. He says:

> We note with interest that the Federal Power Commission has considered these accelerated tax amortization certificates as having the effect of "interest-free loans," and furthermore, has ruled that the benefits of these loans should be passed on to the stockholders of the recipient companies, rather than to the consumers, as requested by this and other organizations.

Now that is typical of the propaganda of misinformation that this organization is putting out. The Federal Power Commission has never made any such ruling. Under the Natural Gas Act, saving made in taxes during the first 5 years are charged—not to surplus, for the stockholders—but to a taxation reserve account. During all the remaining years of the life of the property, when taxes are actually higher, as a result of what Mr. Radin calls savings, this account is charged back to expenses year by year. With regard to electric companies, the FPC has made no ruling at all, such as Mr. Radin has said.

I wonder if Mr. Radin knows—and the other public power people know, who talk so glibly about it—just how this so-called accelerated tax depreciation works. They ought to, because they talk like authorities on the subject. But apparently, they either don't know or—what is more likely—they just plain are not interested in giving out with the facts.

Every utility company—gas or electric—and every other company that elects to take accelerated tax amortization takes a gamble that it won't actually lose money, and have to pay the Government more money in taxes in the long run for taking advantage of it.

Every dollar that is saved in taxes in the first 5 years must be paid back to the Government over all the remaining life of the property. And if tax rates go up—the company is the loser in the long run.

Another misrepresentation that we have constantly heard is that this accelerated tax depreciation enables a company to write off the total cost of the property in 5 years, at the expense of the Government. Now, that is wrong—and these people know it.

Depreciation is an expense to be deducted for income tax purposes, just like any other expense. The Government permits you to increase that tax expense deduction for 5 years. For the remaining years you can't take any further tax deduction for the property at all, and consequently your taxes are higher—and as

I have said, if tax rates increase, they are higher still.

Who are these people who are objecting to the Idaho Power Co.—which pays one-third of its entire gross revenue out in taxes—getting some relief, and their customers getting some relief from taxation?

Mr. President, the thing that astounds me is that these people do not pay any Federal taxes at all. They are Federal tax-free public-power agencies. They get all their power—and it is subsidized, tax-free power—from the Government. Even though they do not pay any Federal taxes at all, they do not want anyone else to be relieved from a penny of their own tax burden.

Among the opponents of the Federal Power Commission's license to the Idaho Power Co. are eight public utility districts in the State of Washington. They serve over 75,000 customers. They have an annual income of nearly $10 million. They have a plant investment of over $33 million. That is a big operation. But how much of that investment is in powerplants—power-generating facilities—to serve their own needs? Well, Mr. President, how much would you expect, when, as preference customers, they can get all their power supply from the Federal Government—subsidized by taxpayers' dollars, and free from the taxes other power users have to pay?

Mr. President, the answer to that question is officially on file with the Federal Power Commission.

Not one of those 8 public utility districts, Mr. President, has a single dollar invested in generating facilities—except 1, that has a 496-kilowatt plant that it carries on its books for about $40,000. It is the free ride, Mr. President, with the good old American taxpayer footing the bill.

I have recently seen that one of these PUD's, the Skamania County No. 1, I believe, has recently filed an application with the Federal Power Commission to build a small hydro plan of their own. I hope they do. I take my hat off to those people, Mr. President, because it is time that the people of this Nation realized that every power supply organization—whether it is publicly or privately owned and operated—must assume some responsibility for supplying its own needs—instead of expecting Uncle Sam and all his taxpaying children to continue to foot all the bill.

I ask unanimous consent to have printed in the RECORD a tabulation, prepared from official FPC records, on these eight PUD's, and also giving corresponding figures for the Idaho Power Co.

