thority and responsibility of the Security Council to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

SEC. 3. Neither economic nor military assistance shall be given to any country except and upon condition that it first agrees:

(1) that it will not be an aggressor nation;

(2) that it will not permit its citizens or residents to engage in acts of aggression, guerrilla or otherwise, or in raids and pillaging, or in causing injury, death, or damage to any of its neighbors;

(3) that it will faithfully abide by and fulfill its international obligations and abide by the ethics and principles of international law; and will not discriminate on account of race or religion;

(4) that it will negotiate in good faith, peace treaties with its neighbors; and

(5) that it will not submit to domination by any foreign nation.

SEC. 4. The President is hereby authorized, when he determines that such use is important to the security of the United States, to use for the purposes of this joint resolution, without regard to the provisions of any other law or regulation, not to exceed $200 million from any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended. This authorization is in addition to other existing authorizations with respect to the use of such appropriations.

SEC. 5. The President shall within 30 days after his approval of any new use or allocation of funds hereunder report to the Congress his action.

SEC. 6. This joint resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise, but in any event 2 years after the enactment hereof, unless extended by joint resolution of the Congress.

SENATE

THURSDAY, JANUARY 17, 1957

(Legislative day of Thursday, January 3, 1957)

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

His Excellency Ambrose Senyshyn, Bishop of the Ukrainian Greek-Catholic Diocese of Stamford, Conn., offered the following prayer:

We praise Thee, O Lord our God, for the mercies and blessings bestowed upon this generous and fruitful country of the United States of America; for the wisdom, forbearance, and prudence imparted to our President and to our Senate in their work for peace, prosperity, and good will among all men.

We bless Thee, Almighty Father, for keeping our country free from tribulations afflicting our less fortunate brethren; for making this country a haven for the poor, the homeless, the suffering.

We give thanks unto Thee, O Holy Mighty One, who hast made and preserved us a nation, a nation in which freedoms and opportunities are available under its banner of stars and stripes to all its members, regardless of color, creed, or station in life.

And we pray Thee, our God, that the Members of this august body, Thy servants, be given light to see and be given power to do their tasks according to Thy will. Hear, O God, the supplications of this assembly of our Nation's leaders and of its humble citizens.

May there be granted to all nations a just peace—not the deadly peace suffered by millions of Ukrainians and other peoples in prisons and slave camps, nor the peace forced upon the Hungarian people by tanks and bombs; but the peace founded upon God's laws. May no nation build its well-being upon the misfortunes and tragedies of its neighbors. May the liberty we cherish in this land be restored to those deprived of it: to the Ukrainians, who last possessed it 39 years ago; to the Hungarians, who today shed their life's blood for it; to all held helpless in bonds and chains; to all who have had to forsake their homeland, and are now scattered upon the face of the earth. May our Nation in its world leadership continue to labor for the welfare of its own citizens and for all mankind, so that every human being can enjoy his God-given rights and freely glorify Thy Name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, January 14, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Sigurd S. Larmon, of New York, to be a member of the United States Advisory Commission on Information, which was referred to the Committee on Foreign Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 2) to extend the time for transmitting the Economic Report of the President for the 1st regular session of the 85th Congress.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 2) to extend the time for transmitting the Economic Report of the President for the 1st regular session of the 85th Congress, and it was signed by the Vice President.

SENATOR FROM TEXAS

Mr. JOHNSON of Texas. Mr. President, I am pleased to send to the desk the certificate of appointment of the Honorable WILLIAM A. BLAKLEY as a Senator from the State of Texas, to fill the vacancy created by the resignation of Senator Price Daniel. I ask that the credentials be read at this time.

The VICE PRESIDENT. The certificate of appointment will be read and placed on file.

The legislative clerk read as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Texas, I, Allan Shivers, the Governor of said State, do hereby appoint WILLIAM A. BLAKLEY from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Price Daniel, is filled by election, as provided by law.

Witness: His Excellency, our Governor, Allan Shivers, and our seal hereto affixed at Austin, Tex., this 15th day of January, in the year of our Lord, 1957.

By the Governor:

ALLAN SHIVERS,
Governor of Texas.
[SEAL] TOM REAVLEY,
Secretary of State.

Mr. JOHNSON of Texas. Mr. President, we have with us today a new colleague, whose credentials have just been read. He is my close, personal friend, WILLIAM A. BLAKLEY, of Dallas, Tex.

Mr. President, I need say very little about BILL BLAKLEY; but I wish to say that my colleagues will soon find out that BILL BLAKLEY is a man of great heart and great mind, a man who is modest and unassuming in his words, but forceful and very effective in his achievements.

For the information of the Senate, I should like to present an estimate of BILL BLAKLEY by one of the top community leaders of his hometown, Dallas, Tex., the city in which he has lived for so many years:

DALLAS, TEX., *January 16, 1957.*

Senator LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

MY DEAR FRIEND LYNDON: Your new colleague in the United States Senate, WILLIAM BLAKLEY, has been a personal friend of mine for nearly two decades. I know no better way to describe him than a portion of Scripture found in the Book of Job: "I was eyes to the blind and feet was I to the lame. I was a father to the needy; and the cause of him that I knew not I searched out." He is a member of the board of directors of the Community Chest, and two of its agencies to which he has been most generous, namely, the Association for the Blind, and the Salvation Army. Bill in the truest sense carries out in his philanthropy the Biblical injunction of not letting his left hand know what his right hand is doing. For a number of years I have had the high privilege of acting as his personal almoner. I am certain this great, generous, unassuming Christian gentleman will

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

be embarrassed about my sending this telegram, but at the same time I thought I ought to tell you something of my affection for him.

FRED M. LANGE,
Executive Vice President,
Dallas County Community Chest.

Mr. President, Mr. BLAKLEY is ready to take the oath, and I suggest that he come forward to do so.

The VICE PRESIDENT. If the Senator-designate will come to the desk the oath of office will be administered to him.

Mr. BLAKLEY, escorted by Mr. JOHNSON of Texas, advanced to the Vice President's desk; the oath prescribed by law was administered to him by the Vice President, and was subscribed to by him in the official oath book.

[Applause on the floor and in the galleries.]

THE BUDGET—REFERENCE OF PRESIDENT'S MESSAGE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President's budget message, which on yesterday was transmitted to the Congress, and was read and referred in the House of Representatives, be referred to the appropriate committee of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered; and the message will be referred to the Committee on Appropriations.

COMMITTEE SERVICE

On motion of Mr. JOHNSON of Texas, and by unanimous consent, it was

Ordered, That the junior Senator from Texas, Mr. BLAKLEY, be assigned to service on the Committees on Government Operations and Interstate and Foreign Commerce.

COMMITTEE MEETING DURING SENATE SESSION

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

ORDER FOR RECESS TO MONDAY, AT 11:15 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11:15 a. m., on Monday next. Let me state that when the Senate convenes at 11:15, there will be a quorum call, and then the Senate will proceed to the portico on the east front of the Capitol, where the oath will be administered to the President and the Vice President.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, during which Senators may present petitions and memorials, introduce bills and joint resolutions, submit other resolutions, and transact other routine business, subject to a 2-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO REENLISTMENT OF CERTAIN FORMER OFFICERS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers (with an accompanying paper); to the Committee on Armed Services.

AUTHORIZATION FOR WALTER REED ARMY INSTITUTE OF RESEARCH TO AWARD CERTAIN EDUCATIONAL DEGREES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to authorize the Walter Reed Army Institute of Research to award Master of Science, Master of Public Health, and Doctor of Science degrees in medicine, dentistry, veterinary medicine, and in the biological sciences involved in health services (with an accompanying paper); to the Committee on Armed Services.

REPORT OF BOARD OF COMMISSIONERS, DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners of the District of Columbia, Washington, D. C., transmitting, pursuant to law, a report of the official operations of the District of Columbia government, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on the District of Columbia.

EXTENSION OF TIME FOR FILING REPORT BY THE D. C. ARMORY BOARD

A letter from the Manager, District of Columbia Armory Board, Washington, D. C., requesting a 30-day extension of time for that Board to file its report; to the Committee on the District of Columbia.

AUDIT REPORT ON FEDERAL CROP INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Crop Insurance Corporation, Department of Agriculture, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON VETERANS CANTEEN SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Veterans Canteen Service, Veterans' Administration, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, FRENCHMAN UNIT, MISSOURI RIVER BASIN PROJECT, NEBRASKA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Frenchman Unit, Frenchman-Cambridge division, Missouri River Basin project, Nebraska, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

FEDERAL ASSISTANCE FOR CONSTRUCTION OF HOSPITAL, ALBUQUERQUE, N. MEX.

A letter from the Acting Secretary of Health, Education, and Welfare, reporting, pursuant to law, the status of construction of a county hospital at Albuquerque, N. Mex., for which Federal assistance has been granted, and informing the Senate that a detailed report will be furnished in the near future; to the Committee on Interior and Insular Affairs.

CANCELLATION OF DELINQUENT OPERATION AND MAINTENANCE ASSESSMENTS AGAINST CERTAIN INDIANS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of an order cancelling $4,062.06 of delinquent operation and maintenance assessments existing as debts against certain Indian landowners (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORTS OF OPERATIONS UNDER FEDERAL AIRPORT ACT

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the operations of the Department of Commerce under the Federal Airport Act, as amended, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

UNIFORM QUALIFICATIONS FOR JURORS IN FEDERAL COURTS

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to establish uniform qualifications for jurors in the Federal courts (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF TITLE III, SERVICEMEN'S READJUSTMENT ACT OF 1944, RELATING TO CERTAIN LOANS TO VETERANS

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting a draft of proposed legislation to amend title III of the Servicemen's Readjustment Act of 1944, as amended, to provide that certain additional categories of loans to veterans may be automatically guaranteed (with an accompanying paper); to the Committee on Labor and Public Welfare.

RECOMMENDATIONS OF EXECUTIVE BRANCH RELATIVE TO CERTAIN PROJECTS FOR FLOOD CONTROL, ETC.

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, for the information of the Senate, recommendations of the executive branch relating to certain project modifications and river basin authorizations involving improvements for navigation, shore protection, flood control, and related purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Student Government Association of Beaver College, Jenkintown, Pa., relating to full support by the United States to the United Nations in any action that body may see fit to take with regard to the present situation of mass deportation and genocide in Hungary; to the Committee on Foreign Relations.

A resolution adopted by the Northwest Retailers Association, Inc., of Minneapolis, Minn., favoring the exemption of the retail

trades from Federal wages and hours jurisdiction; to the Committee on Labor and Public Welfare.

A resolution adopted by the council of administration of the Veterans of Foreign Wars of the United States, Department of Kansas, at Wichita, Kans., on December 9, 1956, favoring the establishment of a standing Committee on Veterans' Affairs in the Senate; to the Committee on Rules and Administration.

RESOLUTION OF GENERAL ASSEMBLY OF COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

Mr. HUMPHREY. Mr. President, I have recently received a resolution unanimously adopted by the General Assembly of the Council of Jewish Federations and Welfare Funds. The assembly is composed of community leaders representing almost 800 communities in every section of the United States.

I ask unanimous consent that the text of his resolution, which is entiled "Peace in the Middle East", be printed at this point in the RECORD.

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

PEACE IN THE MIDDLE EAST

With the question of permanent peace in the Middle East now on the agenda of the United Nations, the nations of the world have the sacred obligation to help achieve a just and lasting peace in that crucial part of the world, which we fervently pray will be attained by mutual agreement of the parties involved. Such a peace with justice—and justice with peace—will be of momentous and enduring value to all peoples of the area—and to all mankind.

The President's declaration just being submitted to Congress has underscored strongly that peace in the Middle East is crucial to peace in the world—and to the security of the United States.

Now that Britain and France have left Suez and Israel is withdrawing its troops, it would be a tragedy of catastrophic proportions if the situation in the Middle East were permitted to return to the conditions which led to the outbreak of hostilities, and which again would bring about war. The fuse to the powder keg is still aflame—it must be put out.

The leadership of our country in the United Nations is indispensable in order to assure that the causes of war are removed. While the United Nations force still polices the critical areas, it is imperative that the United Nations itself, with our initiative, will take action to guarantee that there will be free passage through the Suez Canal for all nations, including Israel, as required by the International Convention governing the use of the Canal and as specifically called for by the Security Council but disregarded by Egypt to date; that all ships will have access through the Red Sea and Gulf of Agaba, universally recognized as an international waterway, and that the possibility of Egypt's blockade of that waterway will not be restored; that the Gaza Strip and the Sinai Desert will no longer be used to launch Fedayeen raids.

I was astonished to learn, for example, that the number killed and wounded by Fedayeen in Israel in proportion to its population would be the equivalent of more than 125,000 killed and wounded in the United States. Clearly no country can tolerate that, nor can there be any peace so long as that condition continues. The terms of the United Nations resolution of November 2 required all Fedayeen raids ended. They still continue. That United Nations resolution and the United Nations Charter, which requires all nations to maintain peaceful relations with all others, must be complied with.

The President's program for increased economic aid to all countries in the area will deal with another basic cause of instability and subversion in the Middle East. Our communities which are so fundamentally concerned with health and welfare, and which have supplied hundreds of millions of dollars for aid to refugee and destitute in the area, have long recognized the importance of such large-scale economic aid and have repeatedly urged it, so that the inhabitants of all the countries—Israel and Arab nations alike—can conquer the truly fundamental enemies: poverty and disease.

The Middle East seething with strife and continuing to feed the causes of war is a cauldron of catastrophe. May I urge you to give the full weight of your great prestige and leadership in Congress and with the State Department to bring about the initiative and action by our country now, while we have this momentous opportunity, to help achieve clear and permanent settlements for the security of the United States and the benefit of all mankind.

RESOLUTION OF HECTOR (MINN.) FARMERS UNION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution which I have just received from the Hector Local Farmers Union, Hector, Minn., be printed in the RECORD at this point in my remarks.

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

HECTOR, MINN., *December 18, 1956.*

Hon. HUBERT HUMPHREY,
United States Senate.
Hon. H. CARL ANDERSEN,
Member of Congress.
Hon. EDWARD THYE,
United States Senate.

DEAR REPRESENTATIVES: The Hector local of the Farmers Union passed and adopted the following resolution at a meeting of the said unit of the Farmers Union on December 17, 1956, as follows:

Resolved, That price supports on basic commodities be retained at 90 percent of parity pursuant to the schedules and provisions of the old formula relative to parity schedules.

Resolved, A remodeling of present corn acreage allotments to increase acreage allotments so that a greater percentage of people engaged in agricultural persuits will be able to participate in the program.

Further Resolved, That soil-bank benefits be increased to conform to the productive earning capacity of the lands taken out of production.

HECTOR LOCAL, FARMERS UNION,
Hector, Minn.
RAYMOND PIEHL, *Secretary.*

RESOLUTION OF COUNCIL 397, KNIGHTS OF COLUMBUS, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I have recently received a resolution from the St. Paul Council No. 397 of the Knights of Columbus, concerning the situation in Hungary.

I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

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

Whereas basic human rights guaranteed by the natural law ordained by God have been openly, wantonly, and cruelly violated by Soviet Russia and its puppet government of Hungary over a period of many years, this repression finally erupting into such violence as to draw world attention;

Whereas the recent and continuing violence in Hungary has alarmed many people and nations, largely unaware of the true state of affairs behind the Iron Curtain;

Whereas the opportunity is thus afforded to focus the pressure of world opinion through every possible channel upon the diabolic forces at work in Hungary, and thus it is hoped to ease the pressure on those heroic and suffering people;

Whereas basic human rights and national sovereignty have specifically been guaranteed by the Charter of the United Nations to all people and by the Paris Peace Treaty of 1947 as ratified by the Allied Powers to Hungary;

Whereas the deportation of the flower of Hungarian youth is continuing and the systematic reduction of the will to resist is being carried forward ruthlessly at the present moment: Now, therefore, be it

Resolved, That we call upon all such nations as subscribe to the Charter of the United Nations to deny recognition to the present Hungarian puppet government and call attention to the importance of such denial in the case of Red China;

We further urge said nations subscribing to the United Nations Charter to implement immediate and effective measures to stop the deportation of Hungarians into Soviet Russia and to restore fundamental freedom and national sovereignty in Hungary and in all Eastern European countries, and to implement said measures within the framework of the United Action for Peace plan of 1950 which enables nations within the General Assembly of the United Nations to take effective measures against aggression by the employment of an international police force, irrespective of Soviet veto, and to further implement said measures by economic pressure on Soviet Russia, severance of all cultural relations in the fields of art, science, and especially athletics, until such time as it can be demonstrated that such relations inure to the benefit of the captive people behind the Iron Curtain and not to the propaganda purposes of the Soviet masters.

Adopted by St. Paul Council, No. 397, Knights of Columbus, December 4, 1956.

LAWRENCE J. MANGAN,
Grand Knight.
Attest: FRANK R. SCHERMAN,
Recorder.

FOREIGN POLICY RESOLUTION OF WISCONSIN STATE CIO CONVENTION, AND ADDRESS BY SENATOR HUMPHREY

Mr. HUMPHREY. Mr. President, on November 17, 1956, I had the pleasure of addressing the Wisconsin State CIO Convention, in Milwaukee, on some of the important issues we are currently facing in the field of foreign policy. We know, Mr. President, that highly intelligent, thoughtful, and constructive proposals which frequently are voiced in various communities across our Nation, are not always channeled effectively to public or congressional notice. The views of our labor organizations and the millions of American workers who make up these organizations should, I think, have a better vehicle of expression in the field of foreign policy.

Consequently, in my Milwaukee speech I recommended that our national labor organizations call a national conference representing all of their affiliated locals,

for the purpose of foreign policy discussion and the making of joint proposals.

I was delighted, therefore, to learn that the Wisconsin CIO convention later endorsed this idea, by adopting a resolution calling for a national labor conference to discuss our foreign policy. I ask unanimous consent that the text of the resolution be printed at this point in the RECORD, as a part of my remarks; together with my remarks to the Wisconsin State CIO convention, in Milwaukee, on November 17, be printed in the RECORD, following the text of the resolution.

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

The resolution and address are as follows:

NATIONAL LABOR CONFERENCE ON FOREIGN POLICY

Whereas our fellow trade-union members have been fighting Communist tanks with their bare hands in the streets of Budapest to gain freedom and a better way of life for the Hungarian people; and

Whereas this Hungarian uprising shows that American foreign policy is not giving leadership to the peoples of the world who hunger for bread and freedom; and

Whereas this 1956 Wisconsin CIO convention has already gone on record favoring a permanent United Nations peace army which could have been the police force to have moved in to save the Hungarian people from the Soviet invasion by troops and tanks; and

Whereas our American foreign policy is permitting the Communists to blackmail many free nations and is allowing the free world to be whittled away bit by bit; and

Whereas the Middle East is already in a state of war, with the Israeli democracy fighting to retain self-government; and

Whereas bipartisan foreign policy should give all Americans the right to be present on the takeoffs instead of the crash landings, and did in fact work successfully under Franklin Roosevelt and Harry Truman; and

Whereas today we need to hear the voice of the people who ultimately shed their blood in wars and who make their sacrifices to save democracy at home and freedom in the world: Now, therefore, be it

Resolved, That we recommend that the national executive board of the AFL–CIO call a national conference in Washington with delegate representation from all affiliated local unions, to hear and discuss the big issues facing the world, and to form the basis for giving enlightened bipartisanship to our foreign policy; and be it finally

Resolved, That we recommend that copies of this statement be sent to all international union presidents, George Meany, Walter Reuther, Dwight Eisenhower, Senator Hubert Humphrey, and the American delegation to the United Nations.

Submitted by resolutions committee.

ADDRESS BY SENATOR HUMPHREY

It is nothing short of incredible that a man could be elected President of the United States with a majority of 11 million, and still be unable to carry the Congress for his party. This is really a phenomenon of American politics.

I think it has happened only two times before in our national history, and I doubt that it will happen again for the next 50 years.

I said to a reporter this morning that this election proved two things: It proved that Mr. Eisenhower was popular and that the Republican Party was unpopular. I will settle for that too, because Ike can't run again. [Laughter and applause.]

Well, now, you do not want to be harangued on partisan politics this morning.

I think you are interested, however, in some of the issues that are going to be before us, and I want to concentrate my talk today on the subject of foreign policy, because I am deeply involved in it.

POLITICAL SEX APPEAL

It is not a subject, I suppose, that has political sex appeal, but it is something vital to the lives of every one of us, and vital to the very life of this Republic.

[As a picture was taken of Senator HUMPHREY, a flash bulb exploded with a loud pop.] [Laughter.]

I told these Republicans that the election was over. [Laughter and applause.] I was really surprised. I thought this was one place I could come and not be shot at. Well, I want you to know that I didn't flinch—that is, not much. [Laughter.] I just about collapsed. [Laughter.]

But to be serious with you again, as I said, there is a very vital subject, the subject of foreign policy, to which I want to direct my attention this morning, and then say just a few words to you about the legislative program before the Congress.

I made 81 speeches in 14 days, and traveled 4,900 miles just before the end of the election, and believe me, I do not think I have fully recovered from it.

ADVANCE LIBERAL PROGRAM

However, I want to see in the coming months in Congress a progressive, liberal program advanced by the liberals of that Congress, and that means, in the main, the Democratic Party Members of Congress.

I do not think it is appropriate for Democratic leadership to say that we have no program, as has been said. I believe that we should not rely entirely upon the Executive for a program.

I think we Democrats have an obligation to present our own program, and since we have been entrusted with the majority in the Congress, that program should follow the lines of our party platform.

We went out to the American people and told them to give us a vote of confidence, and they did. They gave the legislative branch of the government a vote of confidence. They gave us support and they are going to expect results.

I want to say to those gathered in this room that every effort that can be made within the bounds of reasonable politics will be made to produce a liberal, progressive program.

We intend to do something about school construction. We intend to build schools. We intend to pass legislation that will make it possible to alleviate this school shortage.

We intend to do something about taxation, instead of just talk about it. We intend to offer a tax program that will be equitable, that will provide tax relief for the American family.

CAN'T LIE DOWN

We intend not to lie down on the job when it comes to our farmers. You and I live in a great agricultural State, or States, and we have to produce on the agricultural front.

We cannot afford, may I say, to permit an agricultural depression because we know what it means to factory workers and small-business men, and all of us, all of the national economy.

We have to do something about our immigration laws. They are a disgrace to our Republic as they presently stand. We have to revise those laws and bring within them the tradition of equality and humanitarianism that is so much a part of the fabric of this Republic.

We have to do something about our labor-management relations. Our platform pledges not only revision of the Taft-Hartley law, but repeal, and the building of a sound labor-management law.

I for one am not going to be content until every effort has been made that is humanly possible to accomplish this objective, and gain it.

May I say to you, we are going to do something in the field of civil rights. We are not going to permit any delay, not 1 minute longer. This is morally unjustifiable, morally wrong to permit discrimination in our society.

Something will be done, and I ask you not to yield in your perseverence. Hold your conferences and educational meetings, and get this job underway.

Now let me go quickly to the matter of foreign policy, because presently I serve as a member of the Senate Committee on Foreign Relations. I have been a member of that committee for 5 years. I have been chairman of the Senate Committee on Disarmament, and in recent days have been serving as an American delegate to the United Nations. This is a great experience for any one.

I wish you could be there. May I personally invite you to attend at least one session of the United Nations, to visit its facilities, to visit the Assembly hall, to visit the Secretariat building, and the Security Council. Visit it and get the spirit of this great international organization.

U. N. NO CURE-ALL

Do not misunderstand me. The United Nations is not a cure-all for the world's ills. It has no magic formula. It is not necessarily going to be a success. But it offers the opportunity for successful accomplishment for peace with justice and peace with freedom.

I think it is fair to say that the United Nations is the last best hope of free people on this earth for world peace and world security, and freedom and justice for peoples everywhere.

If we cannot make this great U. N. work, then I do not know what there is left to do, except to fight it out, the law of the jungle, brutality, atomic and hydrogen war—which to me is inconceivable.

Therefore, I think we have to recognize that we have a chance for justice and peace. Just a chance, that is all. Maybe an outside chance, but it is a chance, to which we have to dedicate every possible endeavor and energy at our command and all of our talent.

U. N. BUDGET SMALL

Do you know what the budget for the U. N. is? The budget for the United Nations is less than the budget for the Sanitary District in New York. It is less per capita than 2 packages of cigarettes for each American—the cost of 2 packages of cigarettes. I mean all of the United Nations activities, all of them. All of its specialized activities.

It is incredible that we put so little into this organization and expect so much.

When you hear people say we ought to get the United Nations out of the United States, and the United States out of the United Nations, do not get angry with them. Pity them. They are misguided. They are just misinformed.

They are people who do not know we are living in the 20th century. They are to be pitied rather than chastized. Try to help them to get a better understanding of what is going on.

PHILOSOPHY OF ROOSEVELT

The United Nations is the creation of this Government, in a sense. It was born in San Francisco. The charter bears the philosophy of Franklin Roosevelt. It was literally an idea that was conceived as we were fighting the totalitarian scourges of Japanese imperialism, fascism and naziism.

It offers each nation in the world a chance to make its contribution to world peace. It offers to America an opportunity to exert our leadership for moral purposes, and for purposes of security and political freedom

throughout the world. It is an avenue, it is a means, it is a vehicle to get the job of world peace accomplished.

I guess everyone here has heard so many speeches on world peace you are sick of them, or at least saturated with them. But can I repeat something which seems to be a truism, which needs to be repeated over and over again?

We are not going to win peace any more easily than we win a war. We are not going to win peace by smooth sailing. It will be ups and downs. We do not win every battle in a war; but we seek to win the ultimate victory.

It is going to take time, money; it is going to take sacrifice, patience, and devoted patriotism to the principles of the charter of the United Nations.

NEED U. N. PATRIOTISM

Unless we are willing to give that patriotism to the principles of the charter of the United Nations, we are just not going to succeed.

I serve as one of the delegates. There are five delegates from our country, as there is from most every other country. Our delegates do not have freedom of action. We state the position of our Government and the position of our Government is made by the President of the United States and the State Department.

I say to you, now that this election is over, and I say to you in prayerful seriousness, that I hope and pray that President Eisenhower will start to lead. I hope that he will made his voice heard, and I hope that he will have something to say.

No longer can we be all things to all people. No longer can we try to have a foreign policy which is good public relations at home at the expense of sound international policy abroad.

Mr. Eisenhower has won, and these next 4 years he has an opportunity, as no other President has ever had, to do what is right, to speak out forthrightly, to say what needs to be said, and to lead this country, not just his party.

He cannot lead that party. He might just as well give that up right now. But he can have a coalition between the few in his party who believe in internationalism, and the majority of the Democratic Party, and in this sense I encourage the President of the United States to establish a true bipartisan foreign policy.

I encourage him to bring into the ranks of our Government top Democrats. I encourage him to put into the Foreign Service, into the United Nations, or into the ambasadorial service, such men as Adlai Stevenson, Chester Bowles, and Senator William Benton, former Assistant Secretary of State.

We have all kinds of Democratic people that ought to be participating in our foreign policy where it is made, rather than where it is talked about after it is made.

As Arthur Vandenburg used to say, "Let's have it on the takeoffs, as well as on the crash landings." How right that is.

So I implore you, as representatives of a great labor organization, I implore you to ask of your Congress and of your President, that our foreign policy be really bipartisan—that Democrats and liberals be brought into its formulation.

CONFERENCE OF LABOR

Will you also try to put on your agenda of work this year a great national conference of all free labor, AFL, CIO and every other free labor organization—a national conference on the subject of foreign policy?

Pass your resolutions after you have listened to representatives of the State Department, and after you have interrogated them. Lay down a program of foreign policy after thoughtful consideration, and bring it to the attention of Congress, the President, and the State Department and our Foreign Service.

I appeal to you to do this. We need to have people in America today who rise up and speak their minds on this great issue before it is too late.

I have said, "before it is too late." It is not too late yet. Time is running out. The truth is that we have had politics in our foreign policy, inexcusably. We have had slogans, "Massive Retaliation," the "New Look."

We have played footloose and fancy free—when I say "we" I mean the administration—with this foreign policy. No longer can we tolerate that.

We are in trouble all over the world. America's prestige is going down. America's leadership is faltering. Respect for America, throughout the world, is fading away, and we cannot tolerate this any longer without a national catastrophe—with an international catastrophe.

NATO is weak, and into NATO we have put over $50 billion. It is beginning to crumble.

PAPER ALLIANCES

Our alliance in southeastern Asia is a paper alliance. We are not in cooperation or coordination with our allies there.

In India, the greatest republic in Asia, our relationships are at an all-time low, and even now as I speak to you there is no Ambassador even appointed in India. For 9 whole months not long ago there was none in Burma. For almost a year, none resident in Indonesia.

Incredible. We have not had effective listening posts in these countries. We have in a sense rebuked them, by not continually assigning top-grade ambassadors to Indonesia with its 90 million people, Burma with 20 million, and India with 375 million people.

Is there any reason?

In the United Nations you read in the papers that the delegates from India seem to be antagonistic to the United States. This is in a sense a fact, but it is a terrible tragedy. India today wants to be free, and free nations ought to work together—obviously having their differences, but, my friends, always having respect for one another, with those differences.

I have talked to the representatives of Burma, Indonesia, and India. They are deeply concerned about American foreign policy. They are concerned because they cannot quite understand what it is. I must confess I am somewhat dubious about it myself, as one who has been somewhat close to it.

MIDEAST TINDERBOX

Let me take you quickly into another area, the Middle East. The Middle East should have been no secret and should have been no surprise. The Middle East has been a powderbox for years—a tinderbox. In the Middle East, my friends, we have not had a policy. We have wandered.

We have been the victim of confusion and indifference. We have helped build up Mr. Nasser. Now he has put that pistol—the one that was once sent to his predecessor, General Naguib, by our President—he has put that pistol to our temple and said, "Do as I say."

It is almost unbelievable that we should find ourselves at odds with our British and French allies, but they apparently became desperate and our lines of communication broke down.

For this Government to say that it did not know what the British and French were going to do is an admission that our Central Intelligence and Secret Service are either inoperative, inadequate, or inept.

I think you, as taxpayers or fellow citizens, ought to have an explanation of this. How come, with the Government spending over a billion dollars for an intelligence service, that we did not even know what was going to happen in the capitals of our most friendly partners?

How come we did not know what the French were going to do? How come we did not know what the British were going to do? How come we did not know what the Israelis were going to do?

I wonder if we didn't know, and then almost hope that we didn't?

ARE INCHES FROM WAR

The attack upon Egypt has precipitated a crisis that I think you people really understand. We are inches from war. Every hour, every day the Soviet is becoming more belligerent. The smile of yesterday has given way to the grim face and powerful arm of Soviet arrogance.

The Soviet Union today is telling everybody where to go and what to do. They are blackmailing nation after nation, and we stand by wondering what to do.

I was pleased yesterday, at least, to hear that the President, in the message presented to the United Nations, will back up the United Nations in whatever request it makes. But even that is somewhat uncertain. People do not know what this means.

I think you as taxpayers are willing to take some risks in foreign policy. I think we have to be willing to draw the line on the Soviet Union.

WON'T BE BLACKMAILED

I do not believe that the Soviet Union wants a world war any more than we do, but if they can take this world piece by piece through threat and blackmail, they will take it.

We ought not to stand for it. We ought to make it crystal clear, as Mr. Truman did in the Berlin airlift, that we are not to be pushed out of the world. We ought to make it crystal clear, as we did in Iran in 1946, that we are not going to tolerate Russian aggression.

We ought to make it crystal clear, as we have done time after time, that the Soviet Union cannot have its way through intransigent arrogance and brute power over the weaker nations of the world. [Applause.]

If we are not willing to pay that price, my friends, then I think the jig is up.

The United Nations has sent forces into the Middle East. It is our job to see that those forces remain there, and to see that they are strong enough to do the job.

I will give you my personal opinion. I do not think that 6,000 U. N. forces in the Middle East are adequate.

I think there is a need for 25,000 as a minimum, but I am grateful for the beginning. This is a historic beginning. United Nations forces to patrol an area of violence and belligerence.

I think we ought to be willing to help pay the bill for whatever is necessary, to see that adequate United Nations forces are placed in that powderbox to prevent it from exploding right in our faces.

BACK WITH UNITED STATES POWER

We ought to make it crystal clear that those forces will be backed by American power, if there is Soviet interference.

Furthermore, may I suggest, once the forces are there, we have to seek a settlement of the issues. We have to bring the Arabs and the Israelis to the conference table, and we can do it if we exercise our prestige, our leadership.

We ought to demand that there be a settlement of the crucial problems between these countries, and to persist in the settlement until one is obtained. We ought consistently to put the Soviet Union on the spot, if it wants to be in the Middle East, to help with that settlement, rather than to antagonize and irritate.

Needless to say, it is antagonizing and irritating. It is using Mr. Nasser. You and I ought to recognize it, and recognize, as we

deal with him, that we are not dealing only with Egypt, that we are not dealing with just Mr. Nasser.

FOUND SOVIET ARMS

I hope everyone knows, in the Middle East, in Egypt, that the Soviet had stashed away huge arms, huge depots of arms, apparently as a staging area for Soviet aggression.

When the British and French and Israelis moved into Egypt, they not only found all the arms that Egypt was to obtain for her self-defense but large depots of arms, far beyond the needs of an Egyptian Army.

Apparently the arms there were to be shipped to other nations for aggressive purposes, or for a Soviet detachment or army to be brought into the area, a staging area for Soviet power, with Soviet arms available in the depots, ready to be used.

This what we have learned, even in the last few days.

Now let me move quickly to another area, the area that tugs at my heart today, and one that leaves me so frustrated and so unhappy that I scarcely know what to say about it.

SOVIETS DEPORT YOUTH

What the Soviet Union has done to Hungary is one of the most dastardly acts of the 20th century. The Soviet has crushed people by the thousands as they fought for their liberty, interfered with the sovereign rights of people in their own nation.

The Soviet Union today, as I speak, is deporting thousands of young men and women and children into the Soviet Union from Hungary. Boxcar after boxcar, sealed with boys and girls 14, 13, and 15 years of age, being shipped far back into the Soviet Union.

The Soviets thought that they had the youth of Hungary indoctrinated; they thought that they had the workers crushed. But isn't it a triumphant thing to know that young boys and girls in high schools, universities, and factories still harbored the love of freedom, and they died for it?

Twenty-eight thousand young boys and girls between the ages of 14 and 18 have already escaped into Austria. They left their homes and parents and sought refuge. They fought a good fight, and those they left behind are now being transported far back into Siberia into the slave camps of the Soviet Union.

The workers of Hungary have been on a general strike. If there is anything that the workers of America can do to fortify their morale and to give them spirit, do it. Keep pressing your contributions for voluntary relief.

PUSH TO BORDER

Keep pushing the good will of America up to the very border of Hungary. Our food, our medical supplies, our clothing, our prayers, our words of comfort and of encouragement—keep pushing these so that these people know that throughout the world there are millions like them, millions of young men and women, millions of workers who are ready and willing to do everything within their power to help them in their cause.

What they need today is our dedication to the fight that they have made, what they need today is to know that today every worker in America is with them—every worker.

They need to know that the college students, the mothers and children of America are with them in spirit and heart, in sympathy and in philosophy.

DAY OF PROTEST

I know that you have passed resolutions, and if you have not, you should, but I would like to see the AFL-CIO hold a nationwide Day of Protest against this barbarism of the Soviet Union against the Hungarian people.

Remember that sometimes resistance, peaceful resistance, is even more effective than violent resistance.

Remember Gandhi, of India. Remember the workers in Hungary in their general strike who were not working in the factories.

I know the government is bringing terrible pressure to bear upon them, starvation. But, my good friends, you would be surprised what people can do when they want to do it.

PEASANTS SMUGGLE FOOD

The people, the peasants of Hungary are smuggling food to the workers. The students are running the so-called battleline to deliver that food, losing their lives.

And the imposed Communist government of Hungary today is in trouble because even they cannot find food to eat. It is reported even Soviet troops in Hungary are on half rations.

I want to tell you something I did personally. I heard that the Hungarian Government, that is the Communist imposed government, had contracted their food brokerage for food in New York City, and they were going to our Commodity Credit Corporation asking to buy food from America for this Communist government.

BLOCKED COMMUNIST TRADE

The Commodity Credit Corporation was undecided whether or not it had the authority to sell it. Somebody in that organization, in the Commodity Credit Corporation, said maybe you better check with Senator HUMPHREY.

He is always interested in our operations, and indeed I am. So the food brokerage office checked with my office. My administrative assistant was there. I was in New York at the U. N. He called me.

I said to my assistant, whose first name is Herbert, "Herb, you tell the Commodity Credit Corporation that they know the laws as well as I do.

"You tell them that that law says we can sell only to friendly governments, and in my book, and it ought to be in their book, the Hungarian Communist government is not friendly.

"It is not even human," you tell them.

"You tell them I am not the one to make this decision. They are the ones. You tell them that is an executive responsibility.

"But then add to it, that if they sell them 1 pound, 1 ounce, I will be after them for the rest of the days of my life." [Applause.]

I am happy to report that I took this up with our delegation in the United Nations and every member of our delegation went on record asking the State Department to make no sale whatever of any food to the Hungarian Communist Government; that we would give the food to the Red Cross, CARE, the Catholic charities, and our other church organizations.

We will provide food if these organizations can distribute it, but we are not going to provide the Hungarian Communist organization with food to break a strike, with food to impose penalties on some and benefits on others, with food to be used as a political tool.

American food today can be a powerful force in this world. This great abundance of ours, which some people complain about, may do more to win the peace than almost any other one commodity we have. Thank God that we have the food.

May I say to you that thousands of tons of this food are available in Vienna. Thousands of tons are ready for shipment into Hungary, and hundreds of tons already have been brought in under the auspices of the Red Cross.

I want you, however, as workers, to make your Government understand that we want no willy-nilly attitude here.

SICK OF BLACKMAIL

Fellow Americans, we cannot walk in the specter of fear. The Soviet Union is strong, but we are stronger. [Applause.] And make no mistake about that. [Applause.]

I, as one American, am getting a little sick and tired of having them blackmail innocent people throughout the world. It is all right for us to negotiate, but negotiate from strength. The minute you show one sign of weakness with this crowd in the Kremlin you are done.

You workers know this, in a less identical pattern, may I say, but you know if you show a sign of weakness in your negotiations, after a tough strike, you know what happens.

WEAKNESS MEANS RETREAT

Well now, you are dealing with people who live in the same culture. You are dealing with people who worship in the same churches, you are dealing with people who live in the pattern of American life, and yet you and I know even then a sign of weakness is the beginning of retreat, and maybe collapse.

Now when you deal with men who do not accept our culture, when you deal with men who are atheists, when you deal with men who know only power and the use of power, to indicate that you are doubtful, that you are weak, that you are uncertain is to open up the gates of disaster and trouble.

So I say to you, as you built your own organization on the position and on the principle of solidarity and unity, of self-sacrifice, unselfish cooperation, that this is exactly the principle which we must have in our international relations.

We have to work with our allies to the best of our ability, but I warn you, fellow Americans, do not depend upon anyone else to give the leadership that is needed for the preservation of freedom.

Our British and French Allies are no longer strong enough to lead the world.

There are two great forces in this world, and they emanate from two capitals: Washington, D. C., and Moscow.

And if Washington, D. C., shows any wavering, shows an uncertainty, demonstrates any doubt, you can rest assured that the brutal forces from Moscow will march into that vacuum of leadership and stake out and preempt the rights.

The world in which we live is going to go one way or another.

TWO WORLD PATHS

It is either going to go in the paths of security and freedom as we know them—not maybe the peace we would like where everything is harmonious, but at least a peace where there is lack of violence—or it is going to go piece by piece and bit by bit and step by step into the Moscow orbit.

Communism seeks by the process of attrition to pick off areas of this world, year by year.

The present move of the Communists' forces is into Africa and into Asia. There is where they see the future, the future balance of power, and the Soviet Union has in the past 2 years made a greater infiltration into the Middle East, in the 2 years, than in the preceding 500. Next the Soviet Union will hold naval exercises in the Mediterranean.

SOVIETS STAKE EMPIRES

My friends, for 500 years, this has not happened. The Soviet today seeks to stake out an empire in Africa, the rich storehouse of natural resources.

The Soviet Union seeks a bridge into Asia Minor. It seeks to arouse Asian nationalism, to a point where it becomes irresponsible, and then use its powers, as it did in Hungary, to stabilize the situation.

The Soviet Union seeks the oil resources of the Middle East, but more than that, it seeks the avenues of commerce and then the Soviet Union intends to use its tremendous political and military power to back up its political power in Asia.

If we permit this to happen in our lifetime, we have condemned your youth, our yet unborn, to a life of insecurity, of second-class citizenship.

Well, I wish I had all the immediate answers to remedy these situations. I confess

I do not, but I know this: I know one thing, my friends; I know that America needs strong defense, that is number one.

I also know that American foreign policy must be strengthened on the economic, cultural and the political fronts.

I know that we can use our economic resources much better than we have in Africa and Asia. I know that the United Nations can be made a stronger instrumentality if we are willing to put more resources and power into it. I know we can do things in the Middle East, if we persist, and do not just look upon it as a part-time job.

Furthermore, I know that the Soviet Union respects one thing: Power—strength.

WON'T BE PUSHED

And we ought to make it crystal clear to the Soviet Union that America—the nation with the greatest industrial life in the world—has also the will to stand up and not to be pushed into the ocean wherever our interests are involved, or wherever the freedom of other people is involved. And the sooner we do this, my friends, the sooner your children are going to be able to sleep a full night of peaceful sleep.

This is not a partisan speech, because whether you are a Democrat or a Republican, these problems affect all of us. I can go back to where I started in this message.

NEWSSTAND DIPLOMACY

I implore our President to reexamine the foreign policy of this country.

I implore him to cease permitting his agents to indulge in partisan talk about our foreign policy.

No more of these nonsensical statements about "unleasing Chiang Kai-shek," massive retaliation," "new looks."

No more of this "newsstand" diplomacy, where we find out America was at the brink of war three times in one year, but we find out not from the President, not from the Committee on Foreign Relations, but from Life magazine in an interview with the Secretary of State.

No more of this vacillation where the President of the United States states on one day that neutralism is within the American concept of a successful foreign policy, and Mr. Dulles says that neutrality is immoral, and Mr. NIXON says he is both for it and against it. Three statements on neutralism in 1 week, all contradictory.

No more of this kind of foreign policy where we embrace the obsolete colonialism of Portugal, where the Secretary of State views the province of Goa in India, he said, as a "province of Portugal," at a time when Indians are on fire with the desire of uniting their country.

No more of this foreign policy, my friends, where we are not in contact with our allies, where we find the French and the British at wits' end trying to figure out what we stand for and where we are going.

How can this be remedied? By one man—by one man only. The foreign policy of this country is in the hands of the President of the United States. And the President must take a firm hand.

I am pleading with him to fortify that foreign policy, as his predecessor Mr. Truman did when our own country was in peril, to bring into the counsel of government, in high places, men and women of both political parties who can advise and consult, who can bring in cooperation from every element of the American society.

I am pleading with him to assign some of our top grade people, like our own Mrs. Eugenie Anderson of Minnesota, who had such a wonderful record in the foreign service of our country, as ambassador to Denmark to put her into one of the crucial posts; to bring back into government a Chester Bowles; to bring back into government a George Kennan, who is now a professor at Princeton—one of the most outstanding experts on Russia, and yet he teaches a class when our country is in dire peril.

NEED KENNAN, REUTHER

I know the importance of academic life, but it is second to the urgent needs of this country. True, George Kennan does not get along with Mr. Dulles. If they cannot get along, maybe I say the President better examine whether we need Mr. Kennan or Mr. Dulles. (Applause.)

Yes, we need all the talent that we can bring to bear. We need men of the stature, to be blunt about it, of Walter Reuther. This man has traveled all over the world. His reports should not be listened to by merely a handful of Members of the United States Senate.

This man, after he has spent months traveling from one end of the world to another, he should be brought into the State Department as consultant. We need the ranks of labor and its intelligence in the councils of government, and we need it from business, too, from every place.

Well, that is about all I have to say to you. I am not giving you any hell-raising political speech today. I am too tired, to be honest with you. Besides that, I am kind of heartsick. I have been for a week now, with the United Nations. A wonderful experience, one that comes to only a few, but I sense there that the nations that we need the most to be with us are walking away.

I sense there, that these new countries in Africa and Asia, that should be motivated by the spirit of the American Revolution, that should be literally on fire with the kind of revolution that we had, do not sense an identity of interests between themselves and the United States.

WERE FIRST RADICALS

You know, fellow Americans, we were the first radicals on earth. We really were—we still are—but we are just ashamed to admit it.

This is a country where, even without any money, you can own a house—at least live in it.

You never think about it, when the children are born, that they cannot have all the benefits of life. They are not relegated to a station in life. This is a country where you can sit in the opera or the baseball game, alongside of the top man in town, if anyone knows who that is.

It is a nation, may I say, where we have progressively broken down barriers of class and religion and race. We are the real radicals of the 20th century, and the real revolutionists of the 20th century.

Mass production should also have mass consumption. We believe in consumer credit. We believe in public education and more and more of it. We believe in public health. We believe in elevating the standards of people, their living standards, their educational and cultural standards.

Name me any other country that is so on fire with the doctrine of liberation as the American people.

We want to liberate ourselves from unemployment. We want to liberate ourselves from intolerance and discrimination. Therefore, we work ceaselessly in the field of human relations.

EVERYBODY HIS CASTLE

We want to have it so everybody can have his own little castle, his own little home, and we work hard to accomplish it.

We have organized our workers so that they enjoy a higher standard of living, and the benefits of health and welfare funds and activities.

My friends, there is no other nation on the face of the earth that can approximate this, but for some foolish reason we parade ourselves before the world as if we were starched shirts, starched conservatives afraid of the very things we are doing.

I say to you, if we ever show the true American profile to the world, the true American countenance to the world, we would not only be respected, but in many areas we would be loved.

Because you know what people want, what we have got, and what we are aspiring for.

People want station in life. People want education. People want jobs. People want equality of treatment. People want justice under law. They want representative government. They want to be able to condemn the Government, criticize it, or praise it.

They want credit unions and trade unions. They want reclamation and irrigation. They want water for soil. They want TVA's.

AFRAID TO TELL OTHERS

These are all the things that we have, but we are just afraid of them. We like them for ourselves, but we apparently are afraid to tell other people about them, or portray to other people that we really believe in these things.

I say to you, one of the tragedies of American politics has been and is that the reactionaries have so bitterly condemned those things that have made America great. Too often people have been led to believe that we do not like what we have.

For example, we bring thousands of people to see the TVA, thousands of people all over the world. We say to them, this is what you need in the Jordan River, in Indonesia, India. This is what you need in Burma.

Then they pick up a newspaper and read where some high-powered American says "this is socialism, this is bad, this is terrible in America."

Of course, may I say that the people who live in the area of TVA, you couldn't take it away from them. I try to let them know somehow or other, inadequately, of the things that we have, that we accept, that are so much a part of our lives are the very things we do not talk about abroad.

THEY KNOW THEY ARE RICH

We constantly want to talk about we are richer and stronger than others. You do not need to tell them that; they know it. We have to live it down. This is nothing that endears us. This is something that makes for envy, this is something that makes for fear.

What the Americans need to tell other people, and what we need to live for other people to see, is that we are a nation of compassion.

We are the nation that believes in justice for all. We are a nation that believes in equality, equality under the law, and within the law. We are a nation that believes in education for everyone.

And we are a nation that wants to heal the sick, and lead the blind, and teach the illiterate.

That we are a nation that will walk the other mile to be kindly, that we are good Samaritans, rather than warriors and Spartans.

Now, my dear friends, we can still be strong enough to be warriors, and that we should be, but that we do not need to tell them. They will know it. You do not have to announce to anyone your strength, if you are strong. He senses it.

Teddy Roosevelt admonished us to speak softly and carry a big stick.

Maybe we can turn it around and say, let us build a strong shield of defense and security, and a shield not only for ourselves, but for others of like mind and of like philosophy, but once we have built that, let us not go around brandishing the sword, or waving the atomic bomb over the heads of friend and foe alike.

RIGHT HAND OF FELLOWSHIP

Let us be sure that we have the sword. Let us be sure that we have the military strength, and let us be sure, by the very

fact that we have it, that we all know about it, but more important let us put out the right hand of fellowship and good works and good deeds throughout the world.

Let us strengthen the United Nations and its agencies. Let us be willing to pool our resources with others. Let us be willing to pool our millions with someone else's hundreds and quit complaining about it.

I hear many Americans say, we pay off the bets. You bet we do, and if there is a war we will take more of the losses.

We have more chips in this game, my friends. We have more to lose than anybody else.

We have the greatest civilization that the world has ever known, the highest standard of living, the greatest opportunity.

We have everything to lose, and therefore we have to be willing to pay a bigger insurance premium to protect it.

There are no bargain-counter prices for peace and security, my friends.

Freedom is not free and every worker knows it. The more freedom you have the higher the price to keep it.

We cannot protect our own freedom by building "Fortress America," because "Fortress America" will be surrounded by vandals who are hellbent upon our destruction.

BUILD NEW AREAS OF FREEDOM

No, what we need to have is an expansion of democratic institutions throughout this world, helping to build new areas where freedom can live, and recognizing that even pipsqueak dictators are threats to the peace of the world. [Laughter.]

We must recognize that totalitarianism, wherever it is, is not conducive to a world living in peace and justice.

If we people believe this, do not worry, others will. I think anything can be done, if we will it.

I am so delighted that I can come to the great CIO, the great free American labor movement, and again state what you already believe, because it is to the eternal credit of American free labor that you have led the fight against totalitarianism, you have led the fight for enlightened foreign policy, that your resolutions and programs have constantly pointed the way, like a beacon light, a truth as to how we might better help in this world of ours.

Because the only way I know of to save ourselves now is to help save others.

It goes right back to that old Biblical story to which there is no written answer, but only an answer in thine own heart.

It is the story of Cain and Abel, and the eternal question, "Am I my brother's keeper?" And you know, the Scripture does not answer it. It leaves it for you.

OUR BROTHER'S KEEPERS

I think this morning you and I have to ask ourselves, are we Americans the keepers of others? Are we our brother's keepers?

There is no way that I can give you the answer, except my personal point of view. This is a matter of individual response, and if you respond as I think you will, and as I think you do, then I say that America is even stronger than any of us dreamed it could be, because the strength of this Nation is in its people, in the will of its people, in the moral stature of its people, in the determination of its people, because that moral stature, that will, and that determination can be translated into public policy, if you so desire it.

So make your voices heard and let those patriots in Hungary know today that in America there are tears for their travail and for their sacrifices, but also in America today there is rejoicing for their fight and their courage.

Then let us let the men of the Kremlin know that they cannot intimidate us.

Let them know that millions of American workers do not stand in awe or fear of Communist power.

Let them know that we are willing to pay the price in America to match power for power, any place in the world.

And let them know that we are willing to engage in competition, economically, politically, culturally and we will drive them off the face of the earth in a competitive struggle in these areas.

Let them know that they will not blackmail us, nor will they drive us into a cave so that we might escape their fury, but that we stand ready, strong, and brave, undaunted in the power struggle that faces each and every one of us.

Thank you very much.

RESOLUTION OF LEITH, (N. DAK.) FARMERS UNION LOCAL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Farmers Union Local, at Leith, N. Dak., relating to the agricultural problem.

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

We, the members of the Leith Farmers Union Local, gathered at this crucial time with agriculture standing at the crossroads. We must continue to improve and expand the position of the agricultural segment of the national economy by exerting an effort to keep the ownership of the farm and ranches in the hands of the men who operate the land. We therefore present the following resolutions:

1. We believe that present sliding scale farm programs favor large landowners over the family size farm. In order to prevent concentration of landownership in fewer and fewer hands we urge Congress to place a limit of $5,000 on the total of Government commodity loans for one operator.

2. Whereas we believe that the policies of this administration in the field of credit (the hard money policy), the proposals to raise interest rates on REA loans are attempts to destroy all progress made in the past 20 years and a blow below the belt to the farmers and entire economy who need credit and low cost REA power.

We, therefore, urge that Congress enact laws which will lower interest rates and prevent Federal employees from arbitrarily raising rates as dictated by the hard money policy.

RESOLUTIONS OF AMERICAN SERBIAN ORGANIZATIONS

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by American Serbian organizations in the county of Milwaukee, Wis., relating to the United States foreign policy.

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

To the PRESIDENT OF THE UNITED STATES OF AMERICA, THE HONORABLE DWIGHT D. EISENHOWER:

We, the undersigned, all duly authorized representatives of patriotic American Serbian organizations in the county of Milwaukee, State of Wisconsin, and in our individual capacities as citizens of the United States, desiring to submit our views on United States foreign policy with respect to our relations with Yugoslavia do hereby submit the following petition:

Whereas the Communist regime of Josip Broz Tito has deprived and continues to deny Serbian people of Yugoslavia of the fundamental principles of freedom of religion, press, assembly, and speech;

Whereas the Communist regime of Josip Broz Tito has established an absolute dictatorship over the Serbian people of Yugoslavia and continues a government controlled by solely one political party, to wit, the Communist Party, and governs absolutely without the consent of the people;

Whereas the Communist regime of Josip Broz Tito maintains its existence solely by the operation of a ruthless gestapo-like secret police;

Whereas the Communist regime of Josip Broz Tito continues to persecute and restrict the Serbian Orthodox Church, and the American-born Orthodox Bishop of Sarajevo, His Grace Vojislav Nastich, and hundreds of other clerics;

Whereas the Communist regime of Josip Broz Tito is part of international communism, whether of the Stalinist, Titoist, or Maoist variety, with the goal of world conquest and power, all of which is opposed to the interests of our national security;

Whereas it has been reported that sympathetic consideration has been given to the idea of having a formal invitation extended to the Communist dictator Josip Broz Tito to visit the United States of America; and

Whereas the Americans of Serbian descent have full confidence in your leadership and administration,

We therefore wish to express our most sincere opinion and request in the interests of our national security that no invitation be extended to the Communist dictator Josip Broz Tito to visit the United States of America and that he be barred from ever entering the United States of America.

Respectfully submitted.

Serbian National Defense Council of America, Milwaukee Chapter, Emil Drobac, President; Bozidar Sokolovic, Financial Secretary; Serbian Brothers' Help, Inc., Ugo Mihailovich, President; Dragoljub Djukic, Board of Trustees; Serbian Shetniks Veterans' Organization, Nikola Berich, Secretary; Nikola Milunovich, Treasurer; Serbian Cultural Club St. Sava, Isidor Stefanovich, Vice President; Milos Mihailovic, President; Association of Sombatants of Royal Yugoslav Army, Draza Mihailovich, Dusan Duvnjak, President; Jovo Ivekic, Secretary.

RESOLUTION OF EXECUTIVE COUNCIL, WISCONSIN STATE DENTAL SOCIETY

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Executive Council of the Wisconsin State Dental Society on December 28, 1956. I wish to make it clear, however, that a very sizable number of dentists have opposed the resolutions in their entirety. Therefore, I reserve my decision on how I shall act on the matter until after the hearings have been held and the proposed amendments are either accepted or rejected.

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

Whereas under present regulations of the Internal Revenue Code officials and employees of corporations enjoy substantial savings in income taxes on moneys contributed toward retirement or pension programs instituted by corporations for their employees' benefit; and

Whereas self-employed individuals do not now participate in comparable tax savings on amounts which they contribute to their own private pension or retirement programs; and

Whereas during the last several years measures to correct this tax saving inequity have been before Congress in a form now generally known as the Jenkins-Keogh bills; and

Whereas under the aforementioned proposal the self-employed would be enabled and encouraged to develop sound programs under which they could put aside funds for retirement purposes; and

Whereas all evidence submitted in regard to the Jenkins-Keogh proposal has testified to the effect that it is a logical approach to correct the present inequities suffered by the self-employed, to the extent that both political parties and the President of the United States have given it their endorsement: Therefore be it

Resolved, That the Wisconsin State Dental Society through its membership heartily lends its support to the principle as advanced in the Jenkins-Keogh proposal that would enable dentists and all self-employed persons to contribute specified amounts to voluntary retirement or pension programs under conditions which would assure them tax savings equal to those now conferred on corporation officials and employees in their similar programs; and be it further

Resolved, That the Wisconsin State Dental Society through its membership urges each member of the congressional delegation from Wisconsin to actively support and advance this proposal so that its objective can be achieved as soon as possible, and asks that the 85th Congress enact the measure into law.

The above resolution was adopted by the Executive Council of the Wisconsin State Dental Society on December 28, 1956.

WISCONSIN STATE DENTAL SOCIETY,
KENNETH F. CRANE,
Executive Secretary.

FLOOD-CONTROL PROJECTS IN SOUTHEAST KANSAS

Mr. CARLSON. Mr. President, I present a resolution for appropriate reference, and as a part of my remarks, from the Big Hill Improvement Association in southeast Kansas, urging construction of several flood-control and water-conservation projects in that area.

The early completion of these projects is most desirable, in view of the critical water situation with respect to water supply in every city and town in that area.

It is my sincere hope that Congress will vote the funds necessary for this work.

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

Whereas 5 years of continuing drought in the Neosho and Verdigris River valleys of southeastern Kansas has greatly reduced farm income, severely curtailed live stock and dairy operations, restricted industrial development, and depressed the general economy of the whole area; and

Whereas there now exists a critical situation with respect to water supply in practically every city and town, complicated by the need for farmers to haul water for household and live stock use from the greatly diminished supplies; and

Whereas long-range weather forecasters are predicting a continuation of the present drought conditions; and

Whereas Toronto Dam is now under construction on the Verdigris River, and several other dams, including Strawn, on the Neosho River; Table Mound (Elk City), on the Elk River tributary of the Verdigris River; and Big Hill Dam, on Big Hill Creek, are in various stages of proposal or planning; and

Whereas there is urgent need for all of these dams to safeguard the area from recurring floods and to conserve water in periods of drought: Now, therefore, be it

Resolved by the officers and directors of the Big Hill Improvement Association—

1. That this situation be called to the immediate attention of the President of the United States;

2. That he be urged to take immediate steps to secure the early completion of Toronto Dam, and to direct immediate and extraordinary effort to complete studies now being made on other water-storage facilities on the Neosho and Verdigris Rivers, and their tributaries, in Kansas;

3. That it is our belief that since the Big Hill Dam is a project in which five cities have tentatively agreed to participate and share with each other and with the Federal Government in the cost thereof, top priority should be given to the early completion of studies on this dam, and that every effort should be made to rush the same through all stages of planning and provide funds for the construction thereof as soon as the necessary agreements are reached;

4. That it is our belief that Big Hill Dam can be built with greater speed and less cost than any other installation now being considered for this area; and

5. That the present situation of distress and depression in the southeastern Kansas area makes it urgent and imperative for both industry and agriculture to secure all of the above proposals and that no stone should be left unturned in bringing to a quick conclusion all plans for water storage in this area, which, unfortunately, has no adequate underground water supply, and which must rely entirely on surface storage for all water uses.

The above resolution was considered and unanimously adopted by the officers and directors of the Big Hill Improvement Association at a meeting held in Cherryvale, Kans., on the 7th day of January 1957, and was ordered to be presented with other data to the President of the United States.

CHARLES S. MCGINNESS,
President.

Attest: ROY A. WOODS,
Secretary-Treasurer.

STANDING COMMITTEE ON VETERANS' AFFAIRS

Mr. CARLSON. Mr. President, I present, for appropriate reference and as a part of my remarks a resolution approved by the council of administration of the Veterans of Foreign Wars, department of Kansas, at its regular meeting in Wichita on December 9, 1956, urging the United States Senate to create a standing Committee on Veterans' Affairs.

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

Be it resolved, That this council of administration of the Veterans of Foreign Wars of the United States, department of Kansas, in regular session assembled at Wichita on December 9, 1956, urge that there be established in the United States Senate, a standing Committee on Veterans' Affairs similar to such committee as presently exists in the House of Representatives; be it further

Resolved, That a copy of this resolution be sent to President Eisenhower, Vice President NIXON as President of the Senate, and Kansas Senators CARLSON and SCHOEPPEL.

RESOLUTION OF FARMERS UNION LOCAL OPPOSING THE DAMAGING OF THE NATION'S COOPERATIVES

Mr. WILEY. Mr. President, I was pleased to receive the text of a resolution adopted by the Richland local of the Farmers Union on the important issue of protecting the cooperative movement of our country.

Having been associated with both an REA and with a dairy marketing cooperative, I know from firsthand experience the value of cooperatives to my own State—America's dairyland—and to the Nation.

Especially in this period of low and declining farm prices, cooperatives are indispensable to us in helping to protect the farmer from further damage.

I present the resolution, as forwarded to me by Leonard Gillingham, legislative director of the Richland local. I ask unanimous consent that it be printed at this point in the RECORD, and be thereafter appropriately referred to the Senate Finance Committee.

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

SENATOR WILEY: At a regular monthly meeting of Richland Farmers Union, local No. 264, held at the Buck Creek school Richland County, on December 13, 1956, the following resolution was offered and unanimously adopted.

Whereas we believe that levying corporate income tax on co-op refunds would be grossly unfair and would create a hardship that would cause financial failure in most of their business operations.

We believe that the cooperatives are paying their just taxes the same as other business organizations. And we hope that you will oppose any legislation that may be introduced to harm the cooperative movement which has contributed so much to the welfare of its members and our national economy in general.

Sincerely,

LEONARD GILLINGHAM,
Richland Local's Legislative Director.

RESOLUTION OF CENTRAL GRANGE 61, PORT PENN, DEL.

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by Central Grange No. 61, Port Penn, Del., which was subsequently endorsed by the New Castle County Grange No. 1, condemning the brutal arms intervention of the Russians against the Hungarian people.

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

We, the members of Central Grange No. 61 of Port Penn, Del., assesmbled this 13th day of November 1956, do hereby go on record as condemning the brutal arms intervention of the Russians against the Hungarian people during their fight for freedom. We desire a notice of this protest be directed to the United Nations, United States Senator JOHN J. WILLIAMS, United States Senator J. ALLEN FREAR, Gov. J. Caleb Boggs, and to New Castle County Pomona Grange No. 1.

Adopted by New Castle County Pomona Grange No. 1 November 29, 1956.

JOHN R. BUTLER,
Master.
ELVA D. GOODEN,
Secretary.

RESOLUTIONS OF PHOENIX (ARIZ.) JEWISH COMMUNITY COUNCIL

Mr. GOLDWATER. Mr. President, at the annual meeting of the Phoenix Jewish Community Council a resolution was adopted concerning their interest in the establishment of a real peace in the Middle East. It is timely and proper that my colleagues read this resolution at this time, so I ask, Mr. President, unanimous consent that it be printed in the body of the RECORD at this place in my remarks.

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

I. Since World War II, under the most difficult conditions Israel has been and remains the bulwark of democracy in the Middle East, and has been the salvation of over 800,000 refugees who found it necessary to flee there in search of freedom and security: Therefore be it

Resolved, That the Jewish community of Phoenix rededicate itself to continue and intensify its efforts to the end that the great humanitarian program of relief and rehabilitation to which we have contributed and which continues to demand our help shall go forward.

II. Now that the question of a permanent peace in the Middle East is on the agenda of the United Nations—a peace that we pray will be attained by mutual agreement of the parties concerned: Therefore be it

Resolved, That the President of the United States, the Senators and Congressmen of the State of Arizona, and the United States Delegation to the United Nations be urged to exert all efforts to insure that a peace with justice be secured for the Middle East.

III. That we commend the Government of the United States for the expeditious granting of asylum to Hungarian refugees of all faiths. We are encouraged by this heart-warming demonstration of our Government's concern for refugees and displaced persons. We hope that this concern will be extended and liberalized and that other governments will follow the great principle of granting asylum to all persons fleeing from religious or political persecution.

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, without amendment; and, under the rule, referred to the Committee on Rules and Administration;

S. Res. 20. Resolution to authorize one temporary additional clerk for the Committee on Post Office and Civil Service (Rept. No. 8);

S. Res. 25. Resolution to investigate the administration of the Civil Service System and the Post Office Department (Rept. No. 7);

S. Res. 38. Resolution extending the time for a study of the administration of the Government employees security program (Rept. No. 5); and

S. Res. 39. Resolution extending the time for an investigation of the administration of the Civil Service Commission and the postal service (Rept. No. 6).

By Mr. CHAVEZ, from the Committee on Public Works without amendment and, under the rule, the resolution was referred to the Committee on Rules and Administration.

S. 466. A bill to amend Public Law 954, 84th Congress, approved August 3, 1956, providing for a President's Advisory Commission on Presidential Office Space (Rept. No. 3); and

S. Res. 34. Resolution authorizing the Committee on Public Works to employ additional temporary clerical assistants and providing additional funds for the committee (Rept. No. 9).

PRINTING OF CERTAIN DATA ON THE ARKANSAS-WHITE-RED RIVER BASINS AND REPORT ON WATER RESOURCES FOR COMMITTEE ON PUBLIC WORKS

Mr. CHAVEZ, from the Committee on Public Works, reported an original concurrent resolution (S. Con. Res. 7), which was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Public Works the amounts stated of the following reports transmitted by the Secretary of the Army from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on review of report on the Arkansas-White-Red River Basins, Senate Document No. 13, 85th Congress, 3,000 copies, and report on water resources of the New England-New York region, Senate Document No. 14, 85th Congress, 3,000 copies, which reports were authorized in the Flood Control Act of 1950.

STUDY OF PUBLIC AND PRIVATE HOUSING, AND ADDITIONAL FUNDS THEREFOR (S. REPT. NO. 10)

Mr. SPARKMAN (for himself and Mr. CAPEHART) submitted the following resolution (S. Res. 44), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule 25 (1) (d) 4 of the Standing Rules of the Senate, to make a complete study of any and all matters pertaining to public and private housing.

SEC. 2. For the purpose of this resolution the committee from February 1, 1957, to January 31, 1958, inclusive, is authorized to (1) make such expenditure as it deems advisable; (2) employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report all its findings, together with its recommendation for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1958.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Subsequently, Mr. SPARKMAN, from the Committee on Banking and Currency, reported the above resolution (S. Res. 44), without amendment, and submitted a report (No. 10) thereon and, under the rule, the resolution was referred to the Committee on Rules and Administration.

INVESTIGATION OF CERTAIN MATTERS AND EXPENDITURES THEREFOR BY COMMITTEE ON BANKING AND CURRENCY (S. REPT. NO. 4)

Mr. FULBRIGHT, from the Committee on Banking and Currency, reported an original resolution (S. Res. 45), and submitted a report thereon; which resolution was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) the Federal Reserve System, including monetary and credit policies;

(4) economic stabilization, production, and mobilization;

(5) valuation and revaluation of the dollar;

(6) prices of commodities, rents, and services;

(7) securities and exchange regulations; and

(8) disaster insurance or indemnity.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1957, to January 31, 1958, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AUTHORIZATION FOR CERTAIN INVESTIGATIONS BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, AND FUNDS THEREFOR

Mr. MURRAY, from the Committee on Interior and Insular Affairs, reported an original resolution (S. Res. 46), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) Indian Affairs;

(2) Irrigation and reclamation;

(3) Minerals, materials, and fuels;

(4) Public lands; and

(5) Territories and insular affairs.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1957, to January 31, 1958, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $193,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a summary of monthly personnel reports on civilian employment in the executive branch of the Federal Government issued during the recess of the Congress. These reports were concerned with employment and payrolls during the period June–November 1956, inclusive.

In accordance with the practice of several years' standing, I request that the summary be printed in the body of the RECORD, as a part of my remarks, together with a statement by me.

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

Personnel and pay summary, June through November 1956

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In November numbered—	In June numbered—	Increase (+) or decrease (−)	In October was—	In May was—	Increase (+) or decrease (−)
Total [1]	2,394,333	2,384,423	+9,910	$936,717	$925,984	+$10,733
Agencies exclusive of Department of Defense	1,214,926	1,204,493	+10,433	469,338	466,038	+3,300
Department of Defense	1,179,407	1,179,930	−523	467,379	459,946	+7,433
Inside continental United States	2,186,901	2,178,938	+7,963			
Outside continental United States	207,432	205,485	+1,947			
Industrial employment	661,198	695,612	−34,414			
Foreign nationals	276,581	290,382	−13,801	[2] 28,438	28,071	+367

[1] Exclusive of foreign nationals shown in the last line of this summary.
[2] Subject to revision.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during November 1956, and comparison with June 1956, and pay for October 1956, and comparison with May 1956*

Department or agency	Personnel				Pay (in thousands)			
	November	June	Increase	Decrease	October	May	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	84,078	89,419		5,341	$30,711	$29,906	$805	
Commerce [1]	46,928	47,197		269	21,022	20,457	565	
Health, Education, and Welfare	49,487	46,124	3,363		20,568	18,551	2,017	
Interior	49,628	54,171		4,543	21,942	21,360	582	
Justice	30,548	30,876		328	15,648	15,437	211	
Labor	5,929	[2] 5,803	126		2,821	2,720	101	
Post Office	521,409	[2] 508,587	12,822		185,204	188,183		$2,979
State [3]	33,089	32,418	671		12,820	12,059	761	
Treasury	78,715	77,782	933		36,386	36,638		252
Executive Office of the President:								
White House Office	395	378	17		236	220	16	
Bureau of the Budget	438	430	8		303	289	14	
Council of Economic Advisers	35	31	4		28	22	6	
Executive Mansion and Grounds	70	70			24	26		2
National Security Council [4]	26	27		1	19	19		
Office of Defense Mobilization	251	267		16	170	172		2
President's Advisory Committee on Government Organization	5	5			3	4		1
President's Commission on Veterans' Pensions [5]						14		14
Independent agencies:								
Advisory Committee on Weather Control	8	17		9	6	9		3
Alexander Hamilton Bicentennial Commission	12	10	2		6	6		
American Battle Monuments Commission	620	718		98	97	106		9
Atomic Energy Commission	6,686	6,637	49		3,694	3,560	134	
Board of Governors of the Federal Reserve System	588	575	13		319	294	25	
Boston National Historic Sites Commission	4	2	2		1	1		
Civil Aeronautics Board	602	600	2		356	345	11	
Civil Service Commission	4,444	4,255	189		2,261	2,110	151	
Commission of Fine Arts	11	9	2		2	1	1	
Corregidor Bataan Memorial Commission [6]	3	2	1		2		2	
District of Columbia Auditorium Commission [7]	18	1	17		1		1	
Export-Import Bank of Washington	182	172	10		118	108	10	
Farm Credit Administration	1,016	1,038		22	536	541		5
Federal Civil Defense Administration	1,146	1,085	61		652	604	48	
Federal Coal Mine Safety Board of Review	8	8			4	4		
Federal Communications Commission	1,145	1,116	29		637	626	11	
Federal Deposit Insurance Corporation	1,152	1,127	25		613	601	12	
Federal Home Loan Bank Board	693	689	4		353	337	16	
Federal Mediation and Conciliation Service	338	[2] 346		8	248	251		3
Federal Power Commission	703	720		17	402	395	7	
Federal Trade Commission	710	641	69		425	383	42	
Foreign Claims Settlement Commission	115	128		13	60	61		1
General Accounting Office	5,433	5,542		109	2,667	2,663	4	
General Services Administration	27,072	26,429	643		10,032	10,058		26
Government Contract Committee	17	23		6	10	9	1	
Government Printing Office	6,681	6,579	102		3,049	3,221		172
Housing and Home Finance Agency	9,949	10,162		213	5,089	5,062	27	
Indian Claims Commission	14	13	1		11	10	1	
Interstate Commerce Commission	2,070	1,907	163		1,091	1,022	69	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	3	1		3	2	1	
National Advisory Committee for Aeronautics	7,641	7,861		220	4,020	3,821	199	
National Capital Housing Authority	250	258		8	99	100		1
National Capital Planning Commission	33	34		1	19	17	2	
National Gallery of Art	335	330	5		110	113		3

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during November 1956, and comparison with June 1956, and pay for October 1956, and comparison with May 1956*—Continued

Department or agency	Personnel				Pay (in thousands)			
	November	June	Increase	Decrease	October	May	Increase	Decrease
Independent Agencies—Continued								
National Labor Relations Board	1,118	1,128		$10	$670	$656	$14	
National Mediation Board	105	107		2	72	76		$4
National Science Foundation	301	251	50		147	130	17	
National Security Training Commission	5	3	2		3	3		
Panama Canal	14,975	14,864	111		3,560	3,460	100	
Railroad Retirement Board	2,215	2,222		7	924	952		28
Renegotiation Board	445	469		24	300	300		
Rubber Producing Facilities Disposal Commission [5]		7		7		4		4
St. Lawrence Seaway Development Corporation	34	[2] 36		2	28	21	7	
Securities and Exchange Commission	786	734	52		460	428	32	
Selective Service System	6,918	6,860	58		1,817	1,788	29	
Small Business Administration	936	821	115		518	472	46	
Smithsonian Institution	758	768		10	306	281	25	
Soldiers' Home	1,030	1,016	14		245	248		3
Subversive Activities Control Board	33	33			25	22	3	
Tariff Commission	205	208		3	129	124	5	
Tax Court of the United States	146	146			98	95	3	
Tennessee Valley Authority	14,857	14,708	149		7,102	6,757	345	
Theodore Roosevelt Centennial Commission	3	3			3		3	
United States Information Agency	11,319	10,831	488		3,267	3,086	181	
Veterans' Administration	178,000	176,653	1,347		64,765	64,616	149	
Woodrow Wilson Centennial Celebration Commission	3	3			1	1		
Total, excluding Department of Defense	1,214,926	1,204,493	21,720	11,287	469,338	466,038	6,812	3,512
Net increase, excluding Department of Defense			10,433				3,300	
Department of Defense:								
Office of the Secretary of Defense [9]	1,686	1,940		254	1,082	1,183		101
Department of the Army	432,032	434,716		2,684	167,537	164,081	3,456	
Department of the Navy	393,186	394,675		1,489	162,369	162,591		222
Department of the Air Force [9]	352,503	[2] 348,599	3,904		136,391	132,091	4,300	
Total, Department of Defense	1,179,407	1,179,930	3,904	4,427	467,379	459,946	7,756	323
Net change, Department of Defense			523				7,433	
Grand total, including Department of Defense	2,394,333	2,384,423	25,624	15,714	936,717	925,984	14,568	3,835
Net increase, including Department of Defense			9,910				10,733	

[1] November figure includes 659 seamen on the rolls of the Maritime Administration and their pay.
[2] Revised.
[3] November figure includes 10,586 employees of the International Cooperation Administration as compared with 10,168 in June. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The November figure includes 2,462 of these trust fund employees and the June figure includes 1,428.
[4] Exclusive of personnel and pay of the Central Intelligence Agency.
[5] Abolished May 22, 1956 by Executive Order 10588.
[6] New agency, created pursuant to Public Law 193, 83d Cong.
[7] New agency, created pursuant to Public Law 128, 84th Cong.
[8] Ceased to exist Sept. 23, 1956. Transferred to the Federal Facilities Corporation, Department of the Treasury, by Executive Order 10678, dated Sept. 20, 1956.
[9] In July, 230 employees were transferred from the Office of the Secretary of Defense to the Department of the Air Force.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during November 1956, and comparison with June 1956*

Department or agency	November	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	82,808	88,107		5,299
Commerce [1]	43,211	44,008		797
Health, Education, and Welfare	47,595	44,333	3,262	
Interior	45,556	48,412		2,856
Justice	30,007	30,343		336
Labor	5,788	[2] 5,659	129	
Post Office	518,926	[2] 506,134	12,792	
State [3]	8,259	8,029	230	
Treasury	77,733	76,794	939	
Executive Office of the President:				
White House office	395	378	17	
Bureau of the Budget	438	430	8	
Council of Economic Advisers	35	31	4	
Executive Mansion and Grounds	70	70		
National Security Council [4]	26	27		1
Office of Defense Mobilization	251	267		16
President's Advisory Committee on Government Organization	5	5		
Independent agencies:				
Advisory Committee on Weather Control	8	17		9
Alexander Hamilton Bicentennial Commission	12	10	2	
American Battle Monuments Commission	15	15		
Atomic Energy Commission	6,666	6,620	46	
Board of Governors of the Federal Reserve System	588	575	13	
Boston National Historic Sites Commission	4	2	2	
Civil Aeronautics Board	598	596	2	
Civil Service Commission	4,428	4,235	193	
Commission of Fine Arts	11	9	2	
Corregidor-Bataan Memorial Commission [5]	3	2	1	
District of Columbia Auditorium Commission [6]	18	1	17	
Export-Import Bank of Washington	182	172	10	
Farm Credit Administration	1,004	1,026		22
Federal Civil Defense Administration	1,146	1,085	61	
Independent Agencies—Continued				
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,116	1,089	27	
Federal Deposit Insurance Corporation	1,150	1,126	24	
Federal Home Loan Bank Board	693	689	4	
Federal Mediation and Conciliation Service	338	[2] 346		8
Federal Power Commission	703	720		17
Federal Trade Commission	710	641	69	
Foreign Claims Settlement Commission	115	128		13
General Accounting Office	5,359	5,483		124
General Services Administration	26,968	26,321	647	
Government Contract Committee	17	23		6
Government Printing Office	6,681	6,579	102	
Housing and Home Finance Agency	9,794	10,009		215
Indian Claims Commission	14	13	1	
Interstate Commerce Commission	2,070	1,907	163	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	3	1	
National Advisory Committee for Aeronautics	7,641	7,861		220
National Capital Housing Authority	250	258		8
National Capital Planning Commission	33	34		1
National Gallery of Art	335	330	5	
National Labor Relations Board	1,099	1,107		8
National Mediation Board	105	107		2
National Science Foundation	301	251	50	
National Security Training Commission	5	3	2	
Panama Canal	545	557		12
Railroad Retirement Board	2,215	2,222		7
Renegotiation Board	445	469		24
Rubber Producing Facilities Disposal Commission [7]		7		7
St. Lawrence Seaway Development Corporation	34	[2] 36		2
Securities and Exchange Commission	786	734	52	
Selective Service System	6,722	6,664	58	
Small Business Administration	928	821	107	
Smithsonian Institution	756	766		10
Soldiers' Home	1,030	1,016	14	
Subversive Activities Control Board	33	33		

See footnotes at end of table.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during November 1956, and comparison with June 1956*—Continued

Department or agency	November	June	Increase	Decrease
Independent Agencies—Continued				
Tariff Commission	205	208		3
Tax Court of the United States	146	146		
Tennessee Valley Authority	14,857	14,708	149	
Theodore Roosevelt Centennial Commission	3	3		
United States Information Agency	2,577	2,430	147	
Veterans' Administration	176,762	175,418	1,344	
Woodrow Wilson Centennial Celebration Commission	3	3		
Total, excluding Department of Defense	1,149,342	1,138,669	20,696	10,023
Net increase, excluding Department of Defense			10,673	
Department of Defense:				
Office of the Secretary of Defense [5]	1,632	1,879		247
Department of the Army	367,721	369,502		1,781
Department of the Navy	360,233	363,023		2,790
Department of the Air Force [5]	307,973	[2] 305,865	2,108	
Total, Department of Defense	1,037,559	1,040,269	2,108	4,818
Net decrease, Department of Defense			2,710	
Grand total, including Department of Defense	2,186,901	2,178,938	22,804	14,841
Net increase, including Department of Defense			7,963	

[1] November figure includes 659 seamen on the rolls of the Maritime Administration.
[2] Revised.
[3] November figure includes 1,674 employees of the International Cooperation Administration as compared with 1,647 in June.
[4] Exclusive of personnel of the Central Intelligence Agency.
[5] New Agency, created pursuant to Public Law 193, 83d Cong.
[6] New agency, created pursuant to Public Law 128, 84th Cong.
[7] Ceased to exist Sept. 23, 1956. Transferred to the Federal Facilities Corporation, Department of the Treasury, by Executive Order 10678, dated Sept. 20, 1956.
[8] In July, 230 employees were transferred from the Office of the Secretary of Defense to the Department of the Air Force.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during November 1956, and comparison with June 1956*

Department or agency	November	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,270	1,312		42
Commerce	3,717	3,189	528	
Health, Education, and Welfare	1,892	1,791	101	
Interior	4,072	5,759		1,687
Justice	541	533	8	
Labor	141	144		3
Post Office	2,483	2,453	30	
State [1]	24,830	24,389	441	
Treasury	982	988		6
Independent agencies:				
American Battle Monuments Commission	605	703		98
Atomic Energy Commission	20	17	3	
Civil Aeronautics Board	4	4		
Civil Service Commission	16	20		4
Farm Credit Administration	12	12		
Federal Communications Commission	29	27	2	
Federal Deposit Insurance Corporation	2	1	1	
General Accounting Office	74	59	15	
General Services Administration	104	108		4
Housing and Home Finance Agency	155	153	2	
National Labor Relations Board	19	21		2
Panama Canal	14,430	14,307	123	
Independent Agencies—Continued				
Selective Service System	196	196		
Small Business Administration	8		8	
Smithsonian Institution	2	2		
United States Information Agency	8,742	8,401	341	
Veterans' Administration	1,238	1,235	3	
Total, excluding Department of Defense	65,584	65,824	1,606	1,846
Net decrease, excluding Department of Defense			240	
Department of Defense:				
Office of the Secretary of Defense	54	61		7
Department of the Army	64,311	65,214		903
Department of the Navy	32,953	31,652	1,301	
Department of the Air Force	44,530	42,734	1,796	
Total, Department of Defense	141,848	139,661	3,097	910
Net increase, Department of Defense			2,187	
Grand total, including Department of Defense	207,432	205,485	4,703	2,756
Net increase, including Department of Defense			1,947	

[1] November figure includes 8,912 employees of the International Cooperation Administration as compared with 8,521 in June. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The November figure includes 2,462 of these trust fund employees and the June figure includes 1,428.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during November 1956, and comparison with June 1956*

Department or agency	November	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,961	2,624	337	
Commerce	2,590	2,673		83
Interior	7,743	8,357		614
Treasury	5,615	5,473	142	
Independent agencies:				
Atomic Energy Commission	149	159		10
Federal Communications Commission	14	13	1	
General Services Administration	1,108	1,123		15
Government Printing Office	6,681	6,579	102	
National Advisory Committee for Aeronautics	7,641	7,861		220
Panama Canal	7,343	7,269	74	
Tennessee Valley Authority	12,091	11,959	132	
Total, excluding Department of Defense	53,936	54,090	788	942
Net decrease, excluding Department of Defense			154	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 183,600	[2] 203,698		20,098
Outside continental United States	[1] 21,900	[2] 34,257		12,357
Department of the Navy:				
Inside continental United States	222,001	223,084		1,083
Outside continental United States	6,008	6,130		122
Department of the Air Force:				
Inside continental United States	166,750	168,002		1,252
Outside continental United States	7,003	6,351	652	
Total, Department of Defense	607,262	641,522	652	34,912
Net decrease, Department of Defense			34,260	
Grand total, including Department of Defense	661,198	695,612	1,440	35,854
Net decrease, including Department of Defense			34,414	

[1] Subject to revision.
[2] Revised.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of November 1956 and comparison with June 1956*

Country	Total		Army		Navy		Air Force	
	November	June	November	June	November	June	November	June
England	7,841	7,318			35	32	7,806	7,286
France	25,629	23,698	17,548	16,307			8,081	7,391
French Morocco	6,191	6,144	278	204	975	961	4,938	4,979
Germany	98,599	106,690	82,423	84,148	590	634	15,586	21,908
Japan	131,833	139,452	69,722	[1] 78,890	19,327	18,412	42,784	42,150
Korea	5,706	5,843	5,706	5,843				
Libya		197						197
Malta	84				84			
Netherlands	40	46					40	46
Norway	21	17					21	17
Saudi Arabia		455						455
Trinidad	637	522			637	522		
Total	276,581	290,382	175,677	185,392	21,648	20,561	79,256	84,429

[1] Revised.

NOTE.—The Germans are paid from funds provided by German Governments. The French and English reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Civilian employment in the executive branch of the Federal Government increased 9,910 during the period June through November 1956. The total in June was 2,384,423. In November there were 2,394,333 civilian employees.

Employment by civilian agencies of the Government showed a net increase of 10,433 during the period from June through November 1956, increasing from 1,204,493 in June to 1,214,926 in November. Civilians employed by the Department of Defense decreased 523 during the same period, dropping from 1,179,930 in June to 1,179,407 in November.

In the Department of Defense white-collar employment increased 33,737 from 538,408 in June to 572,145 in November, and industrial employment decreased 34,260 from 641,522 in June to 607,262 in November.

In May the Federal civilian payroll was running at an annual rate of $11,112,000,000, and in October it was running at an annual rate of $11,241,000,000.

These figures summarize compilations of monthly personnel reports certified by executive branch agencies to the Joint Committee on Reduction of Nonessential Federal Expenditures.

In addition to this regularly reported employment, there were foreign nationals working under United States military agencies overseas, excluded from usual personnel reporting, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid. These numbered 290,382 in June and 276,581 in November, a decrease of 13,801.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. MORTON (for himself and Mr. COOPER):

S. 612. A bill for the relief of Licha Hanna Farah (also known as Hanna Licha); to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 613. A bill for the relief of certain aliens;

S. 614. A bill for the relief of Heui Sik Min and his wife, Mary Pu Keui Min, and their children, David Pyong Wha Min, Susan Pyong Soon Min, Sally Pyong Yun Min, George Pyong Yu Min, William Pyong Soo Min, and daughter-in-law Gloria Yong Hiu Min;

S. 615. A bill for the relief of Josephine Ray; and

S. 616. A bill for the relief of Blanca G. Hidalgo; to the Committee on the Judiciary.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 617. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn unit, American River Division, Central Valley project, California, under Federal reclamation laws; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 618. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

S. 619. A bill to provide for the enlargement of the Antietam National Cemetery at Sharpsburg, Maryland; to the Committee on Interior and Insular Affairs.

S. 620. A bill to transfer ownership to Allegany County, Maryland, of a bridge loaned to such county by the Bureau of Public Roads; to the Committee on Public Works.

By Mr. DIRKSEN (by request):

S. 621. A bill for the relief of the South Side Bank & Trust Co.; and

S. 622. A bill for the relief of Georgina Mercedes Llera; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 623. A bill for the relief of Donini Maurizio Donato; to the Committee on the Judiciary.

By Mr. GREEN:

S. 624. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to correct injustice and and to provide for the payment of certain amounts of compensation to officers who were found under the provisions of that act to have been removed from the active list of the Army without justification and who were subsequently restored to the active list or advanced on the retired list; to the Committee on Armed Services.

S. 625. A bill to amend section 303 of the International Claims Settlement Act of 1949, as amended, so as to make certain persons who were citizens of the United States on the date of the enactment of such section eligible to file claims thereunder; to the Committee on Foreign Relations.

S. 626. A bill for the relief of Helen Dolly Argyropoulos; and

S. 627. A bill for the relief of Wilhelmine Aldridge, and her minor children, Irene S. Aldridge and Ingeborg Kathe Aldridge; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mr. PASTORE):

S. 628. A bill to direct the Secretary of the Army to convey certain property located at Boston Neck, Narragansett, Washington County, R. I., to the State of Rhode Island; to the Committee on Armed Services.

By Mr. HOLLAND:

S. 629. A bill for the relief of John Eicherl; to the Committee on the Judiciary.

By Mr. SMATHERS (for Mr. KENNEDY):

S. 630. A bill for the relief of Esther A. Leger; to the Committee on the Judiciary.

By Mr. BUSH (for himself and Mr. PURTELL):

S. 631. A bill to provide for the reconveyance of certain land in Milford, Conn., acquired by the Department of the Army from the Quinnipiac Council, Boy Scouts of America, Inc., and for other purposes; to the Committee on Armed Services.

By Mr. STENNIS:

S. 632. A bill authorizing the Secretary of the Interior to issue patents to certain lands in Hancock County, Miss., conveyed as swamp and overflowed land by the State of Mississippi to private individuals in 1926; to the Committee on Interior and Insular Affairs.

S. 633. A bill for the relief of John R. Hill; to the Committee on the Judiciary.

S. 634. A bill adopting and authorizing a project for flood control and related purposes on the Tombigbee River and tributaries; to the Committee on Public Works.

By Mr. HAYDEN:

S. 635. A bill to amend section 82 of title 28 of the United States Code in order to authorize holding terms of the United States district court at Yuma, Ariz.; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 636. A bill to amend the Internal Revenue Code of 1954 so as to continue for 2 years the provisions for rapid amortization of grain-storage facilities; to the Committee on Finance.

By Mr. CLARK (by request):

S. 637. A bill to amend the Small Business Act of 1953 to increase the amount available thereunder for business loans; to the Committee on Banking and Currency.

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

By Mr. FLANDERS:

S. 638. A bill for the relief of Renee M. Dussault; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 639. A bill for the relief of Wilton J. Parker; to the Committee on the Judiciary.

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

S. 640. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.; to the Committee on Government Operations.

By Mr. JACKSON:

S. 641. A bill for the relief of Elvira A. Belford; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 642. A bill to provide for the restoration of the stage end of the interior of Ford's Theater in the District of Columbia and for a museum in the remainder of such theater; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG (for himself and Mr. LANGER):

S. 643. A bill to provide price support for basic agricultural commodities at a level of 90 percent of the parity price, and to provide for price support at a lower level for wheat of below milling quality; to the Committee on Agriculture and Forestry.

By Mr. MANSFIELD (for Mr. MAGNUSON):

S. 644. A bill for the relief of Anthony Agustino Scrivanich; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself, Mr. RUSSELL, Mr. EASTLAND, Mr. YOUNG, Mr. SPARKMAN, and Mr. STENNIS):

S. 645. A bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; to the Committee on Agriculture and Forestry.

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

By Mr. MUNDT (for himself and Mr. EASTLAND):

S. 646. A bill amending the Packers and Stockyard Act, 1921, to permit deduction for a self-help meat promotion program; to the Committee on Agriculture and Forestry.

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

By Mr. MANSFIELD:

S. 647. A bill for the relief of Ishikiriyama Jajime (Philip) Chachere and Tsuruta Masanobu (John Francis) Chachere; and

S. 648. A bill for the relief of Robert J. Dexter; to the Committee on the Judiciary.

By Mr. MANSFIELD (by request):

S. 649. A bill for the relief of Yee Chung Fong Ming, Yee Chung Nom Ming, and Gee Shee Ming;

S. 650. A bill for the relief of Isabella Abrahams; and

S. 651. A bill for the relief of Sister Clementine (Ilona Molnar); to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 652. A bill for the relief of the Thomas Cruse Mining and Development Co.; to the Committee on the Judiciary.

By Mr. MANSFIED (for himself, Mr. MURRAY, and Mr. SCOTT):

S. 653. A bill for the relief of Mrs. Elsbe Hermine van Dam Hurst; to the Committee on the Judiciary.

By Mr. BRIDGES (for himself, Mr. COTTON, Mr. BRICKER, Mr. MCCLELLAN, Mr. MARTIN of Pennsylvania, Mr. STENNIS, Mr. MCCARTHY, Mr. ERVIN, Mr. JENNER, Mr. KNOWLAND, Mr. MARTIN of Iowa, and Mr. BARRETT):

S. 654. A bill to amend title 18, United States Code, to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities; to the Committee on the Judiciary.

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

By Mr. BRICKER:

S. 655. A bill for the relief of Brigadier General Chester W. Goble; to the Committee on Armed Services.

S. 656. A bill to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 657. A bill for the relief of David Y. Ong; to the Committee on the Judiciary.

By Mr. BYRD:

S. 658. A bill to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DOUGLAS:

S. 659. A bill for the relief of Annie Tymochek Porayko;

S. 660. A bill for the relief of Ursula Rosa Pazdro; and

S. 661. A bill for the relief of Marcella Ramos Fortich; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 662. A bill for the relief of Howard I. Buchbinder; to the Committee on the Judiciary.

By Mr. LANGER:

S. 663. A bill to repeal all Federal retailers excise taxes, certain manufacturers excise taxes, and the excise taxes on facilities and services; to the Committee on Finance.

S. 664. A bill for the relief of Ludvig Aleks Sigus; to the Committee on the Judiciary.

S. 665. A bill to amend the Civil Service Retirement Act so as to authorize the crediting of unused accumulated sick leave for retirement purposes; to the Committee on Post Office and Civil Service.

By Mr. LANGER (for himself and Mr. YOUNG):

S. 666. A bill to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 667. A bill to amend the Veterans' Readjustment Assistance Act of 1952 so as to extend until July 1, 1959, the basic service period for establishing eligibility for educational benefits; to the Committee on Labor and Public Welfare.

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

By Mr. BRIDGES:

S. 668. A bill for the relief of Isak Irving Herz; and

S. 669. A bill for the relief of Mrs. Antonietta Giorgio and her children, Antonio Giorgio and Menotti Giorgio; to the Committee on the Judiciary.

By Mr. MURRAY (for himself, Mr. MANSFIELD, and Mr. KERR):

S. 670. A bill to provide a more equitable method for computing the self-employment income of farmers under the Social Security Act for taxable years ending during the period commencing January 1, 1955, and ending December 31, 1958; to the Committee on Finance.

By Mr. THYE:

S. 671. A bill to extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended;

S. 672. A bill to provide for the control of noxious weeds on land under the control or jurisdiction of the Federal Government; and

S. 673. A bill to further prevent the spread of communicable diseases of livestock and poultry; to the Committee on Agriculture and Forestry.

By Mr. KEFAUVER:

S. 674. A bill for the relief of Cale P. Haun and Julia Fay Haun; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. LANGER):

S. 675. A bill to amend section 2314, United States Code, title 18, with respect to the transportation in interstate commerce of articles obtained by false or fraudulent pretenses, representations, or promises, or through any scheme or artifice to defraud; to the Committee on the Judiciary.

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

By Mr. MURRAY:

S. 676. A bill to amend the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. MURRAY (for himself, Mr. CASE of South Dakota, Mr. JACKSON, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MUNDT, and Mr. YOUNG):

S. 677. A bill to amend section 12 of the act approved February 22, 1889 (25 Stat. 676) relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of constructing, reconstructing, repair, renovation, or other permanent improvement of public buildings at the capital of said States; to the Committee on Interior and Insular Affairs.

By Mr. KUCHEL:

S. 678. A bill for the relief of Mabel Dorothy Hoffman (or Clarke); to the Committee on the Judiciary.

By Mr. BARRETT:

S. 679. A bill for the relief of Vasilios A. Xerikos; his wife, Eleni Xerikos; and their three children, Nicoleta Xerikos, Constantinos Xerikos, and Andreas Xerikos; to the Committee on the Judiciary.

By Mr. BARRETT:

S. 680. A bill to amend the act of February 7, 1927, so as to further provide for the disposition of rentals and royalties from leases issued or renewed under the act entitled "An act to authorize exploration for and disposition of potassium," approved October 2, 1917; to the Committee on Interior and Insular Affairs.

By Mr. POTTER:

S. 681. A bill to amend the Immigration and Nationality Act so as to provide that certain alien orphans adopted by United States citizens shall be classified as nonquota immigrants; and

S. 682. A bill to provide for observing certain legal public holidays on Monday; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 683. A bill for the relief of Chiu-Sang Wu and his wife, Catherine Naoko Mitsuda Wu; and

S. 684. A bill for the relief of Ilse Striegan Bacon; to the Committee on the Judiciary.

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

S. 685. A bill to extend the life of the District of Columbia Auditorium Commission; to the Committee on the District of Columbia.

By Mr. HUMPHREY:

S. 686. A bill for the relief of Jacques Benjamin, Esther Benjamin, Joyce Benjamin, and Saad (Felix) Benjamin; to the Committee on the Judiciary.

By Mr. IVES:

S. 687. A bill for the relief of Stylianos Lecomples;

S. 688. A bill for the relief of Vitalis John Molho;

S. 689. A bill for the relief of Han Hong Wang and An-Yin Chen Wang; and

S. 690. A bill for the relief of Dr. Ching-Lin Hsia and his wife, Wai Tsung Hsia; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 691. A bill to provide for the utilization of the Colorado River Development Fund in the States of the lower division; to the Committee on Interior and Insular Affairs.

By Mr. GOLDWATER (for himself and Mr. HAYDEN):

S. 692. A bill to provide that the United States hold in trust for the Indians entitled to the use thereof the lands described in the Executive order of December 16, 1882, and

for adjudicating the conflicting claims thereto of the Navaho and Hopi Indians, and for other purposes;

S. 693. A bill to revise the boundaries of Grand Canyon National Park and Grand Canyon National Monument, in the State of Arizona, and for other purposes; and

S. 694. A bill authorizing the construction, operation, and maintenance of the Buttes Dam and Reservoir; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GOLDWATER when he introduced the last above-mentioned bills, which appear under separate headings.)

By Mr. BUTLER:

S. 695. A bill providing for the revision and printing of a compilation of Federal laws relating to the regulation of carriers subject to the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

S. 696. A bill for the relief of Alecos Markos Karavasilis and his wife, Steliani Karavasilis; to the Committee on the Judiciary.

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

S. 697. A bill to provide for the appointment of a district judge for the district of Maryland; the Committee on the Judiciary.

S. 698. A bill granting the consent of Congress to the Potomac Electric Power Co., for the construction of a dam on the Potomac River; to the Committee on Public Works.

By Mr. CASE of South Dakota:

S. 699. A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Finance.

S. 700. A bill authorizing issuance of patent in fee to Joshua Standing Elk; to the Committee on Interior and Insular Affairs.

By Mr. CASE of New Jersey:

S. 701. A bill for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engeldal Hansen; and

S. 702. A bill for the relief of Joseph S. Aldridge; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 703. A bill for the relief of Shigeko Salchert; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 704. A bill to provide for further research and technical assistance required for the control of mosquitoes and other arthropods capable of adversely affecting the health and welfare of man; to the Committee on Labor and Public Welfare.

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

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 705. A bill to provide that the highway running from Tampa, Fla., through Bradenton, Fla., Punta Gorda, Fla.; Fort Myers, Fla., Naples, Fla., and Miami, Fla., to Homestead, Fla., shall be a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. CAPEHART:

S. 706. A bill to prevent discrimination against fiscal year taxpayers with respect to depletion allowance; to the Committee on Finance.

S. 707. A bill for the relief of Eva Ferro Pobre Reilly;

S. 708. A bill for the relief of Za Lee Moh;

S. 709. A bill for the relief of Fuyuzo Yamaguchi;

S. 710. A bill for the relief of Sui-an Fung and Shu-nung Wu Fung; and

S. 711. A bill for the relief of George S. Zarkos; to the Committee on the Judiciary.

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

By Mr. CAPEHART (for himself and Mr. JENNER):

S. 712. A bill to amend certain provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, and for other purposes; to the Committee on Rules and Administration.

By Mr. NEUBERGER (for himself, Mr. MORSE, Mr. PASTORE, Mr. MURRAY, and Mr. MANSFIELD):

S. 713. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

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

By Mr. NEUBERGER (for himself, Mrs. SMITH of Maine, Mr. MORSE, Mr. HUMPHREY, Mr. MAGNUSON,, Mr. MANSFIELD, and Mr. McNAMARA):

S. 714. A bill to extend the provisions of the Veterans' Readjustment Assistance Act of 1952 until such time as existing laws authorizing compulsory military service cease to be effective; and to provide for payment of tuition and fees of veterans receiving educational benefits under such act; to the Committee on Labor and Public Welfare.

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

By Mr. ANDERSON:

S. 715. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. FULBRIGHT:

S. 716. A bill to authorize the Administrator of General Services to assist in planning and financing the construction of county agricultural buildings; to the Committee on Agriculture and Forestry.

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

By Mr. SYMINGTON:

S. 717. A bill to provide for the stockpiling, storage, and distribution of essential foodstuffs and other essential items for the sustenance of the civilian population of the United States, its Territories, possessions, and the District of Columbia in the event of enemy attack or other disaster; to the Committee on Armed Services.

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

By Mr. IVES:

S. 718. A bill for the relief of Erwin Wiedenhofer; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself, Mr. HILL, Mr. O'MAHONEY, and Mr. KEFAUVER):

S. 719. A bill to make capital more readily available for financing small business and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. SPARKMAN (for himself, Mr. HILL, and Mr. KEFAUVER):

S. 720. A bill to make credit more readily available for financing small business by insuring loans made to small business enterprises; to the Committee on Banking and Currency.

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

By Mr. SPARKMAN (for himself and Mr. THYE):

S. 721. A bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease-and-desist orders issued thereunder, and for other purposes; and

S. 722. A bill to amend the Clayton Act to prohibit certain bank mergers and provide for more effective enforcement thereof, and for other purposes; to the Committee on the Judiciary.

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

By Mr. SPARKMAN:

S. 723. A bill for the relief of Willis H. Lawrence; to the Committee on the Judiciary.

By Mr. CAPEHART (for himself, Mr. BARRETT, Mr. BEALL, Mr. BRICKER, Mr. CASE of New Jersey, Mr. EASTLAND, Mr. DIRKSEN, Mr. MUNDT, Mr. POTTER, Mr. CASE of South Dakota, Mr. SPARKMAN, Mr. ALLOTT, Mr. PAYNE, Mr. CHAVEZ, Mr. BRIDGES, Mr. CARLSON, Mr. GOLDWATER, Mr. YOUNG, Mr. SMITH of New Jersey, Mr. PURTELL, Mr. FLANDERS, Mr. THYE, Mr. JENNER, Mr. AIKEN, Mr. MARTIN of Pennsylvania, Mr. KUCHEL, Mr. MALONE, Mr. BUTLER, Mr. McCARTHY, and Mr. LANGER):

S. 724. A bill to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products so as to reduce surpluses of such products and to increase the income of farmers, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. JOHNSON of Texas:

S. 725. A bill for the relief of Juan Oro'-Florensa; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for himself, Mr. KEFAUVER, Mr. SPARKMAN, Mr. HILL, and Mr. THURMOND):

S. 726. A bill to provide that 25 percent of the National Service Life Insurance Fund may be invested in making direct home loans to veterans; to increase the maximum loan entitlement of veterans under section 512 of the Servicemen's Readjustment Act of 1944, and to expedite action on certain applications of veterans for direct home loans; to the Committee on Banking and Currency.

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

By Mr. SMATHERS:

S. 727. A bill to provide for the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the use of interest from such investments for scientific scholarships and fellowships for children of veterans; to the Committee on the Judiciary.

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

By Mr. HAYDEN (for himself and Mr. BRIDGES):

S. 728. A bill to authorize the acquisition of the remaining property in square 725 and the property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds; to the Committee on Public Works.

By Mr. IVES:

S. J. Res. 30. Joint resolution to provide for the establishment of a United States Academy of Nursing; to the Committee on Armed Services.

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

By Mr. PURTELL (for himself, Mr. BUSH, and Mr. JAVITS):

S. J. Res. 31. Joint resolution authorizing the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day; to the Committee on the Judiciary.

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

By Mr. FREAR:

S. J. Res. 32. Joint resolution to authorize the President to proclaim December 1 of

each year as National Civil Air Patrol Day; to the Committee on the Judiciary.

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

By Mr. HOLLAND (for himself, Mr. SMATHERS, Mr. MCCLELLAN, Mr. ELLENDER, and Mr. LONG):

S. J. Res. 33. Joint resolution proposing an amendment to the Constitution of the United States, relating to the qualifications of electors; to the Committee on the Judiciary.

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

By Mr. CAPEHART (for himself, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. HILL, Mr. BARRETT, Mr. THURMOND, Mr. MUNDT, Mr. BRICKER, Mr. BEALL, Mr. GREEN, Mr. KENNEDY, Mr. SCOTT, Mr. TALMADGE, Mr. BYRD, Mr. CLARK, Mr. SPARKMAN, Mr. ALLOTT, Mr. MURRAY, Mr. BENNETT, Mr. CHAVEZ, Mr. MORTON, Mr. HUMPHREY, Mr. GOLDWATER, Mr. MARTIN of Pennsylvania, Mr. FREAR, Mr. YOUNG, Mr. SMITH of New Jersey, Mr. PURTELL, Mr. FLANDERS, Mr. JENNER, Mr. FULBRIGHT, Mr. MALONE, Mr. BUTLER, Mr. CASE of South Dakota, Mr. MCCARTHY, and Mr. RUSSELL):

S. J. Res. 34. Joint resolution to commemorate the 150th anniversary of the birth of Gen. Robert E. Lee, and for other purposes; to the Committee on the Judiciary.

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

By Mr. MURRAY (for himself, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. CURTIS, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. LONG, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MCCARTHY, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. NEUBERGER, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. THYE, Mr. WATKINS, Mr. WILEY, and Mr. YOUNG):

S. J. Res. 35. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection, in the public interest, of the natural resources of the United States; to the Committee on Interior and Insular Affairs.

INCREASED BUSINESS LOAN AUTHORITY OF SMALL BUSINESS ADMINISTRATION

Mr. CLARK. Mr. President, by request, I introduce for appropriate reference, a bill to raise the business loan authority of the Small Business Administration from $150 million to $215 million. The Senate was advised on January 11, 1957, that this $65 million increase is necessary to permit the agency to continue approving business loans beyond February 1957. The Administrator estimates that this amount will be adequate to continue lending operations until June 30, 1957.

For the information of the Senate, Mr. President, under existing law the Small Business Administration will expire on June 30, 1957, and the continuation of this agency and its programs will be a matter for consideration by the Senate later in the session. This bill is not concerned with the larger question of the future of the agency but merely proposes an increase in lending authority to permit the approval of worthy loans which may be processed between now and the end of the current fiscal year.

The Subcommittee on Small Business of the Banking and Currency Committee will hold hearings on this bill at 10 a. m. on Tuesday, January 22, 1957.

I ask unanimous consent that in connection with my remarks there be printed in the RECORD, a letter dated January 11, 1957, addressed to the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Banking and Currency, by Mr. Wendell B. Barnes, Administrator of the Small Business Administration.

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

The bill (S. 637) to amend the Small Business Act of 1953 to increase the amount available thereunder for business loans, introduced by Mr. CLARK (by request), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letter, presented by Mr. CLARK, is as follows:

SMALL BUSINESS ADMINISTRATION,
Washington, D. C., January 11, 1957.

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

DEAR SENATOR FULBRIGHT: During the hearings in January 1956, before the subcommittee on Small Business, on various bills proposing an increase in the limitation of $25 million on disaster loans outstanding, I indicated that the $150 million limitation on business loans outstanding as provided by section 204 of the Small Business Act of 1953 (Public Law 163, 83d Cong., 1st sess.), as amended, probably would be adequate through June 30, 1957.

In making this estimate, I was guided largely by our past trends which reflected business loan application increases in the spring months and a drop back in the summer and fall months. While the spring increase occurred in 1956, the expected decrease after the spring rise did not develop. In fact, business loan applications reached an all-time high of 692 in October and have continued in excess of 600 since October. The following tabulation reflects this unprecedented demand for business loans.

	Applications received	Loans approved
July–December 1955 average	250	104
January–June 1956 average	430	215
July 1956	406	198
August	439	229
September	512	201
October	692	323
November	685	304
December	603	345

Consequently, the balance of the business loan limitation as of December 31, 1956, has been reduced to $12.9 million, and this amount is expected to be fully committed in February 1957. With normal spring increases in applications expected and the unlikely prospect of the credit situation improving in the next few months with respect to small business, it is estimated that loan applications will average at least 700 per month for the balance of the fiscal year. I am, therefore, recommending to the Congress to increase the present legislative limitation on business loans outstanding from $150 million to $215 million. This amount is estimated to be sufficient for loan approvals through June 30, 1957. The Bureau of the Budget has advised that this amendment is in accord with the President's program.

Of the $125 million on disaster loans outstanding, about $83 million remain available as of December 31, 1956, and it is estimated that this amount will be adequate for the balance of the fiscal year.

In conjunction with the request for an increase in the business loan limitation, we have also requested a supplemental appropriation for the revolving fund, and authority to transfer additional funds from the revolving fund to the appropriation for salaries and expenses in order to provide additional staff for the increased workload.

Early approval by the Congress will be necessary to permit the agency to continue approving loans. We will be pleased to provide any additional information you may need in connection with the requests outlined in this letter.

Sincerely yours,

WENDELL B. BARNES,
Administrator.

COMPULSORY INSPECTION OF POULTRY

Mr. TALMADGE. Mr. President, out of a desire to serve the public welfare through assuring the citizens of the Nation a uniformly wholesome supply of poultry products and to assist the poultry industry, at its request, to maintain by law its scrupulously high standards of quality, Senators RUSSELL, EASTLAND, SPARKMAN, STENNIS, YOUNG, and I introduce, for appropriate reference, a bill to require Federal inspection of all commercial poultry and poultry products.

This measure has the endorsement of the American Farm Bureau Federation and all national and regional poultry organizations represented in the associated poultry and egg industries as follows: The National Poultry Producers Federation, the American Poultry and Hatchery Federation, the National Turkey Federation, the Institute of American Poultry Industries, the National Poultry, Butter, and Egg Association, the Southeastern Poultry and Egg Association, the Northeastern Poultry Producers Council, the Pacific Dairy and Poultry Association, the North Central States Institute, the Chicago Mercantile Exchange, and the Georgia Poultry Federation.

Essentially the measure, which would, if enacted, become effective January 1, 1958, and operative on a compulsory, industrywide basis the following July 1, provides for the inspection of commercial poultry and poultry products on virtually the same basis as the present program for the inspection of red meat. It vests in the Secretary of Agriculture the authority to establish reasonable criteria and procedures for effective inspection, and avoids arbitrary requirements

by granting to the Secretary sufficient discretion and latitude to revise those criteria and procedures in the light of experience and altered circumstances. It is similar to Senate bill 4243, which was reported favorably by the Senate Committee on Agriculture and Forestry during the 84th Congress.

The cost of the program, as in the case of red meat, would be borne by the Federal Government.

The introduction of this bill is not in any wise a reflection upon the poultry industry which, since World War II, has spent an estimated half billion dollars in modernizing its processing plants and facilities to make them as sanitary as the most modern kitchen, and currently is spending from its profits each year a total of $2.5 million for inspection of its products under the voluntary program presently provided by the United States Department of Agriculture.

It is in recognition of the fact that smaller processors cannot afford such outlays for inspection and out of a desire for the highest standards to prevail uniformly throughout the industry that the various poultry processors, through their organizations, have requested the enactment of a Federal inspection program. It is an evidence, I think, of the high regard which the industry has for the welfare of the consumers of the Nation.

The measure is sufficiently strict in its requirements to assure absolute protection of the consuming public, and yet reasonable enough in its restrictions as to impose no unbearable hardship on the industry. It is a bill under which the Nation's poultry industry can continue to grow while providing at the same time the fullest guarantees for the public welfare.

I am particularly interested in this measure because my State of Georgia is the Nation's leading producer of poultry. Last year Georgia farmers produced more than 200 million broilers, more than the next two leading broiler-producing States—Arkansas and Texas—combined. We, in Georgia, are proud of our poultry industry and all that it means to our State and her people both from the standpoints of economy and national prestige.

It is my opinion that under this bill, which has the wholehearted support of Georgia poultrymen and poultry processors, the industry can continue to grow and prosper with the full assurance that the interests of its customers are protected in all particulars.

A similar measure has been introduced in the House of Representatives and I have pledged my full cooperation to Representative PHIL LANDRUM, of Georgia, and its other sponsors in seeking its enactment. It is my hope that Congress will give it favorable consideration.

I ask unanimous consent that the bill may be printed in the RECORD.

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

The bill (S. 645) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, introduced by Mr. TALMADGE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Poultry Products Inspection Act."

LEGISLATIVE FINDING

SEC. 2. Wholesome poultry products are an important source of the Nation's total supply of food. Such products are consumed throughout the Nation and substantial quantities thereof move in interstate and foreign commerce. Unwholesome and adulterated poultry products in the channels of interstate or foreign commerce are injurious to the public welfare, adversely affect the marketing of wholesome poultry products, result in sundry losses to producers, and destroy markets for wholesome poultry products. The marketing of wholesome poultry products is affected with the public interest and directly affects the welfare of the people. All poultry and poultry products which have or are required to have inspection under this act are either in the current of interstate or foreign commerce or directly affect such commerce. That part that enters directly into the current of interstate or foreign commerce cannot be effectively inspected and regulated without also inspecting and regulating all poultry and poultry products processed or handled in the same establishment.

The great volume of poultry products required as an article of food for the inhabitants of large centers of population may directly affect the movement of poultry and poultry products in interstate commerce. To protect interstate commerce in poultry and poultry products inspected for wholesomeness, from being adversely burdened, obstructed, or affected by uninspected poultry or poultry products, the Secretary of Agriculture upon request of the appropriate authority should hold public hearings to ascertain from time to time and to designate cities or areas where poultry or poultry products are handled or consumed in such volume as to affect the movement of inspected poultry or poultry products in interstate commerce.

DECLARATION OF POLICY

SEC. 3. It is hereby declared to be the policy of Congress to provide for the inspection of poultry and poultry products by the inspection service as herein provided to prevent the movement in interstate or foreign commerce or in a designated major consuming area of poultry products which are unwholesome, adulterated, or otherwise unfit for human food.

DEFINITIONS

SEC. 4. For purposes of this act, except where the context indicates otherwise—

(a) The term "commerce" means commerce between any point in any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State or the District of Columbia, but through any place outside thereof; or within the District of Columbia.

(b) The term "Secretary" means the Secretary of Agriculture.

(c) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(d) The term "poultry" means any live or slaughtered domesticated bird.

(e) The term "poultry product" means any poultry which has been slaughtered for human food from which the blood, feathers, feet, head and viscera have been removed in accordance with rules and regulations promulgated by the Secretary, any edible part of poultry, or unless exempted by the Secretary, any human food product consisting of any edible part of poultry separately or in combination with other ingredients.

(f) The term "wholesome" means sound, healthful, clean and otherwise fit for human food.

(g) The term "unwholesome" means:

(1) Unsound, injurious to health or otherwise rendered unfit for human food.

(2) Consisting in whole or in part of any filthy, putrid, or decomposed substance.

(3) Processed, prepared, packed, or held under unsanitary conditions whereby a poultry product may have become contaminated with filth or whereby a poultry product may have been rendered injurious to health

(4) Produced in whole or in part from diseased poultry or poultry which has died otherwise than by slaughter.

(5) Packaged in a container composed of any poisonous or deleterious substance which may render the contents injurious to health.

(h) The term "adulterated" shall apply to poultry and poultry products under one or more of the following circumstances:

(1) If they bear or contain any poisonous or deleterious substance which may render them injurious to health; but, in case the substance is not an added substance, such poultry and poultry products shall not be considered adulterated under this clause if the quantity of such substance in such poultry and poultry products does not ordinarily render them injurious to health.

(2) If they bear or contain any added poisonous or added deleterious substance, unless such substance is permitted in their production or unavoidable under good manufacturing practices as may be determined by rules and regulations hereunder prescribed by the Secretary or other provisions of Federal law limiting or tolerating the quantity of such added substance on or in such poultry and poultry products, but any quantity of such added substances exceeding the limits so fixed shall also be deemed to constitute adulteration.

(3) If any substance has been substituted, wholly or in part, therefor.

(4) If damage or inferiority has been concealed in any manner.

(5) If any valuable constituent has been in whole or in part omitted or abstracted therefrom.

(6) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

(i) The term "inspector" means any person authorized by the Secretary of Agriculture to inspect poultry and poultry products under the authority of this act.

(j) The term "official inspection mark" means the symbol, formulated pursuant to rules and regulations prescribed by the Secretary, stating that the product was inspected.

(k) The term "inspection service" means the official Government service within the Department of Agriculture having the responsibility for the inspection for wholesomeness of poultry and poultry products, and for carrying out the provisions of this act.

(l) The terms "container" or "package" include any box, can, tin, cloth, plastic, or any other receptacle, wrapper, or cover.

(m) The term "official establishment" means any establishment as determined by the Secretary at which inspection of the slaughter of poultry, or the processing of poultry products, is maintained under the authority of this act.

(n) The term "label" means any written, printed, or graphic material upon the shipping container or upon the individual consumer package, if any, of the poultry product, or accompanying such product.

DESIGNATION

SEC. 5. The Secretary is authorized, upon application of any appropriate State or local

official or of any appropriate poultry industry group to ascertain through public hearing whether the volume of poultry or poultry products marketed in a major consuming area is such as to affect, burden, or obstruct the movement of inspected poultry or poultry products in commerce. If the Secreary finds after such public hearing that the inspection of all poultry marketed in such major consuming area will effectuate the purposes of this act, he shall by order, designate, and define such major consuming area. Such designation shall not become effective until 6 months after notice thereof is published in the Federal Register. On and after the effective date of such designation, all poultry and poultry products processed, sold, received, or delivered in any such designated major consuming area shall be subject to the provisions of this act, except that the Secretary may grant such exemptions therefrom as he determines practicable.

INSPECTION, REINSPECTION, AND QUARANTINE

SEC. 6. (a) For the purpose of preventing the entry into or flow or movement in commerce or in a designated major consuming area of any poultry product which is unwholesome or adulterated, the Secretary shall, whenever processing operations are being conducted, make such examination, inspection (antemortem, postmortem, or both) as he determines necessary of poultry and poultry products in any official establishment processing such poultry or poultry products for commerce or in, or for marketing in a designated major consuming area. All carcasses and parts thereof and poultry products found to be unwholesome or adulterated shall be condemned and shall, if no appeal be taken from such determination of condemnation, be destroyed for human food purposes under the supervision of an inspector. If an appeal be taken from such determination, the product shall be appropriately marked and segregated pending completion of an appeal inspection, which appeal shall be at the cost of the appellant if the Secretary determines that the appeal is frivolous. If the determination of condemnation is sustained the product shall be destroyed for human food purposes under the supervision of an inspector.

(b) Under rules and regulations prescribed by the Secretary, there shall be reinspection of carcasses and parts thereof at official establishments as often as may be deemed necessary to insure fitness of poultry products for human consumption. The condemnation and destruction procedures prescribed hereunder shall be applicable if necessary, upon such reinspection, notwithstanding that such poultry products had been passed and certified in the previous inspection.

(c) Under rules and regulations prescribed by the Secretary, inspectors shall have authority to direct such quarantine or segregation of uninspected, suspect, or condemned live poultry or carcasses or parts thereof at official establishments as will prevent contamination of poultry and poultry products which may be certified as for human consumption.

SANITATION, FACILITIES, AND PRACTICES

SEC. 7. (a) Each official establishment slaughtering poultry or processing poultry products for commerce or in or for marketing in a designated major consuming area shall have such premises, facilities, and equipment, and be operated in accordance with such sanitary practices, as are required by regulations promulgated by the Secretary for the purpose of preventing the entry into or flow or movement in commerce or in a designated major consuming area, of poultry products which are unwholesome, adulterated, or otherwise unfit for human food.

(b) The Secretary shall refuse to render inspection to any establishment whose premises, facilities, or equipment, or the operation thereof, fail to meet the requirements of this section.

LABELING

SEC. 8. (a) Each shipping container of any poultry product inspected under the authority of this act and found to be wholesome and not adulterated, shall at the time such product leaves the official establishment bear, in distinctly legible form, the official inspection mark, the name of the product, an accurate statement of the quantity of the contents in terms of weight, measure or numerical count, the name and address of the processor and the approved plant number of the official establishment in which the contents were processed. Each individual consumer package, if any, of any poultry product inspected under the authority of this act and found to be wholesome and not adulterated shall at the time such product leaves the official establishment bear, in addition to the official inspection mark, in distinctly legible form, the name of the product, a statement of ingredients if fabricated from two or more ingredients, the net weight or other appropriate measure of the contents, the name and address of the processor and the approved plant number of the official establishment in which the contents were processed. The name and address of the distributor may be used in lieu of the name and address of the processor if the approved plant number is used to identify the official establishment in which the poultry product was prepared and packed. The Secretary may permit reasonable variations and grant exemptions from the foregoing labeling requirements in any manner not in conflict with the Federal Food, Drug, and Cosmetic Act.

(b) The use of any written, printed, or graphic matter upon or accompanying any poultry product inspected or required to be inspected pursuant to the provisions of this act or the container thereof which is false or misleading in any particular is prohibited. No poultry products inspected or required to be inspected pursuant to the provisions of this act shall be sold or offered for sale by any person, firm, or corporation under any false or deceptive name; but established trade name or names which are usual to such products and which are not false and deceptive and which shall be approved by the Secretary are permitted. If the Secretary has reason to believe that any label in use or prepared for use is false or misleading in any particular, he may direct that the use of the label be withheld unless it is modified in such manner as the Secretary may prescribe so that it will not be false or misleading. If the person using or proposing to use the label does not accept the determination of the Secretary, he may request a hearing, but the use of the label shall, if the Secretary so directs, be withheld pending hearing and final determination by the Secretary. Any such determination by the Secretary shall be conclusive unless within 30 days after the receipt of notice of such final determination the person adversely affected thereby appeals to the United States court of appeals for the circuit in which he has his principal place of business or to the United States Court of Appeals for the District of Columbia Circuit. The provisions of section 204 of the Packers and Stockyards Act of 1921, as amended, shall be applicable to appeals taken under this section.

PROHIBITED ACTS

SEC. 9. The following acts or the causing thereof are hereby prohibited:

(a) The processing, sale or offering for sale, transportation, or delivery or receiving for transportation, in commerce or in a designated major consuming area, of any poultry product, unless such poultry product has been inspected for wholesomeness and unless the shipping container and the individual consumer package, if any, are marked in accordance with the provisions of this act.

(b) The sale or other disposition for human food of any poultry or poultry product, which has been inspected and declared to be unwholesome or adulterated under this act.

(c) Knowingly and falsely making or issuing, altering, forging, simulating, or counterfeiting any official inspection certificate, memorandum, mark, or other identification, or device for making such mark or identification, used in connection with the inspection of poultry or poultry products under this act, or knowingly causing, procuring, aiding, assisting in, or being a party to, such false making, issuing, altering, forging, simulating, or counterfeiting, or knowingly possessing, without promptly notifying the Secretary of Agriculture or his representative, uttering, publishing, or using as true, or causing to be uttered, published, or used as true, any such falsely made or issued, altered, forged, simulated, or counterfeited official inspection certificate, memorandum, mark, or other identification, or device for making such mark or identification, or knowingly representing that any poultry or poultry product has been officially inspected under the authority of this act when such poultry or poultry product has in fact not been so inspected.

(d) Knowingly using in commerce, or in a designated major consuming area, a false or misleading label on any poultry product.

(e) The use of any container bearing an official inspection mark except for the poultry product in the original form in which it was inspected and covered by said mark unless the mark is removed, obliterated, or otherwise destroyed.

(f) The refusal to permit access by any duly authorized representative of the Secretary, at all reasonable times, to the premises of an establishment engaged in processing poultry or poultry products for commerce, or in or for marketing in a designated major consuming area, upon presentation of appropriate credentials.

(g) The refusal to permit access to and the copying of any record as authorized by section 11 of this act.

(h) The using by any person to his own advantage, or revealing, other than to the authorized representatives of the Government in their official capacity, or to the courts when relevant in any judicial proceeding under this act, any information acquired under the authority of this act, concerning any matter which as a trade secret is entitled to protection.

(i) Delivering, receiving, transporting, selling, or offering for sale or transport any poultry slaughtered for human food or any part thereof, separately or in combination with other ingredients (other than poultry products as defined in this act), in commerce or in a designated major consuming area, except that such poultry may be permitted to be transported between official establishments and to foreign countries pursuant to rules and regulations prescribed by the Secretary.

SEC. 10. No establishment processing poultry or poultry products for commerce or in or for marketing in a designated major consuming area shall process any poultry or poultry product except in compliance with the requirements of this act.

RECORDS OF INTERSTATE SHIPMENT

SEC. 11. For the purpose of enforcing the provisions of this act, persons engaged in the business of processing, transporting, shipping, or receiving poultry slaughtered for human consumption or poultry products in commerce or in a designated major consuming area, or holding such products so received shall not be required to maintain records for a period of more than 2 years, showing, to the extent that they are concerned therewith, the receipt, delivery, sale, movement, or disposition of poultry and poultry products and shall, upon the request of a

duly authorized representative of the Secretary, permit him at reasonable times to have access to and to copy all such records.

INJUNCTION PROCEEDINGS

SEC. 12. The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this act. The remedies provided for in this section shall be in addition to, and not exclusive of, any of the remedies or penalties provided for elsewhere in this act or now or hereafter existing at law or in equity.

PENALTIES

SEC. 13. (a) Any person who knowingly violates the provisions of section 9, 10, 11, or 18, shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not more than $5,000, or both such imprisonment and fine; but if such violation is committed after a conviction of such person under this section has become final such person shall be subject to imprisonment for not more than 2 years, or a fine of not more than $10,000, or both such imprisonment and fine.

(b) No carrier shall be subject to the penalties of this act, other than the penalties for violation of section 11, by reason of his receipt, carriage, holding, or delivery, in the usual course of business as a carrier, of slaughtered poultry or poultry products, owned by another person unless the carrier has knowledge, or is in possession of facts which would cause a reasonable person to believe that such slaughtered poultry or poultry products were not inspected or marked in accordance with the provisions of this act or were not otherwise eligible for transportation under this act.

(c) In construing or enforcing the provisions of sections 9, 10, 11, and 18, the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association within the scope of his employment or office shall in every case be deemed the act, omission, or failure of such individual, partnership, corporation, or association, as well as of such person.

SEC. 14. Before any violation of this act is reported by the Secretary to any United States attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given reasonable notice of the alleged violation and opportunity to present his views orally or in writing with regard to such contemplated proceeding. Nothing in this act shall be construed as requiring the Secretary to report for criminal prosecution or for the institution of injunction proceedings of minor violations of this act whenever he believes that the public interest will be adequately served and compliance with the act obtained by a suitable written notice or warning.

REGULATIONS

SEC. 15. The Secretary shall promulgate such rules and regulations as are necessary to carry out the provisions of this act.

EXEMPTIONS

SEC. 16. (a) The Secretary is authorized, by regulation and under such conditions as to sanitary standards, practices, and procedures as he may prescribe, to exempt from specific provisions of this act—

(1) poultry producers with respect to poultry of their own raising on their own farms which they sell directly to household consumers only, if such poultry producers do not engage in the buying or selling of poultry products other than those produced from poultry raised on their own farms;

(2) retail dealers with respect to poultry products sold directly to consumers in individual retail stores, if the only processing operation performed by such retail dealers is the cutting up of poultry products on the premises where such sales to consumers are made.

(b) The Secretary may by order suspend or terminate any exemption under this section with respect to any person whenever he finds that such action will aid in effectuating the purposes of this act.

VIOLATIONS BY EXEMPTED PERSONS

SEC. 17. Any person who sells, delivers, transports or offers for sale or transportation in commerce or in a designated major consuming area any poultry products which are exempt under section 16, knowing that such products are unwholesome or adulterated, shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties set forth in section 13.

IMPORTS

SEC. 18. (a) No slaughtered poultry, or parts or products thereof, of any kind shall be imported into the United States unless they are healthful, wholesome, fit for human food and not adulterated and contain no dye, chemical, preservative, or ingredient which renders them unhealthy, unwholesome, adulterated, or unfit for human food and unless they also comply with the rules and regulations made by the Secretary of Agriculture to assure that imported poultry or poultry products comply with the standards provided for in this act. All imported slaughtered poultry, or parts or products thereof, shall after entry into the United States in compliance with such rules and regulations be deemed and treated as domestic slaughtered poultry, or parts or products thereof, within the meaning and subject to the provisions of this act and the Federal Food, Drug, and Cosmetic Act, and acts amendatory of, supplemental to, or in substitution for such acts.

(b) The Secretary of Agriculture is authorized to make rules and regulations to carry out the purposes of this section and in such rules and regulations the Secretary of Agriculture may prescribe the terms and conditions for the destruction of all slaughtered poultry, or parts or products thereof, offered for entry and refused admission into the United States unless such slaughtered poultry, or parts or products thereof, be exported by the consignee within the time fixed therefor in such rules and regulations.

(c) All charges for storage, cartage, and labor with respect to any product which is refused admission pursuant to this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any other products imported thereafter by or for such owner or consignee.

GENERAL PROVISIONS

SEC. 19. (a) Poultry and poultry products shall be exempt from the provisions of the Federal Food, Drug, and Cosmetic Act, as amended, to the extent of the application or the extension thereto of the provisions of this act.

(b) In carrying out the provisions of this act, the Secretary may cooperate with other branches of Government and with State agencies and may conduct such examinations, investigations and inspections as he determines practicable through any officer or employee of a State commissioned by the Secretary for such purpose.

COST OF INSPECTION

SEC. 20. The cost of inspection rendered under the requirements of this act shall be borne by the United States, except the cost of overtime work performed at the processor's request. The Secretary is authorized in his discretion to pay inspectors employed in establishments subject to the provisions of this act for all overtime work performed at such establishments at such rates as he may determine, and to accept from such establishments wherein such overtime work is performed reimbursement for any sums paid out by him for such overtime work, such reimbursement to be available without fiscal-year limitation to carry out the purposes of this section.

APPROPRIATIONS

SEC. 21. There is hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this act.

SEPARABILITY OF PROVISIONS

SEC. 22. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 23. This act shall take effect January 1, 1958, except that no person shall be subject to the provisions of this act prior to July 1, 1958, unless such person applies for and receives inspection for poultry or poultry products in accordance with the provisions of this act and pursuant to regulations promulgated by the Secretary hereunder, in any establishment processing poultry or poultry products in commerce or in a designated major consuming area. Any person who voluntarily applies for and receives such inspection prior to July 1, 1958, shall be subject, on and after the date he commences to receive such inspection, to all of the provisions and penalties provided for in this act with respect to all poultry or poultry products handled in the establishment for which said application for inspection is made.

AMENDMENT OF PACKERS AND STOCKYARDS ACT, 1921, RELATING TO DEDUCTIONS FOR A SELF-HELP MEAT PRODUCTION PROGRAM

Mr. MUNDT. Mr. President, on behalf of myself and the Senator from Mississippi [Mr. EASTLAND], I introduce, for appropriate reference, a bill amending the Packers and Stockyards Act, 1921, to permit deductions for a self-help meat promotion program.

I ask unanimous consent that the bill be left on the desk until the next session of the Senate, so that those Senators who wish to add their names may do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from South Dakota.

The bill (S. 646) amending the Packers and Stockyards Act, 1921, to permit deductions for a self-help meat promotion program, introduced by Mr. MUNDT (for himself and Mr. EASTLAND), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

ENFORCEMENT OF STATE STATUTES PRESCRIBING CRIMINAL PENALTIES FOR SUBVERSIVE ACTIVITIES

Mr. BRIDGES. Mr. President, I introduce, for appropriate reference, a bill cosponsored by Senators COTTON, BRICKER, MCCLELLAN, MARTIN of Pennsylvania, STENNIS, MCCARTHY, ERVIN, BARRETT, JENNER, KNOWLAND, and MARTIN of Iowa, which, if enacted into law, would authorize the enforcement of State statutes prescribing criminal penalties for subversive activities. As the Senate knows the Supreme Court has said in the Steve Nelson case that the Smith Act

of 1940, the Internal Security Act of 1950, and the Communist Control Act of 1954 have given the Federal Government an exclusive field in which to operate and that the States should desist from attempting to punish subversives.

I believe that the majority opinion of the Supreme Court in Commonwealth against Steve Nelson is contrary to the supreme law of the land. Nowhere can there be found in the Constitution a proviso which expressly grants to the Federal Government the right or the power to legislate exclusively in matters of subversion, sedition, or treason. Certain powers in the Constitution are expressly granted to the Federal Government in article 1, section 8. Under these powers the Supreme Court has held that Congress may preempt certain fields by exclusive legislation. Some of the decisions have rested upon the power to regulate commerce, coin money, support armies, and so forth. In those cases the Supreme Court has ruled that State legislation is superseded when it conflicts with the comprehensive regulatory scheme and purpose of a Federal plan.

I am not a lawyer, but it seems to me that the operation of State subversion laws in no way impedes the operation of like Federal laws. I am of the opinion that one would complement the other in attempting to prevent subversive groups from trying to overthrow the Government.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 654) to amend title 18, Unied States Code, to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities, introduced by Mr. BRIDGES (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Veterans Readjustment and Assistance Act of 1952, so as to extend until July 1, 1959, the basic service period for establishing eligibility for educational benefits under the GI bill of rights. Mr. President, this bill is identical to Senate bill 1282, which I sponsored in the 84th Congress.

Mr. President, today I am also joining the junior Senator from Oregon [Mr. NEUBERGER] in sponsoring a bill which is more comprehensive in nature, and would extend these educational benefits indefinitely, so long as the selective service remains in effect.

Frankly, Mr. President, I would prefer to see the benefits extended indefinitely, but I introduce this extension measure as an alternative which may be more acceptable to some Members.

American young men are still being called upon to interrupt their careers by serving in our military forces throughout the world. The demands of military service are as rigorous today as they were in January 1955. It does not seem to me to be fair or justifiable to deny to these young people benefits which have been extended to others who were inducted or who volunteered prior to February 1955. As a matter of fact, fewer young people are bearing the burden of military service today than in early 1955. There is proportionately more responsibility placed on their young shoulders.

Furthermore, the educational program for former GI's has been one of the giant steps taken by our people toward the goal of a fully informed and fully educated citizenry—the bedrock of a strong and enduring democracy. The program for World War II veterans and Korean veterans has given a tremendous impetus to the national task of providing trained young men and women for our technological and business expansion, for our expanded needs in education, and for the many posts of responsibility which must be filled by young men and women of the coming generation. Our Nation has acquired a badly needed reservoir of trained talent, drawn in many cases from families who would not otherwise have had the financial means to send their youngsters to college.

Mr. President, I hope that my colleagues will agree with me on the importance of early reinstatement of the educational benefits under the GI bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 667) to amend the Veterans' Readjustment Assistance Act of 1952 so as to extend until July 1, 1959, the basic service period for establishing elgibility for educational benefits, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PROHIBITION OF TRANSPORTATION IN INTERSTATE COMMERCE OF ARTICLES OBTAINED BY FALSE OR FRAUDULENT PRETENSES

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill to amend title 18 of the United States Code. This bill, by the addition of new language to section 2314, provides for the punishment of persons who transport, or receive after transportation, in interstate or foreign commerce any goods, wares, merchandise, securities, or money of the value of $1,000 or more, knowing the same to have been obtained by means of false or fraudulent pretenses, representations, or promises, or any scheme or artifice to defraud. Under the existing statute, the value of the money or property taken must exceed $5,000 before the law becomes operative.

The proposed change does not apply to the ordinary run-of-the-mill theft which can be coped with adequately at the State level and where the amount involved is less than $5,000, but it is directed at interstate organized crime.

In excess of $5 million, according to best estimates, is taken each year from the public by an interstate group of professional swindlers using a scheme known in underworld jargon as the pigeon drop. This racket is only one of a large variety of known confidence games being used at present.

To escape the impact of existing Federal criminal statutes, these operators not only attempt to keep the amount of the larceny just below $5,000, but also to avoid the use of the mails.

Despite the vigilance of local law enforcement authorities, who have succeeded in apprehending and obtaining convictions of 15 of these confidence operators in recent years, more than $60,000 has been swindled from elderly persons in the District of Columbia during the past 4 years. These criminals have descended on the District, as they have on many communities, from Los Angeles, New York, and Chicago.

In Chicago, $23,000 was taken in a recent 2-month period in just one section of the city. One suburban Ohio community has had 12 such cases in the past year. Even communities such as Tucson and Phoenix, Ariz., which had been untouched by professional swindlers, now report cases of this nature in which substantial sums of money are taken by out-of-State operators.