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

Statistics of 8 public utility districts in the State of Washington, 1954

Washington public utility districts	Total electric utility plant	Production plant	Production plant	Customers	Operating revenue	Taxes	Percent taxes to revenue	Kilowatt-hour sales	Kilowatt-hour revenues	Average per kilowatt-hour
			Kilowatts							
Public Utility District No. 1 of Benton County	$3,681,280	0	0	8,382	$1,243,694	$85,795	6.90	109,528,622	$1,239,133	$0.0113
Public Utility District No. 1 of Clark County	10,998,498	0	0	29,494	3,593,608	213,022	5.93	348,125,308	3,568,508	.0103
Public Utility District No. 1 of Franklin County	3,257,609	0	0	6,437	883,271	65,431	7.41	73,060,812	876,855	.0120
Public Utility District No. 1 of Klickitat County	4,190,744	0	0	4,802	786,816	44,376	5.64	64,491,636	776,901	.0121
Public Utility District No. 1 of Lewis County	5,402,501	0	0	11,731	1,356,396	77,975	5.75	96,123,296	1,349,125	.0140
Public Utility District No. 3 of Mason County	1,976,834	0	0	5,357	868,133	30,972	3.57	112,210,247	857,964	.0077
Public Utility District No. 2 of Pacific County	2,872,579	$40,423	496	7,109	759,801	44,619	5.87	62,952,619	756,044	.0120
Public Utility District No. 1 of Skamania County	824,422	0	0	1,996	243,227	14,226	5.85	20,214,789	243,161	.0120
Total	33,204,467	40,423	496	75,308	9,734,946	576,416	5.92	886,707,329	9,667,691	.0109
Idaho Power Co., 1954	140,801,903	59,999,043	352,227,000	120,331	23,309,789	7,788,259	33.41	2,151,994,757	22,916,772	.0107

The foregoing data concerning the 8 public utility districts listed above, which oppose Idaho Power Co.'s Snake River development, are from their official annual report filing made to the Federal Power Commission.

Mr. GOLDWATER. Mr. President, the PUD's pay less than 6 percent of their total operating revenue in taxes. The electric utility company paid over 33⅓ percent of its total operating revenue in taxes. And that is for the year 1954, the last year for which the figures are available.

And the outstanding thing, Mr. President, is that the utility company can sell electricity for less money per kilowatt-hour, than these 8 PUD's. That is American free enterprise for you. Paddle your own canoe. Borrow your own money, pay your own taxes, generate all the power that your customers require—and sell it for less than these so-called "public bodies," that have no Federal taxes at all—and have no generating problems, except that of getting the United States Government to keep on spending $150 million to $200 million a year in the Northwest to keep up with the rapidly growing demand.

Mr. President, there is a great difference in getting a temporary saving—provided for by law—in the huge tax bill which the utility companies and their customers must pay—and in not having to pay any Federal taxes at all.

Mr. President, in conclusion I wish to refer to the chart which I have asked unanimous consent to have printed in the RECORD. I invite the attention of my colleagues to the fact that the taxes these eight public utility districts pay amount to 5.92 percent. Their revenue in 1954 was $9,734,946, and their taxes were $576,416.

Compare those figures with the Idaho Power Co. which had an operating revenue in 1954 of $23,309,798 and paid taxes to the tune of $7,788,259, or 33.41 percent of their total operating revenue.

Here is the astounding thing, Mr. President. Once before, in commenting on the Tennessee Valley Authority, I said it was high time the Federal Government investigated these public bodies that could not compete with private enterprise, even though they were tax free, interest free, and riding on the taxpayers' money.

These eight districts sell their electricity at an average of 1.09 cents per kilowatt-hour. The Idaho Power Co. sells its electricity at 1.07 cents per kilowatt-hour.

It is time that Congress became interested in these so-called low-cost companies that are suppose to sell electricity at lower prices.

I have tried to collect information around the country with reference to it, but I have come to the conclusion that costs vary so much according to the circumstances that it would be impossible to reach any sound conclusions.

However, Mr. President, in order to save the time of the Senate, I ask unanimous consent to have printed in the RECORD at this point in my remarks, a statement which I was going to make in respect to electric power and the fact that it does vary in cost throughout the country. In fact, in the five cooperatives which I selected to investigate I found that the cooperatives that paid the most at the bus bar sold the electricity at the cheapest rate, which is also at a loss.