At the hearings of the Subcommittee To Investigate Juvenile Delinquency on the use of minors in the interstate confidence business, an 82-year-old woman described the manner in which she was duped out of $5,000, all but $120 of her life savings, by a team of these operators while shopping in the District of Columbia This is a typical example of the tremendous economic and emotional damage inflicted by these ruthless operators.

The interstate pigeon-drop racket is conducted by a group of criminals who deliberately select as victims elderly persons, who are often stripped of their entire life savings. The amounts taken vary generally from $1,000 to $5,000, and are invariably stolen from persons of limited means.

Teen-age girls and women are recruited and trained by the confidence men as field operatives to execute their swindles. They are sent by plane, car, and train from State to State and city to city for the purpose of consummating their nefarious schemes. Pursuant to instructions by their underworld employers, these female operatives use wigs and other devices to disguise their appearance, making apprehension and identification difficult.

Hearings on the confidence game conducted in New Jersey by the Senate Subcommittee To Investigate Juvenile Delinquency, of which I am chairman, developed that these girls turn over a large portion of the proceeds of their crimes to the male confidence men for whom they work. These men, at the time of the execution of the crimes, are nearly always in cities thousands of miles away from the scene. This fact makes effective local investigation and prosecution of the principals nearly impossible.

Investigation revealed that a heavy concentration of these swindlers were living in Los Angeles. However, the scene of their operations was invariably in eastern cities—New York, Washington, and Detroit. In turn, New York operators made a practice of invading southern cities and the Midwest. This technique permitted them security in the community in which they resided, since they

were very often unknown in the community in which they operated and the chances of apprehension were very small.

Absence of Federal legislation in this area is tantamount to giving the key figures who are masterminding the swindles from behind the scene a license to operate, exempt from fear of arrest and prosecution. The leader of the interstate confidence ring, "Boss" Harvey Caldwell, developed a crew of girls and women whom he sent across the country to commit swindles on his behalf. The proceeds were transferred to Caldwell who lived lavishly, maintaining two residences, one in Cleveland and one in Los Angeles. Although his operatives were sometimes arrested and imprisoned, Caldwell remained completely free from arrest on any charge relating to the pigeon-drop swindle up to the time of his death a few weeks ago.

John Freeman, a notorious New York drug pusher, with a major criminal record extending back over 30 years and presently a major numbers operator in New York, was found to be supplementing his income by sending girls on swindling missions to various parts of the Midwest and Northeastern States. Despite the magnitude of his record, not one of his arrests was in any way identified with confidence rackets, nor was his association with this activity found to be generally known to law-enforcement agencies.

Rita Thompson, a veteran confidence woman working for Charles Burnett, is at this very moment accumulating large sums of money in many parts of the country. Although subject to a series of arrests, present statutory limitations, in addition to the inability of local authorities to conduct a necessary nationwide investigation to put all the facts together, have resulted in a series of small fines, dismissals, and after a guilty plea, bail jumping. Rapid transportation and the techniques developed by these criminals in the execution of the swindles, gives them an overwhelming advantage over local law-enforcement agencies—an advantage they would not have if the proposed legislation were enacted.

The subcommittee's hearings developed that girls—sometimes as young as 16 years old—are drawn by these underworld racketeers into the web of crime by promises of expensive gifts and an alluring life of adventure. Exploiting the frailties of youth and the gullibility of the aged, these confidence men represent a new brand of 20th-century gangster, replacing the traditional use of force, violence, and fear with newer and more potent weapons: cunning, psychology, and strategy.

It is ironic that under title 18 of the United States Code, although a person who knowingly takes a stolen car ready for the junk pile or even a stolen cow across State lines may be arrested and imprisoned by the Federal Government, a racketeer professionally engaged in swindling elderly people out of their life savings is able to take $4,000 from a victim and move across State lines with the money without being subject to Federal prosecution.

The present statute was enacted in 1934. It was designed as a measure to reach the receiver of stolen property, known as a "fence." Confidence schemes, before the enactment of this measure, were on an extremely elaborate level. It was commonplace for swindlers to establish a fake brokerage office or horse room to dupe their victims, who were fleeced in amounts of rarely less than $10,000 and sometimes as much as $800,000.

A veteran confidence man, testifying at recent subcommittee hearings, admitted having taken more than $8 million before the enactment of the present statute. He further states—and the facts bear him out—that the passage of the existing statute was responsible for the substantial reduction in the number of large-scale confidence games where the amounts taken were always in excess of $5,000.

It is logical to infer that the proposed statute would be equally effective in stamping out these criminals who are operating on an interstate level in the zone between $1,000 and $5,000. There are, of course, at present many other schemes and organized swindles in which the amounts vary between $1,000 and $5,000, which will also come under the scope of the bill.

This bill is not intended to usurp in any way the functioning of local law-enforcement agencies in this area. When situations develop in which enormous human damage has been inflicted and the resources and facilities of the State or city police are unable to reach the perpetrator, it is necessary to permit the Federal Government with its resources and wider jurisdiction to come to grips with the problem. Its enactment will be an effective measure to combat these various criminal groups who in recent years have succeeded in mulcting millions of dollars from the American public.

I commend the bill to the attention of the Senate.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 675) to amend section 2314, United States Code, title 18, with respect to the transportation in interstate commerce of articles obtained by false or fraudulent pretenses, representations, or promises, or through any scheme or artifice to defraud, introduced by Mr. KEFAUVER (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on the Judiciary.

REVISION OF BOUNDARIES OF GRAND CANYON NATIONAL PARK

Mr. GOLDWATER. Mr. President, on behalf of myself, and my colleague, the senior Senator from Arizona [Mr. HAYDEN], I introduce, for appropriate reference, a bill to revise the boundaries of Grand Canyon National Park and the adjoining Grand Canyon National Monument in Arizona. It has long been an objective of the National Park Service to establish more appropriate boundaries for both the park and the monument and the proposed legislation would accomplish this. The adjusted boundaries would facilitate better administration and protection of both areas.

The proposed boundary revisions of the park would result in three additions, nearly all of which are national forest land. The United States Forest Service has approved these transfers of jurisdiction to national park status.

The first proposed addition to the park lies along the south and west boundary and contains 11,250 acres. It would preserve portions of the interesting side canyons known as Little Coyote, Beaver and Hualapai Canyons, and, at the same time, straighten out an irregular boundary.

The second addition is a major proposal of great importance since it would place within the park the north side of the Grand Canyon between Tapeats Creek and the monument boundary and also the lower 7 or 8 miles of the spectacular Kanab Creek Canyon. This 42,265 acre addition would thus preserve the superlative scenic, scientific, and recreational features of this portion of the Grand Canyon. The third addition of 1,120 acres at the east end of the south boundary, is needed as a buffer area to protect the scenic beauty of the park road.

The proposed boundary revisions of Grand Canyon National Monument would result in two exclusions, one of the north rim and the other on the south rim. These are plateau lands covered with pinyon pine, juniper and sage brush lying back from the canyon rims and are not considered necessary for the proper development or administration of the monument.

Most of the lands are publicly owned and they will become part of the public domain upon the enactment of legislation. At present the primary use of the lands proposed for exclusion is grazing under permit from the National Park Service, and these lands will probably continue to be available for such use under the administration of the Bureau of Land Management.

The first proposed exclusion from the monument is along the north boundary on Tuckup and SB points and contains 25,440 acres. The second proposal is for the exclusion of 4,080 acres along the southern boundary and consists of the southern tier of sections on the Coconino Plateau.

Both my colleagues [Mr. HAYDEN] and I are hopeful that this bill will receive early and favorable consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 693) to revise the boundaries of Grand Canyon National Park and Grand Canyon National Monument, in the State of Arizona, and for other purposes, introduced by Mr. GOLDWATER (for himself and Mr. HAYDEN), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

CONSTRUCTION AND MAINTENANCE OF BUTTES DAM AND RESERVOIR

Mr. GOLDWATER. Mr. President, Coolidge Dam was completed on the Gila River in 1924. One of the reasons for constructing this dam was to control the flow of the Gila so that waters would be

available for the San Carlos project below the confluence of the San Pedro and the Gila in Pinal County. Increased use of the Gila upstream and decreased runoff has resulted in a very mimimum of water being made available for the San Carlos project from this source, and because of pumping, the underground table has gone down to a dangerous level. While the San Pedro does not provide a large flow of water, nevertheless it has a consistent flow and during certain periods of the year it carries much floodwater from northern Mexico and Cochise County. Construction of the dam at the Buttes would save this water and allow it to be distributed on the lands of the San Carlos project.

I am happy to say that my colleague, the senior Senator from Arizona [Mr. HAYDEN] is associated with me on this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 694) authorizing the construction, operation, and maintenance of the Buttes Dam and Reservoir, introduced by Mr. GOLDWATER (for himself and Mr. HAYDEN), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FEDERAL RESEARCH AND TECHNICAL ASSISTANCE RELATING TO MOSQUITO CONTROL

Mr. HOLLAND. Mr. President, last year I introduced a mosquito control bill at the request of the Florida State Board of Health and the then chairman of the legislative committee of the American Mosquito Control Association, Inc. Since that bill was not acted on in the last session of Congress, I have today introduced another mosquito control bill, which I hope will receive the early attention of the Congress.

STATE AND LOCAL GOVERNMENTS TO BEAR PRIMARY RESPONSIBILITY

This proposed legislation recognizes that the control of mosquitoes "is and should be primarily the duty and responsibility of the State and local governments concerned," but establishes a policy and a program of, first, aiding and supporting by direct grants technical study and research carried on by State health departments having proper facilities and qualified personnel, and by other qualified research organizations, for the purpose of devising methods for the control of mosquitoes; second, providing grants to aid States in the conduct of demonstrations for the purpose of developing methods for the control of mosquitoes; and, third, providing Federal technical facilities and services to aid States in the formulation and execution of State and local mosquito research and control programs.

This program would be carried out by the Surgeon General, acting under the supervision and control of the Secretary of Health, Education and Welfare.

For the purposes of carrying out the provisions of this bill, there is included an authorization for an annual appropriation for the Department of Health, Education and Welfare of a sum not to exceed $3 million a year, beginning with fiscal year 1958. Not more than one-half of the amount appropriated for any fiscal year shall be available for conducting demonstration projects by States under the grants-in-aid.

Mr. President, history records the fact that during the early development of the United States, and particularly in various southern areas, epidemics of mosquito-conveyed yellow fever and malaria retarded the efforts of our forefathers, sometimes causing panic and, as a matter of fact, even wiping out some small cities. Yellow fever was eradicated in this country years ago, and malaria remained for many, many years a scourge in many areas. Now, thanks to a cooperative mosquito control program between the States and the Federal Government, available facts indicate that, for all practical purposes, malaria has been eradicated in the United States.

Some species of mosquitoes still present a public health and comfort problem in certain areas of the United States. These dreaded insects are retarding the development and expansion of industry, housing developments, farming, and recreational facilities to an astonishing degree, and the time has now come, in my judgment, to launch an all-out effort to control this pest by a Federal and State cooperative program for research and technical assistance. Many millions of dollars are spent annually in an effort to control the mosquito, and unfortunately the greater part of this is for temporary control only.

SALT-MARSH MOSQUITO

There are many types of mosquitoes found in the United States, and one of the most prevalent and most annoying is the salt-marsh mosquito, which breeds along the Atlantic, Gulf and Pacific regions in the coastal marshes, swales, mangrove swamps and depressions flooded by high tides and inundated by rainfall.

Although many millions of dollars have been spent in an effort to eliminate the salt-marsh mosquito along our coasts, the problem continues unabated. It is my understanding from those who are closest to the mosquito problem in Florida that the salt-marsh mosquito problem can be expected to become much worse in the coastal areas if we do not initiate immediately an active control program because the mean sea level has been shown to be rising at the rate of three-tenths of a foot each 10 years, and a significant population migration is now underway to coastal areas of the Southern and western regions of the United States. Inland cities from 40 to 50 miles distance from the coast will also suffer because of the long-flight range of this species of mosquito. Naturally, the coastal cities are doing everything possible to help themselves because of their great importance as recreational areas for all the people of the United States, but they need assistance from the Federal Government in collecting much needed basic information.

FLOODWATER MOSQUITO

The problem of the floodwater mosquito is becoming much more critical each year because of the increasing acreage being irrigated for cultivated crops or pasture lands, especially in the Western States, and this trend will continue until a concerted effort is made to wipe out the mosquitoes. Several Western States have suffered because of epidemics of encephalitis, which is transmitted by mosquitoes, and this disease is much feared because of its high mortality rate and the permanent damage it often causes to brain cells.

Obviously this difficult problem can be expected to increase in direct proportion to the amounts of new land brought under irrigation in the coming years. Of course, we must increase this expansion, but as we do so it is imperative that we increase our efforts to control the floodwater mosquito which accompanies it.

MOSQUITOES ASSOCIATED WITH SEWAGE AND INDUSTRIAL WASTES

There are still other species of mosquitoes associated with sewage and industrial wastes which breed prolifically in contaminated waters containing organic matter from canning plants and other types of industrial wastes and the discharge waters from sewage-treatment plants.

The ever-increasing problems created by mosquitoes of various types and in various localities of the United States require an intensive and coordinated all-out attack by Federal, State, and local governments. The legislation I have introduced today is designed to provide a comprehensive program of basic and operational research, demonstrations, and technical assistance for the control of mosquitoes and other arthropods capable to adversely affecting the health and welfare of man.

The Association of State and Territorial Health Officers on November 8, 1955, at Washington, D. C., adopted a resolution recommending—

> That a comprehensive program be established in the Public Health Service on Salt Marsh Mosquito Control, including laboratory and field research, demonstrations, and technical consultation to meet the increasing salt marsh mosquito problem in many areas of the United States, including Territories and possessions.

The governing council of the American Public Health Association at its annual meeting in Kansas City on November 16, 1955, adopted the following resolution on this general subject:

> Whereas increasing mosquito problem arising from the further development of resort areas, especially coastal areas affected by salt marsh mosquitoes, of irrigation and other water resource undertakings, and the suburbanization of the United States, has been a cause of important concern to many public health agencies; and
>
> Whereas the Conference of State and Territorial Health Officers has expressed concern on behalf of official health agencies by passage of a resolution requesting a comprehensive program of research, demonstration and technical consultation in salt marsh mosquito control by the United States Public Health Service: Therefore be it
>
> *Resolved*, That the American Public Health Association recommends that a program of research, demonstration, and technical consultation in control of mosquito breeding in salt marshes, irrigation systems and other

water resources developments, be undertaken by the United States Public Health Service and by State health departments.

Mr. President, there is no doubt that mosquito problems have become alarmingly serious and that they will continue to increase unless a concerted effort is made to control the various species of the mosquito. As I have stated previously, the States and local governments do not ask the Federal Government to shoulder this task alone but recognize that the primary responsibility rests with them. The suggested sum of $3 million a year is relatively small in comparison with the amounts of money spent now by the Federal Government, by individuals, industry and local governments in an effort to rid themselves of a pest which is not only annoying but which jeopardizes the health of millions of people. I sincerely hope that the Congress will recognize the urgent need for this bill and will enact it into law at an early date in order to initiate, as soon as possible, a program which those who know most about the situation feel will bring about the control of one of the greatest pests known to man.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 704) to provide for further research and technical assistance required for the control of mosquitoes and other arthropods capable of adversely affecting the health and welfare of man, introduced by Mr. Holland, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

DISCRIMINATION AGAINST FISCAL YEAR TAXPAYERS WITH RESPECT TO DEPLETION ALLOWANCE

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill which will, if enacted, bring the Federal tax code more in line with the intent of Congress. In brief, it would ease the discrimination which presently plagues many companies in the mineral and other industries.

Percentage depletion was made effective by the Congress for certain mining industries as early as 1932. This was done after comprehensive studies were made by the Joint Committee on Internal Revenue Taxation and full hearings before the committees in Congress. Briefly depletion allowances are based on the fact that mineral deposits require both capital and a long process of exploration to locate workable mines prior to construction of plants needed in the operation. Originally the depletion allowance was granted to metal mines, sulfur, and coal, but has now been expanded to many other mineral or mining industries.

The 82d Congress extended percentage depletion to many mineral industries by amending section 319 of the Revenue Act of 1951. Subsection (c) of section 319 provided that amendments would be applicable only with respect to taxable years beginning after December 31, 1950. Therefore, those taxpayers who filed returns on a calendar year basis were entitled to the depletion allowance for a full year but a taxpayer whose fiscal year began on December 1 would be denied the depletion allowance for 11 months.

When this discrimination against fiscal year companies was called to the attention of the Congress, it corrected this inequity by the passage of Public Law 594 which was approved July 21, 1952. Section 319 (c) was amended to read "Effective date—the amendments made by this section shall be effective on and after January 1, 1951."

The tax code was completely revised in 1954. Public Law 591, 83d Congress, known as the Internal Revenue Code of 1954 revised the depletion allowance rates but used the original wording as to applicability from the 1951 act without the modifying language of Public Law 594.

Therefore, the industries whose depletion allowance rates were revised by Public Law 591 are again faced with the same problem as imposed by section 319 (c) of the Revenue Act of 1951, that is—discrimination against fiscal year companies and which was corrected by Public Law 594 in 1952. This is clearly contrary to the intent of Congress. In fact, many Treasury officials thought Public Law 594 was applicable until advised to the contrary by their lawyers. It is a technicality which was overlooked at the time Public Law 591 was passed by the 83d Congress.

To again correct this inequity, subchapter I of Chapter I of Subtitle A of the Internal Revenue Code of 1954 should be amended to make the provisions of section 613 (b) effective January 1, 1954. I submit the bill to correct this inequity.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 706) to prevent discrimination against fiscal year taxpayers with respect to depletion allowance, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Finance.

INCREASED BENEFITS FOR FORMER FEDERAL EMPLOYEES AND THEIR SURVIVORS

Mr. NEUBERGER. Mr. President, it was my pleasure in the second session of the 84th Congress to introduce S. 3725, a bill to provide increased benefits to persons on the Civil Service Retirement and Disability rolls. I was delighted to be joined in the sponsorship of that bill by the distinguished chairman of the Post Office and Civil Service Committee, the Senator from South Carolina [Mr. JOHNSTON], the senior Senator from my own State of Orgon, [Mr. MORSE], and Senators SCOTT of North Carolina, LAIRD of West Virginia, LANGER of North Dakota, and PASTORE of Rhode Island, each of whom, at that time, was a valued member of the Post Office and Civil Service Committee.

I was pleased that the bill was scheduled for immediate public hearings and then reported favorably in a prompt manner, first by the Retirement Subcommittee and next by the full committee. I was encouraged when the bill met with quick approval in the Senate. I regret that the bill was not acted upon in the House before Congress adjourned.

The bill I am about to introduce is designed to offer equitable and necessary improvement to former Federal employees and their survivors in connection with their retirement and survivorship benefits.

It is a well-established fact that retirement benefits to a large number of our retired Civil Service employees and their survivors are grossly inadequate to meet the present high cost of living and to maintain a decent standard of living. It is a stark reality that, of the 250,000 former Federal employees on the retirement rolls, some 50,000 are today receiving approximately $50 a month. Another 50,000 receive between $50 and $100 a month, and still another 50,000 receive between $100 and $150 a month. In other words, three-fourths of the retired Federal employees receive less than $150 a month.

The plight of their survivors is even worse. Some 65,000 of the total of 75,000 survivors receive less than $100 a month. Another startling fact is that survivorship benefits to children average a little over $20 a month. I could cite other figures equally disturbing, but I am confident that the Members of the Senate are aware of the seriousness of the situation.

These facts amply demonstrate the plight in which our civil-service retirees and their survivors find themselves today. Because of the heavy toll inflation has taken on the dollar, particularly the dollar of the individual who has retired and who is primarily dependent upon the fixed income of his annuity for a livelihood, it is obvious that the retired Federal employee is in very precarious financial circumstances.

I know something of the personal problems of those who toil long and faithfully in the service of their Government. Many of them reside in Oregon, and I know how hard pressed they are, particularly those of advanced years, to maintain a decent standard of living.

The Federal Government has a direct responsibility to those former employees. It is obligated to see that the annuity it promised bears a sound relationship to the cost of living. The fact that the purchasing power of the dollar has decreased in recent years cannot be attributed to the former employees who contributed 100-cent dollars to the retirement fund and are now receiving in return dollars worth approximately one-half of that amount.

I hope that the plight of our former employees and their survivors will be sympathetically recognized by the 85th Congress at an early date.

Mr. President, I introduce, for appropriate reference, a bill designed to equate the benefits of those now on the retirement rolls with the benefits that will accrue to present employees when they retire at some future date.

Section 1 of the bill contains a formula providing for a general increase in existing annuities but with a top limit in the increase that may accrue to any one annuitant.

As a case in point, a typical annuitant, who may have been a letter carrier, retired in 1950 with 30 years' service and with a 5-year average high salary of

$3,650, would receive an increase of $500, bringing his annuity to $2,550.

Section 2 of the bill repeals an arbitrary ceiling beyond which increases could not be given imposed a number of years ago.

Section 3 of the bill corrects current laws under which surviving widows were prevented from receiving any benefit from increases in the annuities of their husbands.

Section 4 of the bill provides modest annuities for the forgotten widows of 1948.

Section 5 provides a satisfactory method of financing the increases.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 713) to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes, introduced today by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

EXTENSION OF PROVISIONS OF VETERANS READJUSTMENT ASSISTANCE ACT OF 1952

Mr. NEUBERGER. Mr. President, one of the greatest educational programs of all time was the veterans' readjustment legislation, generally known as the GI bill of rights, which offered the financial means of pursuing their education to millions of American servicemen after World War II and the Korean conflict. This program was of incalculable benefit directly to the ambitious and intelligent young men and women whom it enabled to develop their capacities for learning, and indirectly to the whole Nation in its need for trained and skilled personnel of all kinds. Unfortunately, the GI bill of rights was permitted to lapse. The administration has proposed no program to continue its benefits. Since January 31, 1955, the young men who are still drafted or who enlist into our armed services to devote several years of their youth to the defense of the Nation no longer earn the educational opportunities of their elder brothers.

Mr. President, I believe the GI bill should be revived. I therefore introduce today a bill to that end, which is cosponsored by the senior Senator from Maine [Mrs. SMITH], my colleague, the senior Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], and the Senator from Michigan [Mr. MCNAMARA]. The bill is identical with the one we introduced in the 84th Congress, but with one addition. Because of the delay in reenacting the GI bill, I have added a retroactive section which will make its benefits available to servicemen who, on its effective date, may already have entered upon a course of study for which they would have been eligible under the program, if it had remained in existence after January 31, 1955. In other words, it would extend to men and women entering military service after January 31, 1955, the Veterans Readjustment Act of 1952, with the addition of assistance toward tuition charges such as was provided under the post-World War II law.

Mr. President, I shall not repeat today all the arguments for this program which I presented to the Senate in first introducing this proposed legislation a year ago. I want to speak first, very briefly, of the equity of offering our current servicemen the same benefits extended to their predecessors in recent years.

EQUITY FOR PRESENT SERVICE PERSONNEL

Let us recall, Mr. President, that our present system of compulsory military service dates back only to 1940. The principle of general—if not universal—military service for our young men has not been thought a permanent feature of American life. I believe most of us would not like to have it accepted as such. Rather, it has been recognized as a sacrifice, in response to the wars and the continued crises of our time and threats to our Nation's security. We can never have complete equality of sacrifice as long as some go to risk their lives or health in war, while others stay at home. But in the GI bills of 1944 and 1952, the Nation found a progressive and constructive way to offset this sacrifice with opportunities for education and other readjustments, to help the serviceman to a better life upon his return.

Can we callously assume that military service since January 31, 1955, has no longer been a sacrifice, and that it is now free from risk? At this very time, the President asks us to pledge a guaranty of American armed intervention against future Soviet aggression in the Middle East. We already have treaty obligations and military personnel throughout the world which may be involved in military crises. Surely it is neither safer nor more pleasant to be a GI in North Africa or in Greenland or in Okinawa in 1957 than to have served at some base here in the United States during World War II. Prior GI bills wisely attempted no assessment of degrees of sacrifice but related the readjustment benefits offered only to the time which had been given up in the Nation's service. I believe we should continue this wise policy by reviving the GI bill for our present and future servicemen, for as long as we continue to maintain compulsory military service in this country.

GI BILL SERVES NATION'S URGENT EDUCATIONAL NEEDS

Besides being fair to our service men and women, the GI bill will help to meet America's urgent and growing needs for more and better professional skills and training in the years ahead.

Mr. President, the services which our young men and women may render after gaining the education and training offered them under the GI bill may be more valuable to the Nation than their period of military service itself. Our national security depends on the strength of our whole society, not merely on our military forces in being—and in a period of life-and-death competition in weapons development, even our military strength depends directly on technical knowledge and skills.

Thus, both for security and for peaceful progress we cannot afford, for lack of financial opportunity after devoting years to military service, to waste the educational potential of any able young American. The magnitude of the need is apparent from our population figures. Since the end of World War II, America's population has increased by 25 million persons. By 1970, it is forecast to grow another 35 million. This growth has created severe shortages of skilled manpower. The accompanying technological advances of our time multiply the demand for trained and educated people.

What is the educational picture today? How are we meeting the tremendous stress placed on our educational system?

Reports indicate that we are failing in this educational race.

A study by the Chase Manhattan Bank recently reported:

> We are graduating about 23,000 engineers yearly. We need now about 40,000 a year, and our need will rise. We graduate about 400 nuclear scientists a year. We need 1,200, or more.

In 1955 more than twice as many students in science fields were graduated in the U. S. S. R. as in the United States. On this point, Adm. Lewis L. Strauss, Chairman of the United States Atomic Energy Commission, has stated:

> In 5 years our lead in the training of scientists and engineering may be wiped out, and in 10 years we could be hopelessly outstripped. Unless immediate steps are taken to correct it, a situation, already dangerous, within less than a decade could become disastrous.

Our dangerously low production of engineers and research scientists has been frequently dramatized, but shortages in other fields are no less critical. In 1965 we will need four times the number of trained nurses required annually today, yet not enough nurses are now graduated to fill the current need. From 2 to 6 technicians are needed to back up each scientist and engineer. American corporations on the average can now obtain fewer than one. The National Education Association estimates that the average annual demand for new teachers through 1965 will run from 125,000 to 150,000 for elementary and secondary schools alone. Our present annual production of teachers is about 90,000.

The bill which I introduce today is no panacea, but I believe that enactment of this proposal would be a constructive step toward solution of the critical shortage of trained manpower in the United States.

The vital educational benefits of the GI bill of rights have made a great contribution to the productive resources of this country. This program trained 180,000 doctors and registered nurses, 113,000 physical and research scientists, 450,000 civil engineers, 36,000 clergymen, 83,000 policemen and firemen, and 711,000 skilled mechanics.

Both the requirements of our national security program and our domestic needs dictate the necessity of utilizing the natural abilities of the Nation's youth. This potential must be conserved; it represents our greatest resource. Revival of the GI bill of rights would add to

the Nation's human resources the full capabilities of many of the gifted young men and women, who might otherwise be permanently lost to the college classroom.

The educational program provided for in the GI bill of rights has been tested in actual operation and found successful. No other one program in our history has done more toward expanding the educational opportunities of our youth. Its revival could be accomplished with a minimum of administrative confusion and experimentation. I urge adoption of this bill as an important step in combating our present educational crisis.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 714) to extend the provisions of the Veterans' Readjustment Assistance Act of 1952 until such time as existing laws authorizing compulsory military service cease to be effective; and to provide for payment of tuition and fees of veterans receiving educational benefits under such act, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PROGRAM FOR CONSTRUCTION OF COUNTY AGRICULTURAL BUILDINGS

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to authorize a program for the construction of county agricultural buildings. Congressman BROOKS HAYS is introducing a companion bill in the House.

The bill provides for Federal assistance to counties where agriculture is a predominant industry to aid in construction of buildings to centralize Federal, State, and local agricultural activities. The Administrator of the General Services Administration is authorized to provide financial assistance in the planning and construction of such buildings up to 30 percent of the construction costs. In exceptional cases when a county, because of its financial status, cannot furnish its full share, the Federal Government will be allowed to contribute up to 50 percent of the construction costs of the building. In counties where there is more than one county seat, a building may be constructed in both cities if the situation warrants.

I would like to emphasize that this is a program designed to aid the counties and the Federal Government will not dictate the use of the building. The counties will establish the policies for the buildings' use, the only requirement being that the counties must make space available for Federal agricultural agencies on a rental basis.

Representative HAYS and I first introduced this proposed legislation in the 81st Congress. The Secretary of Agriculture at that time, Mr. Charles Brannan, in his report to the Senate Agricultural Committee on the bill stated:

> This Department is in full agreement with the purposes of the bill and the general objective to facilitate the maximum coordination of all related programs at the county level where our work actually reaches the farm family. Also, we wish to encourage the greatest possible participation by farm people in the formulation and operation of the agricultural programs which will best meet the Nation's needs and at the same time be in full harmony with local requirements. The consolidated housing of all agricultural agencies in the county in one building would be an effective help toward accomplishing these objectives.

In spite of the favorable attitude of the Department of Agriculture, the Bureau of the Budget advised against enactment of the bill for economy reasons and because of the relatively more urgent building needs of the Federal, State, and local governments. The bill did not receive further consideration by Congress that session.

Passage of this proposed legislation would greatly aid in bringing about more efficient administration of Federal, State, and local agricultural programs. It would eliminate much confusion and duplication of functions in this area. I am sure that it would also result in closer cooperation between the various farm agencies and eventually benefit all farmers.

In view of the decline of our agricultural economy in the past few years, I feel that all proposals which would bring about better administration of the various farm programs should be given careful study. I hope that this bill will receive the serious attention of every Member of the Senate who is interested in agriculture.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 716) to authorize the Administrator of General Services to assist in planning and financing the construction of county agricultural buildings, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

EMERGENCY FOOD STOCKPILES

Mr. SYMINGTON. Mr. President, I introduce, for appropriate reference, a bill which would provide for the stockpiling of essential foodstuffs and other essential items to sustain the civilian population in the event of enemy attack or disaster.

This bill is one effort to offset a part of our unpreparedness for what would befall the civilian population under an enemy attack. It would also strengthen our resources for combating other disaster.

We know that our civilian population and our civilian institutions must bear a major share of any future attack.

Militarily we seek to provide adequate defense through deterrent retaliatory power, along with active defensive forces. But we have failed to provide a third element of defense, passive defense; the capacity of the civilian population to undergo attack, achieve a maximum recovery, and go on to reestablish a functioning society.

If a possible enemy sees in this country a well-prepared, resilient population capable of absorbing an attack and making reasonable recovery, he will be more hesitant about his possible success.

The requirements of an effective passive defense system are numerous. This bill devotes itself to one phase—providing food for our citizens in the post-attack period. It would fulfill the same purpose during disasters designated by the President.

This bill also empowers the Federal Civil Defense Administrator to establish and maintain stockpiles of food and other essential items in readily consumable form.

Today we have no equivalent reserves of food. Commodity Credit Corporation stocks are not readily consumable, nor are they located so as to serve the general population in any major emergency.

Millions of citizens will probably be without food on D-Day plus 1, should that unfortunate day ever come.

To the extent possible, the Civil Defense Administrator would obtain foodstuffs from the stocks of the Commodity Credit Corporation, or through surplus removal programs carried out by the Secretary of Agriculture, and would have them prepared for inclusion in the stockpile.

The stockpile program would thus serve to reduce any oversupply of agricultural commodities.

Foodstuffs required for the stockpiles and not available from Government sources would be purchased on a competitive basis.

While the bill contemplates food storage, it refers also to "other essential items." This would permit the inclusion of essential nonfood items, when deemed necessary, such as soap, chemicals for the purification of water, blankets and, conceivably, tobacco products.

Because of the tremendous power of thermonuclear weapons, it appears impractical to attempt to protect stored food from direct blast effects. The principal objective would be to protect foodstuffs from radioactive fallout. Many existing facilities could be used. The Administrator is authorized to determine what number and type of additional facilities are required.

Nothing in the bill would prevent the transfer of foodstuffs to such structures as we may be required to construct in the future to protect the civilian population.

Foods in stockpiles would be maintained in readily consumable form. In any other form they would be of little use in the postattack period. Some foods could be maintained in ration kits such as used by the military, insuring transportability and ease of distribution during the first hours of an emergency.

Foods removed from the stockpiles to prevent deterioration could be used to good effect in the various food distribution programs established by law.

I doubt that any bill for the stockpiling of foods can meet every contingency of disaster or attack. We cannot visualize every eventuality of disaster or attack. However, without such an effort as this bill proposes, we stand unprepared.

If it would be criminal negligence for national leaders to fail to provide adequate armed forces, it would seem just as much so to disregard the protection of the civilian population.

As conditions stand today, an attack on this Nation would result in a civilian Pearl Harbor beyond comprehension.

As example, over 20,000 tons of food move over the bridges and through the tunnels to New York every day.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

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

The bill (S. 717) to provide for the stockpiling, storage, and distribution of essential foodstuffs and other essential items for the sustenance of the civilian population of the United States, its Territories, possessions, and the District of Columbia in the event of enemy attack or other disaster, introduced by Mr. SYMINGTON, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

To provide for the stockpiling, storage, and distribution of essential foodstuffs and other essential items for the sustenance of the civilian population of the United States, its Territories, possessions, and the District of Columbia in the event of enemy attack or other disaster

Be it enacted, etc., That this act may be cited as the "Emergency Food Stockpiling Act of 1957."

ESTABLISHMENT OF EMERGENCY STOCKPILES

SEC. 2. (a) The Federal Civil Defense Administrator (hereinafter referred to as the "Administrator") is authorized and directed to establish and maintain emergency stockpiles of essential foodstuffs and other essential items for the sustenance of the civilian population of the United States, its Territories, possessions, and the District of Columbia, in the event of enemy attack or other disaster.

(b) Emergency stockpiles established under subsection (a) shall be located in strategic relationship to areas determined by the Administrator to be most probable disaster areas.

(c) Within ____ days after the date of enactment of this act, and from time to time thereafter, the Administrator, in cooperation with other appropriate agencies of the Government, shall determine the foodstuffs (which shall include the elements of a basic nutritional diet) and other essential items, to be stored in the emergency stockpiles established under subsection (a), and the form in which such foodstuffs and other items shall be stored. All such foodstuffs shall be stored in a readily consumable form, and there shall be included a supply of such foodstuffs and other essential items in easily transportable kits or other containers for use under such emergency circumstances as the Administrator shall determine.

(d) The Administrator is authorized and directed to determine, within _____ days after the date of enactment of this act, the types of storage facilities which offer the most reasonably adequate protection against radioactive contaminants, and to construct or acquire by condemnation, purchase, lease, or otherwise, and maintain such facilities for the storage of foodstuffs and other essential items to be placed in emergency stockpiles under this act. Nothing in this subsection shall be construed to prevent the use of existing Government or privately owned facilities determined by the Administrator to be suitable for such purposes.

ACQUISITION OF STOCKPILE ITEMS

SEC. 3. (a) To the greatest extent practicable, foodstuffs to be placed in emergency stockpiles under this act shall be obtained from stocks of the Commodity Credit Corporation. Upon the request of the Administrator, the Secretary of Agriculture shall obtain, where possible, in accord with criteria and procedures employed by the Department of Agriculture in the purchase of foodstuffs, any foodstuffs deemed by the Administrator to be necessary for the stockpiles but not available from stocks of the Commodity Credit Corporation. Foodstuffs and other essential items not obtainable in accordance with the foregoing provisions of this subsection shall be purchased by the Administrator on a competitive basis.

(b) The Commodity Credit Corporation and the Secretary of Agriculture are authorized to perform such services in providing or arranging for the processing, packaging, transporting, storing, or placing of commodities in a form suitable for any of the foregoing, as may be requested by the Administrator.

(c) The Administrator shall reimburse the Commodity Credit Corporation or the Secretary of Agriculture, as the case may be, for foodstuffs furnished by them under this section. Such reimbursement shall be made on the basis of the original cost of the foodstuffs furnished together with costs incurred in performing or arranging for services referred to in subsection (b). In making such reimbursement, the Administrator shall receive credit for any foodstuffs returned for disposition in accordance with section 4 (c).

WITHDRAWAL OF ITEMS FROM STOCKPILES

SEC. 4. (a) Foodstuffs and other essential items placed in emergency stockpiles under this act shall not be withdrawn except—

(1) for use in an emergency caused by an enemy attack upon the United States,

(2) for use in any emergency caused by a major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855),

(3) for rotation purposes to prevent loss or waste through deterioration or spoilage, or

(4) for purposes of replacement with items determined to be more suitable for the purposes for which originally acquired.

(b) The Administrator is authorized and directed to provide, to the extent possible, for the transportation and distribution of foodstuffs and other essential items removed from stockpiles under paragraphs (1) and (2) of subsection (a) through such facilities as he may deem necessary to provide or as may be arranged in cooperation with States, counties, municipalities, the Armed Forces of the United States, military units of the several States or such private organizations as the Administrator shall designate.

(c) Foodstuffs and other items removed from stockpiles under paragraphs (3) and (4) of subsection (a) shall be transferred to other agencies of the Government for disposition under other programs established by law.

ADVISORY BOARD

SEC. 5. There is hereby established the Emergency Food Stockpile Board which shall advise the Administrator upon his request with respect to matters arising in the administration of this act. The Board shall consist of the Administrator, who shall be chairman of the Board, the Director of the Office of Defense Mobilization, the Under Secretary of Agriculture, and an Assistant Secretary of Defense to be designated for such purpose by the Secretary of Defense.

METHODS OF PRESERVATION OF FOODSTUFFS

SEC. 6. In carrying out the provisions of this act, the Administrator is directed to make appropriate use of the results of research, study, and experimentation regarding improved methods of preserving foodstuffs.

PUBLICITY

SEC. 7. To the fullest extent possible, the Administrator shall familiarize the public with the emergency food stockpile program under this act.

APPROPRIATIONS

SEC. 8. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act.

NATIONAL INVESTMENT COMPANY ACT OF 1957 AND SMALL BUSINESS CREDIT ACT OF 1957

Mr. SPARKMAN. Mr. President, on Monday last I spoke to the Senate concerning the urgent need of speedy action by Congress to assist the small and independent concerns of our Nation. I shall not burden the Senate with a repetition of my remarks except to point out the imperative necessity of maintaining the role of independent small business in this country and to state that of the many small-business problems susceptible of legislative relief, none should take precedence over measures to improve the availability of financing. In response to the financing problems of small business I intend to introduce today two measures; first, a bill to establish privately owned and operated national investment companies to make long-range loans and equity capital available to small business and, second, a bill to insure lenders against loss on small-business loans.

Let me say, Mr. President, that the gap between credit availability and the financial requirements of small business is not a new problem. This credit gap is not capable of exact statistical measurement. As someone once said, "You cannot measure the loans that were not made," and may I add, the opportunities lost. Nonetheless this credit gap has been clearly recognized for a number of years by financial experts as a problem area for small business. As early as the Temporary National Economic Committee days the institutional nature of this problem was clearly analyzed and accepted. That is, in our complex social and economic society there is no credit institution to provide the long-range capital needs of independent, small business.

Formerly, capital for initiating and expanding small business was provided, quite naturally, from personal resources, or by relatives, friends, and neighbors of the entrepreneur. In our impersonal economic structure of today with its high personal income-tax rate, this source of small-business financing has been cut to a point where it is inadequate to fulfill the needs. Nor can a small business in our modern economic structure, with corporation taxes and limitations on depreciation reserves, hope to generate sufficient internal financing to cope with its long-range capital needs. Financial experts are nearly unanimous in agreeing that small business, unlike its larger competitor, cannot turn to the securities market for relief in this situation. The cost of marketing securities is prohibitively high and often unattainable at any price, for the small-business man. Clearly, then, what is required is a new

institutional factor to remedy this long-standing and continuing credit deficiency facing our independent, small firms.

While the TNEC monograph was perhaps the first analysis of the nature of the credit gap facing small business, many other distinguished groups and individuals have added to our understanding of this problem and recommended the creation of special institutions tailored to meet the financial requirements of small business. Especially notable was the study by a special small-business subcommittee of the Investment Banking Association of America in 1945 which recognized the inability of existing financial institutions to meet the long-range credit needs of small business and, while differing in detail from the bill I am to introduce today, recommended the establishment of new credit institutions to remedy this deficiency. The Committee for Economic Development also studied this problem and in 1947 issued a report concurring in the suggestion that special credit institutions should be established to supply independent, small business with long-range capital. Furthermore, distinguished members of this body have also analyzed this problem similarly and urged the creation of credit banks.

A similar approach has been undertaken in recent years by a number of States, including all in the New England area, on an intrastate basis. The experience of these State-chartered investment banks encourages the belief that national investment companies can meet a real need. Generally, progress of the State credit banks has been slow because of difficulties in obtaining sufficient capital to get their program moving. The monetary resources of the Federal Government and its prestige as exemplified by the Federal Reserve System, should do much to insure that the national investment companies will get off to a speedy start in meeting the credit needs of small business.

NATIONAL INVESTMENT COMPANY BILL

Mr. President, I introduce, and ask that it be referred to the proper committee, a bill to establish national investment companies. In brief, the purpose of this bill is to meet the capital needs of small and medium sized enterprises by establishing privately owned and operated investment companies chartered by approval of the Federal Reserve Board. In order to initiate this program, Federal Reserve banks are authorized to form investment companies whose stock may later be sold to private investors. The investment companies may borrow money and issue obligations in order to make secured or unsecured loans to small business or to invest in the stock or other securities of such businesses. In order to encourage this venture, investment companies are to receive certain tax deductions and credits in the handling of tax reserves and exemption from tax on dividends distributed to stockholders.

Let me emphasize that the investment companies will cooperate with private financial institutions. Existing financial institutions have no reason to fear the creation of such investment companies for they are designed to handle a different function—one not now being provided. The key to their success lies in their ability to supplement, not compete with, existing financial institutions.

INSURED LOAN BILL

Mr. President, no Member of Congress needs be reminded, I am sure, that there is also a scarcity of short and intermediate term credit. Only yesterday, a business survey report in the Wall Street Journal stated that the business expansion programs of some medium-sized and small concerns are being delayed because of tight money. While this scarcity has been accentuated by the tight-money situation, it has also been a chronic problem of small-business financing. Mr. President, I introduce a bill to insure lenders against loss on small-business loans and ask that it be referred to the proper committee.

In summary, this bill seeks to encourage credit for small business by establishing an insurance program for small-business loans made by lenders approved by the Small Business Administration. This program is to be administered by the Small Business Administration with power to delegate functions under this act to such officers, corporations or agencies as it may designate. Loans are limited to 5 years. This bill permits a maximum yearly premium of 1½ percent for each loan. Let me say that this upper limit is included as a rough estimate of the maximum that may be required. Actual experience may show a much lower premium, perhaps in the neighborhood of ½ percent, is adequate. Generally, lender's losses would be reimbursed up to 90 percent of the loan's unpaid balance. The uninsured 10 percent should serve to maintain the customary prudence of the commercial banking system.

One of the reasons that small business has difficulty in obtaining loans is the high overhead costs to the lender for investigating and processing the small loan applications. In a period such as this with large loan applications readily available to the lender, the small-business man is denied needed funds. This insurance provision should encourage commercial banks to risk the small loan. The accumulation of a number of the small loans, with this insurance feature, should provide a package at least equally attractive to the commercial banks as the larger loan.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the bills entitled "The National Investment Act of 1957" and "Small Business Credit Act of 1957." I also ask that summaries of these two bills be included in the RECORD at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bills and summaries will be printed in the RECORD.

The bills, introduced by Mr. SPARKMAN were received, read twice by their titles, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

By Mr. SPARKMAN (for himself, Mr. HILL, Mr. O'MAHONEY, and Mr. KEFAUVER):

S. 719. A bill to make capital more readily available for financing small business and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes.

Be it enacted, etc.—

TITLE

SEC. 1. This act may be cited as the "National Investment Company Act of 1957."

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress—

(a) to foster the development and growth of independent small-business enterprises with the objective of enabling them to make their maximum contribution to productive investment and employment and to the economic stability and growth of the Nation;

(b) to make capital for such enterprises more readily available in adequate amounts and on reasonable terms;

(c) to facilitate maximum participation of private financial institutions and investors in financing these enterprises; and

(d) to supplement the existing facilities of banks and other private financial institutions by providing for the establishment of privately owned national investment companies.

Title I. National investment companies

Organization of National Investment Companies

SEC. 101. (a) National investment companies may be formed for the purpose of operating under this title by any number of persons not less than five, who shall subscribe to the articles of incorporation of any such company; except that any company in whose stock one or more Federal Reserve banks invest shall be formed by a Federal Reserve bank, which alone shall subscribe to the articles of incorporation. The total number of national investment companies formed by Federal Reserve banks pursuant thereto shall not exceed the number of Federal Reserve banks and branches thereof.

(b) The articles of incorporation of any national investment company shall specify in general terms the objects for which the company is formed, the name assumed by such company, the area or areas where its operations are to be carried on, the place where its principal office is to be located, and the amount and classes of its shares of capital stock; and the articles may contain any other provisions not inconsistent with this title that the company may see fit to adopt for the regulation of its business and the conduct of its affairs, including provision for cumulative voting in election of directors. Such articles and any amendments thereto adopted from time to time shall be subject to the approval of the Board of Governors of the Federal Reserve System (hereinafter called the "Board").

(c) The articles of incorporation and amendments thereto shall be forwarded to the Board for consideration and approval or disapproval. In determining whether to approve the establishment of such a company and its proposed articles of incorporation, the Board shall give due regard, among other things, to the need for the financing of independent small-business enterprises in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Board may, in its discretion, approve the articles of incorporation and issue a permit to begin business.

(d) Upon issuance of such permit, the company shall become and be a body corporate, and, as such, and in the name designated in its articles, shall have power—

(1) to adopt and use a corporate seal;

(2) to have succession for a period of 30 years, unless extended as provided in this section, or unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress, or unless its franchise becomes forfeited by some violation of law or regulation issued hereunder;

(3) to make contracts;

(4) to sue and be sued, complain, and defend in any court of law or equity;

(5) by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, fix their compensation, require bonds of such of them as it deems advisable and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure, and appoint others to fill their places;

(6) to adopt bylaws regulating the manner in which its stock shall be transferred, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed;

(7) to establish branch offices or agencies subject to the approval of the Board;

(8) to acquire, hold, operate, and dispose of any property—real, personal, or mixed—whenever necessary or appropriate to the carrying out of its lawful functions;

(9) to act as depository or fiscal agent of the United States when so designated by the Secretary of the Treasury;

(10) to operate in such Federal Reserve district or districts or Territories or possessions of the United States as may be specified in its articles of incorporation and approved by the Board; and

(11) to exercise the other powers set forth in this title and such incidental powers as may be reasonably necessary to carry on the business for which the company is established.

(e) The board of directors of each national investment company shall consist of nine members, all of whom shall be elected annually by the holders of the shares of stock of the company.

Capital-Stock Provisions

SEC. 102. (a) Each company organized under this title shall have a paid-in capital and surplus equal to at least $5 million before it shall commence business. In order to facilitate the formation of national investment companies, each Federal Reserve bank is hereby authorized, notwithstanding any other provisions of law, to invest in the shares of stock of one or more such companies formed by any Federal Reserve bank under section 101 hereof, but with a view to the ultimate disposal of such stock to banks and other private investors as herein provided. Each Federal Reserve bank which forms a national investment company shall invest in shares of stock of such company in an amount equal to at least $5 million, or an amount which, when added to the amounts, if any, of shares subscribed by other Federal Reserve banks, member banks, nonmember banks, financial institutions, corporations, partnerships, or other persons, shall equal the sum of $5 million. In no event shall any Federal Reserve bank invest in shares of national investment companies if as a result thereof it will hold an amount of such shares aggregating more than 2 percent of the aggregate amount of the combined capital and surplus of all its member banks or $5 million, whichever is the greater.

(b) The shares of stock in any national investment company shall be eligible for purchase by member banks of the Federal Reserve System, nonmember banks, financial institutions, corporations, partnerships, or other persons. Each member bank is hereby authorized, notwithstanding any other provision of Federal law, to acquire and hold an amount of such shares equal to not more than 2 percent of the capital and surplus of member bank. Upon the demand of any such eligible purchaser, a Federal Reserve bank which holds shares of stock in a national investment company shall, with the approval of the Board, including approval as to price, sell to such eligible purchaser all or a portion of such shares.

(c) The aggregate amount of shares in any such company or companies which may be owned or controlled by any stockholder, or by any group or class of stockholders, may be limited by the Board; and no one stockholder, other than a Federal Reserve bank, shall at any time, without the approval of the Board, own or control more than 10 percent of the total outstanding shares of any such company.

Borrowing Power

SEC. 103. Each national investment company shall have authority to borrow money and to issue its debentures, bonds, promissory notes, or other obligations under such general conditions and subject to such limitations and regulations as the Board may prescribe, but in no event shall any such company issue obligations which would cause the amount outstanding at any one time to exceed the amount of its capital stock and surplus.

Eligible Enterprises

SEC. 104. The Board, after consultation with the Secretary of Commerce, shall promulgate standards to determine the eligibility of business enterprises for the purposes of this title. In promulgating such standards, which may differ according to the types of financing or other relevant factors, the Board shall give consideration to—

(a) the policies set forth in section 2; and

(b) the extent to which such enterprises have reasonable access to facilities for credit and equity financing.

Loans and Investments

SEC. 105. (a) Each national investment company shall have authority to make or acquire loans with or without security to business enterprises which are eligible under this title, or to purchase obligations of such enterprises. Such loans, purchases, or other acquisitions may be made either directly or in cooperation with banks or other lending institutions, through argeements to participate or by the purchase of participations, commitments to purchase, or otherwise, as the company may determine.

(b) Each national investment company shall have authority to acquire, and to resell to the issuer or to others the income debentures or bonds, common or preferred stocks, or other capital shares of business enterprises eligible under this title.

Aggregate Limitations

SEC. 106. Without the approval of the Board, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any national investment company under the provisions of this title which exceed the sum of $1 million for any single enterprise shall not exceed 33⅓ percent of the combined capital and surplus and maximum indebtedness of such national investment company authorized by this title.

Exemptions

SEC. 107. (a) The loans of any national banking association which are required by any national investment company, in the making of which such company participates, or for any part of which a commitment to purchase is issued hereunder shall not be subject to the limitations on real-estate loans prescribed in section 24 of the Federal Reserve Act, as amended (12 U. S. C. 371).

(b) Section 3 of the Securities Act of 1933, as amended (15 U. S. C. 77 C), is hereby amended by inserting at the end thereof the following new subsection (c):

"(c) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a national investment company under the National Investment Company Act of 1957, if it finds, having regard to the purposes of that act, that the enforcement of this title with respect to such securities is not necessary in the public interest and for the protection of investors."

(c) Section 304 of the Trust Indenture Act of 1939 (15 U. S. C. 77ddd) is hereby amended by adding the following subsection (e):

"(e) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a national investment company under the National Investment Company Act of 1957, if it finds, having regard to the purposes of that act, that the enforcement of this title with respect to such securities is not necessary in the public interest and for the protection of investors."

Tax Provisions

SEC. 108. (a) Section 851 (a) (1) of the Internal Revenue Code of 1954 is amended by inserting before the word "registered" the following: "chartered under the National Investment Company Act of 1957 as a national investment company or is".

(b) Section 851 (b) (2) of the Internal Revenue Code of 1954 is amended by inserting immediately after the words "90 percent" the following: "(75 percent in the case of a national investment company chartered under the National Investment Company Act of 1957)".

(c) Section 851 of the Internal Revenue Code of 1954 is amended by adding at the end thereof a new subsection as follows:

"(f) Exemption of national investment companies from limitations of subsection (b) (4).—If the Board of Governors of the Federal Reserve System determines that it is necessary and appropriate to accomplishment of the purposes of the National Investment Company Act of 1957 that any national investment company chartered under such act be exempt from the requirements of this subsection (b) (4), it shall certify such determination to the Secretary or his delegate and, in such event, the limitations prescribed in subsection (b) (4) shall not apply to such national investment company."

(d) (1) Section 852 (a) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following: "The investment company taxable income of a regulated investment company which is a national investment company chartered under the National Investment Company Act of 1957 shall, for purposes of paragraph (1), be increased by the amounts described in subsection (d) (3) (D) and decreased by the amounts described in subsection (d) (5) (B)."

(2) Section 852 of the Internal Revenue Code of 1954 is amended by adding at the end thereof a new subsection as follows:

"(d) National investment company reserve:

"(1) Reserve generally: A regulated investment company which is a national investment company chartered under the National Investment Company Act of 1957 may, under regulations prescribed by the Secretary or his delegate establish and maintain a reserve subject to the limitations provided in this subsection.

"(2) Limitation on reserve: The amount of the reserve shall not at any time exceed

the lesser of (A) 50 percent of the invested capital of the company as defined in paragraph (7), or (B) the accumulated earnings and profits determined as of the close of the taxable year.

"(3) Charges to reserve: The reserve shall be charged as of the end of the taxable year (whether or not such charge produces a minus amount in the reserve) with the following:

"(A) the net capital loss for the taxable year (as defined in sec. 1222 (10));

"(B) the net operating loss for the taxable year (as defined in sec. 172 (c));

"(C) the Federal income taxes attributable to the amount added to the reserve under paragraph (5); and

"(D) such amount as may be necessary by reason of the limitation provided in paragraph (2).

"(4) Mandatory additions to the reserve: There shall be added to the reserve as of the close of the taxable year the following:

"(A) an amount equal to the excess of the net capital gain for the taxable year computed without regard to section 1212 (relating to capital loss carryover) over the net capital gain for the taxable year; and

"(B) an amount equal to the excess of the taxable income for the taxable year computed without regard to section 172 (relating to the net operating loss deduction) over the taxable income for the taxable year.

"(5) Discretionary addition to the reserve: In any year in which an amount (other than the amount described in paragraph (4) is added to the reserve, the company shall, in the computation of its investment company taxable income be allowed—

"(A) a deduction equal to such amount of the addition to the reserve as does not cause the aggregate amount of the reserve (including such addition) to exceed 20 percent of the invested capital of the company as defined in paragraph (7); and

"(B) the dividends received credit provided in section 243 but such credit shall not exceed 85 percent of the portion of amounts added to the reserve under this subparagraph which is not deductible from investment company taxable income under subparagraph (A).

"(6) Reduction or termination of reserve: In the event of a reduction or termination of the reserve in connection with a partial or complete liquidation of the company (or of any company to which the reserve has been transferred in an exchange upon which gain was not recognized by reason of any provision of this subtitle) the gain realized by a stockholder upon any such liquidation shall, to the extent of the pro rata share of the reserve, be considered as a gain from the sale or exchange of property held for less than 6 months.

"(7) Invested capital: For purposes of paragraph (2), the term 'invested capital' means the sum, determined as of the close of the taxable year, of—

"(A) the amount of money or property (included in an amount equal to its unadjusted basis without regard to the value of the property as of March 1, 1913, except that if such basis is a substituted basis, it shall be adjusted, with respect to the period before the property was paid in, by an amount equal to adjustments proper under section 312 (f) for determining earnings and profits) previously paid in for stock, or as paid-in surplus or as a contribution to capital, reduced by the amount of distributions not out of earnings and profits in the year of distribution and not out of accumulated earnings and profits; and

"(B) the amount of the outstanding indebtedness (not including interest) of the company which is evidenced by a bond, note, bill of exchange, debenture, certificate of indebtedness, mortgage, or deed of trust, except that indebtedness not represented by a bond or debenture shall not be included in excess of an amount equal to the average daily amount of indebtedness not so represented which was outstanding during the taxable year."

(e) Each national investment company established under this title, including its franchise, capital, reserves, and surplus, its income, its real property, its tangible and intangible personal property, its obligations (both as in principal and income derived therefrom), shall be subject to taxation, in the same manner and to the same extent as a State-chartered institution of similar character by any State, county, municipality, or local taxing authority or by any Territory, dependency, or possession of the United States; and its real property shall be subject to special assessments for local improvements.

Miscellaneous

SEC. 109. (a) Wherever practicable the operations of a national investment company shall be undertaken in cooperation with banks or other financial institutions, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this title may be handled through such banks or other financial institutions on a fee basis.

(b) Each national investment company may make use, wherever practicable, of the advisory services of the Federal Reserve System and of the Department of Commerce which are available for and useful to industrial and commercial businesses, and may provide consulting and advisory services on a fee basis and have on its staff persons competent to provide such services. Subject to the supervision and direction of the Board, any Federal Reserve bank is authorized to act as a depository or fiscal agent for any company organized under this title. Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by the United States.

(c) The Board is authorized to prescribe regulations governing the operations of national investment companies and to carry out the provisions of this title in accordance with the purposes of this act. Each national investment company shall be subject to examinations made by direction of the Board by examiners selected or approved by the Board, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Board be assessed against the company examined and when so assessed shall be paid by such company. Every such company shall make such reports to the Board at such times and such form as the Board may require.

(d) The Secretary of Commerce is authorized to advise and assist in promoting national investment companies.

(e) Should any national investment company violate or fail to comply with any of the provisions of this title or of regulations prescribed hereunder, all of its rights, privileges, and franchises derived herefrom may thereby be forfeited. Before any such company shall be declared dissolved, or its rights, privileges, and franchises forfeited, any noncompliance with or violation of this title shall, however, be determined and adjudged by a court of the United States of competent jurisdiction in a suit brought for that purpose in the district or territory in which the principal office of such company is located, which suit shall be brought by the United States at the instance of the Board or the Attorney General.

(f) Whenever in the judgment of the Board any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or of any regulation thereunder, the Board may make application to the proper district court of the United States, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and such courts shall have jurisdiction of such actions and upon a showing by the Board that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(g) Any national investment company may at any time within the 2 years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Board for approval to extend the period of its corporate existence for a term of not more than 30 years, and upon approval of the Board as provided in section 101 hereof such company shall have its corporate existence extended for such period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an act of Congress or unless its franchise becomes forfeited as herein provided.

(h) Nothing in this act or in any other provision of law shall be deemed to impose any liability on the United States or on any Federal Reserve bank with respect to any obligations entered into, or stocks issued, or commitments made, by any company organized under this title.

Title II. Changes in Federal Reserve authority

Repeal of Section 13b of the Federal Reserve Act

SEC. 201. Effective 1 year after the date of enactment of this act, section 13b of the Federal Reserve Act (12 U. S. C. 352 (a)) is hereby repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section.

Return of Funds to Treasury

SEC. 202. (a) Within 60 days after the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal Reserve bank to the United States or to the Secretary of the Treasury arising out of subsection (e) of said section 13b or out of any agreement thereunder.

(b) The amounts repaid to the United States pursuant to section 202, and any remaining balance of the funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into miscellaneous receipts.

Authority To Sell Assets to National Investment Companies

SEC. 203. Any national investment company organized under this act may purchase from any Federal Reserve bank, and any Federal Reserve bank is authorized to sell to any such company, at such reasonable price as may be agreed upon, any or all of the assets heretofore or hereafter acquired by such Reserve bank under the provisions of section 13b of the Federal Reserve Act.

Title III. Miscellaneous provisions penalties

SEC. 301. Title 18, United States Code, section 1014, is amended by inserting the phrase "a national investment company organized under title II of the National Investment Company Act of 1957," after the words "National farm loan association,".

Geographic Applicability

SEC. 302. The authority provided in this act shall be applicable in the United States,

including the District of Columbia and the Territories and possessions.

Right To Amend This Act

SEC. 303. The right to amend, alter, or repeal this act is hereby expressly reserved.

Authorization of Appropriations

SEC. 304. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this act.

By Mr. SPARKMAN (for himself, Mr. HILL, and Mr. KEFAUVER):

S. 720. A bill to make credit more readily available for financing small business by insuring loans made to small-business enterprises.

Be it enacted, etc.—

TITLE

SECTION 1. This act may be cited as the "Small Business Credit Act of 1957."

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress—

(a) to foster the development and growth of independent small-business enterprises with the objective of enabling them to make their maximum contribution to productive investment and employment and to the economic stability and growth of the Nation;

(b) to make credit for such enterprises more readily available in adequate amounts and on reasonable terms; and

(c) to facilitate maximum participation of private financial institutions and investors in financing these enterprises by insuring loans which are made by private lending institutions to small business.

Title I. Insurance on loans for small business; authority to insure

SEC. 101. The Administrator of the Small Business Administration (hereinafter referred to in this act as the Administrator) is authorized upon such terms and conditions as he may prescribe to insure such lenders as he finds to be qualified by experience or facilities and approves as eligible for credit insurance against loss of principal and interest which may be sustained by them as a result of loans made to small-business enterprises. Such a lender is hereinafter referred to as an "approved lender."

Overall Limit of Insurance

SEC. 102. The aggregate principal amount of loans with respect to which insurance may be granted under this title shall not exceed $250 million outstanding at any one time: *Provided*, That on or after July 1, 1958, the President may increase this limit to not more than $750 million.

Scope of Insurance and Insurance Reserve

SEC. 103. The insurance granted under this title shall provide for the reimbursement of losses to any approved lender and which reimbursement shall not exceed the lesser of—

(a) 90 percent of the unpaid balance of any loan, including accrued interest at the time of default;

(b) the insurance reserve of the insured lender on the date the claim for reimbursement of loss is approved for payment.

The insurance reserve of each lender shall be initially computed as 10 percent of the total amount of loans on which premiums have been paid and shall be diminished by the amount of claims approved for payment. The insurance reserve, if any, to the credit of any lender may, from time to time, be further diminished, but only pursuant to the contract between the Administrator and such insured lender.

Maximum Premium Charge

SEC. 104. The Administrator shall fix a premium charge for the insurance granted under this title in an amount not to exceed 1½ percent per annum of the principal amount of each loan, payable in advance, at such time and in such manner as he may prescribe.

Type of Loan Covered

SEC. 105. (a) Insurance granted under this title shall provide for the reimbursement of losses only with respect to loans bearing such interest, having such maturities, and subject to such other terms and conditions as required in accordance with regulations prescribed by the Administrator in force at the time the insurance is granted.

(b) No further insurance shall be granted under this title with respect to any borrower if the total outstanding amount of all loans of such borrower insured under this title would thereby exceed $250,000, or with respect to any loan whose maturity is in excess of 5 years and 32 days.

(c) No insurance shall be granted under this title for any loan for agricultural purposes, as determined in accordance with regulations issued by the Administrator after consultation with the Secretary of Agriculture, or with respect to any loan which is eligible to be insured under the National Housing Act, as amended.

(d) Any loan with respect to which insurance is granted under this title may be refinanced or extended with continued protection under this title in accordance with such regulations as the Administrator may prescribe: *Provided*, That the amount or unexpired term of any such loan shall not be in excess of the limitations contained in paragraph (b) of this section.

Transfer of Insurance Between Institutions

SEC. 106. The Administrator, under such regulations as he may prescribe, may permit the transfer to any approved lender any insurance in connection with loans which such lender wishes to purchase from another approved lender.

Revolving Fund

SEC. 107. (a) The premiums and other moneys received by the Administrator in the course of operations under this title shall be deposited in a revolving fund in the Treasury of the United States. The revolving fund shall be available for defraying the operating expenses incurred under this title, and for the payment of claims in connection with the insurance granted under this title.

(b) For the purposes of carrying out the provisions of this title, there are hereby authorized to be appropriated to the revolving fund provided in this section—

(1) the sum of $10 million for the initial establishment of the revolving fund; and

(2) such further sums, if any, as may become necessary for the adequacy of the revolving fund.

(c) The Administrator shall pay annually into the Treasury, as miscellaneous receipts, interest on any sums appropriated to the revolving fund which have not been repaid into the Treasury as provided in subsection (d). The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its costs in connection with such appropriated funds, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

(d) At least annually, any balance in the revolving fund in excess of an amount determined by the Administrator to be necessary for requirements of the fund, and for reasonable reserves to maintain the solvency of the fund, shall be paid into the Treasury as miscellaneous receipts, and any outstanding balance in the amounts appropriated to the revolving fund shall be reduced by the same amount.

(e) The Administrator, with the approval of the Secretary of the Treasury, may invest and reinvest such portions of the revolving fund as he may determine to be in excess of current needs in any interest-bearing securities of the United States or in any securities guaranteed as to principal and interest by the United States, and the income therefrom shall constitute a part of the revolving fund.

(f) The financial transactions, accounts, books, and records of the Administrator pertaining to the revolving fund shall be audited on an annual basis by the General Accounting Office and a copy of each report on the audit shall be furnished to the President, the Congress, and the Administrator.

Exemption From Section 24 of the Federal Reserve Act

SEC. 108. Loans made by national banks with respect to which insurance is granted under this title shall be exempt from the provisions of section 24 of the Federal Reserve Act (12 U. S. C. 371) relating to real-estate loans.

Administrative Provisions

SEC. 109. In the performance of, and with respect to, functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(a) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunctions, garnishment, or other similar process, mesne or final, shall be issued against the Administrator or his property;

(b) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this act, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance, until such time as any such obligation may be referred to the Attorney General for suit or collection;

(c) deal with, complete, renovate, improve, modernize, insure, or rent, or sell for cash or credit upon such terms and conditions as he shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of insurance granted under this act;

(d) pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Administrator in connection with real property by way of deficiency or otherwise. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Administrator pursuant to the provisions of this act may be exercised by the Administrator or by an officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

(e) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary

or appropriate to the conduct of the activities authorized in this title.

Title II. Miscellaneous provisions; delegation of authority

SEC. 201. The functions of the Administrator under this act shall be performed by him or, subject to his discretion and control, by such officers, agencies, or corporations of the Government, if any, which are under his supervision, as he may designate.

Coordination With Economic and Fiscal Policies

SEC. 202. The President may, at any time or times, reduce, for such periods as he shall specify, the maximum authorized principal amounts, maximum maturities, or maximum percentage of Federal insurance or participation of any type or types of loans for business which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch, or by any wholly owned Government corporation as defined in the Government Corporation Control Act, upon a determination, after taking into consideration the effect thereof upon general economic conditions and upon the national economy, that such action is necessary or desirable to coordinate the business-aid functions and activities of the Federal Government with its general economic and fiscal policies.

Right To Amend This Act

SEC. 203. In connection with administering this act, the Administrator shall establish such classifications of small-business enterprises, for eligibility for loans with respect to which insurance under this act may be granted, as he deems appropriate. Such classifications may relate to types of business and industry groupings eligible and also as to the eligibility of borrowers to be regarded as small business. For the latter purpose, a small-business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation.

Authority To Promulgate and Waive Regulations

SEC. 204. (a) The Administrator may make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this act. Any such rule or regulation issued under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this act.

(b) The Administrator is authorized to waive compliance with any such rules and regulations if, in his judgment, they have been substantially complied with in good faith and where in his opinion such waiver would not be in derogation of the interest of the Government.

Administrative Provisions

SEC. 205. In the performance of, and with respect to, the functions, powers, and duties vested in him by this act, the Administrator, notwithstanding the provisions of any other law, may—

(a) prepare and disseminate information concerning the activities undertaken under this act; and

(b) enter into contracts.

Reports

SEC. 206. The Administrator shall report annually to the Congress through the President on the programs authorized by this act.

Penalties

SEC. 207. (a) Title 18, United States Code, section 493, is amended by inserting the phrase "Small Business Administration," after the phrase "Federal Housing Administration."

(b) Title 18, United States Code, section 657, is amended by inserting the phrase "Small Business Administration," after the phrase "Federal Housing Administration."

(c) Title 18, United States Code, section 1006, is amended by inserting the phrase "Small Business Administration," after the phrase "Federal Housing Administration."

(d) Title 18, United States Code, section 1010, is amended by inserting the phrase "or Small Business Administration," after the phrase "Federal Housing Administration."

(e) Title 18, United States Code, section 1014, is amended by inserting the phrase "The Small Business Administration," after the words "National farm loan association."

Geographic Applicability

SEC. 208. The authority provided in this act shall be applicable in the United States, including the District of Columbia and the Territories and possessions.

Right To Amend This Act

SEC. 209. The right to amend, alter, or repeal this act is hereby expressly reserved.

The summaries presented by Mr. SPARKMAN are as follows:

SUMMARY OF A BILL ENTITLED "NATIONAL INVESTMENT COMPANY ACT OF 1957"

GENERAL SUMMARY

The purpose of this bill is to meet the capital needs of small business by the establishment of private investment companies which would lend and invest money to small business enterprises.

Such investment companies may be formed by five or more persons subject to approval of the articles of incorporation by the Board of Governors of the Federal Reserve System (hereafter referred to as the Board). Federal Reserve banks may also form investment companies.

No investment company may transact business until it has obtained approval from the Board and until such company has a paid-in capital and surplus of at least $5 million. Federal Reserve banks cannot invest more than 2 percent of the combined capital and surplus of its member banks or $5 million, whichever is greater. Member banks of the Federal Reserve cannot invest more than 2 percent of their capital and surplus. Stockholders other than Federal Reserve banks cannot hold more than 10 percent of the outstanding shares in an investment company without the approval of the Board. The Board may limit the aggregate amount of shares in an investment company or companies owned by any stockholder. Federal Reserve banks are required to sell shares which they hold in an investment company upon the demand of any eligible purchaser—such sale is subject to the Board's approval.

Investment companies are authorized to borrow money, but not in excess of the amount of their capital stock and surplus.

Such companies may make loans with or without security and also invest in securities offered by eligible small business firms. Without the Board's approval, no investment company may lend and invest in one enterprise more than $1 million plus one-third of such company's combined capital and surplus and maximum indebtedness.

The Board shall set forth standards to determine what enterprises are to be considered as small business for the purposes of this act.

Because of the risks involved in such undertaking, investment companies established under this act are given certain tax advantages not available to ordinary corporations. Such investment companies are exempt from the payment of taxes on dividends distributed to their stockholders. They are allowed to retain and accumulate a substantial fund of earnings designated in the act as a "national investment company reserve" not to exceed 50 percent of a company's invested capital or its accumulated earning and profits, whichever is less. Deposits in the reserve up to 20 percent of the company's invested capital are treated as a tax deduction. Further amounts in the reserve qualify for the dividends-received tax credit of 85 percent, provided the company actually has dividend income from domestic corporations equal to the amount so deposited.

Section 13b of the Federal Reserve Act, which permits Federal Reserve banks to make business loans, is repealed effective one year after passage of this act.

ORGANIZATION OF NATIONAL INVESTMENT COMPANIES

National investment companies may be formed by five or more persons who shall subscribe to the articles of incorporation of such company. "Persons" as here used means banks, financial institutions, corporations, partnerships, and individuals. In the case of a Federal Reserve bank investing in such a company, such bank alone shall subscribe to the articles of incorporation.

The articles of incorporation and amendments thereto are subject to the review of the Board of Governors of the Federal Reserve System (hereinafter referred to as the Board) which shall upon approval issue a permit for such company to begin business.

Each investment company shall have a board of nine members elected annually by the stockholders of the company.

CAPITAL STOCK PROVISIONS

Each investment company organized under this act must have a paid-in capital and surplus of at least $5 million before it may commence business. Federal Reserve banks are authorized to invest in the shares of stock of such companies, but no Federal Reserve bank can invest more than 2 percent of the combined capital and surplus of its member banks or $5 million, whichever is greater.

The shares of stock in national investment companies may be purchased by member banks of the Federal Reserve System, nonmember banks, financial institutions, corporations, partnerships, or individuals. Member banks are limited to holding an amount of shares in such companies not in in excess of 2 percent of their capital and surplus.

The Board may limit the total amount of shares of stock owned by any stockholder, and no stockholder without the Board's approval may own or control more than 10 percent of the total outstanding shares of stock of any one company.

Upon demand of any eligible purchaser a Federal Reserve bank is required to sell its shares of stock, subject to the Board's approval which shall include the purchase price.

BORROWING POWER

National investment companies are authorized to borrow money and to issue obligations, but not in excess of the amount of their capital stock and surplus.

AUTHORITY OF NATIONAL INVESTMENT COMPANIES

National investment companies are authorized to make secured and unsecured loans and to invest in the securities of small business enterprises. Without the Board's approval, an investment company cannot lend and invest in any one enterprise more than $1 million plus one-third of such company's combined capital, surplus and maximum indebtedness.

ELIGIBLE ENTERPRISES

The Board is authorized to establish standards to determine the eligibility of business enterprises under this legislation. In the establishment of such standards the Board

is to consider the policy of the Congress under this act, i. e., "to foster the development and growth of independent small business enterprises" and "to make capital for such enterprises more readily available."

TAX PROVISIONS

National investment companies are not required to pay a tax on that portion of net income distributed to stockholders. Such companies may also establish and maintain a reserve fund on which certain tax credits and deductions shall be allowed. The amount of the reserve cannot exceed 50 percent of the invested capital of an investment company, i. e., the paid-in capital and indebtedness of such company, or the accumulated earnings and profits of such company, whichever is less. That part of the reserve fund not in excess of 20 percent of the company's invested capital may be deducted from taxable income. Of the remaining amount in the fund the dividends-received credit of 85 percent is allowed on dividends actually received from domestic corporations.

REPEAL OF SECTION 13B OF FEDERAL RESERVE ACT

Section 13b of the Federal Reserve Act, which authorizes Federal Reserve banks to lend money to business enterprises, is repealed effective 1 year after enactment of this legislation. The funds which the Secretary of the Treasury has paid to Federal Reserve banks under section 13b are to be repaid to the Treasury.

SUMMARY OF A BILL ENTITLED THE "SMALL BUSINESS CREDIT ACT OF 1957," TO INSURE LOANS MADE BY APPROVED LENDERS TO SMALL BUSINESS ENTERPRISES

GENERAL SUMMARY

The purpose of this bill is to make more credit available to small business by insuring private financial institutions against loss resulting from loans made to small business enterprises.

The Small Business Administrator is authorized to administer this insurance program. The Administrator of SBA determines those private lending institutions eligible for insurance coverage and he also determines what borrowers are considered in the category of small business for purposes of this legislation.

Insured loans to any one borrower cannot exceed $250,000 outstanding and maturity cannot be more than 5 years, 32 days. The amount of the insurance premium paid by borrowers is set by the SBA Administrator, but it cannot exceed 1½ percent a year. In the case of losses suffered by lenders on insured loans, such lenders are reimbursed 90 percent of the unpaid balance, including accrued interest, but in no case more than the insurance reserve of the insured lender which is 10 percent of the total amount of loans on which such lender has paid premiums.

Insurance premiums received by the Administrator of SBA are deposited in a revolving fund in the Treasury of the United States. This fund is to be used to defray the costs of the insurance program and to pay claims on unpaid insured loans.

AUTHORITY OF SBA ADMINISTRATOR

The Administrator of the Small Business Administration is authorized to insure lenders against loss resulting from loans made to small business enterprises.

The Administrator shall determine those lenders eligible for such insurance. He also shall establish classifications of small business enterprises eligible for insured loans. For purposes of this act a small business concern is deemed to be "one which is independently owned and operated and which is not dominant in its field of operation."

LOAN LIMITATIONS

No one borrower can be insured for an outstanding amount of loans in excess of $250,000 or for any loan whose maturity exceeds 5 years, 32 days.

The SBA Administrator is authorized to prescribe other "terms and conditions" which must be met in order for loans to be considered as qualified insured loans under this act.

The aggregate amount of loans insured under this act cannot exceed $250 million outstanding, but the President is authorized to increase this limitation to $750 million 1 year after the act's enactment.

PREMIUM CHARGE

Borrowers are charged a premium for insurance granted under this act which is to be determined by the SBA Administrator, but it is not to exceed 1½ percent per year. Such premium charges are to be deposited by the Administrator in a revolving fund in the Treasury of the United States. This fund is to be used to defray operating expenses of this program and for payment of insurance claims.

Ten million dollars is appropriated for the establishment of this fund.

SCOPE OF INSURANCE

Reimbursement of losses by approved lenders on insured loans cannot exceed 90 percent of the unpaid balance due, including accrued interest at the time of default. In no case can such reimbursement exceed the insurance reserve of the insured lender. The insurance reserve of each lender is computed as 10 percent of the total amount of loans on which insurance has been paid; the reserve is reduced by the amount paid out in claims to such insured lender.

Mr. SPARKMAN. Mr. President, while I take pleasure in introducing these two measures in an attempt to alleviate the effects of a credit scarcity to the independent, small concern, I do not claim pride of authorship. I welcome the support and constructive suggestions of other Members of the Senate. I shall want to consult at length with experts within the executive branch and in private life. I realize, therefore, that it may be desirable to make certain procedural changes and improvements in these bills. For example, it may be necessary to spell out in more detail the responsibility of governmental agencies and it may prove desirable to add something concerning the relationship of the national investment companies to the State-chartered development corporations already inaugurated. In recognition of the dire need of small business for adequate sources of credit I offer these two bills. I commend them to the attention of my colleagues and I welcome their support to assure the passage of these measures in this session of Congress.

PROBLEMS CONFRONTING SMALL-BUSINESS MEN

Mr. SPARKMAN. Mr. President, on Monday of last week, I spoke here of the critical problems confronting small-business men as a result of glaring inequities in the tax laws. At that time, I also introduced five bills designed to provide appropriate tax relief for the small entrepreneur. Such long-needed legislation, I am confident, will receive the firm support of the Senate in this first session of the 85th Congress.

In the area of antitrust, the legislative needs of small business are equally pressing. These needs have long been known. Now, they must be fully met—promptly and decisively. To delay in this regard may well mean the irreplaceable loss of a substantial portion of the small-business community. Concerted action must begin at once to restore and maintain unrestricted competitive opportunity, the essential condition to the preservation of small business.

Lest my words be thought alarmist, I ask the Senate to consider the unmistakable trend toward monopoly that has been developing within recent years in our Nation's industry. I refer, of course, to the high concentration of economic power that is implicit in the almost unprecedented merger activity of the last four years. In 1952, a total of 823 corporate mergers were consummated; in 1953, 793; in 1954, 617; in 1955, 846, and for 1956, a preliminary estimate by the Federal Trade Commission discloses that over 900 mergers took place. Reasonable observers can agree that, should this merger tide continue unchecked, the source of our Nation's vitality and prosperity—the competitive character of its economy—is certain to disappear with disastrous consequences, not only to small business, but to all Americans.

Mergers in the banking field are also a cause for serious concern to small business. In 1956, at least 185 banking mergers took place, according to an initial report from the Federal Reserve Board. Although the 1956 total does reflect a decrease from the number recorded for 1955, the fact cannot be avoided that last year witnessed the disappearance, as separate entities, of some of the Nation's largest banks. The knowledge that economic concentration is proceeding at such a lively pace is extremely disturbing to the thousands of small-business men beset by formidable credit and financing problems.

Let it be clearly understood that I do not intend to see the small-business community oppressed and its ranks depleted by the economic concentration that is being produced by currently rampant merger activity. The fact cannot be ignored that empires are being ambitiously built and enlarged at the expense of small business. On the contrary, I am determined that all necessary steps shall be taken toward drastically reducing current merger activity.

To this important end, I am today introducing a bill amending the basic antitrust law, section 7 of the Clayton Act. Although the bill is similar in scope and purpose to proposed antimerger legislation which I introduced in the last Congress, and on which I testified before the Judiciary Committee of both Houses, it should be mentioned that the bill includes many perfecting features not to be found in the earlier measures. Both Representative CELLER and I are convinced that this proposed legislation is sound, constructive, and fully adequate to the crucial task of stemming the rising tide of mergers.

Briefly stated, the bill is designed to improve enforcement of section 7 of the

Clayton Act by eliminating such loopholes as now make possible the evasion and frustration of the statute's prohibitions. I shall now briefly explain the four main provisions of the bill:

First, the bill proposes to make section 7 applicable to bank mergers which may substantially lessen competition or tend toward monopoly, whether such merger is effected by asset or by stock acquisition. At present, a monopolistic bank merger comes within the scope of section 7 only where it has been accomplished by means of a stock transfer. Such an anomaly is manifestly absurd. Neither in logic nor as a matter of practical experience can the competitive consequences of a bank merger be distinguished by whether an acquisition of stock or of assets is involved.

The early enactment of this amendment to section 7 will be an important move forward in the offensive that must soon be launched against increasing economic concentration in our Nation's banks and banking associations. The Federal Reserve Board and the Department of Justice must be enabled to proceed aggressively against all monopolistic bank mergers without regard to whether the acquisition was by transfer of assets or of stock.

Second, the bill is designed to afford the antitrust agencies and the appropriate Government board a reasonable period of time in which to study the competitive implications of a proposed merger before having to decide whether or not to prevent its consummation. More specifically, the bill provides that the consummation of a merger between corporations having a combined capital structure in excess of $10 million is prohibited for 60 days after the merging parties have given notice of their plans to the Attorney General and the Federal Trade Commission or other appropriate board. In addition, such merger-planning parties are required to submit to the antitrust agencies and board certain relevant information concerning their companies and the markets in which they operate. A penalty of from $5,000 to $50,000 may be imposed for willful failure to comply with the requirements of giving notice and submitting relevant data.

Expressly exempted from the notification and waiting provisions of the bill are 10 enumerated categories of corporate transactions. The transactions so exempted include those which are not essentially mergers and those which would be insignificant in competitive effect. Another means of minimizing the possibility of hardship resulting from the notification and waiting requirements is the availability of waiver procedures under certain circumstances. Such procedures are to be established by the Federal Trade Commission or the appropriate board, with the approval of the Attorney General, for use in cases where notification and a waiting period are deemed unnecessary to effect enforcement of section 7.

It should also be pointed out that failure of the antitrust agencies or other appropriate board to take legal action against a proposed merger during the 60-day period following notification does not preclude the taking of such legal action at some later date. Nor is the amendment to be construed as an arrangement for advance agency approval of mergers.

Third, the bill authorizes the Federal Trade Commission to seek a preliminary court injunction restraining consummation of a corporate merger pending final Commission action. The Department of Justice now possesses similar premerger injunctive powers under section 15 of the Clayton Act. However, existing law does not empower the Commission to seek a court order preserving the status quo until such time as the Commission's administrative proceedings against the merging corporations are completed. This amendment will materially assist the Federal Trade Commission in realizing its full potential in the drive against anticompetitive mergers.

Fourth, the bill amends section 7 of the Clayton Act so as to make the statute applicable to monopolistic mergers where either the acquiring or the acquired corporation is engaged in interstate commerce. At present, the antimerger law is applicable only where the acquired corporation is engaged in commerce. Thus, in cases where the acquired corporation is engaged exclusively in interstate commerce, the enforcement agencies lack jurisdiction to act under section 7, no matter how seriously anticompetitive the effects of the merger may be.

By enlarging the purview of section 7 in this manner, Congress will be accomplishing more than providing an effective means for attacking anticompetitive acquisitions of intrastate corporations. It will also be making unnecessary a painstaking search for evidence of interstate transactions in the usual case where a large corporation clearly engaged in commerce has acquired a number of small companies.

Another bill which I am introducing today will enable the Federal Trade Commission to achieve speedy, effective compliance with cease and desist orders issued under the Clayton Act and the Robinson-Patman amendment. This measure is extremely important to the interest of small business, so frequently the victims of antitrust violations.

Furthermore, the bill protects merging companies from improper disclosure of information submitted pursuant to the notification requirement by making such disclosure a misdemeanor.

This bill strengthens the enforcement provisions of the Clayton Act in two important respects. First, the act's enforcement procedures are brought into line with those being used by the Commission to enforce orders issued under section 5 of the Federal Trade Commission Act. Second, violation of Clayton Act orders is made subject to the same civil penalties now applicable to violation of the Federal Trade Commission Act orders.

As chairman of the Senate Small Business Committee, my attention has frequently been directed to the ineffectual manner in which the Federal Trade Commission has moved to enforce orders requiring respondents to cease and desist from violations of the Clayton Act. Study of many of these cases has convinced me that, even where the Commission has the will to enforce, action toward compliance is seriously impaired by the cumbersome procedures which must be followed and by the lack of teeth in such procedures. These procedural defects become readily apparent when the enforcement system of the Clayton Act is contrasted with that available under the Federal Trade Commission Act.

An order issued pursuant to Section 5 of the Federal Trade Commission Act becomes final and conclusive 60 days after its issuance, unless the respondent seeks review by a United States Court of Appeals. When court review is sought, the order becomes final upon the court's affirmance of the order. Once such an order has become final, either through lapse of time or court affirmance, its violation, for each and every day, is punishable by a fine of not more than $5,000.

On the other hand, Commission orders issued pursuant to the Clayton Act do not become final by a lapse of time. Nor is violation of a Clayton Act order subject to penalty until it has been adopted as a court order. Accordingly, in a case where a Clayton Act order is being flouted by the respondent, the Commission may informally attempt to obtain voluntary compliance. That course failing, the Commission is obliged to proceed to a United States Court of Appeals to prove that its order is being violated. But the court, instead of satisfying itself with proof that the order is being violated, may decide to undertake what amounts to a de novo consideration of the antitrust issued in the case. Then, the court may issue a formal decree adopting the Commission's order as its own. Even at that point, however, court enforcement of the order does not commence forthwith. Rather, enforcement requires that contempt proceedings be instituted for violation of the decree of the court. Then, should the respondent be found guilty of contempt, the court may impose an appropriate fine. All in all, the enforcement procedures applicable to Clayton Act orders are awkward, slow, and hopelessly complicated, and without meaningful sanctions.

In this light, it is readily understandable why contempt proceedings to enforce a Clayton Act order have been successful only twice since 1940. Bearing in mind that Commission orders issued pursuant to the Clayton Act and its Robinson-Patman amendment are intended to remedy such grievous antitrust wrongs as monopolistic mergers, exclusive dealing arrangements, and predatory pricing practices, such an enforcement situation is intolerable. Efforts to obtain full compliance with Clayton Act orders ought not to be hampered by legalistic difficulties. Rather, such efforts must be encouraged by the availability of streamlined enforcement procedures, suitably adapted to the important ends being sought. The guiding consideration should be that delayed justice in antitrust matters can only mean no justice at all to the small-business men who are so often the targets of the prohibited practices.

Another piece of proposed legislation which I consider extremely important to the well-being of the small-business community is the Equality of Opportunity bill. That measure, it will be recalled, makes the good faith defense unavailable to a seller charged with a price discrimination that may substantially lessen competition or which tends toward monopoly.

On Monday, I joined the Senator from Tennessee [Mr. KEFAUVER] again as a cosponsor of the Equality of Opportunity bill. The Senate may be assured that I intend to work as vigorously in this session for the enactment of the measure as I did in the last Congress. There must be no further delay in affording the small-business community maximum protection from the competitive evils of discriminatory pricing practices.

In this statement, it has been my pleasure to review the legislative needs of small business in the area of antitrust. I am confident that these needs will be met by my Senate colleagues in full and with dispatch.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 722) to amend the Clayton Act to prohibit certain bank mergers and provide for more effective enforcement thereof, and for other purposes, introduced by Mr. SPARKMAN (for himself and Mr. THYE), was received, read twice by its title, and referred to the Committee on the Judiciary.

ADDITIONAL INDUSTRIAL USES FOR AGRICULTURAL PRODUCTS

Mr. CAPEHART. Mr. President, I am introducing, for appropriate reference, a bill which can best be described as a bill to find ways and means of using farm products in industry and to find new markets for farm products.

I am introducing the bill on behalf of myself and many other Senators. I ask that the text of the bill be printed as a part of my remarks at this point in the RECORD.

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

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

The bill (S. 724) to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products so as to reduce surpluses of such products and to increase the income of farmers, and for other purposes, introduced by Mr. CAPEHART (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

DECLARATIONS AND FINDINGS

SECTION 1. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and additional industrial uses for agricultural products:

(a) Current productivity of farms in the United States is substantially in excess of current markets for their products at price levels which provide fair and substantial income to farmers.

(b) National defense and the security interests of the United States require increasing and expanding agricultural productivity to meet possible emergency needs of the United States and its allies, which productivity cannot be achieved or maintained at depressed farm prices resulting from overproduction or with acreage curtailments to avoid overproduction.

(c) It is in the national interest of the United States to increase the level of farm income in order that farmers may continue to share to a greater degree in the general prosperity of the Nation.

(d) No program has been developed, and none can be foreseen, that can successfully shrink farm production for an extended period of time; but research programs provide known means potentially to increase substantially the industrial uses of agricultural products and thereby to achieve farm prosperity based on full, rather than curtailed, production.

(e) Research facilities, both private and public, including those of land-grant colleges and universities, can and should be utilized for an all-out attack on the development of increased and additional industrial uses of agricultural products to enlarge opportunities for increased production by farmers and to reduce Government costs for the acquisition, storage, and ultimate disposition of agricultural commodities which are now a substantial financial burden to the Government.

(f) The cost to the United States of such a research program may be expected to be more than offset by increased tax revenues resulting from increased earnings of both farmers and those who sell goods, wares, and merchandise to farmers, as well as by savings to the United States in costs of current agricultural assistance programs.

PURPOSES

SEC. 2. The purposes of this act are to find and develop through research, sponsored and financed by the United States, new industrial uses, and increased use under existing processes, of agricultural products.

ADMINISTRATION CREATED

SEC. 3. There is hereby created in the executive branch of the Government an Industrial Agricultural Products Administration (hereinafter referred to as the Administration), in which is vested the duties, powers, and responsibilities hereafter set out in this act. Such powers, duties, and responsibilities of the Administration shall be vested in an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve during the pleasure of the President. The Administrator shall receive compensation at the rate of $22,500 per annum.

DUTIES, POWERS, AND RESPONSIBILITIES OF THE ADMINISTRATION

SEC. 4. The Administration shall conduct research, both scientific and chemical, make field studies, conduct both laboratory and field experiments, test production procedures on a commercial basis, maintain and expand pilot plants whenever necessary, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and otherwise promote the finding, development, and commercial use of new, increased, extended, and perfected processes, techniques, and programs for industrial uses of greater quantities of agricultural products.

POWERS OF THE ADMINISTRATION AND THE ADMINISTRATOR

SEC. 5. The Administration is authorized to:

(a) Utilize such existing facilities of the United States, and such trained personnel employed by the United States, as the President finds can feasibly be transferred to the Administration for carrying out the purposes of this act. The President is hereby authorized to (1) transfer any such facility, facilities, or personnel to the Administration, or to (2) make any such facility, facilities, or personnel available to the Administration for carrying out the purposes of this act.

(b) Build, purchase, or lease plant facilities, or necessary equipment, suitable for research, pilot plant, manufacturing or other needs of the Administration in carrying out the purposes of this act.

(c) Employ such personnel as may be necessary to carry out the purposes of this act; and all technical or scientific employees engaged for research by the Administration shall be exempt from the civil service laws and regulations.

(d) Employ or retain on a contract basis individuals, firms, institutions, and organizations, public and private, including land-grant colleges and universities, to conduct research programs for the Administration pursuant to this act.

SEC. 6. The Administration is authorized to pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this act, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards.

SEC. 7. The Administrator is authorized to appoint Industry Advisory Committees and to employ consultants without compensation or at rates of compensation not to exceed $50 per diem.

SEC. 8. The Administration may make grants to accredited schools, colleges, and universities for fellowships and scholarships in research for the purposes of this act.

INDUSTRIAL AGRICULTURAL PRODUCTS AGENCY CREATED

SEC. 9. There is hereby created in the Department of Agriculture an Industrial Agricultural Products Agency (hereinafter referred to as the "Agency"). The duties, obligations, and responsibilities of the Agency shall be carried out by and under the direction of the Secretary of Agriculture.

DUTIES AND RESPONSIBILITIES OF THE AGENCY

SEC. 10. Under the delegations, directives, and policy determinations of the Administrator, the Agency shall carry out all of the duties, obligations, and responsibilities imposed upon the Administration by this act, including the making of research contracts, employment of personnel, contracts for the construction, purchase, lease, or other acquisition of real or personal property, and the maintenance of all records, files, studies and other data undertaken pursuant to this act. Notwithstanding any other provisions of this act, the Administrator may delegate any power given him hereunder to the Agency, and he may control, supervise, and direct all Agency action permitted by law under this act.

SEC. 11. The Administrator shall report semiannually to the Congress progress on research programs undertaken pursuant to this act to find and develop new and increased industrial uses for agricultural products.

SEC. 12. The Agency may license, at a fair and reasonable royalty, any person, firm, or corporation to use any process developed by the Agency or to make and sell under any patent, or application for patent of the Agency. Such royalties shall be based upon fair compensation to the Government for its investment and shall be nondiscriminatory. Whenever the Administrator finds it in the public interest to do so, he may grant royalty-free licenses for processes developed under this act, including the right to make and sell under any patent or application for patent of the Agency.

APPROPRIATIONS

SEC. 13. There is hereby authorized to be appropriated to the Department of Agriculture, for the Industrial Agricultural Products Agency, the sum of $100 million for the fiscal year beginning July 1, 1957, and the same amount annually thereafter. There shall be paid out of such appropriations the salary of the Administrator as well as all other expenses of his office. The President is authorized to transfer to the Agency $1 million out of unexpended Agricultural Department funds to initiate promptly this program following the enactment of this act for and during the fiscal year ending June 30, 1957.

Mr. CAPEHART. Mr. President, I also ask unanimous consent that the bill lie on the desk until next Monday, so that other Senators may join with me in the introduction of the bill. Already some 30 Senators have placed their names on the bill as cosponsors. However, there are a number of other Senators, not present today, who cosponsored exactly the same bill last year, and I know that they wish their names to be placed on the bill as cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAPEHART. I ask unanimous consent that there be printed in the body of the RECORD at this point the text of a speech I made on the same subject and on this same bill on June 14, 1956.

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

FARMERS, SCIENTISTS, ECONOMISTS, EDITORS, AGRICULTURAL SCHOOL HEADS APPROVE SENATOR CAPEHART'S FARM RESEARCH PROPOSAL AS BEST APPROACH TO PERMANENTLY SOUND AND PROSPEROUS FARM ECONOMY—ALL AGREE MORE MONEY SHOULD BE EXPENDED FOR INDUSTRIAL USE RESEARCH TO ASSURE PERMANENT AND EXPANDING MARKET, ABSORB INCREASED PRODUCTION, RAISE FARM PRICES

(Speech of Hon. HOMER E. CAPEHART, of Indiana, in the Senate of the United States, Thursday, June 14, 1956)

Mr. CAPEHART. Mr. President, I wish to speak a few minutes with reference to Senate bill 3503, to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products, so as to reduce surpluses of such products and to increase the income of farmers, and for other purposes.

I, together with some 30 other Senators, introduced that bill on March 21 of this year. The purpose of the bill is to find, by research, new uses and markets for farm products. Many persons have referred to the bill as a research bill. It asks for $100 million to carry out its provisions.

Not many days ago Congress passed a new farm bill. The administration at this moment is putting that bill into effect. One of its purposes is to place in operation the so-called soil bank under which American farmers are asked to reduce their production, to reduce the number of acres they plant of many different grains and other products, including cotton. The purpose of that bill was to accomplish two things. One was to get rid of existing surpluses which have been breaking the backs of American farmers and likewise the backs of the American taxpayers. The other was to increase farm prices.

My best judgment is that the bill will accomplish both objectives. However, that sort of situation, in which the farmers are asked to reduce their production and the American taxpayers are asked to contribute to the income of the American farmer, is certainly not a satisfactory one over a long period of time.

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

Mr. CAPEHART. I yield.

Mr. CURTIS. I heartily endorse the efforts of the distinguished Senator from Indiana. I am convinced that he deserves and will receive the lasting gratitude of the farmers of Indiana and of every other agricultural State. He is putting his finger on the need for additional markets for our farm products over the long pull.

At the present time there is an agricultural surplus of only 5 percent. However, because of the great strides made in agricultural production, it is estimated that in a few years, notwithstanding the increase in population, our agricultural surpluses will represent 10 percent of our needs for food and fiber. Therefore, the salvation of the agricultural economy rests on getting new customers.

Mr. CAPEHART. As a businessman, I know of only two ways to increase business. One is to sell more goods to existing customers, and the other is to find new customers. We are selling all we possibly can to existing customers. So we must find new uses and new customers if we are going to solve permanently the farm problem.

Let me point out, if I may, what has happened during the past 50 years in the United States. I am not complaining about it. I am happy that it has occurred. But in the United States during the past 50 years, particularly—much longer than that, but we have been amplifying it during the past 50 years—as a government and as a people we have been spending millions and millions of dollars to show the farmer how to produce more and more. There is a county agent in every county in the land. There are 4-H Clubs. There are great agricultural schools. The Department of Agriculture has spent a great deal of money. Private industry has spent a great deal of money in developing new seeds and new fertilizers. By spending millions of dollars in research ways and means of killing weeds have been found, so that the farmer can grow more. Billions of dollars have been spent. Billions of dollars of the American taxpayers' money have been spent in bringing into cultivation in the West, through irrigation, many acres which previously did not produce anything. The States of Arizona and California produce, I believe, or, at least, can produce, more cotton today than the original 11 cottongrowing States produce. Most of it is at the taxpayers' expense in connection with providing water to irrigate the land.

So, Mr. President, we have been spending billions upon billions of dollars to increase the farmers' production, but we have forgotten to whom the farmers would sell this increased production. So, the result is that the production is far up and the market is below the production.

What I wish to see Congress do is to spend as much time and as much money in the next few years in finding new uses for farm products and new markets for farm products as we have been spending in showing the farmers how to produce more.

In other words, Mr. President, we must do either one of two things in the United States. We must either reduce farm production or we must provide markets which will utilize the farmers' production, and then increase evenly both the farmers' production and the market.

To me, that is the only sensible way to do it. It is the only practical and sound way to do it. It simply must be done. To do otherwise will wreck the economy of America, and ruin the farmers by reducing their income.

If that should happen the income of every American would be reduced.

Mr. President, to me it is unthinkable that we should not do what I am advocating. The bill is before the Senate Committee on Agriculture and Forestry. Knowing of the interest which the able chairman of that committee [Mr. ELLENDER] has in agriculture, and the interest of the chairman of the subcommittee [Mr. CLEMENTS], my hope is that the committee will report the bill promptly, and that it will be passed at this session of the Congress. I cannot help feeling that the committee will do so. Thus far, the committee has not announced any hearings. I am forced to say that if hearings are not held, the committee will have to accept the responsibility, in my opinion, for the failure to take the necessary action to cure the farm problem permanently. But I do not believe the committee will fail to take action. I think hearings will be held, and a bill will be reported, because millions of farmers are looking to the committee to take action.

Let me cite an example of what I meant when I said a moment ago that the Government has spent millions upon millions of dollars to show the farmer how to grow more and more, but that very little has been spent to find new uses and new markets for farm products. I hold in my hand a table covering the 12 years from 1946 through 1957, and including the appropriation which was recently made for the fiscal year 1957.

I find that expenditures for agricultural research for State experimental stations from non-Federal funds, primarily State funds, during the 12 years amounted to $592,050,000. Almost $600 million have been spent, not to find new uses or new markets for farm products, but to show the farmer how to grow more and more and more.

Payments to State agricultural experiment stations from Federal grant funds during the 12-year period have amounted to $172,936,000. Again, that money was spent not to find new markets or new uses for farm products, but to show the farmers how to grow more and more.

For production research in the Agricultural Research Service, the amount spent in 12 years has been $276,320,000. In this instance, again, the money was not used to find new markets or new uses for farm products, but simply for research in agricultural marketing. The Government has simply been inviting farmers—and I am not quarreling with this—to grow more and more.

For marketing research in the Agricultural Marketing Service, $57,486,000 has been spent during the period 1946 through 1957. This agency is another branch of the Department of Agriculture.

The total amount spent for these items during the 12-year period amounted to $1,098,792,000—almost $1,100,000,000. I am not quarreling about that at all. I am glad the money was spent. I think it was a worthwhile expenditure.

But during the same 12-year period, what was the amount which was spent to find new uses and new markets for farm products? From 1946 through 1957, including the appropriation for fiscal 1957, $88 million, or 8 percent of what was spent to show the farmer how to grow more and to advise him what was going on, was spent to find new uses and new markets for farm products. The $88 million was spent primarily in the four regional research laboratories which were established under the laws of 1938 and 1946.

I shall state the amount of money which was spent each year. In 1946, it was $5,117,000; in 1947, $5,766,000; in 1948, $7,675,600; in 1949, $8,053,600; in 1950, $8,686,400; in 1951, $8,122,400; in 1952, $8,002,400; in 1953, $7,713,000; in 1954, $7,956,000; in 1955, $9,047,000; in 1956, $9,575,000; and in 1957 it will be $12,488,500; a total of $88,202,900 in 12 years to find new uses and new markets for farm products. Contrast the $88 million

spent for that purpose with the more than $1 billion spent to show the farmer how to grow more.

Mr. President, I ask unanimous consent to have this table, which was furnished me by the Department of Agriculture, printed at this point in the RECORD.

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

Comparison of moneys appropriated for utilization research to production and marketing research

Year	Expenditure for agricultural research for State experimental stations from non-Federal funds primarily State funds	Payment to State agricultural experiment stations, Federal grant funds	Production research, Agricultural Marketing Service	Marketing research, Agricultural Marketing Service	Total per year	Utilization research Agricultural Marketing Service (research conducted by 4 regional laboratories)
1946	(1)	$7,206,000	$14,880,000	$2,000,000	$24,086,000	$5,117,000
1947	(1)	7,206,000	17,269,000	2,379,000	26,854,000	5,766,000
1948	$35,350,000	9,677,000	18,464,000	3,068,000	66,559,000	7,675,600
1949	40,305,000	10,718,000	22,283,000	4,845,000	78,153,000	8,053,600
1950	45,205,000	12,694,000	22,723,000	5,247,000	85,869,000	8,686,400
1951	50,972,000	12,712,000	21,860,000	4,712,000	90,256,000	8,122,400
1952	56,884,000	12,676,000	22,240,000	4,342,000	96,142,000	8,002,400
1953	61,971,000	12,676,000	22,804,000	4,680,000	102,131,000	7,713,000
1954	67,205,000	13,705,000	23,600,000	4,745,000	109,255,000	7,956,000
1955	72,158,000	19,408,000	25,640,000	6,104,000	123,310,000	9,047,000
1956	78,000,000	24,754,000	28,567,000	7,164,000	138,485,000	9,575,000
1957	[2] 84,000,000	29,504,000	35,988,000	8,200,000	157,692,000	[3] 12,488,500
Total	592,050,000	172,936,000	276,320,000	57,486,000	1,098,792,000	88,202,900

[1] Figures not available.
[2] Estimated figure for 1957.
[3] Present agriculture appropriation bill.

Mr. CAPEHART. Mr. President, does it not make sense that not less than $100 million should be appropriated to find new uses for farm products in industry? Does it not make sense that tests should be made of the new uses with which the Department of Agriculture has already been experimenting and has almost perfected in the four laboratories I have just mentioned? Pilot plants ought to be built to test the new uses. Something should be done to find new markets and new uses for the products of the farmer. What are we waiting for?

I dislike to think there is anything political about this matter. I feel certain there is not. So why are we waiting?

Many persons have reminded me of the four laboratories which are now in existence. Yes, there are four laboratories. I said that when I introduced the bill originally on March 21. I named the laboratories at that time. I stated that the laboratories were at present working on 11 new uses for farm products. I said I had been told that if those experiments were successful, and if some pilot plants could be built and some field tests made to determine whether the uses were practical, and means were developed whereby the products could be processed and marketed, the new uses might well consume more than 3 billion bushels of grain a year out of the total of 6,500 million bushels raised in the United States annually.

So I ask again, Mr. President, what are we waiting for?

The year in which the largest appropriation was made to find new uses and new markets for farm products was 1956, when $9,575,000 was provided and spent. In the same year, $300 million was spent to show the farmer how to grow more. To me, that does not make sense. There are in the United States a thousand manufacturing concerns, oil refineries, and mining companies which spend more than $9 million a year on research.

The United States has a great farming industry. The gross income of the 6 million farmers involved is from $36 billion to $38 billion a year. But only some $9 million was spent last year in what is called fundamental research in the finding of new uses and new markets for farm products.

Mr. President, I urge the Committee on Agriculture and Forestry, especially its chairman, to hold hearings immediately on the bill (S. 3503) and to report the bill. Let us give the four laboratories which are now in existence sufficient money to do the job. Let us provide them with money to build pilot plants in order to prove some of the uses with which they are now experimenting. Let us enable those laboratories to make field tests.

Let us solve the farm problem on a permanent basis. Let us solve it by increasing the income of farmers, rather than decreasing it. If we will increase the farmers' income and put them in a position profitably to grow more and more, we will be increasing the income of every American, because more jobs will be created, and there will be more business for the manufacturers, wholesalers, and retailers. The construction business will be increased, because it will be necessary to build new processing plants in order to manufacture the new articles which will be made from farm products.

I observe the able senior Senator from Florida [Mr. HOLLAND] on the floor. The citrus industry in his State has had some experience with what can be done by finding new uses for or methods of handling farm products, as was demonstrated by the processing of citrus fruit. The Department of Agriculture developed methods for the quick freezing of citrus juices. This has proved to be very beneficial to the citrus growers of Florida. New industries were developed there because new processing plants were required. So there is no limit to what can be done in the United States if only we can get our people busy at work on the matter.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement on this subject prepared for me by the Library of Congress.

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

"THE LIBRARY OF CONGRESS,
"LEGISLATIVE REFERENCE SERVICE,
"Washington, D. C., May 18, 1956.

"RESEARCH, LEGISLATION, AND PROGRAMS RELATING TO THE UTILIZATION OF AGRICULTURAL PRODUCTS

"PUBLIC LAW 733

"The current research programs relating to the utilization of farm products are operated under the provisions of Public Law 733, approved August 14, 1946, as an amendment to the Bankhead-Jones Act of 1935, to provide for a great expansion in research programs with more emphasis on marketing and the utilization of farm products. It was recognized that the marketing and utilization research in the Department of Agriculture and in the State experiment stations should be expanded greatly in relation to production research as a means of dealing with the postwar adjustment problems.

"The Research and Marketing Act of 1946 contains three titles:

"Title I: Amends the Bankhead-Jones Act of 1935 to provide further research into the basic laws and principles relating to agriculture;

"Title II: May be cited as the Agricultural Marketing Act of 1946; and

"Title III: Provides for the establishment of committees advisory to the Secretary of Agriculture in the furtherance of the research and service work authorized by the act.

"Title I

"In the statement of policy with reference to research, it is declared to be the intent of Congress 'to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy.' For the attainment of this and other objectives, 'the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including, but not limited to, research relating to the development of new and improved methods of production, marketing, and the utilization of agricultural products at all stages from the producer to the consumer.'

"The more specific directions with reference to utilization research include indications of the intent of Congress that it should contribute to the expansion of outlets for surplus products. In the language of the act, it is provided that the Secretary shall conduct and stimulate research 'relating to the development of present, new, and extended uses and markets for agricultural commodities and byproducts as food or in commerce, manufacturer, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand.'

"This is in line with the provisions of the Agricultural Adjustment Act for 1938 for the establishment of four regional laboratories for research relating to the utilization of agricultural products. Section 202 of that act provided that the laboratories to be established were to 'develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and the byproducts thereof.' It is provided that 'such research and development shall be devoted primarily to those farm commodities in which there are regular or seasonal surpluses.'

"The Research and Marketing Act of 1946 provides that maximum use shall be made of existing research facilities of the Federal Government and the State experiment stations. It further provides that the research authorized is to be in addition to research provided under previous laws but should be coordinated with that research.

"Appropriations were authorized with schedules increasing from the first fiscal year ending June 30, 1947 through fiscal 1950 or 1951, as follows:

"Section 9 (a) authorizes increased appropriations for research for the State experiment stations beginning with $2,500,000 and increasing to $20 million for fiscal 1951. Section 11 provides that not less than 20 percent of the funds authorized to be appropriated under this section shall be used by State agricultural experiment stations for conducting marketing research.

"Section 10 (a) authorizes additional expenditures for further research on utilization and associated problems, beginning with $3 million and increasing to $15 million for

fiscal 1951. This section provides that the research authorized shall be conducted so far as practicable in the laboratories of the Department of Agriculture. However, it provides also that the Secretary of Agriculture may contract with public or private organizations for research supplemental to and coordinated with the research of the laboratories.

"Section 10 (b) provides for cooperative research with the State agricultural experiment stations and other appropriate agencies in fields other than utilization. Additional appropriations were authorized to increase from $1,500,000 to $6 million per annum for the fiscal year ending June 30, 1950.

"Following each of the schedules for annual increases in appropriations, additional funds are authorized as Congress may deem necessary.

"Title II

"The Agricultural Marketing Act of 1946 provides for expansion of the marketing research and service work of the Department of Agriculture and cooperating agencies. The marketing research and service authorized include activities related to utilization, as follows:

"'SEC. 203 (a). To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine. * * *

"'(e). To foster and assist in the development of new or expanded markets (domestic and foreign) and new and expanded uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and abroad.

"'(f). To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products.'

"Such activities by the agencies engaged in marketing research and service are essential to the full development and effective use of the results of the utilization research in the laboratories.

"Section 204 (a) authorized appropriations for research and service work in connection with the preparation for market, processing, packaging, handling, storing, transporting, distributing, and marketing of agricultural products. Increasing from $2,500,000 for the first fiscal year to $20 million for the fiscal year ending June 30, 1951. Additional funds are authorized thereafter as the Congress may deem necessary. This section also authorizes the Secretary to make funds available to State departments of agriculture, bureaus and departments of markets, agricultural experiment stations, and other appropriate State agencies for cooperative projects in marketing service and in marketing research.

"Title III

"Section 301 provides for a national advisory committee consisting of 11 members, including representatives of producers and their organizations, to make recommendations relative to research and service work and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and Federal and State agencies.

"Section 302 authorizes the Secretary to establish additional appropriate committees, including representatives of producers, industry, Government, and science to assist with reference to specific research and service programs.

"The committees authorized by title III provide channels of communication for keeping the Secretary advised as to the most pressing needs for research and also contribute to maintaining good-will working relations with the trade and industry.

"ORGANIZATION AND DEVELOPMENT TO DATE

"The Department of Agriculture proceeded after the passage of the Research and Marketing Act in August 1946, to request appropriations in line with the authorizations and directions of the act. But the schedules of increased appropriations have not been carried through. No additional funds authorized for the first fiscal year ending in 1947 were appropriated. For fiscal 1950 only $19 million was appropriated whereas the authorizations provided for $48 million. The schedule of authorizations for utilization (sec. 10 (a) was to increase to $15 million in fiscal 1951, but the appropriations identifiable for this purpose in 1956 are still short of the authorization for 1951.

"The responsibility for failure to appropriate funds in accordance with the schedules in the legislation to expand research activities is chargeable to both the Congress and the administrative agencies. The administrative agencies have been restrained to some extent by (1) the shortage of available qualified personnel to staff a rapid expansion of research along the several lines provided for in the act; and (2) the pressure for economy or restraint upon increasing Government expenditures. Possibly weaknesses in organization and scarcity of dynamic leadership have been contributory factors. An evaluation of the significance of these factors could be developed through the testimony of witnesses from the Federal and State research agencies at hearings.

"The extent of the responsibility of the Congress for failure to provide the funds scheduled or requested could be checked by a review of the relation of the appropriations to the budget requests for research funds. However, it is probable that the requests by administrators are affected to some extent by known or expected attitudes of members of the Appropriations Committees of Congress."

Mr. CAPEHART. Mr. President, I likewise ask unanimous consent to have printed in the RECORD, as a part of my remarks, a study made by the Library of Congress for me, which is headed "Research and the Utilization of Agricultural Products." There are many pages in the study, but I think it ought to be made a part of the RECORD.

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

"THE LIBRARY OF CONGRESS,
"LEGISLATIVE REFERENCE SERVICE,
"Washington, D. C., May 9, 1956.

"RESEARCH AND THE UTILIZATION OF AGRICULTURAL PRODUCTS

"1. RESEARCH BY GOVERNMENT AGENCIES

"The United States Government expenditures on research relating to the utilization of agricultural products including forestry, are small in comparison with expenditures on production. The total of the funds available for utilization research by the United States Department of Agriculture in the current fiscal year amounts to only $12,644,000 of a total of $58,614,000 available for research and development. The funds available for marketing research amount to $8 million, and the remainder, $38 million is available for research relating to production.

"The research designed directly for industrial utilization of surplus farm products is really only a small part of the funds available for utilization research. The utilization research programs included in the United States Department of Agriculture to which the funds indicated above are allocated, include research on human nutrition and home economics and the utilization of forest products. The direct obligations for utilization research to develop new and improved products, improving processing, and increasing the use of products are $9 million. A large part of this is utilized on improving feeds, foods, and clothing. Such research is directed toward improving qualities protecting the products in relation to competition of nonfarm products, and satisfying special demands. It is practically impossible to determine a definite allocation of these funds for research designed primarily to increase the industrial use of surplus farm products, but it is evidently only a small proportion of the limited funds available for utilization research.

"The State Experiment Stations and associated agricultural colleges and universities receive a substantial grant of funds from the Federal Government and a larger volume of funds from the State and other non-Federal sources for agricultural research and development, including some research on utilization.

"The Federal Government in the current fiscal year has distributed $24,754,000 to the States and it is estimated that the State research agencies receive about $78 million from other sources. Only a very small proportion, less than $2 million, of the funds distributed by the Federal Government to the States is used for utilization research. The other agencies contributing to research in the States provide about $5 million for utilization research. Adding together all funds available in the current fiscal year for utilization research totals about $20 million, with about $126 million used for production and $16 million used in marketing research. The research directed at extending industrial uses for surplus farm products in the State institutions, as in the agencies of the United States Department of Agriculture, is probably only a small part of the total of the funds available for utilization research.

"Agricultural research and development funds available fiscal 1956

Federal and State Government agencies, including agricultural colleges and universities:	
U. S. Department of Agriculture	$58,614,000
States, Federal funds	24,754,000
Non-Federal funds	78,000,000
Total	161,368,000
U. S. Department of Agriculture agencies:	
Distribution to types of research:	
Production	38,257,000
Utilization	12,644,000
Marketing	7,714,000
Total	58,614,000
Agricultural Research Service payments to States:	
Distribution to types of research:	
Marketing	5,603,000
Utilization	1,658,000
Production	17,493,000
Total	24,754,000
Non-Federal funds available to State experiment stations, agricultural college and universities:	
Distribution to types of research:	
Marketing	2,730,000
Utilization	5,460,000
Production	69,810,000
Total	78,000,000

"Type of research, distribution, funds available to Federal and State agencies, 1956

Distribution to types of research:	
Utilization: [1]	
USDA agencies	$12,644,000
State agencies, Federal funds	1,658,000
State agencies, non-Federal funds	5,460,000
	19,762,000
Distribution to types of research:	
Marketing research:	
USDA agencies	7,714,000
Federal funds	5,603,000
Non-Federal funds	2,730,000
	16,047,000
Production research:	
USDA agencies	38,256,000
State agencies, Federal funds	17,493,000
State agencies, non-Federal funds	69,810,000
	125,559,000
	161,368,000

"[1] Includes forestry products, home economics research, and allocations of library and other administrative funds.

"Estimate of non-Federal funds and distribution by type of research supplied by budgetary reports, Agricultural Research Service, USDA.

"The great disparity in the Government in use of agricultural research funds between production and utilization is an historical development. The authorization of Federal research in relation to production developed from the beginnings of research in the United States Department of Agriculture and the State experiment stations. Research in relation to marketing and utilization of farm products is a recent development. Recognition of the need for marketing research and services was registered in the establishment of the Office of Markets in the United States Department of Agriculture shortly before the outbreak of the First World War. The recognition of the need of utilization research as a contribution to the disposal of surplus farm products was formally recognized first in the Agricultural Adjustment Act of 1938.

"Legislative provision for research on new uses and new markets for surplus farm commodities was included in title 2 section 202 of the Agricultural Adjustment Act of 1938, as follows:

"'SEC. 202 (a). The Secretary is hereby authorized and directed to establish, equip, and maintain 4 regional research laboratories, 1 in each major farm-producing area, and, at such laboratories, to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and oulets for farm commodities and products and byproducts thereof. Such research and development shall be devoted primarily to those farm commodities in which there are regular or seasonal surpluses, and their products and byproducts.'

"The Secretary was authorized and directed to cooperate with other departments, agencies, and institutions in carrying out the purposes of this legislation. An appropriation not to exceed $4 million was authorized for the first year. The four regional laboratories have become important research centers.

"However, the financial support for the development of agricultural utilization research has not kept pace with the problems to be dealt with nor with the national expenditures upon research generally. The Federal expenditures on research and development have multiplied many times within the last 15 years. Estimates of expenditures for Federal research and development indicate an increase from less than $100 million in 1940 to over $2 billion in fiscal 1955.[1] The research and development expenditures in the Department of Agriculture increased from about $28 million in 1940 to $72 million in 1955, whereas the expenditures on utilization research, initially authorized at $4 million in 1938, has increased to only $9 million for fiscal 1955.

"While there is no practical measure of funds required to deal with the problems which are dealt with in the field of ultilization research, it is obvious that expenditures are far short of what might be considered as required to deal with such problems.

"Evaluation of the results of utilization research by the United States Department of Agriculture

"The utilization research in the Department of Agriculture has contributed to a significant extent both directly and indirectly to expanding the industrial utilization and to increasing the use value and expanding the use of many farm products. Results of the utilization work of the Department were reviewed recently in an article entitled "More Dollars from New Markets," published in the March 1956 issue of Chemurgic Digest. It is quoted as follows:

"'MORE DOLLARS FROM NEW MARKETS

"'Industrial uses and new foods add millions to farm-product value.

"'The wholesale value of farm products (not including cotton and wool) used annually today for nonfood uses is about $1 billion.

"'Animal fats are used in making plasticizers—substances used to make plastics pliable and tough—at the annual rate of some $15 million pounds worth from $3 to $4 million. Stabilized fats used in feeds amounted to some 280 million pounds in 1955. Research has shown that use of inedible animal fats in the hotdip tinning of sheet steel could absorb 15 million pounds of fat annually and release the industry from dependence on imported palm oil.

"'Research to improve the quality of cotton products has helped raise cotton consumption and enabled cotton to ward off competition from other fibers. Developments by USDA's Agricultural Research Service in cooperation with industry include a cotton opener, which permits better cleaning and blending of raw cotton; a differential dye test, used to preselect cottons that will dye to a uniform shade; and new equipment that permits textile mills to handle cotton of different fiber lengths. The cotton opener alone is saving mills more than $2 million annually.

"'Cottons that are virtually new fibers have been prepared through chemical modification. One of them is partially acetylated cotton, highly resistant to rot, mildew, and heat damage. Another chemical treatment flameproofs cotton fabrics and enable it to keep its flame resistance even after many launderings. Improved surgical bandages, made by chemically treating ordinary cotton gauze to make it stretchable and self-clinging, costs less than half as much as that of other suitable bandages. They have already saved the Armed Forces several million dollars.

"'An important new use developed for corn is a fiber made from the corn protein zein. Zein fiber, used in blends with wool, cotton, and other fibers now has a market value of $5 to $6 million annually.

"'Research developed processes have made the dry grinding of such agricultural residues as corncobs, fruit pits, nut shells, and rice hulls a well established business. Much of the ground material is used for airblast cleaning and polishing. Corncobs are a source of the industrial chemical furfural, used in making nylon and other products. Waste straw is going into paper and paper products. Waste feathers are used for feeds and fertilizers.

"'Research on medicinals by agricultural scientists has been extremely rewarding. USDA investigators helped boost yields of penicillin more than a hundredfold, mainly through development of the submerged-culture method, using corn steep liquor (a byproduct of cornstarch manufacture) and lactose (milk sugar) in the culture medium. From an overripe cantaloup they isolated the mold that is the parent strain of all those now used for penicillin production. Following penicillin, a vast new era of antibiotic research and production was initiated, and a multimillion dollar antibiotics industry has been established.

"'Development of the starchlike substance dextran, a synthetic blood-plasma extender, is of incalculable value in case of a large scale catastrophe. Commercial production is now sufficient to meet military and civilian stockpiling needs.

"'Within the past 20 years, bulk groceries have been almost entirely supplanted by nationally advertised prepackaged goods. The entire retail frozen-food industry has come into being. From only 77 million pounds in 1935. United States production of frozen fruits rose to 523 million pounds in 1954. Frozen fruit-juice concentrates shot up from nothing in 1935 to 82 million gallons in 1954. Production of frozen vegetables starting from practically nothing in 1935, has reached about 1 billion pounds per year.

"'Developments in food processing have given farmers a more assured market for their crops, considerable relief from seasonably glutted markets, and more demand for products that provide better return for invested capital and labor.

"'Frozen concentrated orange juice, used by housewives the country over, returns tens of millions of extra dollars each year to orange growers and has prevented development of a glutted fresh-orange market. Orange juice, once a luxury, is now available to everyone the year round. Frozen concentrated grape juice, pineapple juice, apple juice, tomato juice are also on the market.

"'Research has increased tremendously also the outlet for dairy products. It has shown, for example, that milk solids can be used in practically any type of baked goods, making them taste, look, and keep better, as well as making them more nutritious.

"'Research conducted on dried eggs during the past 20 years has resulted in a high-quality, versatile new product. An expanding industry, now exceeding $50 million annually in volume, has been built on this research. At least 20 million pounds of dried whole egg, yolk, and white are now being used annually in candy and noodle manufacture, in commercial baking, and in prepared mixes.'

"The above statement selects for appraisal some of the most significant results of the utilization research by the Department. In addition, basis research not yet applied has laid the groundwork for tangible results not yet realized, but having great potential value. A substantial increase in funds for application and development probably could multiply the tangible results to farmers from the results of research to date. The fruitfulness of the modest expenditures to date suggest the potential value of expanding greatly the funds available for basic research and development.

[1] Federal Funds for Science, published by the National Science Foundation, 1954.

"2. UTILIZATION RESEARCH BY INDUSTRY

"The expenditures on research in the utilization of agricultural products in industry[2] are probably greater than the expenditures of the Government. Available information is not sufficient to provide a current estimate of the expenditures by industry for research relating to the utilization of farm products, but estimates of such expenditures in 1951 exceeded the total of research expenditures in the United States Department of Agriculture on all research and development in that year. Information from about 300 companies carrying on research relating to agriculture indicated that they were then spending about $90 million on the utilization of agricultural products, including forestry products. In addition, industry in 1951 was spending about $50 million on research relating to farm machinery, agricultural chemicals, feeds, etc., related to production. The total of research expenditures relating to agriculture by industry probably exceeded $140 million whereas the United States Department of Agriculture was spending only about $56 million on all research and development projects in that year.

"The recent survey of the cost of research and development in private industry indicated an expenditure in 1953 of about $3,700,000,000. Preliminary information indicates that more than one-third of the cost of research and development conducted by private industry was for work done on Government contracts. Probably not more than 5 percent of the total, if that much, was spent upon the utilization of agricultural products, including forestry. In this connection, it was estimated that the total expenditures on research by business, Government, and educational institutions probably exceeded $5 billion, with industry accounting for about two-thirds of that total.

"Examples of private industry research re industrial uses of agricultural products[3]

"The Atlas Power Co. is a pioneer in the development of new uses for agricultural products through chemistry and has long recognized the interdependence of industry and agriculture. In the early 1930's chemists of the Atlas Powder Co. developed a new process for turning corn sugar—that is, dextrose—into sugar alcohols. Up to that time, sugars, including corn sugar, had been confined in their uses almost entirely to sweetening substances; since sugar is not sufficiently heat-stable to undergo chemical reaction, it had only limited application to the chemical industry.

"By hydrogenating corn sugar, the company was able to produce heat-stable compounds which have found widespread use as a raw material in many manufacturing processes, both food and nonfood. Today, modern chemical research has made it possible to utilize corn sugar in emulsifiers for the manufacture of cosmetics, foods, medical and pharmaceutical preparations, and insecticides; also in placticizers, in industrial finishes for manufactured products, and in moisture conditioners for tobacco, textiles, paper, and other products.

"Atlas is a substantial user of farm products in virtually all its operations. In most cases farm products are used to make nonfood products. The manufacture of explosives, for example, requires large quantities of glycerin processed from livestock and vegetable oils, corn flour, nitrocotton, cane sugar, beet pulp, oat hulls, and many other products of the land. The company used some 12 million pounds of corn sugar in its manufacturing processes last year and is the Nation's largest user of corn sugar for nonsweetening purposes. More than 8 million pounds of natural fats and oils were required to make emulsifiers; and, in total, the company consumed approximately 40 million pounds of ingredients derived from farm crops.

"The E. I. du Pont de Nemours & Co., in addition to developing and formulating products for agricultural use, through research, has found uses for many farm products and byproducts. For example, cotton linters (short-staple fiber still adhering to cottonseed after ginning) once preferred for the production of cellulose, which Du Pont uses in very large quantities for manufacture of rayon, cellophane, finishes, explosives, and other products. In recent years, cellulose from woodpulp has been raised in standard by Du Pont scientists until it is of sufficiently high quality to be satisfactory in practically all uses.

"Farm products also enter substantially into manufacture of paints and lacquers by Du Pont. The company's finishes division uses large quantities of vegetable oils such as soya, linseed, and tung oil; butyl alcohol, which is derived from corn; and ethyl alcohol, derived from molasses which in turn is made from sugarcane.

"Ely Lily & Co. for many years has used great quantities of agricultural byproducts in the manufacture of pharmaceuticals such as insulin, liver products, and thyroid extracts. In addition, Lily uses in the making of pharmaceuticals such agricultural products as corn sugar, cane sugar, cornstarch, and oil, potato starch, soya-bean meal and oil, cider and vinegar, orange and lemon oils, beeswax, casein (curd of milk), and milk sugar.

"The Baker Castor Oil Co.'s program of research and development is concerned with vegetable oils unusual to United States agriculture, primarily castor oil, but also safflower oil and others. A spokesman for the company points out that its program is making possible higher incomes to farmers in areas where oil crops can be grown by providing new cash crops to be planted on acres retired from surplus crops, and thus permitting agricultural diversification with accompanying greater financial security.

"Baker's research chemists work constantly to develop new products made from castor beans and thus increase the market demand for castor beans and other unusual oil seeds.

"Spencer Kellogg & Sons, Inc., deals in oil-bearing crops which are converted into oils and protein concentrates. In producing protein concentrates, which it sells to mixed feed companies, the Kellogg Co. maintains its own research laboratories in which scientists evaluate meals, for feed, from a nutritional standpoint.

"An extensive research laboratory is maintained in the company's soybean solvent extraction plant in which Kellogg scientists work continuously to improve soybean oil both for edible and for industrial purposes and thus increase consumption. For example, a method of chemically treating soybean oil to increase its drying properties and make it equal to linseed oil has been developed, and the company says, 'We have a proven record that our product can be used in outside house paints and the results are equal to linseed oil for this work.'

"The National Canners Association has played an important part in the improvement of the United States canning industry's methods and products. In the field of scientific research carried on by trade associations for the benefit of an entire industry, the Canners Association was a pioneer and steadily has broadened the scope of its work in recent years to extend it to the industry's raw products problems.

"The Gerber Products Co. has been concerned with the manufacture of baby foods since 1901. From an humble beginning this company grew into an industry which in 1954 used a tonnage of fresh fruits and vegetables which would required 8,500 railroad cars to move.

"The corn refining industry, comprised of 13 plants, has through the Corn Industries Research Foundation, Inc., an extensive research program with projects handled by many agricultural colleges. The 13 corn-refining plants are capable of grinding 250 carloads of shelled corn daily (120 million bushels per year) and of shipping out a like amount of finished products—starch and oil, and their byproducts which principally are used by the mixed-feed industry for dairy and poultry feeds. As the result of research, practically nothing is wasted; even the steep-water in which the grain soaks before it is processed is an important nutrient for growing yeast and molds which in turn produce the antibiotics, such as penicillin, terramycin, streptomycin, and aureomycin.

"Industry research and development activities related to farm products probably would be stimulated by an expansion of the basic research program of the Government agencies. Cooperation of Government and industry in research and development of new and extended uses for farm products is essential to obtain the most significant results.

"ECONOMICS OF UTILIZATION

"The greatest interest in increasing utilization research arises from the need of finding outlets for surplus production. In working toward this objective it is necessary to give careful consideration to the significance of the results of utilization research in terms of market outlets and the volume of products which may be channeled through the new and expanded outlets.

"A recent article by K. Starr Chester published in the Chemurgic Digest, February 1955, calls attention to the tendency of industry to use substitutes for agricultural raw materials. The article is quoted in part as follows:

" 'There is a growing trend for industry to use substitute raw materials for the agricultural raw materials formerly used. As a few examples of this:

" 'Butanol and acetone, basic industrial chemicals, were formerly made from corn. Today the plants that made these chemicals from corn are idle, and the chemicals are being manufactured from petroleum or natural gas.

" 'Glycerol, another basic industrial chemical, was formerly made from tallow, and to some extent from cottonseed oil and soybean oil. Now synthetic glycerol is dominating the market.

" 'There is an extensive market for proteins in paper coatings. Either soybean protein or casein from milk can be used for this. This market is supplied from casein purchased from Argentina, which is cheaper than either domestic casein or soy protein.

" 'Furfural, which could have a major outlet in nylon manufacture, is made from grain residues, the use of which aids the economics of grain marketing. Yet cyclohexane from petroleum is used to great extent rather than furfural in nylon manufacture.

" 'Synthetic raw materials are replacing linseed oil in the drying-oil field, in numerous applications.

" 'Synthetic textiles are supplanting cotton for a number of uses including tire cords, carpeting, window curtains, and shower curtains as well as clothing.

" 'Alpha cellulose is now being made of woodpulp instead of cotton linters, as formerly.

" 'Synthetic detergents are replacing soaps which are made from natural oils and fats.

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[2] Science and Engineering in American Industry, Preliminary Report on a Survey of Research and Development Costs and Personnel in 1953–54, prepared for the National Science Foundation by the U. S. Department of Labor, 1955.

[3] USA—Background, published by the United States Information Agency Rept. No. 2099, dated September 12, 1955.

" 'Carboxymethycellulose, which in part has its origin in petroleum, is replacing starch as a thickening agent.

" 'The reasons for this shift away from agricultural raw materials are chiefly economic ones, which might be overcome if industry had incentives to use the agricultural raw materials. Synthetic raw materials are used because they are cheaper to buy and use, and are in constant supply at relatively constant cost from year to year. In some cases, they are more uniform and of higher quality, but these advantages generally have less significance than cost and supply.

" 'A great many agricultural raw materials are at a disadvantage because their cost is abnormally high; they have priced themselves out of the industrial market. Industry has no prejudice against agricultural raw materials; it simply cannot afford to use them. There is no lack of technology for producing industrial products based on such agricultural raw materials. In the fields of the Department of Agriculture, of industry, and of the Patent Office are many hundreds of processes for converting the surplus farm commodities into industrial products. These processes are scientifically sound, practical, and workable, but they lie gathering dust because their economics are not favorable. There is no economic incentive to use them.'

"Research that does not find an outlet that will increase the demand for the products will not in itself make a significant contribution to the disposal of surpluses except to the extent that it is significant to find outlets at lower value uses as relief measures to reduce losses otherwise being realized. The author cited above recognizes the problem and suggests that the Government provide incentives for the lower value use.

"With reference to economic incentives for the greater use of surpluses, he writes:

" 'To ask industry to make greater use of the surpluses, which it is able to do technologically but not economically, is to ask industry to undertake operations that are economically hazardous, yet are in the national interest, and, indeed, are in the nature of an emergency. The precedents for providing industry with economic incentives, in such cases, are well established.

" 'It is desirable that a thorough economic and technological study be made of the feasibility of relieving the surplus problem through providing such incentive to industry. This study should point out the industrial processes in which surplus agricultural commodities could be used to greater extent than at present, provided the economics were more favorable, and the extent to which this would relieve the surplus problem. The nature and amount of incentives that could stimulate such utilization must be determined. The cost of these must be calculated, and compared with existing costs related to the surplus problem. The study should consider the impact which such a shift in raw materials would have on other industries, and its economic and social consequences.'

"Improving the processing and the economic utility of an agricultural product resulting in a higher value use, is, of course, more to be desired than a program of incentives to permit or encourage lower value uses.

"The position of cotton in relation to synthetic fibers is a case which illustrates the problem and the possibilities of maintaining and even developing higher value uses. Improvements in the use values of the synthetics and lower costs of production have made serious inroads on the outlets for cotton. The National Cotton Council reports that the synthetics industry is now spending at least $60 million on research annually but the entire research expenditures devoted to cotton by all public and private agencies combined is probably only about $14 million annually. However, the cotton utilization research has demonstrated that the utility of the cotton fibers can be improved and the competitive position of that crop thereby strengthened.

"3. PROGRAMS FOR UTILIZATION RESEARCH AND DEVELOPMENT

"The research and marketing advisory committees of the United States Department of Agriculture with the assistance of members of the staff of the Department, now provide a means of keeping in touch with research needs and the industrial research programs as well as the activities and research plans of the Government agencies and other research institutions. Through the Department and these committees, it would be possible to develop information as to the programs in operation, plans for future work, and obtain evaluation of needed research and funds required for research programs which have the greatest promise of significant results."

Mr. CAPEHART. Mr. President, I hold in my hand many editorials which have appeared in the great newspapers and magazines of the United States in respect to this matter. I have not found anyone opposed to this idea. I have not found anyone who does not feel the purpose of the bill ought to be accomplished quickly. Many people do not quite understand why we have not heretofore passed such a bill. So I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, many editorials and articles from magazines and newspapers.

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

"[From the South Bend Tribune of March 24, 1956]

"CAPEHART'S FARM VISION

"Senator CAPEHART'S suggestion that the Federal Government spend $100 million a year on a program for development of new uses of farm products commands serious consideration in the existing circumstances.

"Already a lot of the taxpayers' money is going into subsidies, in one form or another, which evade the basic issue. At the root of the farm problem is overproduction. Too much is being produced in view of the existing need for farm products.

"For decades this has not been given proper consideration in the much-advertised 'farm relief' laws. A series of evasive farm laws has merely aggravated the situation.

"The Eisenhower administration is trying to create a less dangerous system for service while a program going completely to the root of the problem is being devised and applied. But the administration is literally beseiged now by congressional advocates of measures that would prolong and intensify the basic trouble.

"Perhaps an efficient crop production control system cannot be created. In fact, many authorities say that it is literally impossible.

"So it is eminently sensible to consider ways and means of increasing demand for farm products. Incidentally, the remedies applied so far by the Federal Government, most notably rigid Government supports, have actually reduced demand for some farm products.

"Senator CAPEHART specifically mentions 'industrial use for agricultural products.' The potential demand in that area may be unlimited.

"The Indiana Senator thinks the markets for farm products can be increased 100 percent in the next 50 years. That could mean unprecedented prosperity for farmers.

"This is not wildly fanciful. The surface has been barely scratched where new uses for farm products are concerned."

"[From the Indianapolis Times of March 25, 1956]

"HOOSIER FARM LEADERS BACK CAPEHART'S PLAN—BUREAU, FARMERS UNION CHIEFS ENDORSE UNITED STATES RESEARCH TO INCREASE PRODUCT DEMAND

"(By Ted Knap)

"Leaders of two major farm groups in Indiana yesterday endorsed Senator HOMER E. CAPEHART'S crash program to find new uses for agricultural products.

"The Indiana Republican Senator said his $100-million-a-year research proposal would double the market for farm products. In introducing the measure last week, he said it would help solve the farm problem for all time.

"Instead of concentrating on cutting farm production in line with the reduced demands, which has been Federal policy for more than 20 years, the Capehart plan would concentrate on boosting the demand so farmers can produce all their land will yield.