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

STATEMENT BY SENATOR GOLDWATER

With respect to electric power, anyone with any knowledge in this field knows that costs vary according to circumstances in different areas.

Generation of hydroelectric power in one section of the country may be many times as expensive as generation at some other location, dependent upon regularity of streamflow, building conditions, etc.

Generation of steam electric power also varies in costs dependent upon type and cost of fuel and construction requirements.

Distribution costs of power also vary. It costs more to distribute power in sparsely settled areas than in more densely populated sections. Building conditions also affect the cost of distribution. Where heavy snow, ice, and storm conditions exist construction is more expensive, and where distribution has to be underground as in many of our large metropolitan areas, the cost may be 10 times that of overhead distribution.

So comparison of power rates in one section of the country with another is meaningless unless conditions are identical.

Also cost of generation has little effect on cost to the ultimate consumer except for heavy power consuming industries such as aluminum and many of these build their own plants unless subsidized Government power is available.

I looked through REA's annual statistical report for 1954 and picked some farm electric cooperatives at random to find out what they paid for power and what they charge their members or customers. This was not selective picking; the only thing I did was to pick

co-ops with about the same number of customers.

I found the Ouachita Co-op in Arkansas with 3,701 customers bought its power for 5 mills per kilowatt hour and sold it for 4 cents—8 times its cost.

Panola Harrison Co-op in Texas, with 3,594 customers, bought its power for 5.4 mills per kilowatt hour and sold it for 3.96 cents—7½ times its cost.

Northern Lights Co-op in Idaho, with 3,303 customers, bought its power for 3.26 mills and sold it for 2.96 cents—9 times its cost.

Illinois Valley Co-op in Illinois, with 3,542 customers, bought its power for 8.5 mills and sold it for 2.85 cents—less than 3½ times its cost.

The above are just a few unselected examples, but from them we find the co-op paying the most for its power selling it the cheapest. For instance, the Illinois cooperative with approximately the same number of customers, pays 160 percent more for its power than does the Idaho co-op, and sells it to customers 4 percent cheaper.

There may be perfectly justifiable reasons for the above differences, but the point I am making is that cost of production is not the controlling factor. After all, the important thing is what power costs the ultimate consumer.

We hear figures bandied around about the Government being able to produce power for 3 or 4 mills per kilowatt hour, while it would cost private industry 2 or 3 mills more. In the first place, the Government should be able to produce anything cheaper than private industry, with all its hidden subsidies, cheap United States Treasury financing, and no taxes. But do we want to stop private industry and let the Government produce everthing?

In the second place, if we saved 2 or 3 mills on power, would we be able to find it on our power bill?

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

RESOLUTION OF GOVERNING BODY OF TOPEKA, KANS.

Mr. CARLSON. Mr. President, I wish to call the attention of the Senate to a resolution adopted by the governing body of the city of Topeka, Kans., in regard to Senate bill 4183, and House bill 12167.

The governing body of the city of Topeka states that they have several federally owned tracts of real property within the corporate limits which have been improved and will be improved in the future by local municipal improvements, and as a result of this have experienced some financial hardships by assuming the cost of such local municipal improvements, and urge the adoption of this legislation.

I ask unanimous consent that the resolution be referred to the appropriate committee, and be printed in the RECORD.