"He called the plan staggering in impact.

"Hassil Schenck, president of the Indiana Farm Bureau, said he is very enthusiastically in favor of the Capehart bill.

" 'It is one of the soundest investments the Government could make at this time,' he said. 'It would be a major step toward the long-range solution of the farm problem. The job is a big one, and the research program should get an appropriation big enough to carry it out.'

"John Raber, president of the Indiana Farmers Union—often opposed to the Farm Bureau—said his group also favors the Capehart plan.

"Both the Farm Bureau and Farmers Union, at their recent State conventions, approved resolutions calling for more Government-sponsored research into industrial uses for farm products.

"Both Mr. Schenck and Mr. Raber predicted the Capehart bill will pass in this election year when the farmers' plight is of major political concern. Mr. Schenck said some opposition is expected from those interests with which industrialized farm products would compete, like the gasoline industry.

" 'Its potential is virtually unlimited,' Senator CAPEHART said. 'I know enough about it that I have been saying to the farmers of Indiana: "Don't sell your farmland. Buy more. The next 50 years on the American farm will see unprecedented prosperity." ' "

" 'Its results,' Senator CAPEHART said, " 'would include:

" 'More income for the farmer.

" 'More jobs—on farms, in new industries, and in transport.

" 'More retail business in farm communities and around the new industries.

" 'Lower taxes for all because it would wipe out, or at least reduce, the need for Government buying of surplus.' "

"Senator CAPEHART pointed out that the $100 million he urges for research is less than one-third of the $365 million Uncle Sam now spends just for storing surplus crops.

"Main points of the Capehart bill are:

"1. It creates an Industrial Agricultural Products Administration, headed by a Presidential appointee.

"2. The IAPA would conduct research and experiments on old and new farm products to explore their usefulness in industry.

"3. It would hire or contract with firms and research organizations, including universities, to conduct such study programs.

"4. It would operate pilot plants to develop manufacturing processes to the point where it will be profitable for private industry to take over.

"5. Pay private citizens for successful suggestions or inventions in this field.

"6. Expand the research and pilot plant programs now being done on a limited basis by the Agriculture Department.

"Senator CAPEHART said there are many possibilities for industrial use of crops, some of which have had preliminary exploration. For example, alcohol made from grain can be substituted for gasoline if cheaper manufacturing methods can be devised.

"There has been considerable interest in a bamboo plant to be used as raw material for making paper pulp, which is in critically short supply.

" 'Some years ago, the citrus-fruit industry was in bad shape,' Senator CAPEHART recalled. 'Then our Agriculture Department, through research, aided in the perfection of the quick-frozen food process. I am told that this virtually saved the citrus-fruit industry.'"

"[From the Hammond (Ind.) News of May 28, 1956]

"NEW USES FOR FARM PRODUCTS

"Mixing alcohol with automobile gasoline—a process used successfully in several foreign countries and which has received experimental approval in the United States—may go a long way toward solving the surplus grain problem. An estimated 2½ billion bushels of grain would be used annually in making alcohol for new uses—including 2 billion bushels for mixing with gas and 365 million bushels if alcohol can be produced economically enough to justify its use in the manufacture of synthetic rubber.

"Study of the alcohol-from-grain possibility is among the proposals of many Senators who are seeking new uses for farm products to bolster the agricultural economy and reduce surpluses. Senator HOMER E. CAPEHART of Indiana has been among the leaders in advocating the establishment of a special agency devoted to exploring new industrial uses for farm products and has introduced legislation to that effect."

"[From the Indianapolis News of March 23, 1956]

"A KEY TO FARM PROSPERITY

"Indiana Senator HOMER E. CAPEHART is to be commended for urging Congress to look beyond temporary farm relief measures toward establishment of a basis for permanent agricultural prosperity.

"We believe that he is on the right track in introducing a bill to set up a broad Government-backed program of research to find new industrial uses for farm products.

"Essentially, as the Senator explains, this is a solution of the farm problem based, not on the negative theory of curtailing production, but on a positive approach of creating new markets demanding full utilization of our agricultural capacity.

"Industry in this country already has made great progress in using grain and other crop derivatives in processing rubber, plastics and other materials. But the surface has hardly been scratched.

"Agricultural research, as far as Government programs have been concerned, has been a budgetary orphan. It presently has neither the facilities nor the personnel needed to bring it to the point of a breakthrough toward major accomplishment.

"The $100 million annually to bring this about, as provided in the Capehart measure, is fractional when compared to the savings that could be made in farm subsidies and in Government storage of surpluses.

"Senator CAPEHART believes enactment of such a research program would result in the creation of a farm market at least twice as great as any we have ever known.

"Farmers could follow their natural instinct to get everything possible out of their land. Industry would profit. Doors would be opened to thousands of new jobs with the opening of plants to manufacture new products.

"Our farm economy has been based too long on the notion that farm products are meant only to be eaten.

"Research is disproving that now. But greatly expanded research is needed to bring the marketing of agricultural products for industry on a par with their marketing for grocery counters and feed mills.

"As Senator CAPEHART says, much of the program he proposes should be carried on in existing public and private laboratories, particularly through our land-grant colleges, and through private industry itself.

"The Government's role should be that of coordinator, not operator.

"The main thing is to get the program started as soon as possible. Just that much sooner will farmers be brought into equality with other segments of our economy. And just that much sooner will the taxpayers be taken off the treadmill of paying for year-to-year high-cost farm relief bills.

"When that time comes, we won't have the dismal spectacle of good Indiana corn rotting in storage."

"[From the Indianapolis Star of March 25, 1956]

"TO SEEK A PERMANENT CURE

"Hoosier Senator HOMER CAPEHART has offered to the Senate a farm proposal which may justifiably be called exciting. It is a proposal that Government research in the industrial uses of farm products, long carried out on a limited scale by the Department of Agriculture, be elevated to the status of the major phase of the farm program.

"All of American industrial experience suggests that Senator CAPEHART is merely stating a simple truth in saying that the possibilities of expanding the market for farm goods by this means are limitless.

"Expansion of the farm market is the only kind of measure which can possibly bring permanent solution of the farm problems. The opposite measure—reduction of supply—has been the objective of the present Federal program since its inception during the New Deal. To date all the effort directed at this objective over more than 20 years has not been able to bring even a single season's respite from the problem. If the program ever were successful in shrinking production to the size of the market, there could be no sense of assurance that the market would not then contract further and bring the problem back.

"If on the other hand relief from the problem can be obtained by expanding the market to absorb the existing production, even if production then expanded further, as it undoubtedly would, still there would be every possibility that a continued balance could be maintained by perpetuating the expansive trend of the market, once established.

"We hope Congress will be quick to grasp the potentialities of this proposal.

"We question the proposition that the idea should be implemented by creating a new administrative agency, and a new section in the Department of Agriculture. To be sure this has been the standard method of launching a project in Washington over the past 25 years or so. But it is not necessarily the best method.

"The establishment of new agencies would be dramatic. But it also would be time consuming. Funds and energies for a considerable period at the start of the program would be dissipated in the building of a new segment of bureaucracy. Only when it has firmly laid the groundwork for its own perpetuation and expansion is a new Federal Bureau ready to go to work at the task assigned to it.

"It might be more effective to put the funds and energy into direct expansion of the existing research program of the Department of Agriculture. Surely sufficient emphasis could be achieved in the passage of the act to give the program initial impetus equivalent to that achieved by the psychology of establishing a new agency.

"The basic proposal is a good one. The mechanics are important to the end that energy be applied as soon and as directly as possible to the achievement of the mission, with a minimum of diversion into the fields of new buildings, new plants, and new staffs.

"Senator CAPEHART has hold of something."

"[From the Indiana Farmers Guide]

"MORE USES FOR FARM PRODUCTS

"One of the constructive proposals to come out of current debate on the farm problem is the bill introduced by Hoosier Senator HOMER E. CAPEHART to establish a $100 million Government research program 'to double the demand for farm products through discovery of new industrial uses and utilization of new processes already known.' Although some research along this line has been conducted for a number of years on a limited scale by the United States Department of Agriculture and land-grant college experiment stations, this would be an intense, well-financed effort to speed up and expand such research to alleviate the farm crop surplus problem as rapidly as possible.

"Expansion of the farm market is the only real solution to our current crop surplus problems. Natural population growth and concerted efforts to find new markets for our crops as food and fiber will take care of part of the expanding production, but Senator CAPEHART'S proposal is designed to eliminate the slack entirely and to strengthen the American farmer's economic position in a constructive manner.

"We are inclined to disagree with the Senator on one provision of his bill. This would establish a new Industrial Agricultural Products Administration to conduct the program and a new agency within the Department of Agriculture to carry out the work. It might be better if this entire project were made a part of the existing research program of the Department of Agriculture, rather than creating another office.

"We hope Congress will give this program for expanded industrial uses of agricultural products serious consideration."

"[From the Plymouth (Ind.) Pilot-News of May 2, 1956]

"FARM PROBLEM SOLUTION

"Senator HOMER E. CAPEHART, of Indiana, has proposed a plan for the solution of the troublesome farm problem which he believes will make an unlimited market for our farm products. His plan: "A tremendous research and development program * * * to develop to the utmost the industrial uses we already know about for farm products * * * and at the same time find new uses creating a demand for at least double what we have considered normal farm production of the United States.'

"Senator CAPEHART has a big farm down near Washington, Ind., and knows something firsthand about the farmer's problems. He would have a sizable appropriation for the rapid and signal increase of research for greater and greater uses of farm products until surpluses will be a thing of the past.

"For many years the Chemurgic Council has been working on this matter of turning farm products into new uses, and considerable progress has been made. CAPEHART believes that there is no limit to the new products we can discover if we devote enough time to the subject.

"The Senator may be right about this, for scientists have done far more wonderful things than this. The time has certainly come to give this idea a thorough trial. If science can solve our critical farm problem, that is without doubt the best and surest way to do it. Politics will never solve it."

"[From the Washington Star of April 6, 1956]

"CAPEHART'S FARM PLAN WORTH LOOK

"A new line of attack on the farm problem, uniformly recognized as the number one headache in the national economy, has been proposed to Congress. It is, in brief, a greatly expanded and intensified research program to find new industrial uses for farm products. Legislation to launch the program, under a full-time administrator, has been introduced by Senator CAPEHART, Republican, of Indiana.

"The idea of research in agriculture is not, of course, a new one. The Department of Agriculture, through its experimental stations and in cooperation with both public and private agencies, has engaged in research for many years. And Senator CAPEHART proposes that his vastly broader program should be built upon the foundations of this existing activity.

"To a large extent, however, past research has been directed at improving production methods and quality of crops rather than seeking new uses for the products themselves. It is in this proposed change in emphasis, perhaps, that a substantial increase in research offers its greatest promise for utilization of our continuing and costly overproduction.

"There are, in fact, certain lines of research under way—but with limited funds and attention—that might provide important new agricultural markets. One is the extraction of metallurgical oils and another of paint oils from grain. A third is the manufacture of synthetic rubber through the use of ethyl alcohol extracted from grain, or in the use of grain-derived ethyl alcohol for other industrial purposes.

"The petroleum and chemical industries, as examples have demonstrated—particularly in the last decade—the unlimited horizons that can be discovered through research. The chemical companies already are directing attention to the possibilities in agricultural products.

"The farming community itself, however, is not able, through organization, or financing to undertake research on any effective scale. The proposed program would be a long-term one and relatively costly in the first instance. It might, however, bring much greater dividends than those derived from spending money for the storage of surplus crops or for holding land out of production. The plan is worth a careful look."

"[From the Indianapolis Star of March 25, 1956]

"INDIANA FARMING: CAPEHART FARM-AID PLAN PUTS ACCENT ON GROWTH

"(By Robert Kellum)

"The United States Senate piled more confusion on the belabored farm problem last week—by passing a bill that has more pitfalls than a winter-ravaged county road.

"But, behind the fanfare over what kind of price supports to provide for commodities, there's sentiment mounting among many agricultural leaders for an entirely new approach. They think it's time to look further ahead than 1 year on this job of putting better stability into rural buying power.

"Senator HOMER E. CAPEHART'S introduction of a bill to create an Industrial Agricultural Products Administration with a $100 million annual research fund is a step in this direction. The accent is on growth, not restrictions.

"CAPEHART said:

" 'The United States must undertake at once a $100-million-a-year research and development program to find new and increased industrial uses for agricultural products. * * *

" 'It is my opinion that the Department of Agriculture and our research and development people know enough now that, given a real opportunity to prove it, they can find industrial uses for 5 million additional bushels of grain, such as corn, wheat, rye, barley, oats, rice, and sorghum grains, as well as potatoes, each year. Our total production now of these grains is only about 6,500,000,000 bushels.'

"He says that 'as fast as the Government proves practicability of each new farm product in industry, the process should be turned over to private industry for production.'

"He lists 11 probable industrial uses for agricultural products 'on which best available estimates indicate likely use of 2,500,000,000 bushels a year of agricultural products.'

"Here's his lineup: High protein food by fermentation; paint from vegetable oil; synthetic rubber; microbia rubber; increased use of starch in paper; industrial exploitation of oxystarch; raising disease-free poultry for export; new drug plans; hardboard, boxboard, and building board from wheat; development of high amylose corn; blending 10 percent grain alcohol with gasoline.

"He also cited these possible uses for grain derivatives; Smokeless powder; plastics; medicinals; toilet preparations; soaps; cleaners; anesthetics; antifreeze; dyes; varnishes; power and fuel.

"The research program, once it is given a full opportunity to work, would do these things, CAPEHART asserted:

" 'It would end our farm surplus problem, it would save the Government money, it would help relieve the tax burden, and give a chance for reduction of the national debt, it would create new industries, new jobs, stimulate sales, and provide better incomes for our people, including the Nation's 6 million farmers.' "

"Without any direct reference to Senator CAPEHART'S plan, but relating to it, nevertheless, were comments by Dr. E. T. Weiler, head of the Purdue Department of Economics, at the 12th annual Indiana Bankers Association agricultural clinic on the West Lafayette campus last week.

"Weiler stressed the fact that America doubles its output every 20 years.

"This will continue, he added. Normal is an increase in total output of goods and products of 3 to 5 percent each year. With population gaining at a rate that is equal to South Bend-Mishawaka census figures every month, growth all along the line is inevitable, the economist said.

"Commenting that '1956 may well see a record for gross national product in the United States,' Weiler asserted that 'research continues to open new frontiers for the American economy.'

"From another source, Dr. Vernon W. Ruttan, Purdue agriculture economist, writes in the Review of Economics and Statistics that:

" 'By 1975, United States food and fiber requirements can be met with approximately the same land requirements as at present with a farm-labor force at least 20 percent below present levels.'

"Actually, that's what the agricultural leaders see ahead when they say it's time for a new approach to this problem—something to replace billions of dollars worth of rotting corn or other grain that's kept off the market in an effort to bolster prices on farm products.

"Dr. Ruttan adds:

" 'The important question facing American agriculture is not that of meeting requirements of food and fiber for an increased population but what combination of expenditures for research, land, labor, and capital is needed to produce this output at the lowest cost.

" 'The Nation's needs for foods and fiber are expected to increase 60 percent above the 1950 level by 1975. If past trends continue, half of this increase will be taken care of through increased efficiency resulting from the application of new research and technology.

" 'To produce the other half of the Nation's increased need for food and fiber, additional expenditures will be required for fertilizer, tractor fuel, insecticides, and antibiotics.

" 'As a result of these changes farm output will become more sensitive to price changes and attempts to control farm output will become more difficult and costly than at present.'

"If anybody thinks Ruttan is wrong on his 1975 forecasts of farm productivity, let him look back on corn records in Indiana. Average yield per acre has about doubled in the last quarter century.

"Growth deserves more attention in farm debates."

"[From the LaPorte Herald-Argus of March 28, 1956]

"CAPEHART'S PROPOSAL

"If there is anything which should make even the experts humble it is the constantly belabored farm problem, a matter about which the layman who resides in the city admittedly knows little. And that same layman is far from convinced that the experts, or even the farmers themselves, know many of the important answers. The farm problem will keep on being that, just as it has since the first farm movements began in the 1870's and 1880's of the last century.

"There are some points on which there is agreement. The farm population continues to decline. Farm output can be stepped up constantly by improved methods and more machinery. And farm supports are a part of Government's business and will continue to be ad infinitum.

"Senator CAPEHART, of Indiana, offers a suggestion looking to the future of American farming which conforms to the pattern of probable American growth in population and productivity. The Senator wants an Industrial Agriculture Products Administration with an annual $100 million research fund. The research would be to discover new uses for agricultural products so that more of them rather than less would be necessary to supply expanding demand.

"He lists some probable industrial uses for farm products, such as high-protein food for fermentation, paint from vegetable oil, synthetic rubber, increased use of starch in paper, new drug plants, hardboard, boxboard, and building board from wheat, blending of 10 percent grain alcohol with gasoline, and others. The Senator has apparently been communing with research chemists and what he says contains lively possibilities for the future. The farm and the laboratory must work hand in hand. Demand for food and fiber will increase as our population does. And there are many potential new uses for almost everything grown domestically.

"There is no answer in this to the problem of maintaining farm prices. No matter what research shows can be made useful to man, there is always the question of how much the farmer gets for his products. His income has dropped sharply in recent years and understandably he is not happy about it. If he is able to produce more for new purposes there is no assurance his net income above expenses will be greater."

"[From the Indianapolis News of March 27, 1956]

"RESEARCH IS 'KEY' TO HEALTHY AGRICULTURE

"(By Frank Salzarulo)

"Research can be given much of the credit for converting agriculture from a one-horse industry to a mechanized monster.

"More research in the future may be the difference between doom and boom in our modern agricultural economy.

"It used to be that 80 percent of our population on the farm produced food and fiber for 20 percent in the city.

"Today, one farm worker provides enough for himself and 18 of his city cousins.

"Great results have been chalked up by researchers and farmers, to wit:

"For every 2 eggs laid by 1 hen in 1940, today's hen lays 3.

"In 1939, farmers produced 2½ billion bushels of corn on 88 million acres. In 1955 they produced 30 percent more on only 80 million acres.

"On the average, today's cow produces a half ton more milk in a year than a cow in 1940.

"There are 95 million cattle on the same pastures and rangelands today that supported 70 million head in 1940.

"There are 100 million hogs today on farms compared to the same farm plant that carried 75 million in 1940.

"So the story goes.

"In Washington, the politicians are haggling over what to do to buoy farm prices that have been sagging while prices farmers pay for things they buy continue to rise.

"SENATOR CAPEHART OFFERS SOLUTION

"One Senator, HOMER E. CAPEHART, believes he's got the answer—more research.

"In a letter to Rural Route, he writes:

"'This just has to be the answer to the farm problem. The sooner we all get behind such a program, the better off the United States and the world will be.'

"He's introduced in the Senate a bill proposing a $100 million research program, that would, in his opinion, double the demand for farm products through discovery of new industrial uses and utilization of new processes already known.

"CAPEHART spells out 11 probable industrial uses for farm products, and estimates they'll use 2½ billion bushels a year of agricultural products out of 6½ billion bushels produced yearly. They are:

"High protein food by fermentation; paint from vegetable oil; synthetic rubber, microbia rubber; increased use of starch in paper; industrial exploitation of oxystarch; raising disease-free poultry for export; new drug plants; hardboard, boxboard, and building board from wheat; development of high amylose corn, and blending 10 percent grain alcohol with gasoline.

"CAPEHART says the benefits of such a research project to the Nation would be limitless. He cites these benefits—full market for full farm production; end of farm surpluses; save Government money; relieve tax burden and reduce national debt; create new industries; create new jobs; stimulate retail sales; provided higher income for all people."

"[From the South Bend Tribune of April 2, 1956]

"NEW USAGE EXAMPLES

"When Senator CAPEHART recently suggested use of some Federal money to encourage development of new uses for farm products he undoubtedly was thinking of what has been done already in the private-enterprise area. The meatpacking industry, among others, has set an encouraging example.

"The Federal Government is already spending heavily for farmers' benefits. But the Government spending so far has not decisively reduced production or stimulated more consumption. The best approach to the overproduction problem would be promotion of greater usage of farm products.

"The American Meat Institute reported 1,000-pound steers selling on the Chicago market recently at an average $203.80 per animal or 20 cents a pound. The meat yield from a 1,000-pound steer averages 580 pounds.

"Each pound of meat sells wholesale at about 32.9 cents or $190.80 from each 1,000-pound steer. In other words, choice beef was sold wholesale for $12.98 less than was paid for the 1,000-pound animal on the hoof.

"Byproducts make the difference. 'Glue factory' is no longer the last word in animal byproducts.

"Scores of commodities are manufactured from meat products that were once considered unusable. They include drugs, medicines, fertilizer, and paint.

"These new uses had to be developed carefully. That took work—and money. But private packers and the meat institute had the foresight to see that some day the expense would be practically justified.

"It would be worthwhile to develop new uses for other farm products. Anyone paying Federal taxes would benefit because right now we are paying taxes for farm overproduction."

"[From the Oil and Gas Journal of April 2, 1956]

"GOP PUSHES PLAN TO PUT ALCOHOL IN GAS TANKS

"WASHINGTON.—The drive to put alcohol into the Nation's automobile tanks and into its tires is rolling at high speed.

"Eyeing the farm vote next November, Republicans in Congress are going all-out behind moves to develop new agriculture markets. And gasoline, they believe, offers a way, indirectly, to burn up a lot of grain.

"Senator HOMER E. CAPEHART, of Indiana, proposes the creation of a Federal Industrial Agricultural Products Administration with a $100-million kitty. Thirty-three other Republicans immediately signed their names to his bill. A number of similar measures were introduced in the House.

"CAPEHART's bill came in a few days after the Senate adopted an amendment to the farm bill directing the President to set up a five-man commission to write legislation for industrial use of farm products. But his bill goes much further. It is a 'crash program,' the Senator said.

"IMPLICATIONS STAGGERING

"The proposed IAPA would have an almost unlimited field. It could conduct research, make field studies and experiments. It also could build pilot plants and, if necessary, operate manufacturing facilities to prove the commercial feasibility of volume production.

"Development of nonfood agricultural products would not only make acreage limitation unnecessary but would induce farmers to work every possible acre, CAPEHART told the Senate.

"It would create new industries and increased demand on present ones. Retail business would zoom billions of dollars, he said. Taxes could be eased because it no longer would be necessary to provide farm subsidies and other aids.

"'The ramifications of such a plan are staggering,' CAPEHART said.

"Seeing an end to the surplus grain problem, CAPEHART said the Agriculture Department estimated that over 2.6 billion bushels of grain could be consumed in a mere 11 industrial products. A 10 percent blend of alcohol with gasoline would take 2 billion bushels. Another 365 to 400 million bushels would be used in synthetic rubber.

"OIL MARKET WOULD SUFFER

"'The petroleum industry might lose 10 percent of its market,' CAPEHART admitted.

"'However, the 90 percent in only a few years' time would be so much bigger in volume and so much more important to the industry that the two are hardly worth comparing.'

"At the moment it would cost more to produce alcohol than gasoline, CAPEHART conceded. 'But know-how in America always gets the price down.'

"The reduction in crude production resulting from the blending of alcohol with gasoline would in the long run 'be more than offset by increased consumptions in the hundreds of thousands of new tractors, trucks, transport vehicles, automobiles, and other petroleum-burning equipment in use because of this very program,' he said."

"[From the Cleveland Plain Dealer of March 28, 1956]

"CRASH PROGRAM FOR FARMS

"(By Walker S. Buel)

"WASHINGTON, March 27.—Dawn of a new and brighter day for the American farmer, as a result of a $100 million program to multiply industrial uses of agricultural products, is foreseen by Senator HOMER E. CAPEHART, Republican, Indiana, in introducing legislation to launch such a plan. The bill, which the author says should be enacted immediately to provide all-time solution of the farm problem, has 35 Republican cosponsors, including Ohio's Senators Bender and BRICKER.

"Although a draft was circulated among all Members of the Senate before its introduction, no Democrat signed it, which is a fair indication that it has little chance in this Congress.

"WANTS USE IN INDUSTRY STEPPED UP

"Nevertheless, CAPEHART intends to push it as vigorously as he can. Several similar bills have been presented in the House by Indiana Representatives after conference with CAPEHART. The Senator believes the huge problem can only be met on the basis of more uses for farm products in industry—that it never can be licked by production for food uses alone. His measure would create an industrial agricultural products administration, as a separate executive agency, and provide also for an agency of similar title within the Department of Agriculture.

"Duties of both would be to conduct research, test commercial production procedures, maintain pilot plants, operate manufacturing facilities, and generally promote the development of processes and techniques for industrial uses of greater quantities of farm products.

"Senator ANDERSON, Democrat, New Mexico, former Secretary of Agriculture, called attention to the fact that a special agricultural research administration was established in the Department of Agriculture in 1946, but that it has been difficult to push Congress to get the necessary appropriations by the Budget Bureau. CAPEHART said he thought that with a mandate from Congress such as he proposed, programs now dragging would be accomplished more quickly.

"The Indiana Senator said on many industrial uses some research already has been done. He named this list of 11 probable industrial uses for farm products, given him by the Department of Agriculture, which he said would require 2½ billion bushels annually:

"High protein cattle food by fermentation; paint from vegetable oil; synthetic rubber; microbia rubber, a natural rubber produced from the gluten in grain; increased use of starch in paper; industrial exploitation of oxystarch; raising disease-free poultry for export; new drug plants; hardboard, boxboard, and building board from wheat; development of high amylose corn; and blending 10 percent grain alcohol with gasoline.

"'I think,' CAPEHART told his colleagues, 'that through the proposed legislation Congress ought to mandate the administration, especially the Department of Agriculture. An administrator, whom I should like to call a czar, should be appointed to get the job done. I want to see one appointed who will start bumping heads together.'

"SENSIBLE—BUT WHAT OF ELECTION?

"'Let us get the job done. The farmers are in a bad situation. I am trying to have Congress and the administration do for agriculture that which was done for the rubber

industry during the last world war. During the war and in a hurry, the Government developed a synthetic rubber industry to the point where today more synthetic rubber can be produced in the United States than can be used.

"'I do not want to delay the expenditure of the money. The program ought to be what might well be termed a crash program, and the administration ought to be mandated to proceed with it. It ought to be accomplished 2, 3, or 4 times as fast as any similar program that has been undertaken.'

"This all seems to make quite a lot of sense. Perhaps that militates against it on Capitol Hill in a campaign year."

"[From the Lafayette Journal and Courier of April 2, 1956]

"A NEW APPROACH

"A radically new approach to the Nation's farm problem has been proposed in a bill introduced in Congress by Indiana's Republican Senator CAPEHART. Others in Congress are giving his proposal active support.

"Senator CAPEHART would have the Government undertake a $100 million a year research program designed to find new uses for agricultural products.

"In submitting his proposal, the Indiana Senator cited other fields which have utilized research to discover new industrial and commercial uses for their products. Senator CAPEHART would do the same for agriculture.

"In a Senate speech accompanying his introduction of the bill, the Indiana Senator contended that his proposal would in a few years create a demand for farm products in industry at least equal to the amount now used for human consumption in the United States. He holds it offers a solution to the farm problem based not on the negative theory of curtailing production, but on the positive approach of creating new markets demanding complete and full utilization of our total agricultural capacity. He would develop to the utmost those industrial uses of farm products which we already know about and at the same time find new uses 'creating a demand at least double what we have considered the normal farm production of the United States.' His program, he promises, will bring about 50 years of the greatest agricultural prosperity in the history of the Nation.

"Senator CAPEHART expressed the opinion that his program would end the tremendous tax burden now imposed to finance the Nation's vast agricultural assistance and storage programs. He cited the fact that present farm programs have built up surpluses costing some $9 billion, which serve to depress the market. The cost of the farm assistance program was placed at $3 to $5 billion for this year alone. The cost of the research program at $100 million a year, would be but one-third of present annual storage costs for surpluses.

"The Hoosier Senator further contends that his program would insure the American farmer his rightful share of an otherwise bountiful prosperity and at the same time put an end to the unsound practice of spending billions to preserve a bad situation when a lot less would provide a permanent cure.

"What are the other possibilities? Besides ending the farm surplus problem, saving money for the Government, relieving the tax burden and helping reduce the national debt, the Senator believes his program would create new industries and new jobs and stimulate business generally, providing better incomes for all, farmers included.

"Some research already is being conducted along the lines suggested, but at a snail's pace, the Senator holds. He would make it a crash program.

"Experience would appear to indicate that the farm problem cannot be solved permanently by curtailing production. Price supports have not worked because of the vast surpluses they encourage.

"It is apparent that the right answer has not yet been found for the agricultural problem. Certainly increased consumption and new markets for farm products would help. In this direction may lie the eventual and sole solution.

"For this reason, Senator CAPEHART's program may offer unusual merit. Research has worked miracles in some fields of endeavor. It may provide agriculture's salvation. Under such circumstances, Senator CAPEHART's program would appear to deserve the most serious consideration by citizens and also by the Congress."

"[From the Kokomo Tribune of May 26, 1956]

"FINALLY, A FARM BILL

"Probably no one is entirely satisfied with the farm bill that was finally passed by Congress after President Eisenhower had vetoed the first version April 16. Probably no one is entirely displeased with it, either. The bill is a compromise, an election-year compromise of the sort that results when both major parties want the farmer above all to understand that they are working for his benefit.

"The most striking new feature of farm legislation in 1956 is the soil-bank program under which farmers will receive $1,200,000,000 annually for taking land out of production. This program recognizes the essential fact that the Nation's farm plant is overexpanded for the time being. The soil-bank plan will reduce the amount of land producing crops now in surplus, and at the same time it will store fertility against the day when it will be needed for production of food. That is good.

"The measure directs Secretary of Agriculture Benson to start the soil-bank program at once. It is generally acknowledged, however, that getting such a program into full swing this late in the crop year will be all but impossible. That will have to wait until next year.

"Though the administration sought authority to make advance payments this year under the soil-bank program, it is just as well that this authority was denied. That makes the plan much less vulnerable to charges that it is merely an attempt to buy the farm vote. Such charges might have done great harm to an interesting new program that deserves a full and impartial trial.

"At the same time, if it is argued in this year's election campaign that the Republicans ignored immediate relief for the farmer, the Eisenhower administration can say that the Republicans attempted to ease the farmer's financial pinch this year. Congressional Democrats, fearing the immediate soil-bank payments proposed by the Republicans would win votes, defeated the plan for advance payments. The administration then turned to fill the gap by using discretionary powers contained in existing laws to deliver early aid.

"The new bill doesn't solve the farm problems, but insofar as it will keep production in line with demand, it is sound. As a permanent policy, however, the Government ought to start a broad research program to find new uses for farm products. Senator CAPEHART, of Indiana, has proposed just such a plan, deserving of much prompter attention than Congress is giving it."

"[From the Indianapolis News of May 1, 1956]

"WIDEN MARKETS—ATTACK SURPLUS BY DISCOVERING NEW CROP USES

"(From Farm Journal)

"Congress worked up a farm bill that became a political monstrosity. It ought to have served one useful purpose—to scare the daylights out of anyone who rests in Government his hopes for salvation.

"The course of the bill disclosed blindness to facts, political fear, and demagogy. Commonsense and courage, too, were displayed. Some meritorious features survived the committees, debates, and conferences. The total result, however, was a mess of conflicting measures full of bad provisions.

"Agriculture can't afford to leave the future to Government. Future Congresses may outdo this one—they may be able to pass still worse farm legislation.

"Something substantial must be done for farmers this year—there's no doubt about it. Fortunately, quite a lot can be done—and will be done—even if the President has vetoed the bill. But, without minimizing the present problem, let's take a longer look ahead, toward something that might get us out of trouble permanently.

"The political approach, year after year, has been negative and backward. It has said to farmers, 'Retreat. Produce less. Do less. Go backward.'

"Temporarily this may be necessary. But in the long run no industry has ever advanced by going backward. Agriculture can't get ahead by backing up. Actually, farmers have repudiated the policy of retreat. When directed to reduce acres, they have increased yields to maintain their income. Those who could do so have enlarged their farms. The American habit is to go ahead.

"Farmers have eagerly adopted ways to produce more. They have moved ahead with production. Output has advanced faster than marketing, and much faster than the development of new uses for the products.

"The total surplus production runs now about 4 or 5 percent ahead of demand. New studies indicate that during the years ahead production likely will gain further over present rates of consumption.

"This can only mean that more markets and more uses are absolutely vital. Piling more stuff into Government warehouses provides no answer. It only hangs over the market and reduces current prices. Someone must buy and use the output.

"Senator HOMER CAPEHART, of Indiana, and 33 other Senators introduced a bill that has received practically no attention. It proposes $100 million for a 'crash' program to find new uses and new markets. Wouldn't it make more sense to spend $100 million in ways that would use up some surplus rather than several billions to build up bigger surpluses?"

"[From the Omaha World-Herald of May 4, 1956]

"MR. CAPEHART'S FARM BILL

"A bill introduced by Senator CAPEHART, Republican, Indiana, would create an Industrial Agricultural Products Administration and authorize it to spend up to $100 million in developing industrial uses for farm crops.

"The new agency would be empowered not only to carry out basic research, but to establish pilot plants and demonstrate the commercial feasibility of whatever it may discover.

"Senator CAPEHART suggests that the Omaha alcohol plant, owned by the Federal Government and standing idle, should be reactivated immediately under such a program. He foresees an eventual potential industrial market for 6 billion bushels of farm commodities—which would push the productive resources of all the farm land in the United States.

"These are known industrial uses for farm products which have not been fully exploited. Mr. CAPEHART proposes to go the full route and find out, for instance, whether alcohol made from grain can be used economically in motor fuel.

"This appears to be a realistic, long overdue approach to the farm problem.

"The Government now is spending about $350 million a year just to store nearly $9 billion worth of surplus commodities it has taken over in spite of efforts to restrict production.

"If spending a mere $100 million a year would create new farm markets, take the Government out of the costly farm price-support business, and develop new industries and more jobs, it would be a mighty wise investment."

"[From the Farm Journal for June 1956]

"RUBBER FROM CORN?—BACKERS OF THE NEW 'CRASH' RESEARCH PROGRAM ALSO SEE FURNITURE FROM GRAIN, DRUGS FROM NEW CROPS—AND MORE INCOME FOR FARMERS

"We're on the threshold of some amazing farm discoveries—with dividends for farmers everywhere—if we have the 'push' to engineer a bold research program.

"That's the idea behind a $100 million 'crash' research program now before Congress. This is 10 times more than the USDA new gets for 'utilization' research. 'But it's still less than $1 for every $100 tied up in CCC surpluses,' points out Senator CAPEHART, Republican, Indiana, who is pushing the increase.

"Here are some promising grain projects that might be speeded up:

"1. Ferment grain to make a substance very similar to sap of the rubber tree. This could replace 600,000 tons of imported natural rubber which could easily be cut off from us.

"Grain needed to do this job: about 50 to 100 million bushels a year.

"2. Another grain-fermenting process may yield a 20 percent protein concentrate—one that is rich in amino acid nutrients needed by livestock.

"Possible use: 150 million bushels.

"3. A grain starch mixture could stretch scarce, expensive paper pulp. It makes better paper, too.

"Grain outlet: Possibly 40 to 100 million bushels of corn or wheat.

"4. We may be able to substitute 6-cent-per-pound wheat flour for 20-cent glues used in hardboard and boxboard. Puffed wheat might make a filler in "coreboard" used in furniture.

"Possible use: 30 million bushels.

"Here are some livestock and poultry projects to be developed.

"Find out how to produce choice weaning lambs in the Southeast and promote it into a 'favored' regional dish. If people in these States ate as much as the national average, it would use 3½ million lambs and boost farm income by $35 million.

"Develop areas free of Newcastle and other important poultry diseases. Europe and South America won't take our poultry now for fear of infecting their own flocks.

"If we cleaned up some areas and maintained a quarantine, we could ship as much as 200 million pounds a year.

"Finish the work on a dried whole milk—one that will keep on the shelf without refrigeration. We're close; but still have some rancidity problems. There's a $227 million-a-year pot of gold at the end of this rainbow.

"Find how to really tenderize the poorer cuts of beef. The United States Department of Agriculture says that this could add 3 cents a pound to the retail price of meat—$1.8 billion a year to the value of cattle.

"Finding new crops for planting in surplus areas and on diverted acres could be an unexplored gold mine.

"1. One possibility is to learn to make paper from timber, bamboo, hemp, flax, and other fibrous crops. If this captured only 10 percent of the paper market, it could use as much as 3½ million acres.

"2. The chances are good for developing new chemical compounds from safflower, flaxseed, and castor beans.

"The United States Department of Agriculture feels that with better harvesting machinery castor beans could replace 400,000 acres of cotton in Oklahoma, Texas, Arkansas, Missouri, New Mexico, Arizona, and California.

"3. An interesting variety of 'medicinal' crops are possible, including Tephrosia vegelii, a legume yielding a low-cost rotenone; Dioscorea, whose tubers yield a cortisone-like drug; candelilla, a wax-producing shrub; and Rauwolfia, which furnishes some of the new drugs used in treating mental diseases.

"Right now there's a market that would keep 235,000 acres busy.

"Dr. Byron T. Shaw, head of United States Department of Agriculture's Agricultural Research Service, tells Farm Journal that out of every $100 that industry takes in, it sets aside $2 for research and development.

"Government farm research to expand uses comes to only 4 cents out of every $100 taken in.

The surplus story (CCC inventory and loans)

Commodity	Investment, Mar. 31, 1956 (millions)		Alltime high (millions)	
	Amount	Cost	Amount	Date
Wheat ... bushels	1,096	$2,821	1,119	February 1956.
Cotton ... bales	13.1	2,275	14.3	January 1956.
Corn ... bushels	1,141	1,911	1,141	March 1956.
Tobacco ... pounds	919	547	1,054	December 1955.
Grain sorghum ... hundredweight	70	141	76	January 1956.
Cheese ... pounds	295	115	463	October 1954.
Barley ... bushels	99	100	104	February 1956.
Butter ... pounds	114	70	521	September 1954.
Oats ... bushels	88	63	92	November 1955.
Dried milk ... pounds	142	24	656	April 1954.

Money tied up in CCC inventory and loans, including these commodities above, reached a record alltime high last month of $8.9 billion.

"[From the Farm Journal of June 1956]

"WANTED: 'CRASH' RESEARCH

"The most exciting new farm legislation in the congressional hopper is the Capehart bill. It proposes to set up a $100 million 'crash research' program to find new crops and new uses for present crops. So far, 34 Senators have signed the bill.

"Unless this bill gets snarled in election-year politics, its chances are good. The greatest question is whether the Democratic leaders on Capitol Hill will decide to sidetrack the bill because it is thus far solidly identified with Republican Senators.

"Dr. Byron T. Shaw, USDA, tells Farm Journal that out of every $100 that industry takes in, it sets aside $2 for research and development. Farm research to expand uses comes to only 4 cents out of every $100 taken in."

"[From the Chicago Daily Tribune of June 7, 1956]

"DAY BY DAY ON THE FARM

"(By Richard Orr)

"LAB STUDYING NEW USES OF CORN

"PEORIA, ILL., June 6.—A new kind of clothing material made from cornstarch is in prospect some day as the result of research in a Government laboratory here.

"Scientists on the staff of the northern utilization research branch of the United States Department of Agriculture have devised a way to modify amylose, a cornstarch component, to form soft but tough fibers for clothing. The same material also may be used to make a film similar to cellophane and designed for similar uses, including food wrappers and containers.

"The discovery is one of several outstanding achievements accomplished here since the laboratory was established in 1940 for the purpose of engaging in research to find new and improved industrial uses for agricultural commodities and thereby expand farm markets.

"LIKENED TO CELLOPHANE

"When and if amylose fiber arrives on the market it will be the second clothing material derived from a corn substance. One, zein, a component of corn protein, already is in use.

"Dr. F. R. Senti, head of the laboratory's cereal crops section, explained that amylose film is as good as cellophane in some respects, having comparable strength and folding properties in dry form, though its wet strength is lower than that of cellophane. Amylose film also has the unique quality of being digestible, which means that, if packaging and merchandising plans were so designed, it could be eaten along with the food it contains.

"The technological problems of producing amylose film are largely solved. However, Senti explained, at present it is relatively costly to separate the amylose from corn. This makes the product not yet commercially economical, compared with the less expensive cellophane which is made from regenerated woodpulp.

"NEED NEW CORN VARIETIES

"One approach to this problem is to develop new varieties of corn which yield a higher percentage of amylose. The laboratory's researchers now are cooperating with State agriculture experiment stations and private corn breeders to develop such varieties.

"Most varieties of corn now yield about 27 percent amylose. Senti said it is hoped eventually to develop varieties that will boost the yield to about 80 percent.

"Breeders already are growing new varieties that consistently yield 55 percent amylose and some which will yield as high as 70 percent, though not consistently. It is just a matter of time, however, before suitable varieties are developed.

"[From the Syracuse (N. Y.) Post-Standard of May 20, 1956]

"FARM AND FOOD: INDUSTRY SEEN AS HOPE OF USING SURPLUS CROPS

"(By Dr. Karl Butler)

"The excess production of agricultural products in 1955 over what was consumed has been estimated by a number of experts as being about 4 percent. The trouble is that we have been producing a great many things for which there is no immediate market, and the excess production continues to accumulate.

"In trying to come to grips with this problem, many types of proposals are being brought forth. Only recently, Senator HOMER CAPEHART, who is up for reelection in Indiana, proposed a bill which would set up a czar and an agency, possibly within the United States Department of Agriculture, to explore and expand the industrial uses of agricultural products.

"Senator CAPEHART, being a highly successful salesman and Hoosier farmer in his own right, speaks on this subject with great enthusiasm. Recognizing that farmers do not cherish the idea of having to decrease their

production, but actually would like to increase it, the Senator believes the best way to expand markets is through the industrial route. In 1954 (the most recent figures available) the following percentages of various important crops were used for industrial purposes:

"Crop:	*Percentage*
Potatoes	2.5
Fruits	5.8
Vegetables	0.3
Corn	3.3
Soybeans	3.3
Wheat	0.01
Sugarcane and beans	4.9
Cattle and calves	8.7
Cotton	58.3
Tobacco	67.8
Wool	[1] 291.7

[1] Imports greatly exceeded domestic production.

"All crops used for industrial purposes average not more than 3 or 4 percent of our total production. This doesn't sound too impressive, but even so it almost offsets the excess production of agricultural products for the same period.

"A few weeks ago, several thousand Ohio farmers were asked what they thought should be done to solve the farm-surplus problem. In the survey, the farmers were submitted a list of 11 different approaches to the problem and asked what they considered to be the most promising. It is significant that 'research for new uses and new markets' topped the list, with approval by more than 70 percent of those who responded.

"Wheeler McMillen, vice president of Farm Journal, Inc., has pointed out that the American economy has an insatiable appetite for products other than food. He emphasizes the importance, not only of increasing the industrial use of current agricultural products, but of finding new crops. Although there are more than 300,000 known species of plants on earth, less than 200 are used for commercial agricultural production; and actually only 12 produce about 80 percent of all mankind's food. Only rubber has been added to the list of our most important crops during the last century.

"Some of the suggested increased uses of agricultural crops are: High-protein food by fermentation, paint from vegetable oil, synthetic and microbia rubber, increased use of starch in paper, the manufacture of hardboard, boxboard and building board from grain, and the manufacture of alcohol from grain for blending with gasoline. Most of these uses present difficult problems.

"The amount of effort and money expended in agricultural research is relatively small compared with many other industries. Most manufacturing industries spend from 6 to 10 times as much for research as is spent with food and agricultural products. We could well spend more effort and money in finding new crops and new uses for our agricultural production."

"[From the U. S. News & World Report of May 25, 1956]

"WILL AUTOS SOLVE GRAIN SURPLUS?—YES, IF GRAIN CAN BE MADE INTO CHEAP ALCOHOL

"Drive cars on grain alcohol—new approach to the farm problem.

"A far-fetched dream? Maybe not. At least, 34 Senators think it's time to look into this idea again.

"They're backing a big Federal program for research into new uses for farm products. Object: To rid the Government of those rising mountains of surplus grain.

"There's a move afoot to revive the old plan for getting rid of surplus grain by mixing alcohol with the gasoline you burn in your car.

"That's the key point in a program proposed by 34 Senators for increasing industrial use of farm products. The program would cost $100 million a year. But the Senators contend that's a small sum compared with $9 billion the Government has tied up in farm surpluses.

"The program would be aimed at stimulating output of a wide variety of industrial products from agricultural crops, including plastics, building materials, smokeless powder, dyes, varnishes, and oil for paints. It's estimated that 365 million bushels of grain could be consumed annually in making alcohol from grain if such alcohol could be produced cheaply enough to justify its use in the manufacture of synthetic rubber.

"In all, the Senators figure their plan could boost the outlet for grains by 2.6 to 2.7 billion bushels a year.

"TWO BILLION BUSHELS FOR FUEL?

"The potential of blending alcohol with gasoline, however, far exceeds other possible outlets for surplus crops. In the first place 10 percent of alcohol would make a high-test 'premium' fuel out of ordinary gasoline. And, if the blend were used in all automotive gasoline, it would require 2 billion bushels of grain a year.

"The biggest drawback is a simple one—cost. Gasoline at the refinery costs 12 to 14 cents a gallon. Alcohol made from corn costs 60 cents a gallon, if you can get the corn for $1.25 a bushel. A blend with 10 percent of this alcohol would cost 4.6 cents a gallon more than straight gasoline.

"The Department of Agriculture figures it another way. Suppose this blend is priced a penny a gallon higher at the refinery than straight gasoline, because of the premium quality. Ten gallons would be $1.50. Of that, $1.26 would go for 9 gallons of gasoline, leaving 24 cents for the 1 gallon of alcohol. But alcohol at that price would require grain at 36 cents a bushel. Support prices in 1955 averaged $1.58 for corn, $2.08 for wheat.

"Another complication is that just as good results can be obtained with a blend using ethyl alcohol made from natural gas, at 40 cents a gallon, or methyl alcohol, at 30 cents a gallon.

"Obviously, a law to require blending wouldn't do much toward getting rid of grain surpluses unless it also specified that only grain alcohol—ethyl alcohol made from grain—could be used. Otherwise there would be a repetition of what happened with synthetic rubber. That product was made from grain alcohol early in World War II. Then processes were developed that produced ethyl alcohol more cheaply from natural gas, and grain alcohol was priced out of the picture.

"TECHNICALLY SOUND

"The blending of alcohol with gasoline as a motor fuel is technically sound. This has been proved by experiments in the United States and actual use of blends in other countries.

"For more than 30 years, Sweden has required a blend containing 25 percent alcohol. Blends also have been used successfully in Germany, France, Cuba, Brazil, the Philippine Islands, India, and other countries. But, in every case, the higher cost was justified in terms of national defense or welfare.

"The only substantial effort to put over an alcohol-gasoline blend in the United States was made some 20 years ago by a foundation that set up a trial plant in Kansas. The project was abandoned after a few years because the blend, using alcohol made from grain, couldn't meet the price competition of straight gasoline.

"A different technique was tried several years ago by a firm in Cleveland Ohio. A mixture of alcohol and water was injected into the engine of the car when extra power was needed for passing or for climbing a hill. But the petroleum industry soon increased the octane value of the gasoline and the Cleveland company dropped its project.

"SPONSORS PERSEVERE

"The huge outlet for surpluses that would be created by blending grain alcohol with gasoline, however, continues to make the idea tempting. Despite the cost problems of the plan, the sponsors contend it might be a lot cheaper than buying up surplus grains and then paying $365 million a year to store them."

"[From the Indianapolis News of February 16, 1956]

"GET RID OF THE FARM SURPLUS NOW

"There is proper concern in Congress for getting some immediate help to the farmers. They need it.

"Future price-depressing surpluses can be stopped through the administration's soil bank program to take acres out of production.

"Certainly the idea of returning rigid 90-percent price supports is not the answer either to the immediate or long-range problem. That would only create more surpluses and refill the warehouses which the fallow acres would empty.

"However, even if it is not saddled into ineffectiveness by high rigid supports, the soil bank still is for the years ahead, not now.

"What to do to give the farmers help now?

"Indiana's Senator HOMER E. CAPEHART has come up with a plan which is sound and logical. It is the creation of a Federal agency which would be mandated to sell, barter, or give away as quickly as possible the vast stores of food the Government now is holding.

"As long as that surplus hangs over the market it will continue to depress farm prices. And just as soon as it is cut down to size, farm prices will rise.

"If Congress will adopt the Capehart bill, the farm-price problem could be licked before the summer's end.

"The surpluses would go to needy people in the United States and other countries who would not otherwise be able to purchase the foodstuffs. We would give away only what we could not sell and did not need for a national emergency reserve.

"Senator CAPEHART told the Senate that he had traveled all over Indiana, meeting with farmers and farm leaders. And that he had not 'found one who does not agree that the present low farm-commodity prices are due to the surplus.'

"He said, 'If somehow, in some way, tomorrow we could get rid of the huge surpluses, farm prices would go up where they belong, and we would no longer have to worry about farm prices.'

"America's farm problem is a problem of abundance. We can serve humanitarian interests at the same time we serve the cause of our own farmers if we will only start spreading the abundance about.

"It's as simple as that.

"As Senator CAPEHART says, 'There are thousands of people in the United States who are underfed. There are millions of people in the world who are underfed. Have we not sufficient intelligence in the Congress and as a people to give away some of these foodstuffs?'

"It is a dog-in-the-manger attitude that is keeping these huge stores of food in Government warehouses.

"Every Indiana farmer could have extra dollars in his pocket by July if the Government were only empowered to get rid quickly of this load.

"Cosponsors of Senator CAPEHART's bill include Senator WILLIAM E. JENNER, of Indiana, as well as influential members of both parties like Mundt, of South Dakota, Thye, of Minnesota, Young, of North Dakota, Butler, of Maryland, Welker, of Idaho, George, of Georgia, Case of South Dakota, and Bartlett, of Wyoming.

"Congressmen ought to forget about politics in this matter. If they want to do something for the farmer now—and they certainly should—then let them boost farm prices by getting rid of the present surpluses.

"They can start a flow of greenbacks farmward by oats seeding time if they only will put their minds to getting the Capehart disposal formula going right away."

"[From the Philadelphia Inquirer of January 11, 1956]

"WORLD DILEMMA: TOO MUCH FOOD; TOO MANY HUNGRY

"President Eisenhower's farm message disclosure that a Surplus Disposal Administrator will be appointed and other measures taken to spur the disposition of excess agricultural products points to one of the major dilemmas of our times.

"On one side many countries of the world—and notably the United States—have more food than they can use. On the other, half the world's population hasn't enough to eat.

"This grave problem hangs over the American farm situation. The surplus farm products we have accumulated—nearly $8 billion worth, which cost a million dollars a day just to handle—reflect both our success in growing crops and our failure to find ways to distribute them. Even though vigorous efforts on the part of the administration resulted in a greatly increased disposition of the surplus, President Eisenhower said that for every bushel moved out of the huge Government stores another bushel and a half took its place.

"Appointment of an Administrator to devote full time to finding ways of decreasing the surplus is a wise move. The President's recommendation that Congress permit sale of our agricultural surplus behind the Iron Curtain offers an additional method of coping with the problem.

"But it is evident that the dilemma will exist for some time. When we have $7,700,000,000 worth of surplus farm products, arranging to get $192 million worth to the needy of other lands—the figure for the last fiscal year—won't make much of a dent. Nor will it do much to relieve the hardships of a billion people in the world who go to bed hungry every night.

"That the dilemma is difficult to resolve is painfully obvious. Selling surplus food at home or abroad at less than prevailing market prices would have a disruptive effect. Even giving the food to countries whose people need it might cause severe economic dislocation.

"Because the problem is difficult, however, is no reason why efforts shouldn't be made to find a solution. Plans put forward by Senator HOMER CAPEHART and others deserve serious study. Congress this year could hardly perform a greater service than making real progress toward answering the problem of distribution of farm products which plagues both our farmers and hungry people throughout the world."

"[From Chemurgic Digest for April 1956]

"SENATOR CAPEHART, OF INDIANA, PROPOSES $100 MILLION FOR INDUSTRIAL USES—CRASH RESEARCH PROGRAM URGED IN NEW BILL INTRODUCED WITH 33 SENATORS AS SPONSORS

"A 'crash' research program to produce industrial outlets for farm products has been proposed in a bill introduced March 21. Senator HOMER E. CAPEHART presented the measure, with 33 other Senators joining him as sponsors.

" 'If and when we solve the farm problem, it will be solved on the basis of more uses for farm products in industry,' Senator CAPEHART told the Senate. 'We shall never solve the farmers' problem by producing for food users alone.'

"The measure asks for an appropriation of $100 million. It proposes to create an Agricultural Industrial Production Agency. The administrator in charge, appointed by the President, would have wide powers, and report semiannually to Congress.

"Known as S. 3503, it was referred to the Committee on Agriculture and Forestry.

"The following excerpts are taken from the speech made by Senator CAPEHART in introducing the bill:

" 'Mr. President, I am about to propose a far-reaching, permanent solution of the farm problem so vast that its potential is virtually unlimited.

" 'While the economic, industrial, and social implications of this program cannot, with any degree of accuracy, at this moment be estimated, it is clear that this program will tend to solve, if not wholly solve, the farm problem for all time.

" 'After months of painstaking examination of its possibilities, I have reached the altogether justifiable conclusion that this plan would, within a few years, create a demand for farm products in industry at least equal in amount to that now consumed for human consumption in the United States. It would double the farm market.

" 'We are only asking for $100 million or less than one-third of the cost to store for 1 year the surplus agricultural commodities the Government of the United States now owns.

" 'No, Mr. President, we cannot solve our farm problem permanently by curtailing production. We must increase consumption; we must find new markets. Since, generally speaking, the vast majority of our people are well fed, our only alternative is to find new and increased industrial uses for our agricultural products.

" 'We are not going to help the farmer very much by reducing his production. We can help him only by increasing his production, and this bill provides for that. The White House is already behind it. It is very enthusiastic about the objectives and purposes of the bill.

" 'As an inherent part of the legislation, we wish to set up an administrator who will have almost the title of czar. He will proceed to get the job done, in the same fashion in which the Government developed synthetic rubber during the war.

" 'The proposed program might well be called a crash program.

" 'I am thinking in terms of $100 million in addition to that which the Congress has already appropriated, or might appropriate.

" 'It is my belief that as fast as the Government proves the practicability of each new farm product in industry, the process should then be turned over to private industry for production.

" 'The program we propose should be built on the framework of and within the existing research activities of the Department of Agriculture.

" 'The potentialities are so vast that any attempt to evaluate the benefits to this Nation and its people dollarwise is an almost hopeless task. I have been unable to select any segment of our economy—any group of our people—who would not lead more comfortable lives and enjoy higher standards of living and benefit generally from the fruits of such a program.

" 'It would mean the assurance of a full market for full farm production.

" 'It would end our farm-surplus problem.

" 'It would save the Government money.

" 'It would help to relieve the tax burden and give us a chance to reduce the national debt.

" 'It would create new industries.

" 'It would create new jobs.

" 'It would stimulate retail sales.

" 'It would provide better incomes for our people including the Nation's 6 million farmers.

" 'It is, in our opinion, in all modesty, the most constructive approach to the farm problem yet devised.

" 'I have always said that when handed a lemon, make lemonade out of it.'

"BRICKER, MUNDT SPEAK

"In the course of the colloquy on the floor during Senator CAPEHART's presentation, Senator BRICKER referred to the work of the Chemurgic Council while its headquarters were in Columbus.

"Senator MUNDT of South Dakota said:

" 'What is sought to be done by the bill is to take the program of farm chemurgy out of low gear and to put it into high gear.'

"Senator MUNDT also referred to the 'crash' programs which produced the vital domestic dye industry during World War I, and those which developed synthetic rubber and atomic energy during World War II."

Mr. CAPEHART. Mr. President, I now ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a few, and only a few, a small percenatge, of the letters I have received from persons in a position to know what can be done as a result of such legislation as I propose, setting forth why such legislation should be enacted, and why we should proceed to do something permanent for the farmers of America, rather than ask them to reduce their production in order to get rid of their surpluses, which I am in favor of at the moment, in order to eliminate future surpluses.

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

THE WARNER BROODER CORP.,
North Manchester, Ind., June 7, 1956.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR MR. CAPEHART: Several weeks ago, I received, from you, a copy of your speech made on the floor of the Senate on March 21, 1956, for which I thank you very much.

First, let me state that you are to be commended very highly for your analysis of this farm problem. I have 260 acres near North Manchester, Ind. I have been directly connected with farming for some 40 years, as well as being a manufacturer of poultry and hog equipment for the last 20-some years. I, therefore, feel that I may be somewhat qualified in making the following remarks.

Your proposed solution, in Senate bill 3503, to our farm-products surplus problem, is certainly the most practical approach that has come to my attention.

It seems to me that subsidizing the average farmer only provides for a meager existence, with small chance to improve his farm surroundings and living standards. Whereas, this proposal of yours has a good chance of not only improving the lot of the farmer to the utmost in many ways, but may very well be a sizable boost to our economy in general.

Nothing has come to my attention that would indicate this bill is receiving any kind of action. Will you advise me of the present status? May I encourage you to promote, to the best of your ability, the proper study and enactment of this bill. In my opinion, this is one of the most worthwhile and timely pieces of legislation presented on the Senate floor in quite some time.

Sincerely yours,
BOYD C. WARNER, *President.*

PURDUE UNIVERSITY,
AGRICULTURE EXTENSION SERVICE,
Columbia City, Ind., April 25, 1956.

HOMER E. CAPEHART,
Member of Congress,
United States Senate,
Washington, D. C.

HONORED SIR: I have read your speech about agricultural research made in the Sen-

ate March 21, which you submitted with a letter requesting comments, pro and con.

The basic theory of the bill is sound, as I see it. In addition to expanding industrial uses, there is opportunity for expanding export markets through the exchange of goods. Here a slight reduction in the industrial boom can be made to step-up the agricultural economy and put it on a more equitable level.

It is basic that farmers should operate the land at the peak of their ability and skill. And, it follows they should be rewarded for their thrift and industry on the same plane as other producers with similar investments, ability and skills. The limiting of production continuously is wrong and unnatural. Subsidies tend to penalize the efficient and reward the incompetent. A businesslike administration of quotas and subsidies in agriculture is most difficult and mostly not attained.

Real help on the part of the Government can come from finding outlets for farm products which will challenge rural people to create maximum wealth from the lands they control.

Such expanded outlets appear to lie in the fields of industrial uses and foreign markets. Some expansion in domestic consumption of foods is a possibility and deserves exploration.

I hope you succeed in getting established farm aid that is real, permanent, and beneficial to all segments of society. The proposed bill, S. 3503, appears to be a big step in that direction.

Respectfully,

B. V. WIDNEY,
County Agricultural Agent.

ALBANY, IND., *April 5, 1956.*

DEAR MR. HOMER E. CAPEHART, OF INDIANA: Your recent letter received and your material on different things are fine.

If you can bring it through, it sure would help everything. This is a grand old world with lots and lots of opportunities in it. If people would work to find out what's in it instead of trying to destroy it and themselves also, what a world it would be to live in.

Thanks for your fine letter.

Sincerely,

MARY INEZ DAY.

BLOOMFIELD, IND., *April 15, 1956.*

DEAR MR. CAPEHART: I read your copy of the speech made before the Senate, March 21, and want to commend you on your interest in the current farm situation.

In my contacts with farmers in this county it seems to be the general opinions that the soil-bank plan, plus 90 percent supports, is the best alternative for a period until some other cure comes to light.

Your proposal of legislation, adequate funds for research to increase use of agricultural products sounds like a wonderful thing, as farmers will benefit as well as all economies from research.

Glad to hear that you voted for the farm bill on last passage in Senate, which may not have been perfect in your opinion, but keep us farmers in mind.

We want a farm bill this year.

Yours truly,

DON CALVERT,
A. S. C. Grain Inspector,
Greene County, Ind.

HOWE, IND., *April 16, 1956.*

To the Honorable Senator HOMER E. CAPEHART,
Washington, D. C.

DEAR SENATOR: First I want to thank you for your copy of your speech to the Congress as to your views on disposing of the surplus grains now held by the Government.

Your plan made more sense to me than anything I have read pertaining to this problem, than anything I have seen in the last 15 years.

A lot of young farmers, 30 years old and down, have known nothing in this productive life but to expect help from the Government in one way or another, or should I say interference from the Government.

I have just finished reading your research program for the future, it makes sense to me and I agree with you wholeheartedly.

Why not give the farmers the right to think for themselves and to gain back their self-respect.

I say scrap the present program of doling out a few dollars to the farmers and taking back more in taxes. Go ahead with your research plan.

Keep up the good work; I am with you all the way. Give the farmers back their independence.

WINFORD LEWIS, *Auctioneer.*

CLYDE G. HARLOW & SONS,
Tipton, Ind., April 16, 1956.

Hon. HOMER E. CAPEHART,
Washington, D. C.

DEAR MR. CAPEHART: I am pleased to reply to your letter of April 6 with copy of speech enclosed.

I have heard nothing but favorable comment for the gist of your formula as a solution of this giant farm problem.

Personally, I feel the intent and purpose are 100 percent right, and if successful research is carried out to the point you suggest, I can see nothing but good coming from it.

I hope those in authority give your proposal the attention it deserves, since to me it seems the sound solution would in itself handle the parity problem much better than any proposed farm bill past or present.

Thanking you for this recognition, I am

Yours very truly,

CLYDE G. HARLOW.

OAKLAND CITY, IND., *April 3, 1956.*

Hon. HOMER E. CAPEHART: I read your speech with much interest and as you say it's a tough problem and all legislation will not solve the problem unless we find ways and means to find a market for our goods.

Thanks for sending me this.

Yours truly,

HERMAN G. SCHMIDT.

PURDUE UNIVERSITY AGRICULTURAL EXTENSION SERVICE,
Crawfordsville, Ind., April 10, 1956.

The Honorable HOMER E. CAPEHART,
The United States Senate,
Washington, D. C.

SIR: Replying to your letter received April 7, I have studied with interest your far-reaching permanent solutions of farm problems.

I think that from the long viewpoint, this research program is a most dependable and sure solution to our farm surplus problem. I would like to personally encourage you to pursue the enactment of this proposed research program if at all possible to get the support to do so.

In my contacts with farmers in Montgomery County, I do not find that the majority of them are expecting all of their farm problems to be solved by enactment of legislation for temporary relief. I think as a group, our farmers are very tolerent and understanding.

The young farmer has been affected the most in our county by this adjustment of the agricultural economy. I know that most of the farmers that have been farming back through the war years have been expecting and preparing their operations for an adjustment period.

I personally subscribe to the manner in whcih you are representing your people.

Very truly yours,

GORDON A. SOWERS,
County Agricultural Agent.

PURDUE UNIVERSITY AGRICULTURAL EXTENSION DEPARTMENT,
New Castle, Ind., April 9, 1956.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I received the copy of your speech before the Senate concerning your proposal of additional effort to find new markets for agricultural products and also was privileged to hear you discuss this issue at the New Castle "Third House" last Thursday.

It seems self-evident that the creation of new uses for agricultural products would do much to remedy our present situation. As you state, the program is a continuing and long-term approach. Many facilities now exist and much is being done along this line, but doubtless the whole program needs activating and coordinating. Those engaged need to feel the urgency of doing it now. Your proposals would doubtless get this job done.

There is a little concern in my mind that new emphasis will need to be placed on soil conservation when and if new demands give wartime incentive to production. In other words, we must be interested in continued high production as well as getting ourselves out of a present difficulty.

As you know, farmers live to produce and with price encouragement, they are apt to forget long time soil needs.

We certainly commend you for your interest and leadership in this matter.

Sincerely,

W. G. SMITH,
County Agricultural Agent.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
Washington, D. C., April 5, 1956.

The HONORABLE HOMER E. CAPEHART,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: This will acknowledge your letter relative to the proposed legislation which you have sponsored to provide for a scientific study and research program for the purpose of developing industrial uses of agricultural products. I have studied the proposed draft and believe it merits serious consideration and action by Congress. We have in the past supported the broad objectives of an expanded agricultural program, fully realizing that the welfare of the farmer cannot be divorced from the welfare of the working people in industry.

At the present time we are actively supporting the proposed certificate amendment as sponsored by Senator KERR and others in connection with the social-security legislation now pending in the Senate Finance Committee which would provide food and fiber commodities to dependent widows and children and those permanently and totally disabled. It is our sincere desire to see this legislation enacted because we believe that this would relieve much hardship now faced by our older citizens and those unable to earn a livelihood. In so doing, this could expand our consumption of farm commodities and eliminate much of the unnecessary waste and unnecessary expense of storage.

If the Senate Agricultural Committee holds hearings on the legislation which you have proposed, we will be prepared to support this measure.

Sincerely,

GEORGE R. NELSON,
Legislative Representative.

PURDUE UNIVERSITY,
AGRICULTURAL EXTENSION SERVICE,
Jeffersonville, Ind., April 10, 1956.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

HON. SENATOR CAPEHART: With your letter of April 5, you included a portion of the CONGRESSIONAL RECORD comprising your speech

and provisions of your agricultural bill presented to the Senate on March 21. I have read this speech and provisions of the bill with interest and believe that you have struck at the real heart of the agricultural problem. Farmers, as well as almost everyone else, realize that their income cannot be enhanced by reducing production. They realize fully that any programs of acreage allotments, based on previous history, are by their very nature unjust to some farmers. They realize that reduced production would not allow them the opportunity of managing their business in the most efficient manner. Farmers in this area are so opposed to acreage allotments that many of them have expressed the willingness to eliminate any national program in order to abandon acreage controls. You, I am sure realize that it would be tragic for the Government at this point to pull out of agricultural programs when the farmer is being depressed by surpluses encouraged by previous Government programs.

It seems to me that your approach of immediate action to get pilot plants and industry using agricultural products and at the same time promoting greater research in this field, should give the answer in reasonably short time. I read a news release last week of a product developed by a starch factory in Columbus, Ind., which holds tremendous possibilities in this field. That plant has developed through research a starch product made from corn which has proven effective in soil stabilization. That is, it eliminates water penetrating into the soil and gives the soil so treated a consistency almost that of paving. I understand that it is being used to stabilize the soil beds under roadways, and that it could be used for paving farmyards, driveways, and would prove a tremendous market for corn. The cost at the moment is very high, but with proper testing, no doubt, it could be lowered. I believe this is the kind of thing you are talking about in your bill.

My suggestion, whenever possible, is that the pilot testing and research be carried out by industry under contract rather than by the Government, and that the land-grant colleges be called upon to do whatever they can in the program, but that their regular research programs not be disturbed, and that they not be given a major responsibility in this industrial type of program. Where industry could foresee an opportunity to take over the product and profit by it, they would work faster and more effectively than pure research. Of course, this type of program would not solve all the immediate problems of agriculture, but would give confidence which is desperately needed, and then, coupled with a simple, but effective farm program for a few years, could solve the agricultural problem and have going at full capacity a farm production plant ready to meet the needs of any emergency, or of the natural growing population demands. If we build agricultural programs on the basis of controlled production, we could in the not-too-distant future, find ourselves with a problem of shortage. In a program of all-out production and utilization by both industry and for food, in any emergency, the amount used in either place could be expanded or reduced to keep a safe balance.

I have worked almost 24 years as a county agricultural agent and have observed with interest the coming and going of national farm laws and it appears to me that we are today further away from the real solution to the problem with our present programs than we have been through all the years. It seems to me that for the immediate future, an abandonment of all acreage allotments, and maintaining price supports at a reasonably low level, that the greatest good could be accomplished by simply making direct payments to farmers for any acreage he might have or wish to put into hay and pasture crops, and at the same time permit him to use and harvest those crops. This in my opinion would not increase greatly the amount of roughage consuming livestock and the amount of meat and milk, which is feared by so many people, because we all know that the great amount of meat, milk, and other livestock products are produced by grain rather than by grass. A simple 2- or 3-year program of direct help to farmers based on the acreage of land in grass, would give immediate help and would reduce the acreage in grain crops and the tremendous storage problem involved with high supports. The longtime problem could be solved, as you indicate, by the utilization of agricultural commodities through industrial markets.