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

Whereas the governing body of the city of Topeka has been informed of two congressional bills, namely, Senate bill S. 4183 and House bill H. R. 12167, now being considered by the Congress of the United States; and

Whereas the governing body has been informed that the congressional measures provide for Federal payments to municipalities in lieu of taxes in the following instances:

1. Special assessments such as sewer, streets, curbs, gutters, sidewalks, and other local public improvements.

2. All industrial and commercial property acquired by the Federal Government since June 30, 1950.

3. Federally owned real property leased or sold under conditional sales contract to taxable persons; and

Whereas the city of Topeka has several federally owned tracts of real property within its corporate limits which have been improved and will be improved in the future by local municipal improvements; and

Whereas the local municipal improvements made by this city have and will greatly improve the valuation of the federally owned properties; and

Whereas the city at large has in the past experienced financial hardships by assuming the cost of such local municipal improvements; and

Whereas the governing body of the city of Topeka feels that it is to the best interests of the citizens of the city that the Congress of the United States act favorably on the two above congressional measures: Be it therefore

Resolved by the board of commissioners, That the mayor, on behalf of the board of city commissioners, memorialize the congressional representatives of the State of Kansas and any other Member of Congress who has a direct interest in Senate bill S. 4183 and House bill H. R. 12167 requesting said Members of Congress to act favorably upon said bills.

GEO. G. SCHNELLBACHER, *Mayor.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 7619. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes (Rept. No. 2642).

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

H. R. 604. A bill to provide port of entry and related facilities on the Alaska Highway at the Alaska-Canadian border in the Territory of Alaska, and for other purposes (Rept. No. 2637);

H. R. 8226. A bill to amend section 1 of the act of March 4, 1915, as amended (48 U. S. C., sec. 353) (Rept. No. 2638);

H. R. 10946. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska until December 31, 1958; (Rept. No. 2639); and

H. R. 11024. A bill to amend the act entitled "An act relating to the compensation of commissioners for the Territory of Alaska," approved March 15, 1948 (62 Stat. 80), as amended by the act of July 12, 1952 (66 Stat. 592, 48 U. S. C. 116a) (Rept. No. 2640).

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

H. R. 4096. A bill to provide for the disposal of public lands within highway, telephone, and pipeline withdrawals in Alaska, subject to appropriate easements, and for other purposes (Rept. No. 2641).

MUTUAL SECURITY APPROPRIATION BILL, 1957—AMENDMENT

Mr. KNOWLAND. Mr. President, I submit an amendment, intended to be proposed by me to the bill (H. R. 12130) making appropriations for mutual security for the fiscal year ending June 30, 1957, and for other purposes. I have been joined in the amendment by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mrs. SMITH].

The amendment reads as follows:

On page 2, line 13, before the semicolon insert a colon and the following: *"Provided,* That none of the funds made available for military assistance under this act, and none of the funds made available for military assistance under any prior act and remaining unexpended, shall be used to furnish military equipment to Yugoslavia except for maintenance of equipment heretofore furnished or to provide spare parts for replacement purposes."

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

RECESS

Mr. CLEMENTS. Mr. President, pursuant to the order previously entered, I move that the Senate take a recess until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 43 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, July 19, 1956, at 9:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 18 (legislative day of July 16), 1956:

INTERNATIONAL COOPERATION ADMINISTRATION

Walter K. Scott, of Maryland, to be Deputy Director for Management of the International Cooperation Administration, in the Department of State.

IN THE NAVY

The following officers of the Navy and Naval Reserve on active duty for temporary promotion to the grades indicated subject to qualification therefor as provided by law:

CAPTAIN, MEDICAL CORPS

Simunich, William A.
Moser, John H.
Warren, Jack
Lill, Nicholas D.
Seebach, Leslie G.
Jacoby, Jack M.
Yood, Norman L.
York, Frederick P.
Sartori, Max O.
Bonar, Robert R.
Heinz, Vernet H.
Robbins, Jacob J.
Risberg, Harry B.
Meade, Thomas N.
Whitney, Karl R.
McWilliams, Hamlin K.
Schiff, Maurice
Small, Milton M.
May, Romulus L.
Galuszka, Albin A.
Wagner, Henry G.
Hall, William K.
Jones, Walton L.
Anderson, Gustave T.
Schufeldt, Dean
Sudduth, Herschel C.
Spencer, James L., Jr.
Dunnigan, William C.
Jones, Samuel H., Jr.
McLaughlin, James A.
Furtos, Norma C.
Willoughby, Frances L.
Nell, Edward R.
Kaye, Maxwell E.
Lippincott, Charles A.
Walsh, Robert E.

COMMANDER, MEDICAL CORPS

Kalchuk, Frank F.
Trinidad, Salvador S.
Ruhmann, Warren H.
Summers, John E.
Dmytrenko, Michael
Manolio, Anthony P.
MacPherson, Roderick F. C.
Sheldon, Robert W.
Gray, Oscar, Jr.
Ulshafer, Thomas R.
Levine, Harry H.
McKane, Andrew, III
Furman, Robert H.
Sharp, William C., Jr.
Maher, Frank M.
Kupke, Melvin F.
Swyer, Alfred J.
Smith, Francis J.
McCoy, John T.
Salhanick, Louis
Garland, Charles M., Jr.
Salzman, Morris

Rubinowitz, Julius A.
Davis, Clement E.
Ho, Kenneth E.
Dunavant, William D.
Levitt, Earl
Weidemannz, Karl G.
Steller, Frederick C.
Griggs, James Y.
Rothman, Stanley D.
Lyons, Howard N.
Waite, Charles L.
Whatley, Joseph L.
Heaton, Samuel A., Jr.

LIEUTENANT COMMANDER, MEDICAL CORPS

Capps, John W.
Romaine, Mason, II
Cowart, Elgin C., Jr.
Silvetti, Anthony N.
Pierson, Malcolm G.
Smeltzer, James L.
Preacher, Charles B.
Zaino, Lawrence J.
Hofmann, Gerald N.
Lathrop, Clarence A.
Pugh, Charles M.
Willoughby, James O.
Utkov, Edmund

LIEUTENANT, MEDICAL CORPS

McLoud, Keith
Wolf, Frank A.
Lindemuth, Edmund K., Jr.
Sicular, Arthur
Fox, Jack M.
Knotts, Benjamin F., Jr.
Nonkin, Paul M.
Wooley, Charles F.
Kloecker, Richard J.
Schutt, Donald A.
Whitney, Jeremy B.
Anderson, Charles C.
Kretschmar, Paul O.
Tyson, Charles H.
Ritter, Paul J.
Wilson, Thomas C.
Brown, George W.
Veatch, Donald H. K., Jr.
Crawford, Robert, F.
Proskey, Aloysius J.
James, LeRoy H.
Flanigan, John L., Jr.
Kerrihard, George N.
Becker, Donald E.
Levine, Paul
Harris, Robert S., Jr.
Hatch, Fred E., Jr.
Zlatnik, Philip A.
Spanier, Jacob A.
Spellmeyer, John C.
Harshfield, Richard D.
McCoy, William J., III
Sidwell, Walter F.
Weinstein, Eugene C.

CAPTAIN, DENTAL CORPS

Seiser, Edwin O.
Levin, Harry L.
Stead, George O.
Willson, Percy N.
Yolken, Henry D.
Combs, Robert L., Jr.
Jerdon, Edward J.
Wikstrom, Roy O.
Oliver, Norman R.
Condon, Robert J.
Bartelle, August
Abbott, Herbert H.
Fox, Harry R.
Nylin, William A.
Foell, Guy H.
Sutphin, Nighbert W.
Waller, Midford D.
Clements, Joseph M.
Waters, A. Raymond
Brown, John W.
Noble, Alvin B.
Rice, William T.
Garton, William C.
Mitchell, Edward C.
Keenan, James F.
Andrews, Wallace S.
McNitt, William H.
Lamb, Patrick J.