Yours truly,

M. F. GOODE,
County Agricultural Agent.

CORYDON, IND., *April 16, 1956.*

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SIR: May I first state that my comments which I make are of my own personal opinion and not necessarily the thinking of the Department of Agriculture by which I am employed.

I would like to wholeheartedly compliment you for the speech made before the United States Senate, March 21, 1956, concerning your proposed research program.

In my daily contact with farmers I find that they are not a type of people who desire a giveaway program. Farmers at this time need assistance and guidance to lift them from the present farm recession created by the great surplus of basic commodities.

However, I personally feel that we should at all times have a nominal amount of grain in reserve and also an adequate incentive program for conserving our water, land, and forest resources.

Again may I congratulate you on your proposed research plan. In order that agriculture can compete with modern industry they must acquaint themselves with the common facilities used by industry.

Yours very truly,

Mrs. MARY R. EISENMENGER.

RENSSELAER, IND., *April 13, 1956.*

The Honorable HOMER E. CAPEHART,
The United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I appreciate very much receiving a copy of your speech made in the United States Senate on Wednesday, March 21, 1956.

I commend you highly for your stand in reference to the agricultural problem. An improved market through more uses of agricultural products is the only sound and lasting answers to the agricultural problem. It may be that new and different crops will be grown for some of the needs of industry, but farmers can adjust to the kind of crops or livestock if they have a market for the product.

I hope the idea of using farm-produced products as part of the fuel used in automobiles, trucks, etc., can be further developed. Conserving the supply of natural resources such as oil and coal is just as important for the future as conserving the soil.

Sincerely,

J. A. CARROLL,
County Agricultural Agent.

DEPARTMENT OF AGRICULTURE,
EXTENSION OF PURDUE UNIVERSITY,
Washington, Ind., April 13, 1956.

The Honorable HOMER CAPEHART,
United States Senate Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I studied with interest your speech of Wednesday, March 21, and your bill, S. 3503, and hope that Congress may be persuaded to adopt this promising measure.

It is true that we have spent large sums of money for increased production, but have left the consumption and utilization of farm crops more or less take care of itself. This, of course, has not been the case.

Research has done wonders in making more goods for a higher standard of living in America. There is no reason why a vigorous research program directed in the proper manner with sufficient funds cannot go a long way in solving the critical problem facing our farmers today in a relatively few years.

Congratulations on the positive, forceful way in which you presented your bill.

Sincerely,

EARL KUMPF,
County Agriculture Agent, Daviess County.

PURDUE UNIVERSITY,
AGRICULTURE EXTENSION DEPARTMENT,
Princeton, Ind., April 13, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I don't think you are out of line on setting up a research program such as outlined in your speech of March 21, 1956, to the Senate.

You have one more fan believing in your proposal. I'm keeping your report on file.

I would like to see more research for agriculture. It looks to me that what nature made in the way of coal, oil, and other things, science can make it better from agricultural products.

It may be that we may approach an era when we won't have the farmer as we know of him today. Research is the only approach to solve this problem.

Very truly yours,

ALFRED H. GESELL,
Agricultural Agent.

HUNTINGBURG, IND., *April 17, 1956.*

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR HOMER: I want to congratulate you on the idea for expanding the market for farm products as well as the presentation that you made in the Senate.

This would seem to be one of the most constructive things that has been done in a long time and certainly, is a new and fresh approach.

It is an odd situation that in a country like America, that a bumper crop should create so many problems as to almost be a catastrophe. While there has been talk of using the products of the farm for industrial purposes, of course, nothing has been accomplished in a big way.

We would be so conscious of this situation in southern Indiana where so much of the land is marginal and it would seem to us that some development might be made in the hybridization of trees. I found in Macon, last month, that the time for growing pulpwood, for instance, has been reduced from 30 years to 15 years and that they think with the further selection through the hybridization of the trees themselves, it would be possible to get pulpwood as a crop on a 7-year cycle. If that could be done, there would be untold prosperity in this particular area.

Again congratulations and with warmest regards, I remain,

Yours truly,

R. H. MCMURTRIE.

PURDUE UNIVERSITY,
AGRICULTURAL EXTENSION SERVICE,
Newport, Ind., April 12, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SIR: I like your approach to the farm problem. I can see no future in the farm program for farmers on tax papers either

when the Government pays farmers not to produce. It costs the consumer more for his products and as taxes. The farmer is hurt with less income. Corn is a good crop, but a 100-acre farm that can grow only 20 acres of corn is in bad shape no matter what the support price is.

America was built on more production—making items cheaper and better. Your approach is the only one that looks toward more production.

It seems that our farm problem is one of losing foreign and domestic markets for our crops. One answer is to cut production to meet the demand. The other is to establish new and better markets to use the present or increased production.

I am not sure as to what existing agencies can do or what new ones are needed, but it seems that this is the only approach left.

Yours truly,

JOHN L. STARK,
County Agricultural Agent.

PURDUE UNIVERSITY AGRICULTURAL EXTENSION DEPARTMENT,
Bloomington, Ind., April 17, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I have your letter of April 5, together with a copy of your speech before the United States Senate on Wednesday, March 21.

When can we learn that there is no reverse gear on progress, and quit looking backwards. Your suggestion of enough basic research to find profitable uses for his agricultural production, is the first sound approach I have seen taken, regarding our farm problem.

I would hope that it would not be necessary to set up a whole new Federal bureau to get the job done. We have only so many scientists and research men in the country anyway, so they will have to do the research work, regardless of the organization within which they do it. We have an experiment station in each State, and also a few Federal research institutions. Strikes me as being more practical to provide more facilities and equipment—and if possible, more scientists—to these institutions to broaden their activities, than to set up a complete new Federal agency.

Very sincerely yours,

CORRY ALCORN,
County Agricultural Agent.

MONTICELLO, IND., *April 17, 1956.*

Senator HOMER E. CAPEHART,
Washington, D. C.

DEAR SENATOR CAPEHART: Thank you for your letter of April 6 and copy of your speech before the Senate.

I have read your speech very carefully and discussed it with a great many farmers. I have met no one who thinks in a straight line, that does not believe it is the right approach to the solution of this whole complex problem.

On page 2, column 2, paragraph 5, which begins, No, Mr. President, we cannot solve—etc., indicates to me that you know what is wrong with present thinking regarding this whole situation.

Your proposed plan of research to discover and create new uses for farm commodities just can't miss being the right plan of attack.

Very truly yours,

LLOYD MIKESELL.

THE PRAIRIE FARMER,
Chicago, Ill., March 29, 1956.

The Honorable HOMER E. CAPEHART,
United States Senate, Washington, D. C.

DEAR SENATOR CAPEHART: Mr. Johnson is serving as an adviser at the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica. He will not be back until the first of May.

Thanks very much for sending us the bill which you are introducing into the Senate.

I sincerely doubt if the bill is the answer to the farm problem. On the other hand, Prairie Farmer is certainly in favor of research investigating the possibilities of expanding farm crop markets. There is little doubt but that we would be up to our ears in soybeans now if it had not been that soybeans have so many uses. We are certainly in favor of expanding our research to find new and improved uses for agricultural products.

Very truly yours,

RALPH S. YOHE,
Associate Editor.

AGRICULTURAL EXTENSION SERVICE,
Crown Point, Ind., May 29, 1956.

Senator HOMER E. CAPEHART,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPEHART: I am very sorry for the delay in answering your letter regarding the speech which you made before the United States Senate on Wednesday, March 21. I have been very busy and wanted to study the excerpt from the CONGRESSIONAL RECORD, which you sent me, in detail.

I think it is very desirable that the Federal Government follow an aggressive research program with regard to the industrial use of farm products. In all of our world history so far no government has ever been able to permanently set aside the law of supply and demand with laws and regulations. I do believe, however, that it is the duty of our Federal Government to do what it can to prevent extremely wide fluctuations in the prices of farm products. Farming is, by its nature, largely a small enterprise business and, inasmuch as it is one of our basic industries, I think that it is the duty and obligation of our Federal Government to engage in research which in other industries might be undertaken by large corporations. It seems also that it is a sound development to expect our Federal Government to engage in exhaustive investigations of the possible industrial uses of farm products so that private industries can immediately avail themselves of up-to-date information on this subject whenever it is economically sound to do so. A research program such as you suggest would undoubtedly develop many industrial uses that manufacturers would want to avail themselves of immediately.

I hope my opinions are of some value to you.

Sincerely yours,

LLOYD E. CUTLER,
County Agent.

CARMEL, IND., *April 4, 1956.*

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: Your speech sponsoring a bill to set up an Agricultural Products Administration and an Industrial Agricultural Products Agency was received yesterday, and I have just finished reading it. This is a plan which fires the imagination. The first 21 years of my life were spent on a farm, and my determination to obtain a technical education came about because all the farmers in our neighborhood seemed to be at a terrible disadvantage due to lack of anything resembling an industrial approach to their problems of production and marketing. Since my personal interest was in electricity, I planned to work in rural electrification when I finished my college work. However, I graduated in 1936, and there weren't any jobs available in that area, so I ended up on the industrial side of the fence, where I have been ever since.

It seems to me that you and the other distinguished sponsors of this bill have spotlighted the basic farm problem very clearly. Finding markets for farm produce must be just as much of the overall effort as finding ways and means to increase production. The automotive people probably do the best job of creating markets for their product of any specific group in industry. The analogy to the farm problem is not strictly accurate, but it is close. The auto industry spends millions of dollars yearly to develop new components, new styles, new safety devices, and they also spend millions to merchandise these new ideas, so that there is always a newer, better car on the market than the one you presently own. The result, in terms of customer demand, is a matter of record. An ever-increasing demand for farm products must be built up in industry.

Deliberately legislating a sense of urgency into the program you recommend seems to me to be essential. We are all well aware of the tension which surrounds our national-defense projects. I have heard many an industrialist refer wryly to his defense commitments as operating on a madhouse basis. This does not mean that they are disorganized, but that everyone is striving to accomplish great technical and manufacturing strides in the shortest possible time.

One of the problems in carrying out the program envisioned in your bill will be to divert the necessary technical talent to it. As you well know, a great percentage of our young scientists and engineers are struck with the idea of participating in glamorous enterprises like atomic energy, supersonic flight, space satellites, color television, and so on. During the Korean war, I was in Washington, calling on such laboratories as Naval Research, Naval Ordnance, the Bureau of Standards, the Army Engineer Center, and others. I was quite depressed by the great numbers of young men and women who had started their professional life in the business of producing materials for human destruction, and who, unless the pattern changes, will never know the satisfaction of doing something which will improve man's lot, instead of reducing him to an expendable part of a weapons system. National defense is necessary, and it must be maintained at a level which will avoid war, if possible, but some way must be found to lead an adequate number of technical people into the fields of human needs. After all, the producing part of the economy must be big enough and healthy enough to support the cost of the defense program.

If the money is appropriated and put in the hands of people who will get the job done, I think there is no question but what the predictions made in the early part of your speech will come true, and the results will begin to show up in the first year of operation.

As a suggestion (and you undoubtedly have already considered this), it seems to me that the administrator would find an advisory committee very useful. The members of the committee would represent both agriculture and industry, and the membership should change frequently enough to continually bring in fresh points of view, and to avoid criticism that some group was becoming dominant. The Defense Department uses this system very widely, and I am sure that it provides them with assistance and guidance which simply could not be purchased. This system can be used at lower levels, also, to obtain resistance on specific projects.

I hope that you obtain adequate support for this bill, and I am sure that there are many people across the Nation, like me, who feel that some of the techniques developed in national-defense programs and industrial programs would work wonders in the agricultural area. The return from such a program, in terms of better living and greater security for our people as well as others around the world would be nothing short of stupendous.

Sincerely yours,

PHIL WATSON.
P. R. WATSON.

RUTGERS UNIVERSITY,
OFFICE OF THE PRESIDENT,
New Brunswick, N. J., May 16, 1956.

The Honorable HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Thank you for sending me the text of your bill proposing a federally sponsored research and development program to find new and increased industrial uses for agricultural products. We are greatly interested in the bill, as you can imagine, and are appreciative of what you are doing.

Sincerely,

LEWIS WEBSTER JONES.

CORNELL UNIVERSITY,
Ithaca, N. Y., May 15, 1956.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR CAPEHART: Thank you so much for sending me a copy of your speech regarding the unlimited market for farm products. You certainly are to be congratulated on this forward-looking approach to the solution of one of our most basic problems and I am delighted to have had the chance to learn in detail of the bill which you have introduced.

With sincere personal regards,

Cordially,

DEAN W. MALLOTT, *President.*

COLLEGE OF AGRICULTURE,
UNIVERSITY OF ILLINOIS,
Urbana, Ill., May 9, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR MR. CAPEHART: Thank you very much for sending me a copy of your speech and the bill which you and other Senators and Congressmen have introduced pertaining to the ultimate solution of the farm problem. I have read this carefully and it is refreshing to see an approach which is different from that which seems to have become standard in the last several decades.

As soon as I return from a trip I shall write to Senator Earle C. Clements regarding the desire of the university to be represented at the hearings. The only thing which I note about the bill that would be of immediate concern would be the securing of the personnel needed to conduct the research studies provided by the bill. However, even this difficulty should not deter us in the effort.

Very truly yours,

W. G. KAMMLADE,
Associate Director of Extension.

UNIVERSITY OF ARKANSAS,
COLLEGE OF AGRICULTURE
AND HOME ECONOMICS,
OFFICE OF DEAN AND DIRECTOR,
Fayetteville, May 12, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: The subject of your letter of May 1 relative to the bill which you introduced in the Senate on March 21, 1956, has been discussed with President John T. Caldwell. He has written you to the effect that he should like to have the university represented at the hearings to be arranged by the Honorable Earle C. Clements by the dean of our College of Agriculture and Home Economics.

The subject of your bill is of very real interest to us and we shall be preparing ourselves to appear before the hearings called by Senator Clements. If at any time, additional information is issued with reference to your bill, we would appreciate receiving copies.

Sincerely yours,

LIPPERT S. ELLIS,
Dean and Director.

UNIVERSITY OF MARYLAND,
EXTENSION SERVICE,
College Park, Md., May 10, 1956.

The Honorable HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: Thank you for your letter of May 2 with copy of CONGRESSIONAL RECORD containing speech and text of bill which you introduced. I certainly agree with you that new uses for farm products in industry and new markets created thereby would aid in an ultimate solution of the farm problem.

I am happy to have your speech and text of bill and I wish to congratulate you.

Very truly yours,

PAUL E. NYSTROM,
Director.

STATE COLLEGE OF WASHINGTON,
INSTITUTE OF AGRICULTURAL SCIENCES,
OFFICE OF THE DIRECTOR,
Pullman, Wash., May 9, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR: Your recent letter addressed to Director M. T. Buchanan has been referred to me for reply. I am certainly in agreement with you that part of the ultimate solution to the farm problem lies in new uses of farm products in industry. Much of the data which is needed to develop these new uses of farm products must come from public funds appropriated for research. I am sure that you agree heartily with this approach.

I wish it were possible for someone from our institution to attend the hearing to be held by Senator Earle C. Clements, but because of the distance and the expense it will be impossible at this time.

Let me express our appreciation for your kind invitation.

Sincerely yours,

J. S. CARVER,
Acting Director.

ALABAMA POLYTECHNIC INSTITUTE,
EXTENSION SERVICE,
Auburn, Ala., May 7, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPEHART: This is another reply to yours of May 1. At home yesterday I studied your speech and bill in the CONGRESSIONAL RECORD of March 21.

There seems to be no evidence against what you are proposing to do. In my judgment it makes sense in every way.

In addition to funds for public research I hope that corporations that use and process farm products will spend more money and energy on research to find new markets and bigger markets. There is a big opportunity for them.

Some time in Washington I hope to discuss this with you because I'm genuinely encouraged by what you are proposing to do.

Sincerely yours,

P. O. DAVIS, *Director.*

UNIVERSITY OF MISSOURI,
DIVISION OF AGRICULTURAL SCIENCES,
Columbia, May 9, 1956.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Your letter of May 2, with the enclosed copy of the speech which you made concerning research on new uses of farm products, has been received. I greatly appreciate your sending me this statement.

The need for additional research to aid the entire agricultural industry with its problems is just as important as research in the chemical industry or any of the other great manufacturing industries.

I will write to Senator Clements regarding this matter.

Very truly yours,

J. H. LONGWELL,
Director.

LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL COLLEGE,
Baton Rouge, La., May 8, 1956.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I appreciate very much a copy of your address and a copy of the bill which you jointly sponsored to appropriate additional funds for agricultural research. Since our extension program is based very largely on the research results of the State experiment stations and the United States Department of Agriculture, we do have a deep, abiding, and continuing interest in an expanded agricultural-research program.

I wish for your great success.

Very truly yours,

H. C. SANDERS,
Director, Agricultural Extension.

IOWA STATE COLLEGE OF AGRICULTURE AND MECHANIC ARTS,
DIVISION OF AGRICULTURE,
Ames, Iowa, May 10, 1956.

The Honorable HOMER E. CAPEHART,
The Westchester, Washington, D. C.

DEAR SENATOR CAPEHART: I received your letter of May 1 and the copy of the bill which you introduced on new uses for farm products in industry and new markets created thereby. I have discussed this bill with some of our outstanding farm leaders and asked that they write their Senators and Congressmen. Tomorrow I am going to review the bill with Mr. Howard Hill, president of the Iowa Farm Bureau Federation, and perhaps he will follow up in that organization.

As you suggested, I also wrote Senator Earle C. Clements, of Kentucky.

Dean Harry Reed, of Purdue, has told me of your genuine interest in constructive agricultural programs. I am happy to participate and grateful to you for the contributions you have made.

Sincerely yours,

FLOYD ANDRE,
Dean and Director.

THE UNIVERSITY OF TENNESSEE,
AGRICULTURAL EXPERIMENT STATION,
Knoxville, May 23, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: This is in regard to your bill, S. 3503, which is a proposal to authorize large appropriations for support of research in the utilization and marketing of farm commodities. You may feel assured that we are keenly interested in this bill and would like to see it passed.

You are perhaps aware of the fact that we have a legislative committee for the experiment stations representing the land-grant colleges. Dr. L. E. Hawkins, of Stillwater, Okla., is chairman of this committee. If you have not already done so, I think he would be the appropriate person for you to write. Then, if he needs any assistance, he will call upon those whom he feels might be the appropriate persons to have appear before the committee.

You also are perhaps aware of the position taken by the American Association of Land-

Grant Colleges in regard to this particular work. I am quoting same below:

"The association believes that progress can be made in the industrial utilization of agricultural products, and that the best way of making progress is to provide additional funds for this purpose to the established agricultural research agencies of the land-grant institutions and the United States Department of Agriculture."

Sincerely yours,

J. H. McLEOD,
Dean and Director.

UNIVERSITY OF KENTUCKY,
OFFICE OF THE DEAN AND DIRECTOR,
Lexington, Ky., May 30, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: This is a belated reply to your letter of May 1, with reference to your proposed research program in the field of chemurgy.

We, of course, are vitally interested in finding new uses for farm products, to the end that farmers may profit by such markets and that consumers will have the benefit of new or improved products.

If and when Senator Clements holds hearings on this bill, we probably will be in a position to make a statement on it.

Sincerely yours,

FRANK J. WELCH,
Dean and Director.

THE UNIVERSITY OF CALIFORNIA,
May 28, 1956.

The Honorable HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: Thank you for you letter of May 2, 1956, with information about S. 3503, to provide expansion for a scientific study and research program for the purpose of developing increased and industrial uses of agricultural products so as to reduce surpluses of such products and to increase the income of farmers.

Expanded research designed to find new crops and new industrial uses of present crops, now in surplus, is a worthy effort which our research people have long had as an objective. The framework upon which to build this type of research exists in the United States Department of Agriculture and land-grant colleges of the Nation, but the financing has been meager when compared to general industrial research financing. Unfortunately, the research path is slow and the rewards materialize sometime in the future. This is not an argument against expansion of such a program now but it is important to realize that immediate large results will not likely be forthcoming.

The director of our agricultural experiment station, Dr. Paul F. Sharp, is a member of the legislative committee of the directors of the 48 States and 3 Territories. His committee, I understand, is planning to request permission to appear before the appropriate committees of Congress considering this bill, to present the combined thoughts of the agricultural experiment station directors of the United States.

As the research program develops, the university, as usual, is prepared to cooperate in the areas where it can contribute substantially.

Yours sincerely,

ROBERT G. SPROUL.

UNIVERSITY OF RHODE ISLAND,
COLLEGE OF AGRICULTURE,
Kingston, R. I., May 21, 1956.

Hon. HOMER E. CAPEHART,
United States Senate, Washington, D. C.

MY DEAR SENATOR CAPEHART: I am in receipt of your letter together with the portion of the CONGRESSIONAL RECORD giving your speech together with a copy of the bill which you have introduced into Congress. As a station director, I am happy to lend support to this bill.

In our experiment station organization we have a committee known as the organization and policy committee which is represented by directors from the four areas of the country. This committee appoints a legislative committee consisting of one director from each region. We have found in the past that it is desirable for us to have all legislative matters handled by the members of this committee. They are authorized to speak for the directors.

The chairman of our organization and policy committee has requested that the legislative committee handle the testimony for the station directors in support of your bill. I trust, therefore, that having the matter handled in this way will prove satisfactory to you.

Very sincerely yours,

MASON H. CAMPBELL,
Dean and Director.

VIRGINIA POLYTECHNIC INSTITUTE,
V. P. I. AGRICULTURAL EXTENSION SERVICE,
Blacksburg, Va., May 19, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: On my return to the office, I found your letter of May 2 and the speech which you made on the uses for farm products in industry and new markets created thereby. I deeply appreciate this and feel that you are on the right track. Certainly, we need a great deal more research in the utilization of farm products. The bill and your speech certainly indicate a thorough consideration of this long-range problem. I sincerely hope that we can be of assistance in this field and will collaborate at the very first opportunity with Dr. H. N. Young, the director of our agricultural experiment station.

Thanking you for your thoughtfulness, I am,

Respectfully yours,

W. H. DAUGHTREY,
Associate Director.

NORTH CAROLINA STATE COLLEGE,
SCHOOL OF AGRICULTURE,
Raleigh, N. C., May 16, 1956.

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: Reference is made to your letter of May 2, in which you enclose the bill that you introduced which would provide an attack toward the solution of the farm problem by developing new uses for many of our surplus farm products. I am sure that all of us feel that there are real possibilities in exploring further such uses and we are pleased that the Congress is giving attention to this most important subject. The organization of State Agricultural Experiment Station Directors has a legislative committee, of which Director Louis Hawkins, of the Oklahoma Agricultural Experiment Station, at Stillwater, Okla., is the chairman. I am sure that you would consider it most appropriate for our appearance in your hearings to come through such a committee. I am assuming, therefore, that you wrote to him also and, furthermore, that when the opportunity arises for hearings that he and members of his committee will represent all of the rest of the experiment station directors.

Very sincerely yours,

R. L. LOVVORN,
Director of Research.

EXTENSION SERVICE,
COLLEGE OF AGRICULTURE,
New Brunswick, N. J., May 17, 1956.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I am appreciative of the fact that you have sent me the copy of the CONGRESSIONAL RECORD containing your suggestions relative to a new research program leading toward greater utilization of farm products.

If uses for agricultural products can be developed on a basis which will make it economically sound to produce and process the crops in question, I am sure that the farm problem will be solved.

We are very much interested in the plans which you propose but must confess that over the years we have been discouraged by the chemurgic attempts which have, for the most part, met with failure because of the prohibitive costs involved in processing the various agricultural products. Certainly, however, we should not permit such a defeatist attitude to occupy our minds, and we, therefore, will follow with the greatest interest the results of your research campaign.

Sincerely yours,

LINDLEY G. COOK,
Associate Director.

UNIVERSITY OF DELAWARE,
SCHOOL OF AGRICULTURE,
Newark, Del., June 4, 1956.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: This is in response to your letter of May 2, 1956, which accompanied a copy of the speech which you made before the Senate March 21, 1956, concerning a $100 million research program to double the demand for farm products through discovery of new industrial uses and utilization of new processes already known. I have read your remarks and those of your distinguished colleagues with considerable interest. I am enthusiastic about the possibilities of such a research program. I believe it could be made to yield extremely worthwhile results.

One may wonder why land-grant colleges and agricultural experiment stations have not made more progress on this problem in the past. I would suggest that part of the difficulty arises out of the fact that, as you have indicated in your speech before the Senate, the approaches in the past have only been nibbling at the fringes of the problem. Each new increment in available research funds has been too small to accomplish the large purposes such as you visualize. Each of these increments have been programed well in advance and by and large have been programed primarily in terms of the facilities and research personnel available. This has tended to keep us in something of a rut.

Your approach provides for a stimulus for a new approach not committed to present proposals or programs. We hope that this proposal receives the consideration which it merits.

Sincerely yours,

G. FRED SOMERS,
Associate Dean and Associate Director.

COLLEGE OF AGRICULTURE OF THE
OHIO STATE UNIVERSITY
Columbus, Ohio, May 23, 1956.

The Honorable HOMER E. CAPEHART,
The United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: This will acknowledge receipt of your letter of recent date concerning the importance of marketing programs as the ultimate solution to the farm problem. We appreciated very much the attached copy of your speech made in the Senate on March 21.

The Agricultural Extension Service has given major emphasis to marketing education programs during the years past with added emphasis to this phase of the program during the last few years We operate in the area of overall marketing education in assisting rural people in developing new markets, new marketing facilities, and in the orderly movement of agricultural products. During recent years we in Ohio have become

involved in a broad consumer marketing program by assisting the consumers in general by furnishing marketing information on seasonal supplies and buys and in an effort to further promote the orderly marketing of agricultural products. We appreciate very much your interest in this area and agree that much can be accomplished by promoting still further the marketing program.

Very truly yours,

W. B. WOOD,
Director.

VIRGINIA POLYTECHNIC INSTITUTE,
DEPARTMENT OF AGRICULTURAL ENGINEERING,
Blacksburg, Va., June 7, 1956.

HON. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I regret that I have not replied to your letter in reference to your speech on the farm problem. I have read your speech and the comments by yourself and others with a great deal of interest. The solution of many agricultural problems, as you have indicated, lies in research and education. The amount of money spent for research in agriculture is very small compared to that spent in industry. Additional funds expended for research could go a long way toward helping to solve some of our most vexing farm problems.

Thanking you for your courtesy in sending me a copy of your talk, I am,

Very truly yours,

L. B. DIETRICK,
Dean of Agriculture and Director of Extension.

Mr. CAPEHART. Mr. President, why do we ask the American farmer to cut back his production? Why do we not say to him, "We are going to find new uses for farm products in industry. We are going to find new uses for your products. We want you to grow more, not less. We want your income to be greater, not smaller. We want to create new jobs in America, not fewer"?

Mr. President, I wish to say a word or two about a certain school of thought to whose expressions I have listened occasionally. I refer to the thought which is entertained by many persons that the small or marginal farmer must be eliminated, that such a farmer has no place in the scheme of things today. I say shame on any man who makes such a statement. The small farmer can be eliminated, if it is desired to do that, and his land can be turned over to the big farmer. But what will happen? The big farmer will grow more on the land which will be turned over to him than did the small farmer. So we shall have more production. We shall have more surpluses. We shall not have solved any problem by transferring the acreages of the small farmer to the big farmer. We will increase the problem rather than decrease it. What made America great was having a multitude of small farmers and a market for the products they grew.

Let us establish a research laboratory. Let us appropriate the necessary money for it. Let us get the American people thinking about the problem. Let us spend as much time and money in trying to find new uses for farm products as we have spent in showing the farmers how to grow more, so the small farmer on a 40-, 80-, or 100-acre farm can remain in production. A farmer today can produce about twice as much as he used to, by the use of new types of fertilizer and seeds. Let us find new uses for his products, so he can live on the farm and can produce on his acres, regardless of how small his farm may be, and receive sufficient income to make a living. If we do not do that, if we go in the opposite direction, we shall travel backward and bring about a peasant system, a feudal system in America, in which a few farmers will own all the land. That is not what we want. That is why hundreds of thousands of Europeans left Europe originally and came to America. They left to get away from big landowners, so they might own a few acres and make a living from them. Let us create new markets for farm products. Let us find new uses for farm products.

I again say I hope the Senate Committee on Agriculture and Forestry will hold hearings on the bill. I dislike saying this, but I hope we shall not have to make a political issue of the matter, because the farm problem is not a political problem; it is an economic problem. Let us handle it as an economic problem. Let us have the bill reported, or, if the bill I have introduced is not reported, let some bill which is similar to it in substance be reported, and let us go forward in finding new uses for farm products and new markets.

Mr. President, I previously asked permission to have printed in the RECORD letters I have received from people scattered all over the United States, who have shown a keen interest in this proposal. I have many more letters. I think I shall withhold them until I make another speech on this subject, which I hope I shall not have to make.

I trust the Senate Committee on Agriculture and Forestry will hold hearings on the bill and report it. As Senators know, Congress passed a farm bill. It was not entirely satisfactory to everybody, but, generally speaking, I think it was a good bill. It was as good as any which could be had. I am not criticizing the bill or anyone who had anything to do with it at all. We found ourselves faced with huge surpluses, and we had to get rid of them somehow. We found ourselves faced with the surplus production of farmers who, as a result of help from the Government over a period of years, amounting to billions of dollars, produced crops in such quantity that the market could not absorb them. If we will spend as much time, money, effort, and ingenuity in finding new uses for farm products as we have spent time, money, effort, and ingenuity in showing the farmers how to produce more, we will permanently solve the farm problem.

I appreciate the remarks made by the able Senator from Nebraska [Mr. CURTIS]. I am directing my closing remarks to the chairman of the Committee on Agriculture and Forestry and the chairman of the subcommittee which would handle the bill I have introduced. I request them, I urge them—yes; I even beg them—not on behalf of myself as the author of the bill, not on behalf of myself as a farmer, but in behalf of all farmers and all Americans, to report the bill so that we may proceed in an earnest effort, not next year, but this year, to find new uses for farm products, and new markets, thus assuring prosperity to the farmers of America, and eliminating the idea that they can become more prosperous by reducing farm production. Moreover, by finding new uses for farm products, we shall be able to eliminate the great price which the farm program has been costing the American taxpayers. I have been told that it will cost $365 million this year to store surplus commodities. My bill asks for only $100 million in the next year to find new uses for farm products. I hope we can get the job done before Congress adjourns, which I hope will be within the next 30 days.

Mr. President, I yield the floor.

Mr. CAPEHART. Mr. President, I also ask unanimous consent that a speech I made upon this subject on March 21, 1956, be printed in the RECORD at this point in my remarks.

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

SENATOR CAPEHART POINTS OUT UNLIMITED MARKET FOR FARM PRODUCTS—PROPOSES A VAST $100-MILLION RESEARCH PROGRAM TO DOUBLE THE DEMAND FOR FARM PRODUCTS THROUGH DISCOVERY OF NEW INDUSTRIAL USES AND UTILIZATION OF NEW PROCESSES ALREADY KNOWN

(Speech of Hon. HOMER E. CAPEHART, of Indiana, in the Senate of the United States, Wednesday, March 21, 1956)

Mr. CAPEHART. Mr. President, I am about to propose a far-reaching, permanent solution of the farm problem so vast that its potential is virtually unlimited.

While the economic, industrial, and social implications of this program cannot, with any degree of accuracy, at this moment be estimated, it is clear that this program will tend to solve, if not wholly solve, the farm problem for all time.

After months of painstaking examination of its possibilities, I have reached the altogether justifiable conclusion that this plan would, within a few years, create a demand for farm products in industry at least equal in amount to that now consumed for human consumption in the United States. It would double the farm market.

Essentially, this is a solution of the farm problem based, not on the negative theory of curtailing production, but on the positive approach of creating new markets demanding complete and full utilization of our total agricultural capacity.

We have worked long and hard in the Senate for weeks on a farm bill to meet the contingencies of the moment. Out of all the debate, committee findings, staff studies, and my own personal research, I have reached the conclusion that any farm plan, to solve this problem on a permanent basis, must do three things:

First. It must provide for quick disposition of existing surpluses. Our Government is attacking this problem now with admirable vigor. I would like to see it move faster. But we are making substantial progress.

Second. The plan must provide, at the moment, for curtailed production until such time as we can create new demands to prevent accumulation of future surpluses based on normal production. This, too, is a part of the existing plan. This effort will be furthered, somewhat, by provisions of what we have called the soil-bank program.

Third. Most important and almost untouched in relation to its real possibilities, any such plan must include a tremendous research and development program—a program which should be started immediately, and financed by whatever Government funds are necessary—to develop to the utmost the industrial uses we already know about for farm products—and they are considerable—and at the same time find new uses creating a demand for at least double what we have considered the normal farm production of the United States.

It is this third point which I now propose. I know enough about its potentialities to convince me that if we in the Congress will face our responsibility to authorize and order such a program, we shall help to bring about 50 years of the greatest agricultural prosperity in the history of our Nation.

I know enough about it that I have been saying to the farmers of my State of Indiana: Do not sell your farmland. Buy more. The next 50 years on the American farm will see unprecedented prosperity.

Mr. WELKER. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from Indiana yield to the Senator from Idaho?

Mr. CAPEHART. I yield.

Mr. WELKER. As one of the cosponsors of the bill which is being introduced by the distinguished senior Senator from Indiana, I wish to say to him that I commend him very highly for this very wonderful bill, which will solve the agricultural dilemma, and again will make it possible for farmers to live. I can pay to the Senator from Indiana no higher tribute than to say that he has done this job extremely well.

Mr. CAPEHART. I thank the Senator from Idaho very much for his remarks.

Mr. ANDERSON. Mr. President, will the Senator from Indiana yield to me, or does he prefer first to finish his statement?

Mr. CAPEHART. I prefer first to finish my statement, Mr. President.

Imagine, if you can, what it would mean to this country—to all segments of our society—if we of the 84th Congress should be responsible for creating a farm market at least twice as great as any we ever have known.

It can be done if we will legislate a program to take the blinders off, as it were, of our agricultural research and development program, and throw the full white light of technical research and development, experimentation, test facilities, pilot plants, and unexcelled American know-how into an all-out effort to create new industrial uses for just the everyday products of our land.

First, of course, it would mean to the farmer a new life of productivity. It would provide prosperity for him. It would permit him to follow his natural instinct to get everything he can out of his land.

Second, it would create new jobs. Obviously, the demand for farm labor would increase. But its effect on industrial labor generally would be even more phenomenal. Entire new industries with millions of new jobs would come into being—industries to manufacture new products. The demand for new transportation facilities—automobiles, trucks, buses, railroads, airlines, and so forth—would be tremendous. The demand for new farm machinery alone would provide an industrial and labor stimulus almost beyond our comprehension.

Third, the increase in retail business would mount into the billions of dollars. Farmers, laborers, and, I am convinced, just about every other category of business customer in the United States would have more money to spend for just about everything business has to sell.

Fourth, such a program would, in my opinion, mean the end of a tremendous tax burden now imposed to finance our vast agricultural assistance and storage programs of the moment—a burden which we gladly bear as long as it is necesary, but a burden which all of us will agree would be a welcome deletion from our national budgets. If we can bring this about—and I believe we can—it would enable us to reduce taxes substantially and to make it easier to retire the national debt at a faster pace.

Mr. President, the ramifications of such a plan are staggering. It is brand new. At the outset, it would cost a little money—but, by comparison, only a drop in the bucket. After all, when it begins to cost more to repair your automobile, your tractor, or your furnace than a new one would cost, what do you do? You buy a new one.

I say to you, Mr. President, that it is high time this Congress bought a new approach to the farm problem, in the form of this research and development plan.

It meets the essential test. It is good for the farmer. It shows every promise of proving economically sound. It is, at the same time, good for all of the people.

What would such a plan replace eventually? This year, our agricultural assistance programs will represent a total investment of three billion, four billion, or perhaps five billion dollars. Yet, that assistance program has contributed to the accumulation of some $9 billion in farm surpluses, for which not only has the Government paid with the taxpayers' money, but which is costing in storage charges a million dollars a day—$365 million a year.

By means of this bill we are only asking for $100 million or less than one-third of the cost to store for 1 year the surplus agricultural commodities the Government of the United States now owns.

At this point, I want to take full cognizance of the good work being done toward working out the surplus disposal problem. The Government has sold, or otherwise disposed of, much more of our surpluses than generally is known. I do not want to criticize the good work which has been done, but I am firmly convinced that the program should be expanded and accelerated. Whenever possible, more and more of our surpluses should be made available to the needy at home and elsewhere. I believe that program is being speeded up. It must be.

Meantime, these surpluses hang over farm prices like a sword. They depress farm prices. This means lower farm income. It means less farmer spending for consumer goods. It means less tax revenue for the Government. And it means increased investments in agricultural assistance programs.

The plan I am proposing would reverse that situation. It would insure the American farmer his rightful share of an otherwise bountiful prosperity, by requiring full production in an economy guaranteeing fair prices. It would put an end to the unsound practice of spending billions of dollars to preserve a bad situation, when a great deal less would provide a permanent cure.

No, Mr. President, we cannot solve our farm problem permanently by curtailing production. We must increase consumption; we must find new markets. Since, generally speaking, the vast majority of our people are well fed, our only alternative is to find new and increased industrial uses for our agricultural products.

There is no question that this can be done.

It is my opinion that the Department of Agriculture and our research and development people know enough now, so that, given a real opportunity to prove it, they can find industrial uses for 5 billion additional bushels of grain, such as corn, wheat, rye, barley, oats, rice, sorghum grains, and potatoes, each year. Let us remember that at present our total production of these grains is only about 6½ billion bushels. This entails a total of 180 million acres of grain cultivation. If another 5 billion bushels are added to that, we can see what that would mean in terms of additional cultivation for the American farmers.

Under capable and efficient management, the great chemical and oil industries of the United States have found, through research, many new industrial and commercial uses for their products. They now make everything from rubber to clothing materials from chemicals. The plastics industry has had a phenomenal growth through research.

All of this came about in the same degree as these companies invested their profits in research. You will agree that our more successful corporations spend millions of dollars each year seeking new and better products through research.

It is exactly this type of program which must be carried out in discovering new markets for farm products. Yet, no farmer or group of farmers can themselves afford to establish the vast laboratories necessary to carry out that research. It is simply impracticable and impossible for 6 million individual farmers to get together to carry out the kind of research and development program required to keep agriculture abreast of the rest of the economy.

Let me give you one example of a failure to keep pace with an important loss of consumption in farm products. Not so many years ago farm power was provided by horses and mules. This animal power consumed the production equivalent of some 80 million acres of feed grains. For lack of research, in my opinion, we have failed to produce a new market to take up the slack of that displaced production.

We have fewer tillable acres in production today than we had 50 years ago. I think the tillable acres today are about 350 million. Fifty years ago, when the only power on the farm was horses and mules, the horses and mules consumed the equivalent of 80 million acres of feed grains. Therein lies the difference between our surplus today and full consumption.

Mr. President, I come now to the point of proposing the most important program I ever have sponsored in my almost 12 years in the Senate of the United States.

The United States must undertake—and undertake at once—a $100-million-a-year research and development program to find new and increased industrial uses for agricultural products. I send to the desk, for myself and other Senators, a bill to accomplish that purpose.

On behalf of the Senator from Maryland [Mr. Beall], the junior Senator from Ohio [Mr. Bender], the senior Senator from Ohio [Mr. Bricker], the Senator from Maryland [Mr. Butler], the junior Senator from Kansas [Mr. Carlson], the Senator from South Dakota [Mr. Case], the Senator from Illinois [Mr. Dirksen], the Senator from Idaho [Mr. Dworshak], the Senator from Vermont [Mr. Flanders], the Senator from Nebraska [Mr. Hruska], the Senator from New York [Mr. Ives], the Senator from Indiana [Mr. Jenner], the Senator from Pennsylvania [Mr. Martin], the Senator from South Dakota [Mr. Mundt], the Senator from Maine [Mr. Payne], the Senator from Michigan [Mr. Potter], the Senator from Kansas [Mr. Schoeppel], the Senator from New Jersey [Mr. Smith], the Senator from Idaho [Mr. Welker], the Senator from North Dakota [Mr. Young], the Senator from New Jersey [Mr. Case], the Senator from Connecticut [Mr. Bush], the senior Senator from Iowa [Mr. Hickenlooper], the junior Senator from Iowa [Mr. Martin], the Senator from Wyoming [Mr. Barrett], the Senator from Minnesota [Mr. Thye], the Senator from Connecticut [Mr. Purtell], the Senator from New Hampshire [Mr. Cotton], the Senator from Colorado [Mr. Allott], the senior Senator from Maine [Mrs. Smith], the Senator from New Hampshire [Mr. Bridges], the Senator from California [Mr. Kuchel], and the Senator from Wisconsin [McCarthy], I introduce for appropriate reference a bill to accomplish the purposes I have outlined. I ask unanimouse consent that the bill be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested.

The bill (S. 3503) to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products so as to reduce surpluses of such products and to increase the income of farmers, and for other purposes, introduced by Mr. CAPEHART (for himself and other Senators), was received,

read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

"Be it enacted, etc.—

"DECLARATIONS AND FINDINGS

"SECTION 1. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and additional industrial uses for agricultural products:

"(a) Current productivity of farms in the United States is substantially in excess of current markets for their products at price levels which provide fair and substantial income to farmers.

"(b) National defense and the security interests of the United States require increasing and expanding agricultural productivity to meet possible emergency needs of the United States and its allies, which productivity cannot be achieved or maintained at depressed farm prices resulting from overproduction or with acreage curtailments to avoid overproduction.

"(c) It is in the national interest of the United States to increase the level of farm income in order that farmers may continue to share to a greater degree in the general prosperity of the Nation.

"(d) No program has been developed, and none can be foreseen, that can successfully shrink farm production for an extended period of time; but reseaerch programs provide known means potentially to increase substantially the industrial uses of agricultural products and thereby to achieve farm prosperity based on full, rather than curtailed, production.

"(e) Research facilities, both private and public, including those of land-grant colleges and universities, can and should be utilized for an all-out attack on the development of increased and additional industrial uses of agricultural products to enlarge opportunities for increased production by farmers and to reduce Government costs for the acquisition, storage, and ultimate disposition of agricultural commodities which are now a substantial financial burden to the Government.

"(f) The cost to the United States of such a research program may be expected to be more than offset by increased tax revenues resulting from increased earnings of both farmers and those who sell goods, wares, and merchandise to farmers, as well as by savings to the United States in costs of current agricultural assistance programs.

"PURPOSES

"SEC. 2. The purposes of this act are to find and develop through research, sponsored and financed by the United States, new industrial uses, and increased use under existing processes, of agricultural products.

"ADMINISTRATION CREATED

"SEC. 3. There is hereby created in the executive branch of the Government an Industrial Agricultural Products Administration (hereinafter referred to as the Administration), in which is vested the duties, powers, and responsibilities hereafter set out in this act. Such powers, duties, and responsibilities of the administration shall be vested in an administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve during the pleasure of the President. The administrator shall receive compensation at the rate of $22,500 per annum.

"DUTIES, POWERS, AND RESPONSIBILITIES OF THE ADMINISTRATION

"SEC. 4. The Administration shall conduct research, both scientific and chemical, make field studies, conduct both laboratory and field experiments, test production procedures on a commercial basis, maintain and expand pilot plants whenever necessary, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and otherwise promote the finding, development, and commercial use of new, increased, extended, and perfected processes, techniques, and programs for industrial uses of greater quantities of agricultural products.

"POWERS OF THE ADMINISTRATION AND THE ADMINISTRATOR

"SEC. 5. The Administration is authorized to:

"(a) Utilize such existing facilities of the United States, and such trained personnel employed by the United States, as the President finds can feasibly be transferred to the Administration for carrying out the purposes of this act. The President is hereby authorized to (1) transfer any such facility, facilities, or personnel to the Administration, or to (2) make any such facility, facilities, or personnel available to the Administration for carrying out the purposes of this act.

"(b) Build, purchase, or lease plant facilities, or necessary equipment, suitable for research, pilot plant, manufacturing, or other needs of the Administration in carrying out the purposes of this act.

"(c) Employ such personnel as may be necessary to carry out the purposes of this act; and all technical or scientific employees engaged for research by the Administration shall be exempt from the civil-service laws and regulations.

"(d) Employ or retain on a contract basis individuals, firms, institutions, and organizations, public and private, including land-grant colleges and universities, to conduct research programs for the Administration pursuant to this act.

"SEC. 6. The Administration is authorized to pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this act, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards.

"SEC. 7. The Administrator is authorized to appoint industry advisory committees and to employ consultants without compensation or at rates of compensation not to exceed $50 per diem.

"SEC. 8. The Administration may make grants to accredited schools, colleges, and universities for fellowships and scholarships in research for the purposes of this act.

"INDUSTRIAL AGRICULTURAL PRODUCTS AGENCY CREATED

"SEC. 9. There is hereby created in the Department of Agriculture an industrial agricultural products agency (hereinafter referred to as the Agency). The duties, obligations, and responsibilities of the Agency shall be carried out by and under the direction of the Secretary of Agriculture.

"DUTIES AND RESPONSIBILITIES OF THE AGENCY

"SEC. 10. Under the delegations, directives, and policy determinations of the Administrator, the Agency shall carry out all of the duties, obligations, and responsibilities imposed upon the Administration by this act, including the making of research contracts, employment of personnel, contracts for the construction, purchase, lease, or other acquisition of real or personal property, and the maintenance of all records, files, studies, and other data undertaken pursuant to this act. Notwithstanding any other provisions of this act, the Administrator may delegate any power given him hereunder to the Agency, and he may control, supervise, and direct all Agency action permitted by law under this act.

"SEC. 11. The Administrator shall report semiannually to the Congress progress on research programs undertaken pursuant to this act to find and develop new and increased industrial uses for agricultural products.

"SEC. 12. The Agency may license, at a fair and reasonable royalty, any person, firm, or corporation to use any process developed by the Agency or to make and sell under any patent, or application for patent of the Agency. Such royalties shall be based upon fair compensation to the Government for its investment and shall be nondiscriminatory. Whenever the Administrator finds it in the public interest to do so, he may grant royalty-free licenses for processes developed under this act, including the right to make and sell under any patent or application for patent of the Agency.

"APPROPRIATIONS

"SEC. 13. There is hereby authorized to be appropriated to the Department of Agriculture, for the Industrial Agricultural Products Agency, the sum of $100 million for the fiscal year beginning July 1, 1956, and the same amount annually thereafter. There shall be paid out of such appropriations the salary of the Administrator as well as all other expenses of his office. The President is authorized to transfer to the Agency $1 million out of unexpended Agricultural Department funds to initiate promptly this program following the enactment of this act for and during the fiscal year ending June 30, 1956."

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

Mr. CAPEHART. I yield.

Mr. ANDERSON. I hope the Senator will take into consideration, in introducing his bill, that in 1946 the Congress of the United States enacted the Agricultural Research and Marketing Act of 1946, and made provisions that various sums might be appropriated in succeeding years, increasing the amount year by year. The amount that could be used in 1947 for research and marketing was $9½ million. In 1948 it was $19 million. In 1949 it was $33,500,000. In 1950 it was $48 million. In 1951 it was $61 million. Thereafter the sky was the limit. One hundred million dollars could have been appropriated under the act.

I invite attention to the fact that in 1950, when $48 million could have been appropriated for research in marketing, the Congress appropriated $19 million. I suggest to the Senator that the problem is to get Congress to appropriate the money, or authorize it, to the extent of the figure of $100 million, which the Senator has suggested.

Mr. CAPEHART. I am thinking in terms of $100 million in addition to that which the Congress has already appropriated, or might appropriate.

I am also thinking in terms of establishing an organization which will really function and get the job done. Unfortunately, in the past, while the Department of Agriculture has done a good job in developing many programs, it has not had the capacity really to organize and promote a program of research, including the construction of pilot plants, the making of field tests, and doing the job in the spirit called for by the proposed legislation.

As the Senator will see when he reads the bill——

Mr. ANDERSON. I have read it.

Mr. CAPEHART. As an inherent part of the legislation, we wish to set up an administrator who will have almost the title of czar. He will proceed to get the job done, in the same fashion in which the Government developed synthetic rubber during the war. One of the weaknesses of the present plan is that everybody's business is nobody's business.

What we propose is to get the job done immediately. The proposed program might well be called a crash program.

I am mindful of what the able Senator has said. Unfortunately the Congress, both in Democratic and Republican administrations, did not take sufficient cognizance of the existing legislation. In my judgment,

the job should have been done by this time. At least, we should be well on the road toward accomplishment of it.

What we are now advocating is that we give this program everything we have, and get the job done. We should spend whatever money is necessary, and take whatever time is necessary.

Let me say to the able Senator from New Mexico—and no one knows it any better than he does—that if and when we solve the farm problem, it will be solved on the basis of more uses for farm products in industry. We shall never solve the farmer's problem by producing for food uses alone. He will have to produce for industrial uses.

The question is, shall we solve the problem over a period of 10, 15, or 25 years? Or shall we solve it as we solved the synthetic rubber problem during the war period, by doing the job immediately? That is the purpose of the proposed legislation.

Mr. ANDERSON. I am not opposed to solving the problem.

Mr. CAPEHART. I know the able Senator is not opposed to it.

Mr. ANDERSON. On the contrary, under the terms of the Agricultural Research and Marketing Act of 1946, a special agricultural research administration was established in the Department of Agriculture. Many of us have tried repeatedly since to get sufficient appropriations for that agency.

Mr. CAPEHART. Later in my speech I shall name the laboratories we now have. I shall mention some of the things the Department has been able to accomplish, and I shall cite some of the programs which they are about ready to bring to a successful conclusion. With a mandate from the Congress such as is contemplated in the proposed legislation, I am sure the programs will be accomplished more quickly, and that we shall relieve the farm situation by producing more instead of less. I hope we shall be able to do something really worthwhile for the country and the people. I know that the able Senator is 100 percent in accord with that aim.

Mr. ANDERSON. Mr. President, would the Senator object to my asking unanimous consent that, at the conclusion of his remarks, there be printed a table with reference to the previous legislation, showing that it requires steady, constant pushing by the Congress to get the necessary appropriations by the Bureau of the Budget?

Mr. CAPEHART. I shall be delighted to have the table printed in the RECORD at the conclusion of my remarks.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the table which the able Senator from New Mexico has in his hand.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. CAPEHART. Mr. President, speaking for a moment about that $100 million figure, it is less than one-third the amount we now spend merely to store surpluses which, as long as they exist, can have no effect other than to cause low farm prices.

I can think of nothing more economically sound than to buy for $100 million a year a program that would eventually replace an assistance program running into the billions and at the same time eliminate the costly surplus situation which makes such an assistance program necessary.

Some may ask why the Government should finance industrial research for one segment of our economy. There are several reasons.

First. Many years ago we "crossed the bridge" in establishing as public policy that the Government had a responsibility to see to it that farmers shared fairly with all others in the national economy. Our farm assistance program is now public policy. That decision has been made. Our job now is to determine whether we are doing so in the most efficient and economical manner.

Second. We now are spending billions of dollars a year on programs which, on the record, do not face up to our basic farm problems. That is evidenced by the fact that farm productive capacity is far greater than existing markets for farm products.

Third. Industry has proved the value of research in finding new uses and new markets for surplus products. Why, then, should we spend billions of dollars to curtail production and reduce farm income when, as I will show, a few hundred millions of dollars spent on research can be expected to find new markets, sufficient not only to consume our present normal productive capacity but double it?

Fourth. It is just good sound business for the United States Government and all of its people. The Government now owns $9 billion of farm surpluses. Such a program as the one we propose would enable us to realize at least something on the investment we now have in surpluses. But, much greater than that is the probability that such a program should save billions in support programs, increase farm income, boost tax revenues, stimulate business through increased farm purchasing power, and create millions of new jobs. All of this adds up to greater and greater national prosperity to be shared by every man, woman and child in the United States.

So, I say this is the responsibility of the United States Government, which makes it the solemn duty of the Congress. This Congress and the executive branch of the Government never have had a greater opportunity to serve the welfare of the farmers and all of the people than by extending overwhelming approval to this bill. As far as the Congress is concerned, we should arrange quick hearings and pass the bill promptly.

There are a good many specific examples of benefits, through research already done, which accrue from such a program as this one. Let me recite a few:

Some years ago, the citrus fruit industry was in bad shape. Then, our Department of Agriculture, through research, aided in the perfection of the quick-frozen food process. I am told that this virtually saved the citrus-fruit industry. Consumption went up, income went up, and a great new phase of this industry resulted—from what?—from research.

The Department of Agriculture is said to be on the verge of perfecting powdered, whole milk. All commercial powdered milk at the moment is skim milk. I believe that perfection of powdered whole milk would go a long way toward doing for the dairy industry what the freezing process did for the citrus industry.

I understand the Department is about ready to perfect the research on powdered, whole milk. If they are, it means that there will be twice as much whole milk sold as now. It will require twice as many cows as now. It will give the dairy industry twice as much business. If and when the Department of Agriculture perfects powdered whole milk, that is what will happen.

Someone may say to me, "You say they have perfected it." Possibly that is true. However, even after it is perfected, under the provisions of the bill, pilot plants will be built to prove its worth. Field tests will be given, and its worth will be proven. Then private industry will be licensed to proceed with the production of powdered whole milk.

Agriculture is now working on a high-protein food for cattle that would, if perfected, revolutionize animal feeding and consume an additional 150 to 160 millions of bushels of wheat a year, the production equivalent of 7½ million acres. From a 56-pound bushel, we would get 16 to 20 pounds of high-protein feed.

Think of that, Mr. President. One hundred and fifty million to 160 million bushels of wheat. That is almost enough wheat to take up the surplus of wheat at the moment. That is only one item.

Work is progressing to develop metallurgical oils from grain.

I am told that the researchers are near perfection of an oil made from grains which can be used in the manufacture of paint.

We know that synthetic rubber can be made from grain. True, the process is more expensive, at the moment, than rubber made from crude oil. Agriculture is working now to bring that cost down. It would take 350 bushels of grain to make 1 ton of rubber. If we used ethyl alcohol from grain to produce all of the 900,000 tons of synthetic rubber a year, it would require the consumption of 315 million bushels of grain, or the production equivalent of about 7 million acres.

That is 315 million bushels of grain. At the present time we produce only about 6½ million bushels each year. That 1 item alone would take 315 million bushels.

One of the great potentials in the field is the production of microba rubber, a natural rubber, from the gluten in grain. There is another great possibility.

All of these, if finally perfected, would require the production equivalent of hundreds of thousands—yes; millions of acres of grain. Who can tell just how many acres?

There is no limit, as the population increases and new uses are found for the products of the farm.

We have known for many years that ethyl alcohol can very successfully be blended with the gasoline used in an automobile. If just 10 percent of the blend was ethyl alcohol made from grain, it would require more than 2 billion bushels of grain a year and there would be no grain surplus. Actually, a blend of 25 percent of such alcohol could be used without major adjustments to the engine.

At the moment it would cost more, but know-how in America always gets the price down, as we well know. If we had a 10 percent blend, it would take more than 2 billion bushels of grain. The total production at the moment is only 6½ billion bushels. That is the entire production in the United States. That is just one item, Mr. President, and it is a matter of bringing the price down.

Now, if such a program should be undertaken, it might reduce temporarily the consumption of crude oil. But my best judgment is that in the long run this reduction would be more than offset by increased consumption in the hundreds of thousands of new tractors, trucks, transport vehicles, automobiles, and other petroleum-burning equipment in use because of this very program.

The petroleum industry might lose 10 percent and retain 90 percent. However, the 90 percent in only a few years time would be so much bigger in volume and so much more important to the industry, that the two are hardly worth comparing. It shows what can be done, if only we in Congress would have the same imagination now, and get that same imagination and push and zip into the Department of Agriculture, to do the job that private industry is doing. We would not have to appropriate money for subsidies for the farmer, and we would not have to worry about the farm bill.

We could put the farmer into a very prosperous position. We are not going to help the farmer very much by reducing his production. We can help him only by increasing his production, and this bill provides for that. The White House is already behind it. It is very enthusiastic about the objectives and purposes of the bill.

As many Senators know, it was an Englishman who first discovered penicillin. But, it

was our Department of Agriculture that developed the means for its commercial production. So, Mr. President, what I am here proposing already is going on at a snail's pace, while we spend billions on an agricultural surplus program. This must not be a snail's pace program.

This must be a crash program as an investment in agricultural and even greater national prosperity and economic health.

It is the only way I know to achieve a permanent farm prosperity based on full production rather than costly acreage curtailment.

Such a crash program in research will, of course, require pilot plants, field tests, and commercial plant-testing facilities. This type of operation is not new to the United States Government either.

The Government owns a now idle plant in Omaha, Nebr., for making ethyl alcohol from grain. This should be reactivated immediately.

This and possibly other similar plants should at least make into grain alcohol the surplus grains which are available. Yet the plant at Omaha is standing idle, and it should be reactivated.

Plants are being operated under the system about which the Senator from New Mexico was speaking, but they have not a sufficient appropriation. They do not have one man thinking about the problem day and night. They are dragging. They are not going forward. Partially, of course, it is because Congress has not given them sufficient money, and likewise, partially, because they do not have the imagination in the Department which they should have in order to accomplish this objective. In my opinion, they should have advocated the same thing which some 35 Senators are advocating here today. They know the situation and they know what can be done.

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

Mr. CAPEHART. I yield.

Mr. BRICKER. Some 10 or 15 years ago there was a great deal of activity in this field by a private organization supported by industry, and known as the Chemurgic Council. They were on the point of success, when the war came on, and the project was temporarily abandoned because of the war. Does the Senator from Indiana know whether there has been any revived activity?

Mr. CAPEHART. I do not.

Mr. BRICKER. I have heard of none.

Mr. CAPEHART. It was financed, I think, by private industry.

Mr. BRICKER. It was. The Ford Motor Co. was interested in it, and there was a great deal of interest in my State. It is centrally located, in Columbus, Ohio. It was operated along the line of developing food and fiber products into commercial uses, not only in the field of gasoline, about which the Senator has been speaking, which is entirely practicable except dollarwise, but in every field of utilization for construction, for the building of automobile bodies, as I remember, and soybean utilization. They were manufacturing cloth out of milk. One man had a hat made out of milk. It seemed to be as good as any other hat. It was made by Stetson, as I remember.

Mr. CAPEHART. We should do what we did during the war with reference to synthetic rubber. Once the Government perfects and approves each of these products, it can then be immediately turned over to private industry for production.

Mr. BRICKER. The synthetic rubber program was really perfected by private industry with Government money.

Mr. CAPEHART. That is correct. Private industry is working on many, many uses for farm products. If we can pass this bill, it will help the farmers. The project could be concentrated under one man in Washington whom I am willing to call a czar, to do whatever is necessary—bumping whatever heads are necessary to be bumped in the Government in order to find new ways to use farm products so that the farmer can increase instead of decrease his production and be on an equal footing, so far as profit is concerned, with industry.

Mr. BRICKER. I am happy to join the Senator in sponsoring the bill. I think it offers great possibilities. In the years ahead, I believe the possibilities will become greater and greater. It is a field in which the Government should interest itself.

Mr. CAPEHART. There are 6 million farmers, and they cannot all get together.

Mr. BRICKER. Industry is not interested at this time, because there is no dollar return.

Mr. CAPEHART. They have about all the business they can handle at this time.

Mr. BRICKER. So long as they have the resources available to them in coal and fuel oils, out of which they can make so many of the products which are now being made synthetically, they will not turn to farm products, because of the dollar cost.

Mr. CAPEHART. They are selling about everything they can make. Only the Government can help the farmers at this time. Only the Government can do what is proposed, and it should do it.

Mr. BRICKER. I think it is comparable to an observation I heard yesterday with respect to the fiber-glass development in this country. It started in one small plant, and fiber glass is now used in 101 different ways. There was an adequate return to justify investing capital in the project. But the Senator feels that cotton fiber and the like can be utilized.

Mr. CAPEHART. I shall show that 11 probable uses can be made of agricultural products. The Department estimates that these uses will take nearly 3 billion bushels of grain. I shall name the 11 products in just a moment.

Mr. BRICKER. It becomes more important as the years go by because our other resources, such as oil, coal, minerals, and so forth, are becoming depleted. We shall ultimately have to have some kind of synthetic substance.

Mr. CAPEHART. It will have to be done some day if we are to solve the farm problem. The question is, Will it be done over a period of 50 years, or are we going to just sit down and think about the money, the time, and the effort required to do the job quickly, instead of spending billions of dollars in subsidies paid to the farmer to keep him from producing something? If we spent a small fraction of the money in helping the farmer to find new uses and new markets for his products, everyone would be better off.

Mr. BRICKER. I think we all agree with the Senator's statement of a moment ago that the farm bill is not satisfactory to anyone. It has been hampered by expediency, and we are not happy about the situation existing in agricultural areas.

There is not only a department of research in the Federal Government, but in practically every State there is an agricultural research station bent upon increasing production. They are developing better crops and new things for the farmer to develop in the conventional agricultural line.

Does the Senator from Indiana know of any research work going on, either federally or at State levels, or in the universities, to transfer to industrial uses some of the food and fiber now used in normal consumption?

Mr. CAPEHART. I think there is considerable work going on, possibly in private enterprise. Our Government departments are doing some work in universities. The Federal Government has been spending hundreds of millions of dollars, as have the agricultural universities, to help farmers to grow more, but they have completely forgotten about where the market can be found. This bill would provide that the Government shall spend money and time finding a market for that which they have been showing the farmers how to produce.

Mr. BRICKER. The Senator anticipates, then, in this program, that emphasis would be laid upon the new utilization of farm products, and he would also encourage a continuation of the research now being done in State institutions.

Mr. CAPEHART. The administrator would encourage private industry, the universities, and the Department of Agriculture all to go forward with more research. Everybody would get to work on the problem in an effort to solve it.

Private agencies have been spending large sums of money on research for many years. Consider Purdue University in my home State of Indiana. Purdue has helped the farmers of Indiana to produce more and more and more, but no one is spending the money or taking the time to find out where the farmer will be able to merchandise or sell his increased production. The proposed legislation would do that.

American farm production has been built to a very high level. There is too much on hand. There is overproduction. Vast surpluses exist. Now let us spend the time, money, and effort—and it can be done—to find new uses and new markets for the farm products. When that has been done, the farm problem will have been solved.

Mr. BRICKER. I congratulate the Senator from Indiana upon his leadership in the program, which I think is of great interest to all of us. I am very happy to join with him, and I hope we may successfully start the program.

Mr. CAPEHART. I thank the Senator from Ohio.

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

Mr. CAPEHART. I yield.

Mr. ELLENDER. I had occasion to read the remarks of the Senator from Indiana, which he kindly sent to my office yesterday, and I also have scanned the bill.

I am wondering what is the difference between his proposal and the proposal submitted by the Senator from Nebraska [Mr. CURTIS], which is a part of the bill that was passed by the Senate on Monday.

Mr. CAPEHART. I think the big difference is that the proposal of the Senator from Nebraska, which was made a part of the farm bill, called for a commission to study the problem and to report to Congress in June 1957.

My bill calls for getting busy now—today—because now is when the farmers need the help. The program ought to be started now. I do not think a study is needed to learn what should be done. I am a farmer; I know what ought to be done. Only one thing needs to be done, and that is to find more markets for that which is grown on the farm.

Mr. ELLENDER. That was why I opposed the Curtis amendment. It sought to make studies which already have been made. The Senator is aware of the fact that about 12 years ago, as a result of studies made, Congress authorized the establishment of 4 huge laboratories, 1 of them in New Orleans.

Mr. CAPEHART. Before the Senator from Louisiana came to the Chamber, I named them. They are located in New Orleans; Peoria, Ill.; Albany, Calif.; and Philadelphia.

Mr. ELLENDER. That is correct. Those four research laboratories ought to be required to make the studies. Why is it necessary to spend more money for further research?

Mr. CAPEHART. The bill goes beyond research. It calls for the building of pilot plants. It calls for additional studies to be made by the State universities.

I am not criticizing what has been done in the past. I know that in 1946 a bill was passed, in which a certain sum was authorized, and the laboratories were set up. The complaint I have is that in 10 years——

Mr. ELLENDER. Nothing has been done.

Mr. CAPEHART. There has not been accomplished what I think should have been accomplished. I think that through the proposed legislation Congress ought to mandate the administration, especially the Department of Agriculture. An administrator, whom I should like to call a czar, should be appointed to get the job done. I want to see one appointed who will start bumping heads together. Let us get the job done. The farmers are in a bad situation.

A real farm problem exists. We worried about it on the floor of the Senate for days and days. It is costing billions of dollars.

There is no one who knows anything about business who does not know that a person's income cannot be increased by cutting back production. It is necessary now to do it temporarily under the farm bill, in order to reduce surpluses, so that prices can be brought up higher. But that is not the real answer; it is only a temporary answer.

Mr. ELLENDER. I simply wish to remark that research as a rule is a very slow process. What the Senator from Indiana seeks is a continuation of the utilization of the surpluses on hand, without any method having been found for their use.

Mr. CAPEHART. I do not follow the Senator's line of reasoning. I am trying to have Congress and the administration do for agriculture that which was done for the rubber industry during the last World War. During the war and in a hurry, the Government developed a synthetic-rubber industry to the point where today more synthetic rubber can be produced in the United States than can be used.

I do not want to delay the expenditure of the money. The program ought to be what might well be termed a crash program, and the administration ought to be mandated to proceed with it. We should insist that the administration move ahead promptly with such a program. It ought to be accomplished twice, three times, or four times as fast as any similar program that has been undertaken.

Mr. ELLENDER. There must be a basis from which to start. It is not possible to say that wheat or that cotton should be used unless a process has already been devised, and that requires research.

Mr. CAPEHART. Of course it does; and that research will not be done in 1 month or 1 year. But if a start is not made, the research never will be done.

I am going to discuss some 11 projects on which the Department of Agriculture is working at the moment, and which the Department feels reasonably certain can be accomplished and will use 3 billion bushels of corn a year.

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

Mr. CAPEHART. I yield.

Mr. MUNDT. It seems to me the difference between the approach which the Senator from Indiana is taking—and I commend him for his constructive thinking, and am happy to be one of the sponsors of the bill—and the approach discussed by the chairman of the Committee on Agriculture and Forestry, is simply that we find ourselves today where we were in 1943, 1944, and 1945 in the development of atomic energy and the atomic bomb. A large amount of research was in progress in a great number of laboratories for many years. Dr. Lawrence, of South Dakota, one of our distinguished sons, was engaged upon that project for a great many years. When the war began, it was put on a crash basis.

Under the bill which is now proposed, the research program will be put on a crash basis, and will be given new impetus. Discoveries, which have already been made in the Peoria laboratory, and in other laboratories and institutions, will be developed further in pilot plants, in an effort to give publicity to the new uses which can be made of farm products, and thus to speed up the disposal of farm surpluses.

I am certain that no one expects that a bill which will be passed this year will solve the problem next year; but it will certainly shorten the time which otherwise would be taken if we relied solely upon the normal processes of exploration, investigation, and study in Government laboratories. Am I correct?

Mr. CAPEHART. I think the Senator from South Dakota is 100 percent correct. We are trying to make a start and to arouse enthusiasm on the part of the Department of Agriculture to accomplish this job.

Who would have said 50 years ago that today there would be radio, television, and plastics? Who would have said 75 years ago that there would be automobiles to the extent that they exist today? Who would have said at the beginning of the century that we would have all the new products which we enjoy today?

I think that what we are talking about will eventually be worked out. I think eventually enough uses will be found for farm products. But it will take too long to find them unless the Government becomes interested in the matter, because six million farmers cannot do the work by themselves; they have no way of doing it.