COMMANDER, DENTAL CORPS

Gilchrist, George I., Jr.
Sivik, Henry C.
Lucchetti, Francis L.
Gelston, Irving, Jr.
Hoyt, Joseph J.
Armstrong, Lloyd M.
Robinson, Earl B.
Elmquist, Carl W.
Pablos, Tomas C.
Welden, Robert B.
Staples, William R.
Johnson, Van L., Jr.
Giannusso, Anthony P.
Robinson, Jack W.
Lynds, Charles W.
Cordonier, Louis H.
Williams, Leonard E.
Grossman, Frank D.
Traeger, Kimble A.
Bancroft, John A., Jr.
Colby, Gage
Rinck, Theodore J. H.
Neskow, Robert S.
Knapp, Victor P.
D'Vincent, Richard C.
Troxell, Richard R.
Blackwell, Richard T.
Brauer, Frank J.
Mazzarella, Maurice A.
Hagerman, Wade H., Jr.
Hicks, Henry H.
Naylor, Merlin E.
Monroe, William A., Jr.
Hodder, Edwin J.
Firestone, Dale L.
Gaver, Oren H., Jr.
Koch, John A.
Ellis, Frank N.

LIEUTENANT COMMANDER, DENTAL CORPS

Sheintoch, Martin
Outlaw, Billie F.
Wasem, John L.
Glasband, Robert

LIEUTENANT, DENTAL CORPS

Nesbitt, James W.
Bishop, Alan B.
Gorrie, John M., Jr.
Cooper, Joseph W., Jr.
Ferguson, David A.
Riegelman, Theodore C.
Anderson, Jack E.
McLenaghan, Jack E.
Boland, William P.
Adams, Robert J.
Sewell, Jerry S.

Michael W. McKinnon (Naval Reserve Officers' Training Corps) to be an ensign in the Navy, subject to qualification therefor as provided by law.

The following-named Reserve officers to the grades indicated in the Medical Corps in the Navy, subject to qualification therefor as provided by law:

COMMANDER

George M. Ricketson

LIEUTENANT

John W. Cox
Edwin D. Kaufmann
Alfred K. Rhodes

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, in lieu of lieutenants (junior grade) as previously nominated and confirmed, to correct grade, subject to qualification therefor as provided by law:

George M. Akin, Jr.
Joseph H. Britton
Joseph S. Garrison III
Thomas J. Grause
Don L. McCord
Martin C. Shea, Jr.
Jeno E. Szakacs
Henry S. Trostle
John F. Wurzel

James W. Ledwith (Naval Reserve officer) to be a permanent lieutenant in the Medical Corps of the Navy, in lieu of lieutenant (junior grade) as previously nominated, to correct grade, subject to qualification therefor as provided by law.

Neil C. Demaree (Naval Reserve officer) to be a permanent lieutenant in the Dental Corps of the Navy, in lieu of lieutenant (junior grade) as previously nominated and confirmed, to correct grade, subject to qualification therefor as provided by law.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Vera A. Largent, Leucadia, Calif., in place of G. E. Thrailkill, retired.

FLORIDA

Harlow John Schutt, Boynton Beach, Fla., in place of E. S. Pierce, retired.

GEORGIA

Nell P. Roquemore, Lakeland, Ga., in place of H. H. Jones, retired.

Clara W. Smith, Sargent, Ga., in place of E. W. Scroggin, retired.

ILLINOIS

Bertha P. Glenn, Verona, Ill., in place of J. G. Finch, retired.

INDIANA

Anne Lee Cooper, Clarksburg, Ind., in place of N. C. Tucker, removed.

Donald F. Clark, Hammond, Ind., in place of R. E. Wilhelm, removed.

William W. Bishop, Newport, Ind., in place of R. H. Adams, removed.

Ray E. Melick, Oaktown, Ind., in place of E. P. Donnar, retired.

Delbert E. Cantrall, Red Key, Ind., in place of G. R. Sears, retired.

IOWA

Ella V. Jones, Hawkeye, Iowa, in place of F. J. A. Huber, retired.

Edward J. Wesselink, Pella, Iowa, in place of Arthur Klein, retired.

Melvin Hartvig Albertson, Ridgeway, Iowa, in place of F. J. Carolan, resigned.

KANSAS

Carroll V. Houlton, Dodge City, Kans., in place of J. E. Brock, retired.

Neil Curtis Wieland, Morrowville, Kans., in place of G. M. Thomas, deceased.

KENTUCKY

Herman Ray Johnson, Outwood, Ky., in place of T. E. Moss, deceased.

MARYLAND

Margaret F. Williams, Worton, Md., in place of J. H. Dwyer, retired.

MASSACHUSETTS

George D. Fisher, Jr., Hampden, Mass., in place of H. M. Mann, resigned.

MICHIGAN

Charles C. Larsen, Jr., Newaygo, Mich., in place of C. P. Sawyer, retired.

MINNESOTA

Floy A. McCoy, Monticello, Minn., in place of Marguerite Mealey, retired.

Earl W. Axeen, Sartell, Minn., in place of P. A. Weis, retired.

MISSISSIPPI

Edgar I. Adcock, Ridgeland, Miss., in place of B. D. Battley, resigned.

MISSOURI

Harland T. Stroud, O'Fallon, Mo., in place of E. E. Gentemann, transferred.

NEW JERSEY

William H. Miles, Colts Neck, N. J., in place of A. P. Miles, resigned.

Stephen R. Lazar, Port Reading, N. J., in place of S. M. Vahaly, resigned.

Josiah E. Spalding, Rockaway, N. J., in place of M. S. Malone, retired.

Anthony T. Pipitone, Rosenhayn, N. J., in place of Max Wurtzel, retired.

Ella Venita Crandall, Stanton, N. J., in place of M. F. Barton, retired.

NEW YORK

John W. Ginther, Adams Basin, N. Y., in place of J. J. Ginther, retired.

Catherine V. Whalen, Hopewell Junction, N. Y., in place of W. T. Storm, retired.

Fotius Stelianou, Lyndonville, N. Y., in place of L. B. Wright, retired.

Lawrence Leo Shade, Merrick, N. Y., in place of J. G. Funch, retired.

Vincent E. Trunk, Niagara University, N. Y., in place of W. J. Glavin, resigned.

Robert J. Johnson, Staten Island, N. Y., in place of B. J. Sheeran, deceased.

Sylvia C. Semel, Thompsonville, N. Y., in place of D. M. Loeb, retired.

OHIO

Ray W. Coler, Chesterhill, Ohio, in place of Hettie Woodward, retired.

Robert C. Detwiler, Seville, Ohio, in place of D. P. Auxter, resigned.

PENNSYLVANIA

Wilbert C. Shafer, Barnesville, Pa., in place of P. E. Chappell, removed.

Max L. Saylor, Beavertown, Pa., in place of H. E. Spaid, resigned.

Eugene Eigin, East Berlin, Pa., in place of E. M. Jacobs, removed.

Maurice D. Greenawalt, Fayetteville, Pa., in place of A. E. Shoemaker, retired.

Margaret H. Heiney, Jeddo, Pa., in place of John Butchkosky, removed.

Miriam T. Hornberger, Talmage, Pa., in place of F. P. Dixon, retired.

Elsie C. Summers, Zionsville, Pa., in place of G. B. Summers, deceased.

TENNESSEE

Thomas L. Duncan, Kingsport, Tenn., in place of Howard Long, resigned.

Iriene A. Roblin, Pressmen's Home, Tenn., in place of B. L. Day, removed.

TEXAS

Aubrey A. Dunwody, Anson, Tex., in place of G. O. Harrell, transferred.

Marene J. Johnson, Eastland, Tex., in place of E. E. Layton, retired.

Hal N. Anderson, Gatesville, Tex., in place of J. H. McClellan, retired.

Clinton E. Spragins, Martindale, Tex., in place of F. F. Spragins, retired.

Harry L. Muenzler, New Ulm, Tex., in place of L. O. Muenzler, retired.

Neda C. Holt, Pyote, Tex., in place of A. J. Sitton, Jr., resigned.

Elton J. Mueller, Richmond, Tex., in place of L. C. Davis, retired.