Mr. MUNDT. What is sought to be done by the bill is to take the program of farm chemurgy out of low gear and to put it into high gear.

Mr. CAPEHART. That is exactly correct.

Mr. MUNDT. There is a very good historical background for doing this. Senators will recall that in World War I the United States found itself without a dye industry. We were at war with Germany, who had a great deal of experience and know-how in the making of dyes. But by putting the program of dyemaking on a crash basis, by stimulating the program for the research and development of raw products in laboratories and chemical factories, and in the clothing industry, before the war was over the United States had acquired a first-class dye industry, in a short space of time. What we did in wartime from the standpoint of dyes we can do in peacetime from the standpoint of farm products. We did that in the matter of synthetic rubber produced from industrial alcohol obtained from corn, molasses, and a great number of other products. We did it from the standpoint of utilization of atomic energy as a weapon of war in the more recent war. America's history is replete with evidence of our capacity to get a job done when we concentrate our money, energy, and know-how on the problem. The only way to get ahead is to make a start.

Mr. CAPEHART. There is not any question that the American researcher and American engineer and the American people and this Congress and the Department of Agriculture and our great universities and our great research laboratories can do the job if somebody—and that somebody has to be the Congress of the United States—mandates them and tells them to do it, and helps them to do it with appropriations and with direction, and with an administrator for the whole program.

Mr. MUNDT. The difficulty has been that we have been nibbling away at the whole problem, when it takes a man-sized bite to get going. The bill would provide enough latitude for the Secretary of Agriculture, or the man he appoints to administer the program, not only to enter into contracts with colleges and universities, not only to stimulate American genius in laboratories at Peoria and elsewhere, but to enter into contracts with our great chemical corporations and great industrial laboratories, whereby their genius would be devoted to this problem. Is that correct?

Mr. CAPEHART. That is correct.

Mr. MUNDT. So we would bring into the picture not only our scientific scholars and students in the laboratories at colleges and universities, but some of the most hard-headed businessmen who for years have utilized their production with scientific discoveries in the laboratory, and who could devote their efforts to the problem.

Mr. CAPEHART. That is correct.

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

Mr. CAPEHART. I yield.

Mr. BRICKER. It seems to me the parallel between atomic energy and the production of synthetic rubber during the war does not wholly follow. We are not faced with a great need for a product; we are faced with the need for a new utilization of the surplus production of the farms of the country. The problem becomes not one of scientific development, because that is generally understood. Formulas have been arrived at and the research has been done, but not to the degree of determining the economy of such a process. One of the problems of our scientific and research organizations is to work out the economic problem, because in our economy, we have to bring the cost of production down to the point where it can compete with products conventionally used.

Mr. CAPEHART. Which means that we must have pilot plants built and field tests must be conducted in order to prove the products.

Mr. BRICKER. It is an engineering and a production problem rather than a scientific and research problem.

Mr. CAPEHART. Possibly it is more of an engineering and production problem.

Mr. BRICKER. I think that is correct.

Mr. CAPEHART. We already know how to proceed. It is a question of ways and means to operate economically.

Mr. BRICKER. Those engaged know how to do many things with the products, but new developments may come.

Mr. CAPEHART. There are more developments we have not heard of than there are that we know of.

The Government owns four going research and development laboratories as follows: First, Southern Utilization Branch, New Orleans, La.; second, Northern Utilization Branch, Peoria, Ill.; third, Western Utilization Branch, Albany, Calif.; and fourth, Eastern Utilization Branch, Philadelphia, Pa.

We now have an oil-from-shale pilot plant at Rifle, Colo.

We have operated two coal hydrogenation plants from which a great deal has been learned about the economics of making gasoline from coal.

Senators all know, of course, that the Government perfected the process of making synthetic rubber during World War II. Recently, we were able to sell the plants we used in this process at a profit and create a whole new series of income-producing, taxpaying properties.

In this connection, it is my belief that as fast as the Government proves the practicability of each new farm product in industry, the process should then be turned over to private industry for production.

Mr. President, there can be no justification for further delay in starting this program.

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

Mr. CAPEHART. I yield.

Mr. MUNDT. Mr. President, will the Senator may have mentioned before I came to the floor, but I did not hear him touch on it. We have also developed a very successful method of utilizing industrial alcohol as a gasoline blend.

Mr. CAPEHART. Yes; I mentioned that.

Mr. MUNDT. During the great depression days of the thirties we had, in South Dakota, in Sioux City, Iowa, and in that general area, half a hundred filling stations which were at that time selling an alcohol-blend gasoline, and it worked very satisfactorily in the automobiles of motorists. It was sold, that long ago, at competitive prices.

I have under preparation at this time a bill I intend to introduce in the Senate which would provide some kind of method whereby, from tax or some other concessions, we would make it possible to utilize alcohol from farm products for fuel. We do now have a way to cut into the surpluses.

Mr. CAPEHART. The administrator, under the bill, would be authorized immediately to get busy. The Government now owns an alcohol plant in Omaha. We wish to have that reactivated and have it start making grain alcohol. We wish to have a pilot plant to start blending alcohol and gasoline in order to get the price down and prove its worth. We ought to have all sorts of programs of that kind.

Mr. MUNDT. I presume one of the responsibilities and duties of the new administrator would be to make legislative suggestions to Congress so that Congress could be helpful, perhaps in the way of granting tax concessions for the manufacture of alcohol-gasoline blends for automotive purposes, or perhaps granting tax concessions to factories engaged in the production of industrial goods made from agricultural products. There are many ways in which a man dedicated to this responsibility could function, in addition to handling the contracts and the general scientific and exploratory functions of the office.

Mr. CAPEHART. The Senator is absolutely correct.

When it reaches the point of productivity which I envision for it—the point at which it will obviate the necessity for our present agricultural assistance programs—it will have accomplished the dual purpose of reducing Government expenditures and increasing farm and national prosperity and the social, economic, and industrial welfare of our Nation. As I see it, this thing is nearly all pluses and almost no minuses. I cannot see any minuses in it at all.

What we have been doing up to now is based upon a hope that some day conditions may improve to such a point that we shall have an adequate market for our farm products.

I wish to repeat that thought, and I want the officials of the Department of Agriculture to read it, and I should like to have the Secretary of Agriculture read it. What we have been doing up to now is based upon a hope that some day conditions may improve to the point at which we shall have an adequate market for our farm products.

What we are proposing is a concrete program to create that kind of a market. Much of this program can and should be carried on in existing public and private laboratories, particularly in our schools and colleges. The Department of Agriculture has been working with many such educational institutions for years. Moreover, the Department now has a limited research staff in its several experimental stations working on these and related projects.

The program we propose should be built on the framework of and within the existing research activities of the Department of Agriculture. It would not be well to disrupt the Department's existing organization or disregard the value of its experience.

The program here suggested must use all of the existing research and experimental facilities of the Government. In the past it seems to me, one of the weaknesses has been a lack of funds for pilot plants and field tests. These are, of course, necessary to test the commercial feasibility of any new process or product. My proposal would make such funds available.

So we propose to utilize to the fullest every existing Government facility. But the larger and more dynamic program which we contemplate cannot be accomplished on any business-as-usual basis.

For that reason, we propose that this entire research and development program be placed under the direction of a full-time administrator at the White House level.

He must be the most competent man available—a man of great stature, who would have the complete confidence of the President. No other man in the executive branch of the Government would have a more important job to do for his country. We are convinced that this program, under such dynamic leadership, would go a long way toward permanent solution of the farm program.

For want of a better term, we might call this man the "czar" of the Agricultural Industrial Products Development program.

Who knows what miracle products such a program might develop? The possibilities are challenging to the Congress, to the executive department, to our best scientific research brains, to the American people, and, more particularly, to the American farmer.

There are many industrial uses for agricultural products on which some research has already been done. I shall read a list of 11 probable industrial uses for agricultural products on which the best available estimates indicated a likely annual use of 2½ billion bushels of agricultural products whereas we now produce only 6½ billion yearly. This list was given to me by the Department of Agriculture:

"1. High-protein food by fermentation, 150 million bushels a year.

"2. Paint from vegetable oil, if 5 to 10 percent of potential market is reached, 15 to 60 million bushels a year.

"3. Synthetic rubber, 365 million bushels a year.

"4. Microbia rubber, if 10 percent of the potential market is reached, 25 to 30 million bushels a year.

"5. Increased use of starch in paper, 40 to 100 million bushels a year.

"6. Industrial exploitation of oxystarch, 10 million bushels a year.

"7. Raising disease-free poultry for export, 13 million bushels a year.

"8. New drug plants, 4½ million bushels a year.

"9. Hardboard, boxboard, and building board from wheat, 20 to 40 million bushels a year.

"10. Development of high-amylose corn, 10 million bushels a year.

"11. Blending 10-percent grain alcohol with gasoline, 2 billion bushels a year.

"Total, 2.6 to 2.7 billion bushels."

Other possible uses for grain derivatives include smokeless powder, plastics, medicinals, toilet preparations, soaps, cleaners, anesthetics, antifreeze, dyes, varnishes, power, and fuel.

If we keep at this research job, I can foresee in time our using in industry 6 billion bushels or more a year of agricultural commodities.

This program has been under study by a great many persons other than myself. It is the product of a great deal of serious consideration of one of the most serious problems in the United States.

The potentialities are so vast that any attempt to evaluate the benefits to this Nation and its people dollarwise is an almost hopeless task. I have been unable to select any segment of our economy—any group of our people—who would not lead more comfortable lives and enjoy higher standards of living and benefit generally from the fruits of such a program.

It would mean the assurance of a full market for full farm production.

It would end our farm-surplus problem.

It would save the Government money.

It would help to relieve the tax burden and give us a chance to reduce the national debt.

It would create new industries.

It would create new jobs.

It would stimulate retail sales.

It would provide better incomes for our people, including the Nation's 6 million farmers.

It is, in our opinion, in all modesty, the most constructive approach to the farm problem yet devised.

Mr. President, in conclusion, let me say we have no time to waste. I hope the bill will be referred to the Committee on Agriculture and Forestry, that the committee immediately will hold hearings on the bill, and that representatives of the Department of Agriculture will be prepared to testify in behalf of the bill before the committee. I am certain they will favor it, because, in my opinion, this program, as I said a moment ago, is one which the Department of Agriculture itself should have begun and should have suggested to the Congress 1 or 2 years ago, or perhaps longer ago than that. After all, the solution of this problem is the responsibility of the Department of Agriculture, which does have, as it should, the best interests of the farmers at heart; and the Department of Agriculture should be enthusiastic about any plan which shows any chance whatsoever of helping the American farmers, particularly under existing conditions.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. Laird in the chair). Does the Senator from Indiana yield to the Senator from New Jersey?

Mr. CAPEHART. I yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I should like to say to the Senator from Indiana that I appreciate very much the presentation he has made on this very interesting subject. Some 15 years ago, as the Senator from Ohio has stated recently, there was a chemurgic movement, which I believe was a private activity. The Senator has said he is familiar with it.

Mr. CAPEHART. Yes.

Mr. SMITH of New Jersey. I was very much interested then, as a layman, in the field of farming. I think there are many more commercial uses of farm products.

I desire to commend the distinguished Senator from Indiana for the very fine presentation he has made; and I wish to say that I can well understand the reason for the great success he has had in the business world, because the zip he has shown in his presentation of this bill demonstrates a positive approach to the problem of finding increased uses for our agricultural products, with the result of greater prosperity for the farmers of the Nation.

I am very happy to be a cosponsor of the bill, along with the distinguished Senator from Indiana.

Mr. CAPEHART. I thank the Senator from New Jersey.

It is so obvious to me that this plan is the only way to solve the farm problem. That problem will be solved only by finding new uses and new markets for our agricultural products. The problem will not be solved—at least not in a satisfactory way—by paying subsidies or by reducing production or by anything of the sort.

The problem will be solved only by increasing production—by having the farmers produce more and by having an increased economy, rather than a decreased economy. That simply must be the answer; there cannot be any other.

The only question is whether the Congress and the administration wish to go along as usual in regard to this matter; or whether we really want to do a proper job, and do it quickly.

As the able Senator from New Mexico [Mr. ANDERSON] stated a moment ago, in 1946 the Congress set up the laboratories. But perhaps both the Democratic administration and the Republican administration since that time should be blamed, and perhaps the Congress itself should be blamed for not appropriating enough money and not requiring the administration to get this job done.

Today, I plead that we do the job. I plead that all of us get behind this program. Let us give the farmer some hope. Let us say to the American farmer, "We are going to get this job done for you. We are going to create new markets for your products. We are going to make it possible for you to grow more, instead of less."

By doing that, the farmer will be able to buy, and will buy, more farm implements and more of all other kinds of products; and the railroads will carry more grain and other farm products, and so will the trucking lines. The retail stores in the small towns in the farming communities will sell more. Everyone will gain; no one will lose.

Mr. SMITH of New Jersey. Mr. President, I thank the distinguished Senator from Indiana for the excellent presentation he has made.

Mr. CAPEHART. I thank the Senator from New Jersey.

Mr. President, I cannot conceive that anyone would be against this plan. In fact, I do not know of anyone who is against it. Some persons have said, "At the moment there are not enough engineers or scientists to make it possible for such a program to be carried out." However, Mr. President, in my opinion, those are alibis and excuses; they are not good reasons.

I have always said that when handed a lemon, make lemonade out of it.

In this case the farmers and the country generally are faced with a great problem because of the overproduction of agricultural commodities. We have encouraged the farmers to produce more and more. We have spent hundreds of millions of dollars for our agricultural schools, which have worked diligently to show the farmers how to produce more and more and more. The seeds have been improved. Today there is huge production; but the markets for it are insufficient. Let us be just as enthusiastic in helping the farmers find new markets as we have been in increasing agricultural production. Once we do that, we shall really be doing something for the American farmer, and we shall really solve this problem. Unless that is done, the problem will not be solved, in my opinion.

I do not want anyone to get the impression that I am criticizing the farm bill we passed the other night, or that I am criticizing the Department of Agriculture, the Congress, or any individuals. I am simply trying to point out what is so obvious to me as a businessman and a farmer.

We ought to start on this program tonight. Possibly the Senate should remain in session tonight to pass this bill and set ourselves on the road toward accomplishment of this program.

Mr. CAPEHART. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a circular issued by the Farm Research Committee, of Indianapolis, Ind., explaining in some detail the purposes of the bill.

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

CAPEHART URGES MORE FARM PROFITS, NO FARM SURPLUS

We call it a surplus because farmers produce more than they now sell at a fair price. That's why the Government has invested $10 billion in a price-support program, costing $1 million a day just to store what we don't use.

And we should not reduce production.

Reduced production is a temporary expedient, necessary only because of already-accumulated surpluses. The permanent answer is to create through research and development, new industrial uses for farm products—and thus assure new jobs, new markets and a fair, profitable price for everything the farmer can produce.

What we don't eat can be used to make industrial products: Cosmetics; rubber; vanilla; plastics; vitamins; drugs; dyes; auto fuel; antifreeze; paper; paint; varnish; leather-tanning agent; clothing, from cornstarch; insulation, from cornstalks; nylon, from corncobs; vicara (like lovely cashmere), from corn gluten; penicillin, from cornstarch wastes and wheat bran; tobacco humidifier, from apples; rayon, from vinegar; furniture coreboard, from puffed wheat; auto lubricants, substances for roadbuilding and for keeping chocolate from turning white, from soybeans; wool-like fiber, paper coating, glue and paint, from skim milk casein; white leather (washable in hot water), new hide process; mothproof real wool (won't shrink in automatic washer or dryer), would restore many sheep-grazing acres now in wheat if experiments are concluded successfully; concentrated fruit powders; new fibres (water-resistant stain- and flame-proof, stronger, longer-lasting, "wash-and-wear"), chemically transformed from cotton; etc.

While wisely spending millions to help the farmer grow more, we have spent only a drop in the bucket to find new markets for his increased production.

No more acres are farmed today than 50 years ago. But they produce a lot more because of better mechanical power; better tillage, seeds, and fertilizers; better weed-killers, insecticides and forage crops, and new and better animal breeds, feeds and medicines.

We now produce 5 percent more than we use.

In 10 years, it may be 10 percent.

In 20 years, we'll still meet our food and fiber needs (which will be 60 percent greater than in 1950) * * * with no increase in cultivated acreage * * * with a farm-labor force 20 percent smaller than today's * * * and have more unsold crops than ever * * * unless we do something about it now.

So we should find more industrial uses for farm crops fast.

EVERYONE'S IN FAVOR OF THE CAPEHART FAST RESEARCH FARM PLAN

1. To find new uses for farm crops.
2. To use farm crops as raw materials in already proven manufacturing processes.
3. To create thousands of new jobs.
4. To pay incentive awards to private citizens for suggesting new-use ideas.
5. To enlist and coordinate the intensive help of agricultural colleges, corporations, foundations and industrial advisory consultants.
6. To use Government pilot plants to prove the soundness of new discoveries—then license private persons and companies to make and market the new products.
7. To step up tremendously the activities of the Government's four agricultural research laboratories already in operation.

Already commercialized are over 100 new uses for farm products discovered in these 4 Government laboratories. Income taxes from thousands of resulting jobs have more than paid off the taxpayers' investment.

Already these 4 laboratories (on a far smaller scale than the Capehart plan calls for) are far along with research on another 11 new uses which, if successful, alone could use 2½ billion bushels of grain a year (and our annual total production is now only 6½ billion bushels).

These 11 new uses are: 1. New drugs. 2. Paper from starch. 3. Cardboard, boxboard, and building board from wheat. 4. Paint from vegetable oils. 5. Synthetic rubber. 6. Microbia rubber. 7. High-protein food by fermentation. 8. Industrial uses of oxystarch. 9. Disease-free poultry for export. 10. High-amylose corn. 11. Power and auto fuels.

Bigger market, higher income, protection from sudden, damaging price shifts, more and better farm jobs.

Selling more equipment to the farmer, building more factories, trucks and railroad facilities, shipping additional crops and new manufactured products, advertising and marketing new products, etc.

The Capehart fast research farm plan would cost the taxpayer only a penny a year for each $1 already spent on the price-support program, less than one-third what it now costs just to store what we don't use.

Actually, it won't cost anything. It will make money. Its initial cost would be more than repaid by (1) taxes on new income from new jobs, (2) royalties paid to the Government by private manufacturers and marketers of the new products, and (3) sharp drops in the Government's cost of surplus storage and artificial price supports.

Mr. CAPEHART. Mr. President, I should also like to have printed in the body of the RECORD, as a part of my remarks, an editorial published in the Indianapolis News of Wednesday, December 26, 1956.

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

NEW USES FOR FARM PRODUCTS

American farmers again have demonstrated their remarkable ability to produce crops in unprecedented amounts.

The story is the same in Indiana and all over agricultural States—recordbreaking 1956 crops despite the smallest harvested acreage in 20 years.

Indiana farmers' production was so great that the Department of Agriculture has raised its estimate of the corn crop in this State by 10 million bushels. This adds up to 295,546,000 bushels, an average of 62 bushels an acre.

In many parts of the Nation a weather-made crop-control program was in effect. Bad weather in the planting season and serious droughts in several areas, however, could not hold down production records.

The reason for this great outpouring of agricultural products is the technological expertness of the modern farmer. He is quick to enlist the newest scientific knowledge in preparing and fertilizing his fields, in planting his seed and in cultivating his crops. The use of modern machinery has given him greater efficiency.

As related to the future of America, this is a hopeful picture. It does not appear likely that this Nation, although it is undergoing a rapid population growth, will have to worry about food shortages for years to come.

But it also shows that plans for production control to bring the prices of agricultural products in line can at best be only an expedient. A better method must be found.

The plan of Indiana Senator HOMER E. CAPEHART is the most sensible. He proposed at the last session of Congress that a research bureau be created to find new uses for farm products.

The 1956 crop production emphasizes the need for this type of program. The Nation must find a way to utilize the whole abundance of American farms.

HOME LOANS TO VETERANS

Mr. JOHNSON of Texas. Mr. President, on behalf of myself, the Senator from Tennessee [Mr. KEFAUVER], the Senators from Alabama [Mr. SPARKMAN and Mr. HILL], and the Senator from South Carolina [Mr. THURMOND], I introduce, for appropriate reference, a bill designed to open the bottlenecks which have frustrated the efforts of veterans to

take advantage of the housing benefits to which Congress believes they are entitled.

This measure has three main provisions:

First, it would make available 25 percent of the national service life insurance fund for direct veterans' home loans at 4½ percent interest. This would mean about $1,400,000,000.

Second, it would increase the authorized amount of the mortgage limit from $10,000 to $14,000.

Third, it would eliminate some of the delays in processing applications which in many cases have actually prevented loans from being made.

Mr. President, the unhappy fact is that in many areas of the country money is simply not available for veterans' housing, except at a price too high to pay, and as the interest rate creeps up availability decreases.

This measure would make available to the veterans money out of their own fund. At the same time, the fund would be protected in two ways—it could neither make a profit nor suffer a loss.

Any profit that accrued to the fund would be covered into the general fund of the Treasury. Any loss incurred by the fund would be reimbursed by the Treasury, but experience has shown that the possibility of a loss is practically negligible.

Experts in the field assert that the lack of money is not the only limiting factor. They say that the present mortgage limit of $10,000 has a dampening effect, and that there have been many cases in which applications to the Veterans' Administration simply have not been processed.

This measure seeks to meet both of these situations as well as a third factor which has contributed to the difficulties of veterans in obtaining home loans. At the present time the Veterans' Administration does not begin to process an application until the voluntary credit groups have reported their inability to obtain private financing. This delay all too often results in the veteran losing the particular housing for which he was seeking financing.

This bill would require action—not necessarily favorable action but action—by the Veterans' Administration on each application for direct loan at the same time as efforts to obtain private financing are being made. If private financing is available, within a 20-day period, it will be preferred and used. But, if private financing is not available, the Veterans' Administration will be in a position to make qualified loans at a much earlier time than at present.

This measure will facilitate the efforts we have made to meet our obligations to our veterans. It would stimulate the construction of housing. And it would help to slow down the constantly rising interest rate which has been so costly and harmful to so many of our fellow Americans.

I ask unanimous consent that this measure be permitted to remain at the desk until next Tuesday so that other Senators may join me in sponsorship if they desire to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be held at the desk, as requested by the Senator from Texas.

The bill (S. 726) to provide that 25 percent of the National Service Insurance Fund may be invested in making direct home loans to veterans; to increase the maximum loan entitlement of veterans under section 512 of the Servicemen's Readjustment Act of 1944, and to expedite action on certain applications of veterans for direct home loans, introduced by Mr. JOHNSON of Texas (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

INVESTMENT OF CERTAIN FUNDS FOR SCIENTIFIC SCHOLARSHIPS FOR CHILDREN OF VETERANS

Mr. SMATHERS. 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 VICE PRESIDENT. Without objection, the Senator from Florida may proceed.

Mr. SMATHERS. Mr. President, today we are faced with the same problem our caveman ancestors were faced with 10,000 years ago, that of survival—just plain staying alive, as persons, as cities, as States; in fact, as a nation.

Our Nation has fought for its life many times and won. It has survived because it fought back after it was struck. Without going into too much history, World War II supplies us a good example. The blow that hit Hawaii hurt, but our great heart, the continental United States, was not touched. We were badly damaged, but we had time, and time gave us the chance to use successfully our resources, our brains, our industrial know-how.

We won, but it cost us plenty—in the words of one of the world's great men—"of blood, sweat, and tears."

But suppose we are attacked today. Can we survive a modern sneak blow? The bombs that fell on Pearl Harbor were powerful, and though they did not damage the city of Honolulu, they put our proud Pacific Fleet out of action.

But how about today? One bomb today would not only wipe out Pearl Harbor, but the city and probably the whole island as well. Today, the first blow can be the winning blow. But we are not a people who would strike that first blow. We never have, and we never will.

I believe many in this world in which we live are jealous of us—envious—believing we are trying to take over everything. Some of them think that way because that is their plan. They know we will never be the first to strike. Knowing that a blow, a sneak attack would cripple us, bring us to our knees, might they not try it?

How are we to avoid that first attack? The answer is by having on hand a superior capability to strike back with such awesome power and devastating weapons that they dare not move against us.

Is this strength numbers of men, ships, planes? Yes, they are a part of it. But today we all acknowledge that the race is going to be won by the highly skilled, the highly trained scientists, engineers, technicians, and research personnel.

The complex weapons which will keep the peace not only for us, but for the world, demand an enormous number of individuals trained in these fields. This demand is a growing, ever-expanding one, and if we do not meet it, we are lost.

We have to win this battle of educational superiority, not only for ourselves, our children, and their children, but for the whole world. There is no second prize in this race.

With world conditions being what they are, it is particularly alarming when we realize that the United States is dangerously lagging behind the Soviet Union in the training of its youth, in the fields of engineering, and other scientific research. The situation demands the immediate attention of the Congress, because it has already reached the peril point in our national security and future economic well-being.

What are the indisputable facts concerning this perilous condition? Let me cite a few which will jolt us to the stark realization that we are courting too long the dangerous partner of complacency.

Today the Soviet Union is graduating over twice as many engineers and scientists each year than are being graduated in the United States. According to a recent report issued by the Joint Committee on Atomic Energy, the Soviet Union now has an estimated 890,000 trained scientists and engineers, compared to an approximate 760,000 in the United States. This fact alone reveals that the Soviet Union has the world's largest supply of trained scientific and technical personnel. In Russia today, 50 percent, or approximately 543,000 of college students, are engaged in the study of science and engineering, compared to only 15 percent, or approximately 375,000 students, engaged in these fields of study in the United States.

In a recent address delivered by the very able Senator from Missouri [Mr. SYMINGTON] before the American Vocational Association, this subject was dealt with in a very lucid and factual manner, pointing out the inherent danger which lies ahead unless immediate, positive, and effective steps are taken to encourage the training of our youth in these scientific fields of endeavor. In this thought-provoking address, the Senator from Missouri [Mr. SYMINGTON] stated:

> This educational battle, part of the current cold war, is one we cannot afford to lose.
>
> But the facts show we are losing it.

I should like to take this opportunity to commend the Senator from Missouri for rendering such a great public service in trying to focus the attention of the Nation on this extremely important problem. The President of the United States in January 1956 reported to the Congress that there was an inadequate supply of scientists in the United States, particularly in the field of research.

This problem has been of considerable concern to many of us for some time.

After much thought and study, I have come up with what I believe to be a partial solution which we in the Congress can effectuate. It is a solution that will be a long step forward in providing a means by which our youth can engage in the study of science and engineering and allied technical fields.

Mr. President, I introduce at this time, for appropriate reference, a bill to provide for the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the use of interest from such investments for scientific scholarships and fellowships for children of veterans.

The purpose of the proposed legislation is to make the most appropriate and beneficial use of funds resulting from the wartime confiscation of enemy property, by authorizing the National Science Foundation to use the interest resulting from the investment of such funds for scientific scholarships and fellowships for children of veterans of World War I, World War II, and the Korean conflict.

In the 84th Congress, various proposals were introduced designed to provide scholarships in these highly technical fields, none of which were enacted into law. They failed for a variety of reasons, but I feel sure the budgetary problem—the money problem, if you please—was the principal reason.

I am confident that the bill which I am introducing today will answer most all of the objections which this type of legislation encountered in the past. This proposal is entitled the "Veterans' Children Scholarship Act," and would provide $3 million each year for engineering and other scientific studies. More than that amount will be available after the program is in operation. In its first year of operation, approximately 1,500 scholarships would be available.

This is a reasonably simple bill designed to use existing Government facilities, thereby foregoing the necessity of setting up any new governmental agency. Let me briefly describe it.

In 1950, the Congress established the National Science Foundation and empowered it to award "scholarships and graduate fellowships for scientific study, or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited" institutions of learning. All of these are educational fields in which we are lagging behind.

I have been advised by the Foundation that it is budgeting at the rate of about $3 million each fiscal year for fellowships in these fields. The legislation which I propose will provide an additional sum of approximately $3 million, without the necessity of further appropriations. Let me stress that point—without appropriations.

Because of the limitation of funds, the bill would limit the granting of these scholarships and fellowships to children of veterans of both World Wars and the Korean conflict. Other than that qualification, the Foundation will operate under existing law, and will select the students on a basis of ability, with safeguards as to citizenship, loyalty, and with wide distribution among the States and Territories just as it does today.

The funds for the scholarships will come from moneys and properties vested by the United States under the Trading With the Enemy Act. In this respect, I think it fitting and proper that seized enemy property be used to strengthen our country. This is particularly true since our former enemies have agreed to let us keep these seized assets as our only reparations, a point that seems to be too often overlooked.

While I do not wish to enter into a lengthy discussion of the enemy assets problem at this time, the following points are essential for the record in connection with the proposed bill:

First. All known enemy property in the United States has been vested or seized. Its value is estimated to be in the neighborhood of $575 million.

Second. Existing law bars its return to the former owners, or that they be compensated for it.

Third. Existing law requires the property be liquidated, and claims of our citizens be paid therefrom.

Fourth. The United States has signed agreements with Germany and Japan that in return for our waiving all rights for reparations from our former enemies, we are to keep the vested properties as our only war reparations.

Fifth. Germany and Japan have signed agreements to repay their own nationals for the losses they sustained because of the vesting by the United States of the property in question.

Of the approximately $575 million, $275 million has been disbursed by law, with $225 million going to the war-claims fund, and $50 million for administering the properties since 1942.

There is, therefore, an approximate balance of $300 million. Some of these moneys must be held in trust, since the properties represented thereby are in litigation in our courts and cannot be disbursed until the suits are disposed of. Other sums must be maintained by the Alien Property Custodian for operating expenses.

The bill I am introducing makes $100 million of these moneys immediately available to the Secretary of the Treasury for investment in interest-bearing securities of the United States, and also provides for the continued transfer of additional funds to the Secretary for investment as fast as they become available.

The resulting income would be turned over to the National Science Foundation for scholarships and fellowships.

Under existing law, the money held by Alien Property Custodian is the property of the United States. It belongs to us, to our Government, our people, and we got it because we waived our rights to any reparations from Japan or Germany, or any of our enemies in the last world war. In other words, our only reparations from World War II were the enemy property located within our borders. We and our former enemies agreed to this arrangement. So I say let us use these available moneys now lying useless to educate our young people in order that we may maintain our great strength and develop our skills during these troubled and unsettled times. The children of our veterans constitute a tremendous pool of able young people from which to draw. The Veterans' Administration has advised me that there are approximately 2,500,000 children of veterans in the college-age bracket.

We know only too well that our own national security now and in the foreseeable future depends upon the development, production, maintenance, and improvement of highly complex technical instruments such as supersonic missiles, electronic brains, atomic reactors, thermonuclear development, modern up-to-date aircraft, radar warning nets, and so forth. Highly trained personnel in the fields of science, engineering, and medical research are needed if we are to keep abreast and ahead of the technological advances made by the Communist world.

Aside from the national defense aspect, the skills in these fields will be utilized to the benefit of our future economic well-being, giving us higher standards of living and a continuous expanding civilian economy. This peaceful use of these needed skills will provide us with a long reign of prosperity and make it possible for America to maintain its competitive position in the markets of the world.

Therefore, under this proposed legislation we can enrich our Nation's knowledge and strengthen our capabilities, and do this without creating any additional drain on our Treasury.

The money is available; the Government machinery for operating the program is in being. The need is great and immediate. All that is needed now is action by the Congress.

In doing so by this means, we will further prepare our great Nation for the tasks which lie ahead. There is not the slightest doubt in my mind that this bill, if enacted into law, would be a major step forward in a field in which we are at present falling behind. I hope that many of my colleagues on both sides of the aisle will join with me in supporting this bill and in obtaining its approval at the earliest possible date.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 727) to provide for the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the use of interest from such investments for scientific scholarships and fellowships for children of veterans, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on the Judiciary.

UNITED STATES ACADEMY OF NURSING

Mr. IVES. Mr. President, I introduce, for appropriate reference, a joint resolution which would establish a United States Academy of Nursing. I ask that a statement I have prepared, concerning this proposal, be printed in the RECORD at this point in my remarks and that following the statement there be printed in the RECORD the text of the joint resolution itself.

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

The joint resolution (S. J. Res. 30) to provide for the establishment of a United States Academy of Nursing, introduced by Mr. IVES, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Whereas there is existing in the United States a nationwide shortage of women qualified in the nursing profession; and

Whereas this shortage also exists in the Armed Forces of the United States; and

Whereas there are at the present time no facilities for the education and training of women comparable to the existing service academies for the training of officers in the Armed Forces of thhe United States; and

Whereas a system of officer procurement that will provide an adequate and continuous flow of young women trained in the profession of nursing and qualified to meet the needs of the armed services is desirable; and

Whereas such a program of basic education should provide courses of instruction designed to equip graduates with the training, experience, and motivation that will prepare them for an active nursing career in any of the Armed Forces: Now, therefore, be it

Resolved, etc., That there is hereby established in the Department of Defense the United States Academy of Nursing, hereinafter referred to as the "Academy"; for the purpose of training selected young women who shall be known as cadettes in order to insure a steady flow of trained nurses to the Armed Forces.

SEC. 2. (a) The Academy shall be located at such place within the United States as the Secretary of Defense shall determine, except that any site selected shall be relatively near a major military, Veterans' Administration, or cilivilan hospital.

(b) Following the selection of a location for the Academy, the Secretary of Defense is authorized—

(1) to acquire land from other Government agencies without reimbursement, with the consent of such agencies;

(2) to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, without regard to section 601 of the Act of September 28, 1951 (65 Stat. 365, 40 U. S. C. 551);

(3) after consultation with authorities in the fields of medicine, nursing, and hospital administration, to prepare plans, specifications, and designs, to make surveys, and do all other preparatory work, by contract or otherwise, as he deems necessary or advisable in connection with the construction, equipping, and organization of the Academy at such location; and

(4) to construct and equip temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, at such location.

SEC. 3. (a) There shall be allowed at the Academy one cadette for each Senator, Representative, Delegate in Congress, or Resident Commissioner from Puerto Rico, and one cadette from the District of Columbia. The Secretary of Defense shall select the cadette for each Senator, Representative, Delegate, or Resident Commissioner from among persons whose nominations are submitted by said Senator, Representative, Delegate, or Resident Commissioner, and shall select the cadette for the District of Columbia from among persons whose nominations are submitted by the Commissioners of the District of of Columbia. The total number of cadettes selected by the Secretary of Defense during any one of the first 3 years subsequent to the establishment of the Academy shall not exceed 83⅓ percent of the total authorized strength of the Academy.

(b) Each nominee for appointment as a cadette shall have successfully completed such educational requirements as are generally held necessary for admittance to an accredited school for nursing, shall be between the ages of 17 and 22 at the time she is nominated for appointment as a cadette, and shall be an actual resident of the State, district, or Territory, or other political subdivision from which she is appointed .

(c) The President may appoint annually 30 cadettes to the Academy from the United States at large.

SEC. 4. Each cadette appointed to the Academy shall sign articles, with the consent of her parents or guardian if she be a minor, and if any she have, by which she shall engage, unless sooner discharged by competent authority—

(1) to complete the course of instruction at such Academy;

(2) if tendered an appointment as a commissioned officer in one of the regular components of the Armed Forces, to accept such appointment for not less than 3 consecutive years immediately following the date of graduation; and

(3) in the event of the acceptance of her resignation from a commissioned status in a regular component of any such Armed Forces prior to the sixth anniversary of her graduation, or in the event of an appointment in one of the regular components of the Armed Forces not being tendered, to accept a commission if tendered her in the Reserve of an Armed Force of the United States and not to resign such status prior to such sixth anniversary.

SEC. 5. The instruction and training program for each cadette shall extend over a 3-year period and shall be designed to develop in her the qualities and attributes essential to her progressive and continued development throughout her career as a nurse in the Armed Forces. Courses shall be of such scope and content as the Secretary of Defense shall determine after consultation with authorities in the fields of medicine, nursing, and hospital administration, and shall be designed to provide an education in nursing together with such basic military education as may be deemed necessary. The Secretary of Defense may summarily dismiss from the Academy any cadette who is found unsatisfactory in either studies or conduct, or who may be deemed not adapted for a career as a nurse in the Armed Forces.

SEC. 6. (a) Upon graduation from the Academy, each cadette may be promoted and appointed a second lieutenant or ensign, as the case may be, in the Army Nurse Corps of the Regular Army or in the Nurse Corps of the Regular Navy or as a second lieutenant in the Regular Air Force, and whenever any such appointment would result in there being a number of active list commissioned officers in any of such forces in excess of the authorized active list commissioned-officer strength, such strength may be temporarily increased as necessary to authorize such appointment. The graduates of each class shall be assigned relative seniority among themselves under regulations prescribed by the Secretary of the Armed Forces in which they are appointed.

(b) Each cadette at the Academy shall, prior to her graduation, be afforded an opportunity to state a preference for appointment as a commissioned officer in the Army Nurse Corps of the Regular Army, or in the Nurse Corps of the Regular Navy, or in the Regular Air Force, and shall, insofar as practicable and with the consent of the Secretary of Defense, upon her graduation be accepted for appointment therein.

(c) The Secretary of Defense shall by regulations provide for the equitable and fair distribution of all appointments made pursuant to this section.

SEC. 7. The Secretary of Defense may assign any commissioned officer, warrant officer, or enlisted man to appropriate instructive duty at the Academy and may appoint such number of civilian instructors as the needs of the Academy require.

SEC. 8. All appropriate provisions of law, not inconsistent with the purposes of this joint resolution, which pertain to the United States Military Academy shall, by the authority of this section, also pertain to the United States Academy of Nursing. All references in these laws to the Secretary of the Army, or any officer or agency thereof shall, whenever practicable, in pertaining to the United States Academy of Nursing, be construed as referring respectively, to the Secretary of Defense, the Armed Forces of the United States, and such officers and agencies of the Armed Forces of the United States as he may designate. The organization of the Academy shall be prescribed by the Secretary of Defense.

SEC. 9. There shall be a board of visitors to the Academy, which shall be constituted as follows:

(a) The chairman of the Committee on Armed Services of the Senate or his designee;

(b) Three other Members of the Senate to be appointed by the Vice President or President pro tempore of the Senate, two of whom shall be members of the Committee on Appropriations of the Senate; and

(c) The chairman of the Committee on Armed Services of the House of Representatives or his designee;

(d) Four other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives, two of whom shall be members of the Committee on Appropriations of the House of Representatives.

(e) Six persons to be appointed by the President. The first Board to be appointed pursuant to the provisions of this section shall, with the respect to the 6 Presidential appointees, consist of 2 persons appointed to serve for a period of 1 year, 2 persons appointed to serve for a period of 2 years, and 2 persons appointed to serve for a period of 3 years. Two Presidential appointees shall be appointed to each subsequent Board to serve for a period of 3 years.

SEC. 10. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this joint resolution.

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

STATEMENT BY SENATOR IVES

Out of a deep conviction that something must be done to alleviate the serious shortage of nurses in the United States, I am reintroducing today a joint resolution providing for the establishment of a United States Academy of Nursing.

My feeling in this matter was fortified recently by a study made in my own State. The board of regents of the University of the State of New York appointed in 1954 a nurse-resources study group to assess the extent of the nurse shortage in the State. That group recently reported that 13 percent of the nursing positions budgeted by the 400 hospitals in the State were vacant. Perhaps the specific figures would be more meaningful than the percentage. The budgets of the 400 hospitals provided for 72,663 nurses, and 9,709 of those positions were unfilled.

The American Nurses' Association has reported that the entire Nation needs 70,000 more nurses to reach what the association calls the reasonable goal of 300 professional nurses per 100,000 population. And I have learned from the Defense Department that

the 8,500 military nurses are a thousand fewer than the number required.

The resolution which I am submitting has three purposes:

First. It would provide a steady supply of nurses for the armed services. The academy which I propose would be operated by the Department of Defense. Each of its students would, upon entering, agree to serve at least 3 years in one of the military departments after graduating.

Second. It would enlarge the pool of nurses available for civilian nursing work. Many of the academy graduates who might leave military service after 3 years would continue the practice of their profession in civilian life.

Third. It would be a gesture, however slight, toward righting the balance between the great amount of assistance which the United States Government provides for the education of men and the very little it does to help educate women.

My resolution provides for a United States Academy of Nursing, in which students appointed by members of the Congress or the President would receive a 3-year nursing education at Government expense. Each graduate would be commissioned in the Army, Navy, or Air Force—the one of her choice if possible. The academy would be located near a major hospital.

DESIGNATION OF JANUARY 22 OF EACH YEAR AS UKRAINIAN INDEPENDENCE DAY

Mr. PURTELL. Mr. President, on January 22, 1957, more than 1 million Americans of Ukrainian descent will observe the 39th anniversary of the proclamation which declared the Ukraine to be a free and independent republic. On that day the Ukrainian flag will be flown with the Stars and Stripes on the flagstaff of the city hall of New Haven, Conn., where for several years past Ukrainian independence day has been observed by proclamation of the mayor.

Since 1918, the Ukrainian people have been enslaved in the Soviet empire, without, however, surrendering in spirit or abandoning hope of eventual liberation. All Americans share the hope that one day the blessings of freedom and liberty will again be enjoyed by these brave people.

Mr. President, I introduce, for appropriate reference, on behalf of myself, my colleague, the senior Senator from Connecticut [Mr. BUSH], and the Senator from New York [Mr. JAVITS], a joint resolution authorizing and requesting the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day, and inviting the people of the United States to observe such day with appropriate ceremonies. I am joined in sponsorship of the resolution by my distinguished colleague from Connecticut [Mr. BUSH]. I ask that the resolution lie at the desk for 1 day so that additional Senators may add their names to the resolution if they so desire.

Passage of the joint resolution would be a signal to the Ukrainian people that America has not forgotten and never shall forget the oppressed peoples of the world and their never-ending struggle against tyranny.

Mr. President, I ask unanimous consent that a letter which was submitted last October 19 to Secretary Dulles by the Ukrainian Congress Committee of America be printed in the RECORD following these remarks.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S. J. Res. 31) authorizing the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day, introduced by Mr. PURTELL (for himself, Mr. BUSH, and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. PURTELL is as follows:

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

MR. SECRETARY: In view of your heavy responsibilities and acutely limited time, we are most grateful to you for this opportunity to meet and discuss with you foreign policy issues that are related to the fundamental subjects of Moscow-centered Communist colonialism and imperialism and of the many captive nations both within and outside the Soviet Union.

As executive members of the Ukrainian Congress Committee of America, which represents about a million and a half Americans of Ukrainian descent, we wish to express at the very outset our satisfaction with the many accomplishments achieved by the administration in its policy of peaceful liberation. Its record is a positive and encouraging one, and has certainly kept alive the hope of eventual freedom in all the captive peoples, including the 40 million Ukrainian nation.

Moreover, your emphatic observation last year before the American Legion convention, "The Soviet bloc represents an amalgamation of about 900 million people, normally, constituting more than 20 distinct national groups" (October 10), was most gratifying because it indicates a vital recognition of and abiding interest in the basic fact that the Soviet Union itself is a colonial and imperial complex of numerous captive nations. This development of vital recognition regarding this pivotal fact is seen also in the 1956 platform of the Republican Party which unmistakably points to Ukraine and the other captive nations in the Soviet Union in its marked reference to the liberation of "other once-free countries now behind the Iron Curtain."

All Americans who in knowledge and understanding have come to appreciate the strategic importance of Ukraine to the national interest of our country in its struggle against Communist colonial imperialism, cannot but appreciate also the advances reflected in this development of official thought. We look forward to further advances by way of forthright specification of these many captive nations in the Soviet prison of nations without fear of any baseless recriminations from Moscow which spuriously, but incessantly, claims that they are free and independent.

It should also be indicated that we are not unmindful or unappreciative of the wholesome changes undertaken by this administration in the reorganization of the Voice of America, particularly in respect to the area concerned with the nations in the Soviet Union. The appointment of an American-born chief over the entire area, in order to insure fairness and equality among the various desks, was a salutary step for which we fought many years.

I. AMERICAN POLICY AND THE COMMUNIST COLONIAL EMPIRE

In previous memorandums submitted by this committee, viz, one to President Eisenhower in July 1955, on the eve of the Four Power Conference in Geneva, and the other addressed to you on the occasion of the Big Four Foreign Ministers' Conference in October, an adequate elaboration of the essential facts substantiating the strategic importance of Ukraine and the other non-Russian nations in the Soviet Union to our national interests was provided. From every viewpoint—geographical, economic, political, and cultural—the crucial importance of this largest and richest non-Russian nation behind the Iron Curtain was amply shown. Its critical significance to the global plans of imperialist Moscow was likewise demonstrated. In the findings and reports of the Select House Committee To Investigate Communist Aggression—the first official documentation anywhere, undertaken by the leadership of a Republican legislator, Charles J. Kersten—all of these conclusive facts on the invincible Ukrainian will for freedom and national independence, on the unbroken resistance of Ukrainian patriots to Russian Communist domination, on the natural alliance of Ukraine with America and its ideals are spelled out in concrete detail.

It is our purpose here to supplement in succinct manner this mass of authoritative material by advancing certain points of American policy in relation to the Communist colonial empire which, we earnestly feel, should receive careful study and be appropriately applied as guideposts in the field of foreign-policy operation. They are as follows:

1. The firm maintenance of the cause of peaceful and eventual liberation of all the captive nations with repeated repudiation of the immoral notion that there is any seeming finality about this captivity. As you yourself admirably stated it in April 1953, "It is of the utmost importance that we should make clear to the captive peoples that we do not accept their captivity as a permanent fact of history." Among these captive peoples is the 40-million Ukrainian nation, which surely falls within the obvious meaning of President Eisenhower's classic declaration: "Under God, we espouse the cause of freedom and justice and peace for all peoples."

2. To realize these goods for all peoples—the newly created nations, the colonial nations, and particularly the captive nations in the Russian Communist empire—and to capture the imagination of people the world over, our policy should be progressively founded on the winning formula: liberation, independence, federation. This formula, grounded in fixed moral and political principles, would enable us to meet any exigency or problem, whether economic or political, in any quarter of the world. It provides us with a forward vision beyond liberation from the tyranny of Russian totalitarian imperialism in the guise of communism. It furnishes us with the clearest sense of inspired direction beyond the dissolution of this tyranny.

Logically and morally, the association of states, followed after the pattern of our own United States, to be free must obviously be based on the equality of all free nations. Thus, of necessity, any free federation of sovereign states, any federation entered into freely by equal nations—equal among equals—presupposes the condition of national self-determination and independence to insure the freedom of choice of any people. Liberation, therefore, assumes contextual meaning, and tremendous moral force in the broader framework of its necessary sequels, independence, and free federation. Federation without the preconditional step of national independence, which alone guarantees the condition of equal among equals, would be nothing more than a wasteful reversion to colonialism and imperialism.

Perhaps nowhere is this working formula more applicable than to the Soviet Union

and Eastern Europe generally. It is a formula that renders fulfillment to the peaceful policy of liberation. It is one to which you clearly alluded, Mr. Secretary, in 1952, when you wrote: "We could seek to bring other free nations to unite with us in proclaiming, in a great new declaration of independence, our policies toward the captive nations." We heartily agree with you on this, and hope that in relation to all the captive nations, including Ukraine, a universalized declaration of independence will not be too long in the offing.

3. A firm opposition to all forms of imperialism, colonialism, and empire in keeping with the unblemished traditions of our own country. It is recognized that the principle of such opposition must be flexible enough to allow for an orderly development of certain peoples to the point of self-determination. However, in relation to the Soviet Union which is the most tyrannical of all colonial empires in recorded history—an empire within an empire, incorporating civilized and many western-oriented peoples who, in recent history, have already determined themselves as independent states—such principled opposition should continually receive the strongest expression in our policy in favor of all patriotic forces at work in this empire.

4. Scrupulous avoidance of the Moscow term "Soviet people" in our policy statements. This term is a favorite expression of the Moscow dictatorship, employed chiefly for foreign consumption in the hope of conveying the thought of a Soviet monolith. Actually, the centrifugal forces at work in the Soviet Union, as represented notably by non-Russian nationalism, belie the existence of any such monolith. Indeed, Mr. Secretary, the composition of the Soviet Union fits entirely into your well-founded statement of April 1953, that "This present status involves the captivity of hundreds of millions of persons of distinctive nationality, race, religion and culture. * * *" By nationality, religion, and culture, the Ukrainian people, as well as the Armenian, Georgian, White Ruthenian, and others, are different from the Russian, and can always be depended upon to resist the Russifying and deculturalizing influences imposed by Moscow.

5. Forceful rejection of the Soviet Russian concept of "peaceful coexistence" and clarification of what a true peaceful coexistence involves. So long as the Iron Curtain exists, whether at present borders or the naively hoped-for borders of 1939, no such true coexistence is possible. Pope Pius XII's recent statements on the "mirage of coexistence," on the fact that no compromise is possible between Christianity and atheistic communism, deserve studied consideration to the extent that the united sentiment of all Christians in our Nation may be amply reflected in the foreign policy of our Government.

6. The permissible erosion of the unreal concept of "satellite nations" so to allow for a realistic conformity of our ideas and conceptions with the stark actualities of Central and Eastern Europe. All important studies of the situation there show beyond question of doubt that Hungarians, Poles, Slovaks, etc., are as captive politically and economically as the Lithuanians, Ukrainians and others in the Soviet Union. All constitute the captive nations; all are subject to the dictatorial directives of Moscow; all are integral parts of an enlarged colonial empire that was first established in 1920. The satellite notion blurs and conceals these facts, and on the basis of a legal fiction serves to assist Moscow in its colossal pretense that "the People's Democracies" are independent, native products. Again, we need have no fear of any repetition of the Pospelov incident of several years ago by viewing all of these nations, both within and outside the Soviet Union, as equal captive, for Moscow, in general falsehood, consistently views them all as being equally "free and independent."

II. AMERICAN FOREIGN POLICY OPERATION AND UKRAINE

Turning to the field of operation, chiefly with regard to Ukraine, it is our considered judgment that Moscow in pursuing its present de-Stalinization program is operating mainly from a position of weakness created by internal empire troubles. These troubles range from underground resistance to bureaucratic mismanagement. One can be sure, however, that the so-called liberalization measures enacted by the oligarchical dictatorship will not go beyond certain points of danger to totalitarian control. It appears, therefore, that if there was ever a period of opportunity for us to advance further the liberation policy, it is now. The time is most ripe for the intensification and increase of these internal pressures, for us to press forward with bold initiative and imagination in bringing about substantial and irreversible changes in the Soviet Union and thus in the expanded empire itself.

As concerns strategic Ukraine in current circumstances, we recommend studied consideration of the following points of operational endeavor, completely attuned to the spirit of our peaceful policy of liberation as applied to all captive nations:

1. The publication and distribution of Amerika in the Ukrainian language as well as in those other non-Russian nations in the Soviet Union.

2. The maximum use in the United Nations of the two historical documents recently received, via underground channels from Ukrainian political prisoners in Russian Communist slave labor camps. This is the first time that such striking appeals for western assistance have been funneled through the Iron Curtain from any forced-labor camp.

3. In a persistent call for free elections in all captive countries, the insistence upon a vote in Ukraine and in other non-Russian nations under the alleged guaranty provided in article 17 of the Soviet Constitution, which reads: "The right freely to secede from the U. S. S. R. is reserved to every Union Republic."

4. In the wave of posthumous rehabilitation of persons and institutions purged and genocided under Stalin, the advancement of a concrete proposal to reestablish out of their present catacombs the Ukrainian Uniate Catholic Church and the Ukrainian Autocephalous Orthodox Church.

5. In the additional light of Khrushchev's confession of Stalin's terror and mass murder, steps toward the ratification of the Genocide Convention in the next Congress in order to press for full inquiry and judicial action in regard to these admitted acts of genocide. One cannot but wonder about the splendid opportunities provided us by Khrushchev's admissions had we ratified this convention several years ago.

6. The dispatch of an American delegation to the Soviet Union, led by such men as George Meany, to visit and report on all known slave-labor camps still in existence, and where, in most instances, Ukrainian political prisoners predominate in numbers. Surely, if Mr. Khrushchev was amenable in allowing Senator ELLENDER, of Louisiana, to travel wherever he pleased in the Soviet Union, although, unfortunately, the Senator did not know what to look for, he should be similarly disposed toward such a delegation which intelligently would know what to look for.

7. The further expansion of the United States Information Services with concentration on the imperialist and colonial character of the Soviet Union.

8. A studied capitalization of the Ukrainian and Byelorussian representation in the United Nations, much in the view of Edward Weintal's observation of the subject (Newsweek, August 29, 1955): "To encourage their independence and to strive for the decentralization of the Soviet Union into its separate though not necessarily unfriendly components is likely to become one of the chief United States objectives."

9. To inspire in the next Congress the necessary continuation of the work of the Select House Committee To Investigate Communist Aggression, especially in view of Khrushchev's manifest admissions at the 20th Congress of the Communist Party, and to distribute the findings and reports on Russian Communist terror and genocide, prefaced by these admissions, through USIS, throughout the world.

10. Steps toward the extension of the Eisenhower Refugee Act of 1953 with adequate visas for those of Southeast Europe and in accurate designation of their respective nationalities, particularly Ukrainian, Georgian, Armenian, and other distinctive non-Russian nationals.

Mr. Secretary, we earnestly believe that these points on policy and operation are in the truest course of a peaceful policy of liberation. In the deepest conviction that under the courageous and moral leadership of President Eisenhower and his administration, under your bold direction, our foreign policy will continue to meet with still further successes in the spirit of the eventual liberation of all the captive peoples and nations, this memorandum is hereby respectfully submitted.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA,
LEV E. DOBRIANSKY, *Chairman;*
Professor, Georgetown University.

NATIONAL CIVIL AIR PATROL DAY

Mr. FREAR. Mr. President, I introduce, for appropriate reference, a joint resolution to authorize the President to proclaim December 1 of each year as National Civil Air Patrol Day.

When I introduced a similar joint resolution on February 29, 1956, more than 50 of my colleagues, on both sides of the aisle, joined me as cosponsors.

I ask unanimous consent, that the resolution lie on the desk for 48 hours in order to give any other Members of the Senate who may so desire an opportunity to add their names to the resolution as cosponsors.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and will lie on the desk, as requested by the Senator from Delaware.

The joint resolution (S. J. Res. 32) to authorize the President to proclaim December 1 of each year as National Civil Air Patrol Day, introduced by Mr. FREAR, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT RELATING TO THE QUALIFICATIONS OF ELECTORS

Mr. HOLLAND. Mr. President, in the last four Congresses I have introduced for several other southern Senators and myself a joint resolution proposing an amendment to the Constitution of the United States relating to the qualifications of electors participating in the election of elective Federal officials, including electors for President or Vice President, and Senators and Representatives in Congress.

I am glad to announce that in reintroducing this joint resolution today, I am joined by the following distinguished Senators as cosponsors: my colleague the junior Senator from Florida [Mr. SMATHERS], the senior Senator from Arkansas [Mr. MCCLELLAN], the senior Senator from Louisiana [Mr. ELLENDER], and the junior Senator from Louisiana [Mr. LONG].

The sponsors of this joint resolution strongly believe that the amendment it proposes should be speedily submitted by the Congress to the States for ratification, and, if so submitted, we beleieve it will be quickly ratified by at least the required 36 States. Because we are so sure that the requisite number of States will speedily ratify the resolution, we are quite agreeable to the allowing of any reasonable period of time for the consideration and ratification of this resolution.

The poll tax requirement, now limited to five States, namely Alabama, Arkansas, Mississippi, Texas, and Virginia, has been accorded far greater importance than it deserves. The fact of the matter is that the amount of poll tax required to be paid in the several States is so small as to impose only a slight economic obstacle for any citizen who desires to qualify to cast a ballot. This requirement operates, of course, equally on citizens of all races and colors and is generally subject to important exemptions which limit its application, such as the exemption of veterans, of women, and of citizens beyond a certain age.

Many good citizens have indicated their feeling that this subject matter should be dealt with by the passage of a Federal statute rather than by the adoption of a Federal constitutional amendment. The sponsors of this resolution feel very strongly that the Federal Government is without any authority whatsoever to deal with this subject matter except by the submission and ratification of a Federal constitutional amendment. Our position is concurred in by many able constitutional lawyers, coming not only from the South but also from all other portions of the Nation, who believe and contend that the only legal way to deal with this question, other than through action by the States themselves, is by Federal constitutional amendment, and that action through Federal statute would clearly violate the provisions and requirements of the Federal Constitution under which the qualification of electors, as prescribed under the laws of the several States, is adopted as a qualification of electors to vote for Federal officials.

The introducers of the proposed amendment are exceedingly anxious that it be acted upon speedily and favorably by the Congress so that this subject matter, which has been the source of such long controversy and fruitless debate, may be quickly submitted to the States, where we believe that it will be promptly ratified. We feel that such a conclusion of this long-standing controversy is decidedly in the interest of sound democratic government and stronger unity among all of the people of our Nation.

For myself and on behalf of the other Senators whom I have named, I now introduce a joint resolution proposing the constitutional amendment, and I ask unanimous consent that it be printed in the RECORD at this point as part of my remarks.

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

The joint resolution (S. J. Res. 33) proposing an amendment to the Constitution of the United States, relating to the qualifications of electors, introduced by Mr. HOLLAND (for himself, Mr. SMATHERS, Mr. MCCLELLAN, Mr. ELLENDER, and Mr. LONG), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The right of citizens of the United States to vote in any primary or other election for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax or to meet any property qualification.

"SEC. 2. Nothing in this article shall be construed to invalidate any provision of law denying the right to vote to paupers or persons supported at public expense or by charitable institutions.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation."

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF BIRTH OF GEN. ROBERT E. LEE

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a joint resolution which I ask unanimous consent to have printed in the RECORD, and that it lie on the desk until next Monday in order that other Senators may add their names as cosponsors.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Indiana.

The joint resolution (S. J. Res. 34) to commemorate the 150th anniversary of the birth of Gen. Robert E. Lee, and for other purposes, introduced by Mr. CAPEHART (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the 19th day of January 1957 is the date of the 150th anniversary of the birth of Gen. Robert E. Lee, one of the greatest of all American military heroes; and

Whereas, in the minds of the American people, Gen. Robert E. Lee personifies their lofty ideals of courage, patriotism, and selfless devotion to duty; and

Whereas Gen. Robert E. Lee, following the termination of the War Between the States, by his every act and deed, sought to reunite this country, bind up its wounds and restore peace and harmony, and, by his example and influence, made a major contribution to the early accomplishment of this goal; and

Whereas Gen. Robert E. Lee was never restored to his full civil rights following the termination of the War Between the States, notwithstanding the fact that he made due application for presidential pardon; and

Whereas Gen. Robert E. Lee died October 12, 1870, still denied the right to hold any office, either civil or military, and the right to serve on any jury, and certain other rights inherent in American citizenship; and

Whereas the people of the United States in general venerate the memory of Robert E. Lee and consider him the embodiment of knightly virtue: Therefore be it

Resolved, etc., That in commemoration of the 150th birthday of Gen. Robert E. Lee and in honor of the knightly virtues of courage, patriotism, and selfless devotion to duty which he so amply displayed during his lifetime, Gen. Robert E. Lee of Virginia be, and he now is, posthumously restored to his full rights of citizenship, without exception, retroactive to the date of his application for presidential pardon, namely, June 13, 1866.

Mr. CAPEHART. Mr. President, as I said a moment ago, I ask unanimous consent that the joint resolution lie on the desk until Monday next where other Senators may join in cosponsoring it. I also ask unanimous consent that the remarks I have prepared on the joint resolution be printed in the body of the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

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

STATEMENT BY SENATOR CAPEHART

Saturday, January 19, is the 150th anniversary of the birth of that great American, Robert E. Lee.

I would that I had the ability on this occasion to find the words to properly pay tribute to this great American soldier and patriot but, while to be able to do so would personally be most gratifying to me, it is not really necessary, for you here and the people of the country at large, are well aware of the lofty ideals and selfless devotion to duty that this great man so well typified.

Lee was opposed to secession and to the breaking up of the Union; he felt that slavery was a greater evil to the white man than to the colored race; but his loyalty to Virginia made him refuse Lincoln's offer of command of the United States Army in 1861 and to espouse the Confederate cause. His name is forever coupled in our minds with such honored and historic names as Second Manassas, Fredricksburg, and Chancellorsville and his campaigns are studied as models by military men throughout the entire world.

I do not, however, wish to speak to you today of Lee's fame as a military commander, but instead, wish to call your attention to some lesser known events in the career of this great patriot, for his claim to fame can rest as much upon his efforts at reconciliation as upon his military achievements.

After the war, Lee's dignified acceptance of the state of affairs was probably the greatest single factor involved in bringing about a like point of view on the part of the people of the South. His philosophy was expressed in these words:

"I believe it to be the duty of every man to unite in the reestablishment of peace and harmony—the issue between the States has been decided by war. Let us abide by that decision."

By his every act and deed General Lee sought to reunite the country, bind up its wounds, and restore peace and harmony and by his influence persuaded many to a kindly feeling for the North—an almost superhuman task in those days of reconstruction.

Yet, notwithstanding the efforts of this far-sighted chivalrous man and notwithstanding the fact that his efforts were crowned with success and were the largest single contributing factor in reuniting the people of the North and South, Lee himself was never accorded recognition.

Urged to do so by Generals Grant and Meade, Lee applied for Presidential pardon and restoration to rights of citizenship on June 13, 1866. For some reason this was never granted to him and he died October 12, 1870, still denied the right to hold office either civil or military, the right to serve on any jury and certain other rights inherent in American citizenship.

Today, in the minds of the American people, Gen. Robert E. Lee personifies their own lofty ideals of courage, patriotism, and selfless devotion to duty and is venerated by all, both North and South, as the embodiment of knightly virtue. It is altogether fitting, then, that we today, in commemoration of his 150th birthday, set right this wrong of long standing. It is also fitting and proper that this move to restore rights of citizenship to Robert E. Lee and to pay tribute to him should originate in the North. I am, therefore, proud to offer this salute to Robert E. Lee on the anniversary of his 150th birthday and to urge the adoption of this resolution by this honorable body.

This resolution is submitted at the request of the Civil War Round Table of Indianapolis, the members of which believe that its presentation is particularly appropriate since next Friday, January 19, 1957, is the 150th anniversary of Lee's birth.

The Civil War Round Table of Indianapolis has prepared a historical outline of the citizenship status of Robert E. Lee and I include this sketch in the body of the RECORD as a part of my remarks, as follows:

"A REQUEST FOR SENATORIAL RESOLUTION TO CORRECT THE CIVIL STATUS OF ROBERT E. LEE AT THE TIME OF HIS DEATH OCTOBER 12, 1870

"After the close of the war of 1861–65, Robert E. Lee was the outstanding figure in the South. His attitude and opinions were more generous and farsighted than the belligerent and antagonistic feelings then existing in the South. His plea in brief:

" 'The issue between the States has been decided by war. Let us abide by that decision.

" 'I believe it to be the duty of every man to unite in the restoration of the country and the reestablishment of peace and harmony. These considerations governed me in the counsels I gave to others, and induced me on the 13th of June to make application to be included in the terms of the amnesty proclamation.'

"Lee did apply for full pardon after President Johnson's first amnesty proclamation of May 29, 1866. Generals Grant and Meade, both recognizing Lee's influence throughout the South, urged him to do so. On June 13, 1866 Lee's application was sent to General Grant who forwarded it to President Johnson—'With the earnest recommendation that this application * * * be granted him.' No action, however, was ever taken.

"Lee's situation during the four proclamations of President Johnson

" 'Proclamation I (May 29, 1866)

" 'To all persons engaged in rebellion, amnesty and pardon, with restitution of property, except slaves, provided they took the oath prescribed. Except—

" '1. Civil or diplomatic officers of the Confederacy who left judicial stations under the United States.

" '2. Officers above the rank of colonel.

" '3. United States Congressmen who left their seats in Congress.

" '4. Those who resigned the United States Army or Navy.

" '5. Those who treated prisoners unlawfully.

" '6. Those absent from the United States aiding rebellion.

" '7. Military and naval officers educated at West Point.

" '8. Governors of seceding States.

" '9. Citizens who left the United States and went into the Confederacy to aid rebellion.

" '10. Those destroying commerce on the seas or making raids in the Confederacy to aid rebellion.

" '11. Prisoners of war or under bonds as such.

" '12. Those voluntarily participating in rebellion and the estimated value of whose property is over $20,000.

" '13. Those who have not kept their former amnesty oath.'

"Appendage: Special application may be made to the President by persons belonging to the excepted classes and clemency will be liberally extended.

"Lee's situation entirely excluded.

" 'Proclamation II (September 7, 1866)

" 'Full pardon and amnesty to all, except:

" '1. President, Vice President, heads of departments, foreign agents, those above the rank of brigadier general, those above the naval rank of captain, State governors.

" '2. All persons who in any way treated otherwise than as prisoners of war persons who in any capacity were employed in the military or naval service of the United States.

" '3. All who were actually in civil, military, or naval confinement, or legally held to bail, either before or after conviction.'

"The above left Lee and some 300 other persons excluded.

" 'Proclamation III (July 4, 1868)

" 'Universal amnesty and pardon, without oath, to all except such persons as may be under presentment or in indictment in any court of the United States having competent jurisdiction upon a charge of treason or other felony.

" 'To all others—unconditionally and without reservation, a full pardon and amnesty, with restoration of all civil rights of property, except as to slaves, and except also as to any property of which any person may have been legally divested under the laws of the United States.'

"The above left R. E. Lee, Jefferson Davis, John C. Breckenridge, Simon B. Buckner, and a few others unpardoned.

" 'Proclamation IV (December 25, 1868)

" 'Unconditionally and without reservation, to all and to every person, who directly or indirectly, participated in the late insurrection or rebellion, a full pardon and amnesty for the offense of treason against the United States.'

"The above would have restored full rights and privileges to Robert E. Lee had not the 14th amendment to the Constitution been passed on July 21, 1868.

"The 14th amendment to the Constitution (July 21, 1868):

" 'SEC. III. No person shall be a Senator, or Representative in Congress or elector of President or of Vice President, or hold any office, civil or military under the United States, or under any State, who, having previously taken an oath as a Member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may, by a vote of two-thirds of each House, remove such disability.'

"Lee did not live to be completely restored to full rights of citizenship under the amnesty bill, passed by Congress June 8, 1898, which repealed section III of the 14th amendment. At the time of his death, October 12, 1870, his situation was as follows: He could vote. He could not hold any civil or military office, serve on any jury, serve as administrator of the Custis estate of Arlington to which he was appointed before the war.

"Since the entire Nation, North, East, West, and South, does now honor and respect Robert E. Lee as one of the finest of American gentlemen and is proud to have produced a man of such lofty character, we do therefore entreat that the Senate of the United States, in commemoration of the 150th anniversary of Robert E. Lee's birth, January 19, 1807, resolve to extend, posthumously, full rights of citizenship, without exception, to Robert E. Lee and to make such resolution retroactive to the date of his application for pardon, June 13, 1866.

"We then, in all parts of the Nation, can claim him as one of our own and, in all honor, pay him this tribute.

"THE CIVIL WAR ROUND TABLE.
"INDIANAPOLIS, IND."

Mr. CAPEHART. Mr. President, when I discovered—and perhaps I should have known this fact, but did not—that General Lee had not had his rights restored, I was amazed, particularly because I had relatives who fought on both sides in the Civil War. Most of my family had migrated from Virginia, North Carolina, and South Carolina and settled in Indiana in 1812.

As I say, I was amazed that General Lee had not had his citizenship restored. Since General Lee's time we have had four wars, the Spanish-American War, World War I, World War II, and the Korean war.

I have been in the United States Senate for 12 years, and during that time I have heard speeches lauding persons from foreign countries, who had been enemies of the United States, and the Senate applauded those persons when they visited the Chamber. I am not complaining about that. I want that definitely understood. However, I could not understand it when I was told that General Robert E. Lee had not had his right restored, including the right to hold office and the right to serve on a jury; and I felt that something ought to be done about it.