Martha Marie Miller, Shelbyville, Tex., in place of S. A. Cannon, resigned.

VIRGINIA

Virginia C. Foskett, Lynnhaven, Va., in place of M. V. Mills, retired.

VIRGIN ISLANDS

Virginia C. Foskett, Lynnhaven, Va., in place of Adele Berg, resigned.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 18, 1956.

POSTMASTER

William E. Eaton to be postmaster at Ivydale, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 18, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our creator and benefactor, we rejoice that the coming in and the going out of all our days are in Thy gracious keeping and control.

Grant that in a spirit of gladness and gratitude we may express our appreciation of the many glorious opportunities which this new day has brought us for self-culture and service.

May it be a day when the thoughts of our mind, the words of our mouth, and the labor of our hands shall be acceptable and well pleasing unto Thee.

Inspire us to walk and work with one another in the strength of minds illumined by Thy divine wisdom and in the joy of hearts warmed by Thy divine love.

May our vision of a blessed social order be so clear and commanding that we shall feel constrained and compelled to make every effort and sacrifice to bring it to fulfillment.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 8898. An act to provide an additional authorization of appropriations for the purchase by the Secretary of Agriculture under the act of May 11, 1938, of lands within the boundaries of the Cache National Forest in the State of Utah;

H. R. 9742. An act to provide for the protection of the Okefenokee National Wildlife Refuge, Ga., against damage from fire and drought; and

H. R. 11077. An act to amend the Atomic Energy Community Act of 1955, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2280. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes;

S. 2895. An act to amend the acts of February 28, 1903, and March 3, 1927, relating to the payment of the cost and expense of constructing railway-highway grade elimination structures in the District of Columbia; and

S. 3246. An act to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 849) entitled "An act to provide assistance to certain non-Federal institutions for construction of facilities for research in crippling and killing diseases such as cancer, heart disease, poliomyelitis, nervous disorders, mental illness, arthritis and rheumatism, blindness, cerebral palsy, tuberculosis, multiple sclerosis, epilepsy, cystic fibrosis, and muscular dystrophy, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. MURRAY, Mr. LEHMAN, Mr. SMITH of New Jersey, and Mr. PURTELL to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3275) entitled "An act to establish a sound and comprehensive national policy with respect to fisheries; to strengthen the fisheries segment of the national economy; to establish within the Department of the Interior a Fisheries Division; to create and prescribe the functions of the United States Fisheries Commission; and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. SMATHERS, Mr. BIBLE, Mr. DUFF, and Mr. PAYNE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3897) entitled "An act to improve governmental budgeting and accounting methods and procedures, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HUMPHREY of Minnesota, Mr. WOFFORD, Mr. SYMINGTON, Mrs. SMITH of Maine, Mr. COTTON, and Mr. MARTIN of Iowa 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. 5265) entitled "An act to exempt certain additional foreign travel from the tax on the transportation of persons."

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. 7089) entitled "An act to provide benefits for the survivors of servicemen and veterans, and for other purposes."

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. 9593) entitled "An act to simplify accounting, facilitate the payment of obligations, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11124) entitled "An Act to amend title 28, United States Code, to provide for the payment of annuities to widows and dependent children of judges," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. O'MAHONEY, Mr. WATKINS, and Mr. WELKER to be the conferees on the part of the Senate.

OJO DEL ESPIRITU SANTO GRANT

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5712) to provide that the United States hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo grant and a small area of public domain adjacent thereto with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HALEY, SISK, and RHODES of Arizona.

VIRGIN ISLANDS NATIONAL PARK

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5299) to authorize the establishment of the Virgin Islands National Park, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ENGLE, ASPINALL, and WESTLAND.

WASHOE RECLAMATION PROJECT

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 497) to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California, with a House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ENGLE, ASPINALL, and MILLER of Nebraska.

INTERNATIONAL JURIDICAL COMMISSION

Mr. DODD. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 668) to urge the creation of an Interna-