For that reason I am introducing the joint resolution, and I hope that many other Senators will join as cosponsors. I should like to add that the joint resolution already has some 30 or 40 cosponsors, and they are listed on the bill. I am hopeful that many other Senators will join with me in cosponsoring the joint resolution. I did not read the names of the cosponsors because I did not think it was necessary to do so; the joint resolution will be printed in the RECORD.

FIFTIETH ANNIVERSARY OF FIRST CONFERENCE OF STATE GOVERNORS FOR PROTECTION OF NATURAL RESOURCES

Mr. MURRAY. Mr. President, during the last Congress I introduced, for myself and 60 other Senators, a joint resolution establishing a commission to arrange an appropriate observance in 1958 of the 50th anniversary of the national conservation movement.

In 1908, President Theodore Roosevelt called the first national conference on

conservation of resources. He did so at the suggestion of, and with the aid of, the great conservationist, Gifford Pinchot. That is the conference which it is proposed to commemorate by attempting to stimulate not only a proper anniversary observance of the event itself, but also year-long programs by organizations, citizens, the media of information—all who will participate—to renew the Nation's conservation consciousness.

I now introduce, for appropriate reference, as a joint resolution, the same joint resolution which the Senate passed without objection late in the 1956 session. I do so for myself and 63 other Senators, including Senators O'MAHONEY, AIKEN, ALLOTT, ANDERSON, BARRETT, BEALL, BENNETT, BIBLE, BRICKER, BRIDGES, CARLSON, CARROLL, CASE of New Jersey, CASE of South Dakota, CHAVEZ, CHURCH, CLARK, CURTIS, DOUGLAS, DWORSHAK, EASTLAND, FULBRIGHT, GOLDWATER, HENNINGS, HILL, HOLLAND, HRUSKA, HUMPHREY, IVES, JACKSON, JAVITZ, JOHNSTON of South Carolina, KEFAUVER, KENNEDY, KERR, KNOWLAND, KUCHEL, LANGER, LONG, MAGNUSON, MANSFIELD, MARTIN of Pennsylvania, MCCARTHY, MCNAMARA, MONRONEY, MORSE, MUNDT, NEELY, NEUBERGER, PAYNE, POTTER, PURTELL, ROBERTSON, SCOTT, SMITH OF New Jersey, SPARKMAN, STENNIS, SYMINGTON, TALMADGE, THURMOND, THYE, WATKINS, and YOUNG.

Many additional Senators, who have a rule against cosponsorship, have assured me of their support of the proposal.

A year ago, at hearings on this joint resolution, its passage was urged by Mrs. Gifford Pinchot, widow of the pioneer conservationist, Gifford Pinchot, and also by farm organizations; the National Reclamation Association; movie actor, James Cagney, who contributes much time to youth and conservation movements; William S. Paley, who headed the 1950 Materials Policy Commission; Morris L. Cooke, who headed President Truman's Water Resources Policy Commission; and others.

It is especially pleasing that such a large bipartisan group has now joined in the sponsorship of the joint resolution, for there is need for early action upon it.

To be effective, the joint resolution must be enacted this year, in order that the commission may be appointed and organized, and a program developed.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 35) to provide for the observance and commemoration of the 50th anniversary of the first conference of State Governors for the protection, in the public interest, of the natural resources of the United States, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

INVESTIGATION OF RECENT INCREASES IN PRICE OF NEWSPRINT

Mr. MUNDT. Mr. President, I have received a great many letters from publishers in my home State and elsewhere calling attention to the fact that there has been a 300-percent increase in the cost of newsprint from Canada since 1933. A major Canadian supplier recently greatly increased the cost again.

It will be recalled, Mr. President, that a few years ago, when this country was being imposed upon by the high prices of foreign producers of rubber, the Government took steps to encourage the domestic production of synthetic rubber, and we find today that rubber prices have assumed a reasonable level.

I am also today sending letters to the Federal Trade Commission suggesting that it expedite its investigation of the situation, and to the Tariff Commission suggesting that they initiate conversations and studies to see whether or not something may be done by that Commission to obtain relief from the steady increases in newsprint prices. In addition I have also sent a letter to J. Leroy Welsh, Chairman of the Commission on the Industrial Uses of Agricultural Products requesting that his Commission do whatever it can to encourage the development of pilot plants for the development of newsprint from farm products.

Mr. President, a democracy like ours requires a widespread and unhampered distribution of news and perhaps Government attention should be given to the encouragement of the production of newsprint from farm and forest products within the United States as a safeguard against our being victimized by outside producers of newsprint.

I submit for appropriate reference a resolution providing for an investigation of the recent increases in the price of newsprint.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 41), submitted by Mr. MUNDT, was referred to the Committee on Banking and Currency, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to recent increases in the price of newsprint and whether the enactment of legislation, or other action, is necessary to assure adequate and stable supplies of newsprint at reasonable prices for users in the United States.

SEC. 2. For the purposes of this resolution, the committee, from the date on which this resolution is agreed to to June 30, 1957, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the department or agency concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than June 30, 1957.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

STANDING COMMITTEE ON VETERANS' AFFAIRS

Mr. MORSE. Mr. President, a few weeks before the close of the 2d session of the 84th Congress, I submitted Senate Resolution 319, to create in the Senate a standing legislative Committee on Veterans' Affairs, to become effective at the outset of the current Congress.

Senate Resolution 319 was not acted on. Thus, we have opened the 85th Congress with the same distribution of veterans' bills we have had previously. That system has proved to be entirely inadequate; far from looking after the vital interests of America's 22 million exservicemen and their dependents, it has had the effect of blocking proposed legislation important to them, and blocking even the consideration of their problems. For example, on February 1 the first draftees will be returned to civilian life without entitlement to the education and training benefits of the GI bill of rights, as a result of the President's executive order terminating Public Law 550.

My colleague, the junior Senator from Oregon [Mr. NEUBERGER] is introducing today—and I am proud to be one of its sponsors—a bill which he introduced at the last session of Congress. The bill seeks to provide GI benefits to the draftees who are about to leave the service. I think the enactment of the bill is sorely needed if we intend to be just to our veterans.

Mr. President, the proposed legislation which I cosponsored before was introduced in order to attempt to rectify this injustice. I regard it as an injustice to require military service from young men without helping them to make up their service time through training in peacetime professions and occupations.

I wish to compliment my colleague for reintroducing that measure, which seeks to give the GI benefits to the new draftees who now are coming out of the service.

The resolution I am submitting and others like it, languished without even benefit of a hearing, and died with the 84th Congress. Can Senators feel they have discharged their duty to our veterans when in 2 years they have not given a moment's attention to continuing the education and training provisions of the GI bill of rights?

The record of the Senate on pension and compensation bills is just as bad. Last year, the House passed two important bills extending pension rights and raising the amount of compensation for service-connected disabilities; but those bills received no consideration whatever in this body. This does not reflect in any way on the committees to which proposed legislation for veterans is presently referred. They simply have too much work on hand.

Mr. President, I speak as chairman of the Subcommittee on Veterans' Affairs, of the Senate Committee on Labor and Public Welfare, during the 80th Congress. At that time my committee made an effort to expedite veterans' legislation in the Senate. As the Senate knows, I

am going back on the committee, but I want to say as a member of the Committee on Labor and Public Welfare, I think veterans' affairs should be taken away from that committee. I think that they should be taken away from the Committee on the Judiciary. I think they should be taken away from the Committee on Finance. I think they should be taken away from each one of the present Senate committees to which veterans' affairs proposed legislation is now being sent, and that we should have a standing committee, a single committee, which should have primary jurisdiction over proposed veterans' legislation.

So, in closing, Mr. President, it is my conviction that the veterans of America need a full-time committee in the Senate to handle their affairs. As I pointed out last summer when I submitted Senate Resolution 319, the Monroney-LaFollette reorganization committee wisely recommended that the Senate establish such a body. A similar recommendation to the House of Representatives was acted on favorably by the House.

I therefore send to the desk a new resolution creating a Veterans' Affairs Committee for the Senate, to which will be referred measures relating to veterans. I ask that the resolution receive the early and favorable attention of the Rules Committee and of the entire Senate.

Mr. President, I submit the resolution on behalf of myself, my colleague [Mr. NEUBERGER], and the Senator from Washington [Mr. JACKSON.]

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 43) to amend rule XXV, to create a Standing Committee on Veterans' Affairs, submitted by Mr. MORSE (for himself, Mr. NEUBERGER, Mr. HUMPHREY, and Mr. JACKSON), was referred to the Committee on Rules and Administration, as follows:

Resolved, That rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by—

(1) striking out subparagraphs 10 through 13 in paragraph (h) of section (1);

(2) striking out subparagraphs 16 through 19 in paragraph (1) of section (1); and

(3) inserting in section (1) after paragraph (o) the following new paragraph:

"(p) Committee on Veterans' Affairs, to consist of nine Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Veterans' measures, generally.

"2. Pensions of all wars of the United States, general and special.

"3. Life insurance issued by the Government on account of service in the Armed Forces.

"4. Compensation of veterans.

"5. Vocational rehabilitation and education of veterans.

"6. Veterans' hospitals, medical care, and treatment of veterans.

"7. Soldiers' and sailors' civil relief.

"8. Readjustment of servicemen to civil life."

SEC. 2. Effective for the remainder of the 85th Congress, section (4) of the Standing Rules of the Senate is amended to read as follows:

"(4) (a) Each Senator shall serve on two standing committees and no more; except that not to exceed 21 Senators of the majority party, and not to exceed 9 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Veterans' Affairs may serve on 3 standing committees and no more.

"(b) In the event that during the 85th Congress Members of one party in the Senate are replaced by Members of the other party, the 33rd-committee assignments shall in such event be distributed in accordance with the following table:

"Senate seats

Majority	*Minority*
48	48
49	47
50	46
51	45

"Third-committee assignments

Majority	*Minority*
23	7
21	9
19	11
17	13".

SEC. 3. Effective at the beginning of the 86th Congress, section (4) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(4) Each Senator shall serve on 2 standing committees and no more; except that not to exceed 19 Senators of the majority party, and not to exceed 7 Senators of the minority party, who are Members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Veterans' Affairs may serve on 3 standing committees and no more."

AMENDMENT OF RULE RELATING TO COMMITTEE REPORTS ON TREATIES

Mr. BRICKER submitted the following resolution (S. Res. 40), which was referred to the Committee on the Judiciary:

Resolved, That rule XXXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new subsections:

"4. When a treaty is reported from a committee recommending the advice and consent of the Senate to ratification, the report of the committee shall state to what extent, if any, ratification thereof will operate to supersede or modify an act of Congress.

"5. When the Senate advises and consents to ratification of a treaty which, in the judgment of the reporting committee, will operate to supersede or modify an act of Congress, a copy of the Senate committee report shall be forwarded by the Secretary of the Senate to the Clerk of the House of Representatives for use by the Law Revision Counsel of the House Committee on the Judiciary in annotating pertinent sections of the United States Code."

INVESTIGATION OF PROBLEMS OF SMALL AND INDEPENDENT BUSINESSES

Mr. SPARKMAN (for himself and Mr. THYE) submitted the following resolution (S. Res. 42), which was referred to the Committee on Banking and Currency:

Resolved, That the Select Committee on Small Business is authorized under the authority of Senate Resolutions 58 and 272 of the 81st Congress to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1957 to January 31, 1958, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1958.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $90,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF ATTEMPTS TO IMPROPERLY INFLUENCE GOVERNMENT OFFICIALS

Mr. McCLELLAN submitted the following resolution (S. Res. 47), which was referred to the Committee on Rules and Administration:

Resolved, That the special committee established by Senate Resolution 219, 84th Congress (approved February 22, 1956), is authorized and directed to investigate the subject of attempts to influence improperly or illegally the Senate or any Member thereof or any candidate therefor, or any officer or employee of the executive branch of the Government, through campaign contributions, political activities, lobbying, or any and all other activities or practices.

SEC. 2. (a) The special committee shall report to the Senate on or before May 31, 1957, and shall include in its report specific recommendations (1) to improve and modernize the Federal election laws; (2) to improve and strengthen the Federal Corrupt Practices Act, the Hatch Act, the Federal Regulation of Lobbying Act, and related laws; and (3) to insure appropriate administrative action in connection with all persons, organizations, associations, or corporations believed to be guilty of wrongdoing punishable by law.

(b) The special committee shall cease to exist on May 31, 1957.

SEC. 3. (a) For the purposes of this resolution the special committee is authorized during the period beginning February 1, 1957, and ending on May 31, 1957, to (1) make such expenditures from the contingent fund of the Senate; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony either orally or by deposition; (7) employ on a temporary basis such technical, clerical, and other assistants and consultants; and (8) with the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, employ on a reimbursable basis such executive branch personnel as it deems advisable.

(b) For the purpose of taking testimony the special committee may provide that fewer than 5 but not less than 2 members shall constitute a quorum, providing that both the majority and minority are represented.

SEC. 4. The expenditures authorized by this resolution shall not exceed $100,000 and shall be paid upon vouchers signed by the chairman of the special committee.

FOUR-STATE WELFARE FOR CERTAIN INDIANS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of the 14th instant,

The name of the Senator from Minnesota [Mr. HUMPHREY] was added as an additional cosponsor of the bill (S. 574) to provide: First, that the United States shall pay the actual cost of certain services contracted for Indians in the States of Minnesota, North Dakota, South Dakota, and Wisconsin; and second, for a more equitable apportionment between such States and the Federal Government of the cost of providing aid and assistance under the Social Security Act to Indians, introduced by Mr. THYE (for himself, Mr. WILEY, Mr. LANGER, Mr. MUNDT, and Mr. CASE of South Dakota) on January 14, 1957.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the name of my junior colleague from California [Mr. KUCHEL] be added as a cosponsor to Senate bill 548 and to Senate bill 604. His name has been inadvertently left off of those two bills.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the name of the Senator from South Dakota [Mr. CASE] be added as a cosponsor to Senate Resolution 30, which provides for a change in the rules, submitted by me on January 9, 1957.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the name of the junior Senator from New York [Mr. JAVITS] be added as a cosponsor of the resolution (S. Res. 17) to amend section 2 of rule 22 of the Standing Rules of the Senate, submitted by me (for myself and other Senators) on January 7, 1957.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MALONE. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Indiana [Mr. CAPEHART] be added as an additional cosponsor to the bill (S. 1) to amend part III of Veterans Regulation No. 1 (a) to liberalize the basis for, and increase the monthly rates of, disability pension awards, introduced by me, for myself, the Senator from Montana, Mr. MURRAY, and the Senator from North Dakota, Mr. LANGER, on January 7, 1957.

Mr. KUCHEL. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the bill (S. 599) to establish a National Monetary and Financial Commission, introduced by the Senator from Indiana [Mr. CAPEHART], for himself and other Senators, on January 14, 1957, the next time that bill is printed.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I should like to announce that the distinguished senior Senator from Oklahoma [Mr. KERR], the able senior Senator from North Dakota [Mr. LANGER], the distinguished junior Senator from Colorado [Mr. CARROLL], and the distinguished junior Senator from Oregon [Mr. NEUBERGER], wish to join with me and other cosponsors already listed in sponsoring Senate Joint Resolution 24, which would establish a national policy for the production and utilization of food and fiber.

I want this noted for the RECORD, so that the names of Senators KERR, LANGER, CARROLL, and NEUBERGER may appear on the face of the bill, if and when it is reprinted.

FAVORING SEVERANCE OF DIPLOMATIC RELATIONS WITH RUSSIA AND HUNGARY

Mr. McCARTHY submitted the following concurrent resolution (S. Con. Res. 8), which was referred to the Committee on Foreign Relations:

Whereas the United Nations by resolution has condemned the actions of the Union of Soviet Socialist Republics in Hungary; and

Whereas such resolution declares the Soviet Government of Russia to be the aggressor in the Hungarian blood bath; and

Whereas the present government of Hungary, which was established and is controlled by Soviet Russia, is not the government of the people of Hungary: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the United States should sever diplomatic relations with Soviet Russia and with the Communist government of Hungary.

REPORT ON VARIOUS METHODS OF SUPPORTING THE PRICE OF COTTON (S. DOC. NO. 12)

Mr. HAYDEN. Mr. President, on May 18, 1956, when the Committee on Appropriations reported the bill making appropriations for the Department of Agriculture, 1957, it requested the Secretary of Agriculture to submit a full detailed report and analysis of the various systems for supporting the price of cotton. On January 3, 1957, the Secretary of Agriculture submitted to the committee a report entitled "Various Methods of Supporting the Price of Cotton."

I present a copy of this report and ask unanimous consent that it be printed as a Senate document, including the letter of transmittal from the Secretary of Agriculture.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORT ON CONSERVATION AND DEVELOPMENT OF WATER AND LAND RESOURCES OF THE ARKANSAS, WHITE, AND RED RIVER BASINS (S. DOC. NO. 13)

Mr. CHAVEZ. Mr. President, I present a letter from the Director of the Bureau of the Budget transmitting a report on the conservation and development of the water and related land resources of the Arkansas, White, and Red River Basins, with accompanying papers and illustrations, requested in the Flood Control Act of 1950. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORT ON LAND AND WATER RESOURCES OF THE NEW ENGLAND AREA (S. DOC. NO. 14)

Mr. CHAVEZ. Mr. President, I present a letter from the Director of the Bureau of the Budget transmitting a report on the land and water resources of the New England-New York region, with accompanying papers and illustrations, requested in the Flood Control Act of 1950. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

CONVENTIONS WITH AUSTRIA AND CANADA RELATING TO DOUBLE TAXATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive A, 85th Congress, 1st session, a Convention between the United States of America and the Republic of Austria for the avoidance of double taxation with respect to taxes on income, signed at Washington on October 25, 1956, and Executive B, 85th Congress, 1st session, a Convention between the United States of America and Canada, signed at Ottawa, on August 8, 1956, further modifying and supplementing the income-tax Convention and Protocol of March 4, 1942, as modified by the supplementary Convention of June 12, 1950, and that the Conventions, together with the President's messages, be referred to the Committee on Foreign Relations, and that the President's messages be printed in the RECORD.

The VICE PRESIDENT. Without objection, the injunction of secrecy will be removed, and the Conventions, together with the President's messages, will be referred to the Committee on Foreign Relations, and the messages from the President will be printed in the RECORD.

The messages from the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention between the United States of America and the Republic of Austria for the avoidance of double taxation with respect to taxes on income, signed at Washington on October 25, 1956.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the Convention. The Convention has the approval of the Department of State and the Department of the Treasury.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 17, 1957.*

Enclosures: 1. Report of the Secretary of State. 2. Income-tax Convention between the United States and Austria.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and Canada, signed at Ottawa on August 8, 1956, further modifying and supplementing the income-tax convention and protocol of March 4, 1942, as modified by the supplementary convention of June 12, 1950.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the supplementary convention, together with the memorandum enclosed with that report.

The supplementary convention has the approval of the Department of State and the Department of the Treasury.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 17, 1957.*

(Enclosures: 1. Report of the Secretary of State with enclosed memorandums. 2. Supplementary income-tax convention with Canada signed August 8, 1956.)

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, January 17, 1957, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 2) to extend the time for transmitting the economic report of the President for the first regular session of the Eighty-fifth Congress.

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. HUMPHREY:

Address entitled "A Protest in the Name of Liberty Against the Egyptian Expulsion of Jewry," delivered by Senator O'MAHONEY at the Hotel Statler, Washington, D. C., on January 7, 1957.

By Mr. CARLSON:

Text of interview with Senator WILEY concerning danger of Pearl Harbor type of attack against United States, published in the Glendive (Mont.) Daily Ranger of January 4, 1957.

By Mr. MARTIN of Pennsylvania:

News release concerning Veterans Day address delivered by him at Greensburg, Pa., on November 12, 1956.

NOTICE OF HEARING ON NOMINATION OF SIGURD S. LARMON TO BE A MEMBER OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations I desire to announce that the Senate received today the nomination of Sigurd S. Larmon, of New York, to be a member of the United States Advisory Commission on Information for a term of 3 years expiring January 27, 1960, and until his successor has been appointed and qualified. Reappointment.

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

SENATOR KNOWLAND, OF CALIFORNIA

Mr. JAVITS. Mr. President, I should like to join with so many of my colleagues whom, on the day I took the oath of office as a Senator, I heard pay tribute to our minority leader, the senior Senator from California [Mr. KNOWLAND], who has announced that he is going to leave the Senate, and to pay my tribute to his high-minded efforts on behalf of the Republican Party and on behalf of our country. I wish also to pay tribute to what I think his most signal attribute, which is strength of character and steadfastness in the things in which he believes so sincerely.

COL. DEAN HESS, OF MARIETTA, OHIO

Mr. BRICKER. Mr. President, when the Japanese attacked Pearl Harbor there was a young minister of the Church of Christ—Disciples—in Marietta, Ohio, who resigned his pastorage, and enlisted in the Air Force. That young man, now Col. Dean Hess, of the United States Air Force, flew 63 missions in World War II. In 1950 he was assigned to develop a South Korean air force, which he accomplished. He saw the tragic suffering there, particularly on the part of orphaned children, and with his own efforts, established for those children an air lift, called Operation Kiddy Car, to transport them to the safety of Cheju Island, where he created an orphanage.

Colonel Hess has written a book entitled "Battle Hymn," telling of his experiences in Korea and of the establishment of the orphanage. That book has been made into a motion picture, under the same title, "Battle Hymn."

All the receipts from the moving picture and from the book will go to the maintenance of that orphanage. The orphanage is taking care of more than 1,000 South Korean orphans, the victims of that terrible war.

Mr. President, I ask unanimous consent at this time that I may present to the Senate Col. Dean Hess, of Marietta, Ohio, who is now in the gallery. To signify his seriousness, his intent, and his determination, let me say that yesterday, when I asked him if he was going to return to the ministry of his church, he told me, "As soon as the greatest enemy of Christianity, communism, is wiped from the face of the earth, I shall return to the mission of my ministry."

May I present to you, Mr. President, and to my colleagues, Col. Dean Hess, of Marietta, Ohio?

[Colonel Hess, from his seat in the gallery, rose and was greeted with applause.]

Mr. BRICKER. I thank the Presiding Officer and the Members of the Senate.

Mr. President, I ask unanimous consent that there be printed in the RECORD following my remarks a statement concerning Colonel Hess.

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

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

Col. Dean Hess, of Marietta, Ohio, is one of only three Americans awarded Korea's highest military citation, the Order of Military Merit. The other two are held by President Eisenhower and Gen. Douglas MacArthur.

The honor was bestowed upon Colonel Hess by President Syngman Rhee not only for heroic military service to the Republic of Korea but for great humanitarian service as well.

The turning point in the remarkable career of this 38-year-old native Ohioan came with the Japanese attack on Pearl Harbor. Then 23 and a minister in the Church of Christ (Disciples) in his native Marietta, Dean Hess made the decision to leave his pulpit for combat. He enlisted in the Air Force. A year later he joined the Ninth Air Force in Germany as a fighter pilot. He flew 63 missions in World War II, one of them resulting in a tragic accident. During that mission, his bomb release failed to operate over his target, a railroad marshaling yard. But a few minutes later it snapped open, dropping his bombs on a German schoolhouse. Many children were killed.

Some seven years later in June 1950, Dean Hess was sent to Korea to develop a South Korean Air Force. He began this task at Seoul with 10 American pilots, 4 ground officers, 100 enlisted men, and 10 planes. He also flew the first of 250 combat missions over Korea. But it was not enough for this "flying parson" to fight for the cause of Christian civilization. He was a humanitarian as well as a combat commander. He began a third task which eventually brought him unsought fame.

With the aid of two chaplains, he began caring for Korean children orphaned by the war. He took up collections among his men, raided medical dumps for supplies to take care of the sick and wounded and prevailed upon mess sergeants to give food. By the time the Communist forces threatened to overrun Seoul, Dean Hess had gathered more than 1,000 orphans. Desperately, he called for permission to evacuate the children, and began flying them to the safety of Cheju Island. This airlift was known as "Operation Kiddy Car."

After the war Colonel Hess established a permanent orphanage on Cheju Island for Korean war orphans and threw his entire resources into it. He set up a nonprofit organization called Hope, Inc., which still helps the orphanage.

It has been said that Colonel Hess has been driven to the assistance of these children by a sense of guilt from his tragic mission of World War II in which his bombs accidentally fell on the German schoolhouse. This he denies. He declares that horrible as was the experience, he feels no connection between the two. He simply feels a deep conviction to help these unfortunate children.

This dedicated young man declares it to be more his duty than his personal wish to remain in the service.

"We cannot pray away communism," he says. "I feel I am doing more by fighting the greatest enemy that ever faced our civilization and Christianity. When that greater foreign threat is dispelled, I will leave the service."

Dean Hess has written a book about his own experiences and beliefs. It is called Battle Hymn. All its earnings go to the orphanage on Cheju Island.

Colonel Hess will be further honored by his native city and State on February 14 at a civic celebration at Marietta, Ohio. A local

holiday has been declared and the Governor of Ohio, along with Colonel Hess' many other friends will see his story in a world premiere of a new Universal motion picture, Battle Hymn, taken from Dean Hess' own book.

Colonel Hess and his wife, Mary, and their three sons live temporarily at Alexandria, Va.

THIRTY-NINTH ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. SMITH of New Jersey. Mr. President, 39 years ago the Ukrainian Parliament proclaimed Ukrainian independence, and a treasured goal toward which these hardy people had been striving for 1,000 years had been attained. Hardly had this triumph occurred, however, when the dark shadow of the new and autocratic Communist Russia spread over this free republic and began to subjugate it.

The undying devotion of these 40 million people to freedom and the right of self-determination, which has been such a glorious part of their history, could not be shattered by Soviet tyranny, and on January 22, celebrations across this country will join with others in the free world in saluting this anniversary of Ukrainian independence.

Their beliefs in the right of free elections, the right to determine their own form of government, their own form of worship, are even now being uplifted by the growing opinion of the world that no slave state can forever withstand the onslaught of people determined to become free. In his state of the Union message, President Eisenhower referred to this powerful surge to satisfy these human aspirations. "The changes already accomplished," he stressed, "foreshadow a world transformed by a spirit of freedom." The President concluded this part of his message with these significant words:

> In the main, today's expressions of nationalism are, in spirit, echoes of our forefathers' struggle for independence.

And so, on this anniversary of Ukrainian independence, let us in America recall our own devotion to human liberty and progress, and send our expressions of friendship and hope to the valiant people of the Ukraine.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 73) relative to the designation of National Junior Achievement Week, in which it requested the concurrence of the Senate.

REPORT BY THE VICE PRESIDENT TO THE PRESIDENT ON HUNGARIAN REFUGEES

Mr. SMITH of New Jersey. Mr. President, all of us have been very much concerned over the tragedy in Hungary. We have been giving much thought and attention to the problems caused by that tragedy. As a Senator from New Jersey, I visited Camp Kilmer to observe conditions there and the handling of Hungarian refugees.

As we all know, President Eisenhower requested our distinguished Vice President to visit the Hungarian refugee camps in Austria and to submit a report before Congress reconvened. On January 1 Vice President NIXON made a report to the President on Hungarian refugees. Because of the importance of the subject, and because of the importance of the report, I ask unanimous consent that the Vice President's report to the President be published in full in the body of the RECORD.

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

REPORT BY THE VICE PRESIDENT TO THE PRESIDENT ON HUNGARIAN REFUGEES

This report deals only with a symptom, and not with the basic problem. No matter how well we care for the victims of oppression, the guilt of those who drove them from their homes, who killed their fellow countrymen and who today keep their nation in slavery must never be forgotten.

The revolt of the courageous people of Hungary against their oppressors is one of the most significant events in the history of mankind. Without plan or organization they rose up in final revulsion against the subjugation and cruelty which has been imposed upon them. What they did and are doing was not in vain for, by their deeds, they sounded the death knell of international communism for all the world to hear.

In a discussion confined, as is this report, to the present plight of the Hungarian refugees, we recognize that we are not dealing with the basic question of how freedom is to be provided for Hungary. Compliance by the U. S. S. R. with the resolution of the United Nations calling for the removal of Soviet troops from Hungary is the only adequate and permanent solution to that problem, and to the problems which face the Hungarian people. Solutions short of this must be considered temporary and basically not satisfactory.

On the basis of a firsthand survey of the Hungarian refugees from the time they cross the border into Austria until they leave the Camp Kilmer Reception Center, I submit the following findings and recommendations:

NUMBER AND CHARACTER OF REFUGEES

Approximately 155,000 refugees have crossed the border between October 23, 1956, and January 1, 1957. An average of approximately 800 per day are coming across the border at this time. (See appendix 1.)

The quality of the people who fled Hungary is of the highest order. For the most part they were in the forefront of the fight for freedom and fled only when the choice was death or deportation at the hands of the foreign invaders or temporary flight to a foreign land to await the inevitable freedom for Hungary. The large majority are young people—students, technicians, craftsmen, and professional people. There are many family units, including a large number of children. (See appendix 2.)

The majority of the refugees who have been interviewed say that they left Hungary because of fear of liquidation or of deportation. The number of floaters and of those who left Hungary purely for economic reasons is relatively small.

The majority of those who have been interviewed to date have expressed a desire to return to Hungary in the event of a change of government which would make it safe for them to do so.

The problem of checking the security backgrounds of the refugees is not as difficult as usual, due to the fact that in addition to the usual documentary evidence available in such cases, direct evidence is being volunteered by other refugees who are well informed as to the identity of spies and agents in their communities.

I am convinced that if the screening process which is presently in effect is continued the Hungarian refugees who are admitted to the United States will present no significant risk of internal subversion in this country.

Taking all the above factors into consideration, I believe that the countries which accept these refugees will find that, rather than having assumed a liability, they have acquired a valuable national asset. As Mr. Herbert Hoover said on December 27, 1956, "The Hungarian refugees have proved by their courage and sacrifice that they are the traditional sort of persons who make Americans."

DISPOSITION OF REFUGEES TO DATE

Eighty-eight thousand of the one hundred and fifty-five thousand refugees have been resettled in countries other than Austria, as of January 1. Of this 88,000, 15,000 have gone to the United States, and 73,000 have been accepted in other countries.

Of the 67,000 who are in Austria at this time, the Austrian Government had indicated that approximately 30,000 could be assimilated into the Austrian economy, provided some assistance was given to Austria for the construction of housing and other facilities to provide for them during an adjustment period.

This leaves a minimum of 37,000 in Austria at the present time for whom homes must be found in other countries.

ESTIMATE OF EVENTUAL TOTAL REFUGEE MOVEMENT

How long the exodus of refugees from Hungary into Austria will continue will depend upon what happens in Hungary. If the character of the Hungarian Government were to change so that a degree of freedom were to be provided for the Hungarian people, there is little question but that the number of refugees leaving Hungary would be substantially reduced, and there is also no question but that many of those who have left Hungary would return.

There is also the possibility that the Hungarian Government might decide to step up its efforts to close the border, and, in that event, the number of refugees leaving Hungary probably would be substantially reduced.

Another factor which must be taken into account in analyzing the total problem is that some of the 73,000 who have gone to other countries did so with the understanding that they were going there temporarily and would eventually have the opportunity to go to the United States.

The President has stated that the United States would accept within this country those who went to other countries with such an understanding.

While the total number of refugees in the above categories cannot be estimated with any degree of certainty, there can be but one conclusion. The United States and other free nations must take substantially more refugees than they have agreed to take up to this time.

RECOMMENDATIONS AS TO FUTURE UNITED STATES POLICY ON ACCEPTING ADDITIONAL REFUGEES

It has been suggested that the United States should announce at this time that it would take a fixed additional number of refugees.

Another suggestion that has been made is that the United States should agree to take a certain percentage of all Hungarian refugees who are presently in Austria, and of those who may come to Austria from Hungary in the future.

I have concluded that it would not be wise for the United States to be tied down either to a fixed percentage or a fixed number.

It should be our policy, along with other free nations of the world, to take our full share of these escapees from Communist tyranny.

We should not place a ceiling on what we will do in fulfilling our traditional national mission of providing a haven of refuge for victims of oppression. In addition, because of the uncertainty of the situation within Hungary, it is not possible for us to make any accurate estimate of what such a fixed number should be.

For us to agree to take a percentage of all refugees is also unrealistic. Conditions change within the various countries which might provide homes for refugees, and our policy should be flexible enough to take such changes into account.

Our policy should be based on the following principles:

1. All free nations should share to the extent of their capabilities in the responsibility for resettling refugees. Both through the United Nations, and through normal diplomatic channels, the Government of the United States should work toward the realization of this objective. The United States escapee program, the Intergovernmental Committee for European Migration, and the United Nations High Commissioner for Refugees, all of which are engaged in various phases of resettlement activity, should receive support from us for this purpose.

2. Until Congress passes appropriate legislation, admission of Hungarians to the United States should be continued under the parole procedures now in effect. Most of these admissions should continue to apply to Hungarians in Austria to relieve the pressure in that country. However, some should be reserved for the Hungarians now in temporary asylum in Western Europe outside of Austria, with the understanding that they would eventually be admitted to the United States. Preference within this latter group should be given at this time primarily to those with relatives in this country. To this end, we should begin taking applications from the refugees outside of Austria. United States diplomatic representatives in the countries who are now offering asylum should, wherever possible, work out arrangements whereby refugees from Austria could be received in those countries to replace those we take for resettlement in the United States.

3. An amendment to the Immigration and Nationality Act should be presented to the Congress for immediate consideration which would—

(a) Regularize the status of Hungarian refugees brought into the United States under the parole procedure, and

(b) Provide flexible authority to grant admission to this country of additional numbers of Hungarians and other refugees from Communist persecution, through the use of nonquota visas within an annual ceiling.

Such a provision should take into account the escapees who left Hungary before October 23, 1956, and the meritorious cases of those from other Eastern European countries who cannot be resettled in the United States because of the termination of the refugee relief program and the lack of any other legislative authority for their admittance.

(c) I strongly urge the enactment of the amendments to the Immigration and Nationality Act proposed by the President to the 84th Congress. Such amendments would provide adequate flexibility in our immigration policy to meet more fully our world responsibilities. For example, it would permit consideration for certain escapees from communism other than those in Eastern Europe, including Chinese Nationalists who have had to flee from the Communist government in their country.

4. It has been suggested that no change in the law is needed and that the whole problem of refugees from Communist countries can be handled adequately under the parole provisions of the present act.

While the Attorney General has interpreted the parole provisions so as to cover the 15,000 Hungarian refugees who have been admitted up to this time, and while I believe that the applications of additional Hungarian refugees should be processed under that provision between now and the time the Congress has an opportunity to consider amendments to the act, the circumstances and the limits under which this provision should be applied in the future should be spelled out by the Congress.

As the Attorney General has stated, neither he nor any other administrative official should have unlimited authority to admit aliens to the United States on a parole basis. It is obvious that such power, if arbitrarily used, could completely circumvent the basic purposes and objectives of the immigration law.

ECONOMIC ASSISTANCE BY THE UNITED STATES

Our governmental aid for care and maintenance of Hungarian refugees has been partially directed through the United Nations. We should continue our participation with the other free nations in this United Nations effort in order to secure the most effective combination of our resources. But it will be necessary, also, to deal directly with the Austrian Government and relief agencies on various aid matters, particularly those involving expenditures affecting the Austrian economy.

In connection with economic assistance to Austria, it should be pointed out that the cost to the Austrian Government has been considerable up to this time. Austria is a relatively small country of approximately 7 million people. It has a housing shortage. Its economic recovery, though remarkable, was impeded by the long occupation of the country, ended only last year. Its budgetary capabilities are already strained. A substantial refugee program was present in Austria prior to this new influx from Hungary and most facilities were already overflowing. It cost approximately $1 a day to feed each refugee and in addition substantial amounts must be found to improve or renovate existing buildings, to provide internal transportation, furniture, medical care, and related costs.

The refugees arrive destitute with no possessions but the clothes on their backs and they require some additional clothing and the basic amenities needed for living. Although much financial aid has come from the charitable organizations, particularly the Red Cross Societies and much more will be given through their help, the fact remains that the residual financial burden falls on the Austrian Government. This will in turn require the help of other governments, including our own.

The League of Red Cross Societies, of which the American Red Cross is a member, has assumed responsibility for care and maintenance of 35,000 refugees in the larger camps in Austria. The funds which we have transmitted to the United Nations ($5 million) have been divided between the Austrian Government and the LICROSS based on their respective needs and requirements. Additional financial assistance to LICROSS through the United Nations will be required and should be provided.

It is also recommended that the governmental agencies concerned continue to explore the maximum use of surplus agricultural commodities both for the food requirements of the refugees as well as for the generation of counterpart funds which might be used for some of the cash requirements for the relief program.

Most of the cash contributions from our Government have up to now been made from the emergencies fund provided in section 401 of the Mutual Security Act. Current estimates are that presently appropriated funds will be adequate to provide for foreseeable costs of the Hungarian relief program for this fiscal year—until July 1, 1957.

The United States voluntary agencies may in this emergency period need limited governmental financial aid to assist them in the resettlement program in this country. This assistance would not ordinarily be required, but the sudden influx of Hungarian refugees has in the case of certain agencies placed particularly severe demands on their financial resources which they are unable to meet through the voluntary contributions available to them. To the extent that private contributions are not available there is no alternative but to provide support through Government funds.

Coordination of the activities of the voluntary agencies and the Federal Government concerned with refugee resettlement in the United States should continue to be the responsibility of the President's Committee on Hungarian Refugee Relief. The Committee, under the able direction of Mr. Tracy Voorhees has done an admirable job.

GENERAL COMMENTS

This report is not intended to cover all phases of the refugee problem. A more detailed report has already been submitted orally to the President and additional data on economic assistance will be submitted by Mr. Hollister.

After a thorough examination of the placement procedures at the Kilmer Reception Center, I am convinced that there is no question but that the American economy can easily and profitably assimilate into our economy the refugees from Hungary who are entering the United States. (See appendix 3.)

This report would not be complete without paying tribute to the work of the voluntary agencies who have provided an inspiring example in the best American tradition of extra-governmental charity in welfare work. They moved in quickly when the refugees first began leaving Hungary. They provided food, clothing, and care in the first chaotic days. They are processing the refugees for their movement out of Austria and it is to them that we look for the successful resettlement of Hungarian as well as other Iron Curtain refugees in the United States and other countries. They deserve the continued generous financial support of the American people.

I should also like to pay tribute to the American governmental officials who have worked willingly and ably night and day during these last 2 months. Our Ambassador to Austria and his staff, and the staffs of the Immigration and Naturalization Service, the Public Health Service, and the Department of Labor have all done a superb job. The contribution of the United States Armed Forces in instituting and running the air and sea lifts has been in the best traditions of their respective services. I saw no more striking example of the generous spirit of America than the activities of the wives of Armed Forces personnel who arranged to provide special care for refugees at the various installations through which the refugees passed on their way to the United States.

Another example is the soup kitchens run by the wives of American governmental personnel in Vienna where three to four thousand refugees are fed daily. These are only examples of similar activities at the various installations where American personnel are assigned to this problem.

In conclusion, it is essential that in our necessary and understandable concern over the immediate problem of providing for the needs of refugees we not lose sight of the historical significance of this mass migration of people from an area of slavery to an area of freedom. The Communist leaders thought

they were building a new order in Hungary. Instead, they erected a monument which will stand forever in history as proof of the ultimate failure of international communism. Those people, both inside and outside of Hungary, who had the courage to expose by their actions this evil ideology for what it is, deserve all the gratitude and support which we in the free world are so willingly giving today.

APPENDIX 1

Status report of Hungarian refugee situation as of Dec. 31, 1956, 0700 hours

1. Total influx into Austria Oct. 28, 1956, to date	155,085
2. Total number arrived in Austria last 24 hours [1]	711
3. Total number residing in Austria as of Dec. 31, 1956	67,008
4. Movements:	

Country	Quota	Cumulative total moved
Total		87,572
1. Switzerland	[2] 10,000	10,300
2. Germany	13,552	10,934
3. Holland	[3] 5,000	2,920
4. France	(4)	8,395
5. Sweden	4,000	3,993
6. United Kingdom	(4)	12,866
7. Australia	5,000	1,055
8. Canada	(4)	7,635
9. United States of America	21,500	19,668
10. Belgium	3,000	3,019
11. New Zealand	1,000	66
12. Ireland	1,000	530
13. Luxembourg	200	189
14. Italy	4,000	3,451
15. Spain		
16. Denmark	1,000	1,000
17. Brazil	3,000	
18. Colombia	1,000	
19. Chile	1,000	47
20. South Africa	500	148
21. Norway	1,000	528
22. Argentina	2,000	20
23. Iceland		52
24. Israel		756

[1] Arrivals in Austria. Daily average by weeks for December.

	Number per day
1st week	2,532
2d week	1,724
3d week	1,185
4th week	866
Last 3 days	714

[2] 6,000 on a temporary basis.
[3] 2,000 on a temporary basis.
[4] Unlimited.

APPENDIX 2

Recent Hungarian refugees and parolees admitted to the United States by major occupation group

[Received and processed in Central Office through Dec. 28, 1956]

Occupation group:	Number
Total	9,253
Professional, technical, and kindred workers	1,060
Farmers and farm managers	112
Managers, officials, and proprietors, except farm	121
Clerical and kindred workers	557
Sales workers	100
Craftsmen, foremen, and kindred workers	1,963
Operatives and kindred workers	1,538
Private household workers	65
Service workers, except private household	244
Farm laborers	99
Laborers, except farm and mine	435
No occupation	2,959
Housewives	746
Retired	6
Students	602
Children under 14 years of age	1,565
Not reported	40

Recent Hungarian refugees and parolees admitted, by sex, age, and marital or family status

[Received in Central Office through Dec. 28, 1956]

	Total	Males	Females
Total	9,253	6,028	3,225
Age:			
Under 5 years	572	298	274
5 to 9 years	611	320	291
10 to 14 years	461	238	223
15 to 19 years	1,309	955	354
20 to 29 years	3,310	2,354	956
30 to 39 years	1,762	1,099	663
40 to 49 years	865	561	304
50 to 59 years	281	170	111
60 years and over	71	28	43
Not reported	11	5	6
Marital status, refugees only:			
Single	3,205	2,458	747
Married	1,932	1,084	848
Widowed	81	27	54
Divorced	197	128	69
Unknown	22	16	6
Family status, parolees only:			
Principal applicant	2,339	1,859	480
Spouse	629	24	605
Child	847	432	415
Unknown	1		1

APPENDIX 3

Kilmer refugee status summary as of Dec. 30, 1956

Date	Day	Number of planes arrived	Number of refugees arrived	Number of refugees departed	Total planes arrived	Total refugees received	Refugees departed	Total refugees on hand
Dec. 1	Saturday	2	149	90	13	951	583	33
2	Sunday	0	0	90	13	951	613	315
3	Monday	2	143	57	15	1,058	730	329
4	Tuesday	3	211	108	18	1,269	838	431
5	Wednesday	3	218	156	21	1,487	994	493
6	Thursday	4	277	62	25	1,764	1,056	782
7	Friday	4	290	97	29	2,054	1,153	975
8	Saturday	3	207	223	32	2,261	1,376	885
9	Sunday	3	224	144	35	2,485	1,520	965
10	Monday	4	292	384	39	2,777	1,904	873
11	Tuesday	5	359	161	44	3,136	2,065	1,071
12	Wednesday	8	494	163	52	3,630	2,228	1,402
13	Thursday	7	417	239	59	4,047	2,467	1,580
14	Friday	15	1,025	55	74	5,072	2,522	2,550
15	Saturday	7	466	202	81	5,538	2,724	2,814
16	Sunday	12	694	117	93	6,232	2,841	3,391
17	Monday	5	330	256	98	6,562	3,097	3,465
18	Tuesday	17	1,101	365	115	7,663	3,462	4,201
19	Wednesday	2	124	400	117	7,787	3,862	3,925
20	Thursday	6	416	519	123	8,203	4,381	3,822
21	Friday	5	313	341	128	8,516	4,722	3,794
22	Saturday	11	709	229	139	9,225	4,951	4,274
23	Sunday	12	740	169	151	9,965	4,120	4,845
24	Monday	8	517	282	159	10,482	5,402	5,080
25	Tuesday	22	1,406	186	181	11,888	5,588	6,300
26	Wednesday	9	597	316	190	12,485	5,904	6,581
27	Thursday	13	870	823	203	13,355	6,727	6,628
28	Friday	9	596	575	212	13,951	7,302	6,649
29	Saturday	8	473	542	220	14,424	7,844	6,580
30	Sunday	7	491	445	227	14,915	8,289	6,626

ADDRESS BY GEN. NATHAN F. TWINING, CHIEF OF STAFF, UNITED STATES AIR FORCE

Mr. ERVIN. Mr. President I ask unanimous consent to have printed at this point in the body of the RECORD an illuminating address on the Air Force, delivered by Gen. Nathan F. Twining, Chief of Staff of the Air Force, before the annual meeting of the Chamber of Commerce of Goldsboro, N. C., on Wednesday evening, January 16, 1957.

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

I am very pleased to be here in Goldsboro. We are again renewing our relationships of the past. I am sure you are proud of Seymour Johnson Air Force Base. So are we. When the planned improvements and construction are completed, Seymour Johnson will be one of the finest Air Force bases in the whole United States.

One of our main concerns when we open a new base, or reopen an old base, is community relations. The air base should not be a separate community. Our aim is that the base become part of the community we join.

Sometimes a local situation makes this difficult, but we have no worries with Goldsboro. You have made us feel that we belong here. The commander of Seymour Johnson, Colonel Richardson, describes his relationship with both civic leaders and citizens in glowing terms. This is important not only because it makes our work more pleasant, but also because it is reflected in greater effectiveness of a unit.

One indicator stands out: the reenlistment rate of a unit. The reenlistment rate at Seymour Johnson is the highest of any base in the whole 9th Air Force—a command that covers many States. This is a tribute to your interest, your cooperation, and your hospitality.

This fine relationship extends all the way to Washington, where it is carried on in other ways by your Senators and Congressmen. Senator SCOTT and your Congressman, Representative BARDEN, have been active in improving our associations—and your Senior Senator, SAM ERVIN, plays a prominent part in the building of our Nation's defenses.

As a member of the Armed Services Committee of the Senate, he has injected energy and wisdom into our plans for a more secure Nation. Senator ERVIN has become an expert in Air Force affairs and, as you know, was chosen as a member of a special subcommittee to examine the adequacy of our Nation's airpower.

He has brought more than wisdom to Washington. He is renowned for his ability to illustrate points with simplicity and humor.

On the premise that home grown products are the best, I intend to borrow from his store of anecdotes tonight.

When Mr. Tanner sent me the invitation to meet with you tonight, he suggested I might talk about Russia. Since my trip to Russia last year, I seem to have spent more time just talking about the trip than I actually spent in Russia. It seems the main thing people want me to discuss.

This reminds me of one of Senator ERVIN's stories. He once told us about a man who was stuck on one topic. This was a preacher whose sermon Sunday after Sunday was on the subject of baptism.

The deacons of the church tried many times to get the preacher on another subject. Finally they persuaded him to let them pick the text for the next sermon. They chose for him the first verse of the first chapter of Genesis.

The following Sunday the preacher took up the Bible and read this first verse: "In

the beginning God created the heavens and earth."

He then paused and said, "If I remember my geography right, the surface of the earth is one-third land and two-thirds water. This brings me to my subject, the doctrine of baptism."

I am not like that preacher. I would be willing to drop Russia as a topic. Unfortunately, Russia remains a topic of prime importance to us all.

I am sure we all wish that Soviet Russia were not the dangerous power she is today. But the fact is, the threat of Soviet Russia with its aim of world domination cannot be dropped nor can it be wished away. It is a reality of our daily life, and our very survival depends on our vigilance and the steps we take to guard against the danger of aggression.

As you know my visit to the Soviet Union was a short one. No one could become expert in such a short time. Our knowledge of the U. S. S. R. rests upon a much broader base of information and experience garnered through the years.

There has been a tendency in America to view the Soviet Union as a somewhat backward nation. In some ways they are behind the times, but their record of progress and expansion has been phenomenal.

A few days ago the Soviets published a record of their accomplishments in 1956. In that one year they showed an increase of 11 percent in the production of capital goods and 9 percent in consumer goods.

They estimated that at year's end they would have produced 49 million tons of steel, 430 million tons of coal, 84 million tons of oil, and 192 billion kilowatt-hours of electricity. While this is far below our Nation's production in all these fields, the fact remains that Soviets are erecting a rapidly expanding and already tremendous industrial base. They have the manpower and resources to continue this growth.

They also are determined to sacrifice the standard of living of their people in order to pour their effort into national strength, particularly their armed forces.

We must not make the mistake of feeling they are far behind—of judging their progress by the plumbing in their bathrooms, or the lack of modern appliances in their homes.

They have few telephones, but the quantity of weapons in their arsenal exceeds any nation in the world.

Millions of Russian people travel on foot, by horse-drawn vehicles, or by antiquated trucks. But their airlines also fly jet-powered airliners—something we have yet to achieve.

The design of their automobiles appears to be about 15 years behind ours, but their engineers have taken a jet engine of Western origin and have developed more power from it than either the British who designed it or the United States industrial experts who produced it here.

They have few television sets, but they produced more than 13,000 jet fighters—the MIG—in a few short years. In fact, they have produced more jet fighters and light jet bombers than the whole free world combined.

We must not be misled by their lack of gadgets and conveniences of the sort that we are accustomed to. Let me illustrate this by an example. I was taken to one of their atomic plants designed to generate electric power. I am no technician in this field but its outward appearance was impressive. Our United States experts who have visited this plant consider it a first-class modern installation.

I was impressed in another way, however, by what I saw just outside the gates of this facility. There, workers were erecting buildings from logs cut out of the nearby forest. The structures were reminiscent of our frontier areas in the 19th century. The logs were being pulled into place, not by modern tractors and trucks, but by spans of horses. Here in one spot was the contrast that is so confusing to observers.

However interesting their log cabins are, we must not let our attention be diverted. We must recognize their capacity to erect modern installations and to build modern weapons as the basis for a very real and up-to-date threat against us.

We must not forget that the Reds developed atomic weapons and nuclear weapons in about half the time we estimated. They are moving modern bombers from the drawing board through production lines in less time than it takes the United States to carry out a similar design-production cycle. We must weigh the results they are getting. We have clear evidence of Soviet industrial and military might. These are roots of the danger we face today.

During my visit to Moscow, I saw new Soviet aircraft we had never seen before. Presumably these were some of their newest aircraft.

They flew large formations of their latest types of operational fighters. One type we know as the Farmer. It is a modern version of the MIG series and appeared to be very fast. In the second formation of 50 or more planes were all-weather fighters, we call the Flashlight. Their development of all-weather fighter types is of special concern to us, for they were deficient in this type of aircraft in the past. The potential danger in this new achievement is clear. If we were forced to strike back at them in war, we would lose many more planes to these improved defenses.

We also saw formations of their long-range bombers, the Bison heavy jet bomber and turbo prop bomber that we call the Bear. Despite their repeated claims that they want nothing but peace, the Soviets have designed these long-range aircraft but for one purpose—to give them the ability to hit the United States.

Of the new aircraft I saw, the most significant to me was a twin-jet, light bomber. The Soviets claim this model is capable of supersonic flight. From a design standpoint this claim may be true; we did not see it fly. However, as a basis for comparing progress in the air, I would remind you that we in the United States are just beginning to test our first supersonic bomber.

Throughout our visit the Soviets maintained careful and firm controls on what we could and could not see. We were permitted to examine the interior of only one of their modern planes—a jet transport that had previously been seen when the Soviets first flew it into London. All of the other types we saw only at a distance as they flew by or as we were driven past them in a car.

Not only were we permitted to see little, we did not hear much, either. The Soviet authorities we met were extremely reluctant to enter into any professional or technical conversations. They were master evaders. For example, one of the members of my group asked one of the Russians how far their light jet bomber—the one they claimed to be supersonic—could fly? The answer was, "Not quite as far as the Badger"—which is their medium jet bomber. Then when he was asked how far the Badger could fly, the reply was, "A little farther than the other one."

The new aircraft engines they are developing are impressive in size and are more powerful than any engine we have in production today. One of the members of a British party commented upon the size and apparent power of the big bomber engine. He speculated to one of the top designers, "The air intakes in these engines are very large, and, therefore, the engines must be very powerful."

The Soviet's response was, "Sir, you can't tell what's in a man's head by the size of his mouth."

You can see from these examples just how reluctant they are to divulge information.

While they publish figures on steel production, oil production, and coal production, their precise total national output remains obscure. It is even more difficult to accurately determine just how much of this output they devote to building military strength.

I asked some questions regarding their budget, and it was very difficult to get them to understand what I meant. They apparently have no budget as such. If a national decision is made to achieve a certain level of strength to build a new aircraft in certain numbers, or to develop a new weapon, the resources are made available.

I would not want to leave the impression that they have unlimited resources, but there appears to be no stinting once a national decision has been made to go ahead with a project.

There are times when I wish that budgets were unknown to me. However, the budget is a necessary part of our way of life and an instrument that reflects how well we fulfill our responsibilities to the people.

The fiscal year 1958 budget was presented to Congress today. The Air Force portion of this program will enable us to carry on through the next fiscal year, and I assure you that we will give the Nation the most effective Air Force with the resources made available to us.

Decisions on these matters rest on overall national interest. I believe a statement from the President's budget message today reflects this approach. He said, "I have given careful consideration to the many complex factors which enter into the development of a well-balanced military structure. I am convinced that the defense program and funds for their support, as recommended in this budget, provide a wise and reasonable degree of protection for the Nation."

Under this budget we will continue to strengthen and improve the Strategic Air Command—our long-range striking force—and the hard core of our deterrent to aggression.

We will continue to replace the aging B-36 with the new long-range jet B-52. In my opinion the B-52 is the finest long-range bomber being produced in the world today. It has made airpower history with its recent nonstop flights of up to 17,000 miles and it will continue to make its mark not only in aviation annals, but also on the minds of any would-be aggressors in the Kremlin.

The SAC B-47 fleet, the medium-range bomber force, will be continued in strength. In a recent test alert B-47 crews flew a thousand planes an average of 8,000 miles each, under simulated combat conditions.

We are now testing a new, supersonic bomber, the B-58, which may replace the B-47. From the trials so far, the B-58 appears to be a top-notch airplane.

Our air defense system will be expanded and improved. Our early warning lines will be extended well out to sea off both the Atlantic and Pacific coasts, and the continental warning and control systems will be developed in depth. The Navy is making an important contribution of warning stations on the seaward flanks.

The Army with its Nike missile will improve the close-in defenses of vital points—and it will add new and more effective weapons such as the Talos missile as well as a new version of the Nike.

Our air-defense forces are getting newer and faster interceptor planes such as the supersonic 102's and 104's. These, too, are being equipped with far more effective weapons such as the Falcon missile. All of these elements of air defense are being integrated into a single, immediately responsive system under the Continental Air Defense Command.

The third part of our military airpower is a force familiar to you—the Tactical Air Command of which Seymour Johnson is a

part. This command is developing a terrific striking punch with the addition of nuclear weapons. It is capable of a sudden, close-in retaliation from its overseas bases. As its striking capacity increases, and its ability to move quickly over long distances improves—together with such ground forces as may be required, Tactical Air Command is becoming an even more effective instrument in local conflicts—or what some call little wars.

As we look at the future and the Air Force we must have in the years ahead, two points stand out.

The combat capability of the forces must continually be measured against the capability of the potential enemy. This enemy is improving his force all the time.

The quality of their air force is increasing rapidly and they show no signs of slowing down either in quantity or quality.

This means that our force must be well trained, and instantly ready in large enough numbers to successfully counter the Soviet air threat. No longer can we count on any unit that is not ready to carry out its mission the moment we are attacked. We must have an effective force in being.

Your North Carolina State motto is, "To be, rather than to seem." It conveys a challenge that extends well beyond your State boundaries. We must have a real force, not one with only the semblance of strength. Without it, we would endanger our Nation and our survival.

ARCHBISHOP MURRAY

Mr. THYE. Mr. President, I wish to address a few remarks in tribute to the memory of a great citizen of Minnesota. Last October, our great State of Minnesota mourned the passing of the Most Reverend John Gregory Murray, archbishop of the St. Paul Archdiocese. Exalted in rank among the people of his church, Archbishop Murray never lost touch with the least of them whom he served for a quarter of a century. A man of modest stature but endowed with boundless energy, he was the administrative executive of an area that covered 297 parishes in 27 counties extending across Minnesota; he supervised 178 parochial schools attended by nearly 67,000 children; and, as archbishop of St. Paul, he also headed his church's St. Paul province embracing all of Minnesota, North Dakota, and South Dakota, and presided over its meetings of bishops.

In spite of the eminence of his office, this man was known to live a simple and unassuming life of virtual austerity. He was not only the spiritual leader of his people as archibishop, but through his common touch and human understanding, he was a living example of the virtues he taught. It is in this latter sense that he was a great man among all the people of our State, both inside his church and out, and why President Eisenhower was prompted to say of him, "Archibishop John Gregory Murray, in his actions and in his words, was a man of principle and high purpose."

Mr. President, I ask unanimous consent to have printed in the RECORD, as part of my remarks, an editorial which appeared in the Minneapolis Star in tribute to Archbishop Murray on October 11, 1956, and an article from the St. Paul Pioneer Press of October 12, 1956.

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

[From the Minneapolis Star of October 11, 1956]

ARCHBISHOP MURRAY

The Most Reverend John Gregory Murray, third archbishop of St. Paul, will be remembered as a prelate who lived close to ordinary people.

Early in his career in the archdiocese of St. Paul, Archbishop Murray remarked, "The only way to know men's problems is to know the men." He rode the streetcars and buses. He carried his own bundles to the laundry. He took his own shoes to the cobbler. He frequently stopped in and had a soda at a corner drugstore.

People who knew him found him a simple, unassuming man. His personal life was one of virtual austerity. Although he could have had an imposing mansion on Summit Avenue, he preferred a simple room in the rectory of St. Paul Cathedral.

One of the archbishop's objectives was to place a Roman Catholic church within walking distance of every Roman Catholic in the urban centers of the archdiocese. Considering the unprecedented building boom of the postwar years and the gargantuan sprawl of today's suburbs, this seemed like an almost superhuman task. Yet, Archbishop Murray died with his self-imposed program practically completed.

In an age when much of our life grows more and more impersonal, mechanized, and routinized, Archbishop Murray brought the common touch and human understanding to great undertakings. This is a rare quality in persons of high rank, ecclesiastical or otherwise.

[From the St. Paul Pioneer Press of October 12, 1956]

ARCHBISHOP MURRAY PRAISED BY NEW LEADER OF ST. PAUL DIOCESE

Most Reverend William O. Brady issued his formal statement as archbishop of the Diocese of St. Paul Thursday night. He automatically succeeded Archbishop Murray. The tribute to his predecessor follows:

"The death of Archbishop John Gregory Murray means the loss of a great churchman to the Catholic church and the loss of a great citizen to the State of Minnesota.

"Thousands will praise the dead archbishop's simplicity, kindness, practical charity, and courtesy. Thousands will long remember him as an intimate friend in need, a guide to the troubled and a hope to the distressed. Thousands will long marvel at his indefatigable energy and his forgetfulness of self, his interest in the common man, his piety, his cheerfulness and his uncanny knack of making everyone feel important by his phenomenal memory for names and his equally extraordinary ability to bury himself in the problems of others.

"Those thousands should know that all of these qualities which made Archbishop Murray great sprang from a deep faith in his God, a love of his church, a conviction that religion was something of intimate living, not phrases in or from a book.

"Archbishop Murray's concern with civic affairs is well known. He championed the poor, the stranger and the neglected in the spirit of the Catholic works of mercy. Friend of the sick always, he remained faithful to them when his own illness was even greater than theirs. His common greeting was 'Is there anything I can do for you?' and such was the spirit of his whole life.

"Minnesota has lost a man, the Catholic church has lost a great high priest. But we have all gained for having known him, worked with him or been the beneficiaries of his cheerful smile and his Catholic philosophy of life that God's image is to be found in every man."

DECLARATION OF POLICY BY AMERICAN MINING CONGRESS

Mr. GOLDWATER. Mr. President, in this country there are many groups of business and professional people who zealously and constantly guard the basic tenets of our system of government and business, but I doubt that there is one more vociferous in these fields than is the American Mining Congress. Typical of this expressed concern is their declaration of policy adopted at their annual convention last October, in Los Angeles. Because of the many pertinent and intelligent observations contained in this document, I desire to make it available to all my colleagues in both Houses of Congress. Therefore, Mr. President, I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

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

A DECLARATION OF POLICY ADOPTED BY THE AMERICAN MINING CONGRESS

We commend the present administration for its persistent efforts to ease international tensions and promote world peace. We of the mining industry recognize only too well, however, that our defenses must be maintained at a level adequate to cope with any eventuality. Production of minerals and metals is essential to the welfare and security of the Nation.

The President of the United States has taken a constructive forward step in recognizing the importance of the mining industry by the establishment of Cabinet Committees on Minerals Policy and on Energy Supplies and Resources Policy, to develop national policies relating to the production and utilization of metals, minerals and fuels and the maintenance of an adequate mobilization base for the several branches of the mining industry. We commend these Committees for developing recommendations as a basis for sound national mineral and fuel policies. We urge that there be an active program to make such policies effective.

On the domestic front, we likewise commend the present administration for its continued reaffirmation of the United States philosophy of free enterprise; and for its program of withdrawal of Government from activities which can be adequately financed and more efficiently operated by private endeavor.

We commend the interest taken by the governors of the Western States in the problems of the mining industry, and offer our continued cooperation in this activity.

While the continuing demand for certain metals and minerals has created conditions beneficial to some segments of the mining industry, many important parts of the industry have not been so fortunate. We again urge that the Government establish a broad policy designed to provide adequate protection to domestic mineral producers.

GOVERNMENT EXPENDITURES

Further determined effort and effective action is needed to limit Government expenditures to no more than is necessary to meet defense and other essential governmental functions adequately and efficiently, honestly and fairly, without waste, extravagance, political favoritism or other unnecessary expenditure. These standards should be insisted upon by all within and without the Government with respect to appropriations, administration and control of expenditures.

We support the principle that Federal governmental activity should not extend to those matters which the people themselves, through private enterprise or their local or State agencies, are able to carry out.

TAXATION

Minerals of the earth made available for the use of mankind are essential for our entire industrial and economic life, for our defense and our welfare. The needs can be met only by finding and developing new reserves to replace those exhausted and to meet additional demands; by research and development of improved processes and methods of production and recovery; by investments of capital and by recurring expenditures for payrolls, purchases and other expenses; and by having the best of human ability efficiently applied to meet the mining and metallurgical problems presented. The risks are great and the failures many. Profits, after taxes, must be adequate to furnish needed incentives if we are to have the continuing supply of required minerals.

Our tax system must be such as to yield needed revenues without discouraging the investment, risk, and effort necessary for income-producing activities from which the revenues should flow. We should not by tax rates or substantive provisions impair incentives for economic growth and development under private enterprise and individual initiative which have developed the productivity, prosperity, and well-being of our people.

Many desirable improvements have been made by the present Internal Revenue Code, but some of its provisions need revision so they will better express their real intent, eliminate unnecessary technicalities, and have fairer and more appropriate application to the taxation of income.

Taxes should be imposed and administered fairly, equitably and honestly. Our tax system should be well organized and administered to carry efficiently the immense load imposed upon it, preventing fraud, dishonesty, and tax evasion, but with fairness to taxpayers, full recognition of their rights and minimum difficulties and disturbance to them in preparation, examination, and settlement of their returns.

With respect to income taxation, it is essential that depletion, depreciation, and net-loss carryover be full and adequately allowed at not less than authorized by the present code. We further particularly urge the following:

The present high tax rates leave inadequate incentive for investment, risk, economic effort, and initiative. Their reduction will benefit the economy and yield increased revenues to the Government. In no case should the overall rate on income of the individual or of the corporation exceed 50 percent and in due course should be reduced to not more than 35 percent.

In determining the property basis for depreciation and for cost depletion, the tax-benefit rule should be fully applied.

Exploration expenditures should be fully deductible and present limitations should be removed.

The limited allowance now made to stockholders on dividends with respect to taxes paid by the corporation should be further extended. The depletion allowed to a mining corporation should be carried through to the stockholder on an adequate and equitable basis. Intercorporate dividends should not be doubly taxed.

New mines should be exempt from taxation for 3 years after the beginning of profitable operations.

Capital gains should be taxed at more moderate rates.

United States taxes on income created abroad should give full recognition to its taxability in the foreign jurisdiction and not impose an additional load which may impede or discourage activities abroad. In no event should our taxes be applied to income which is not or cannot be returned to this country. For the benefit of our country and its people and for the peace and well-being of the world, our Government should, by treaty, legislation, and otherwise, actively cooperate with any foreign government which wishes to remove barriers to private investment.

LABOR RELATIONS

The fundamental right of every American to earn a living without being compelled to join and pay tribute to a labor union is in grave jeopardy. Long a matter of controversy between union leaders and those who believe in freedom for the individual, the preservation of this right has now become one of the major issues in the basic struggle between those who seek to maintain the principles of freedom and those who would force us to abandon those principles and take the steps which lead inevitably to labor socialism.

The union leaders have made the destruction of this fundamental right to work the touchstone of their program to control the livelihood of every American wage earner and thereby to dictate the course of our national economy.

To this end they are striving desperately at the State level to eliminate the existing right-to-work laws and to prevent the enactment of such laws in States which do not yet have them. In Congress, their goal is to make compulsory unionism an integral part of the Federal labor laws and to prohibit State legislation in this field.

We believe zealously in the principle of individual freedom. We believe that compulsory unionism is wholly incompatible with that principle.

We therefore dedicate ourselves to the continuation of our longstanding effort to preserve the right to work. We favor the continued recognition by the Federal Government of the right of the States to legislate on the subject of compulsory unionism, and we vigorously oppose the enactment of Federal legislation which would deprive them of that right.

The antitrust laws were designed to prevent monopoly and to promote a healthy economy on the basic principles of the free-enterprise system. The fundamental theory which prompted the enactment of those laws is applicable to any form of monopoly which operates directly or indirectly to control production, fix prices, or otherwise restrict competition. Present-day big unionism, through the mechanics of merger and compulsion and by the use of such economic sanctions as industrywide strikes and secondary boycotts, has long since acquired the monopolistic power and control which, for over half a century, have been recognized as constituting a grave threat to our free economy.

The time has long since come when the basic principles of our antitrust laws should be applied by appropriate Federal legislation to the protection of that economy against destruction at the hands of uncurbed labor monopoly.

We urge the immediate enactment of such legislation by the Congress.

The achievement of the economic control sought by the union leaders necessarily calls for political domination. Having at their disposal millions of dollars collected, by compulsion or otherwise, as dues and initiation fees for the purpose of promoting the welfare of union members in the field of collective bargaining, the union leaders are diverting vast amounts of such union money into political slush funds. Their objective is to place in public office those who will do their bidding and to prevent the election of all those who stand in the way of their grab for power. This they are doing in the face of a Federal law prohibiting the use of union funds for political purposes.

As a result, the right of millions of American workers to exercise individual political action is being thwarted. The earnings of those workers are, in many instances, being used by union leaders to defeat the candidates of the workers' choice.

We urge that the law prohibiting these corrupt political practices be enforced and we again recommend urgently to the Congress that any deficiencies in that law be eliminated.

The fight to maintain and strengthen the basic principles of the Taft-Hartley Act requires constant vigilance and affirmative action. We reaffirm our previously expressed views on the specific measures needed to strengthen that law. Likewise we repledge our opposition to those specific proposals for amending the law which we have previously recited as being aimed at a return to the chaotic days of the Wagner Act.

The forces of labor socialism are moving relentlessly forward. Compulsory unionism, labor monopoly, union political action and a return to Government partisanship in the field of labor-management relations are means to an end—the elimination of individual freedom and the destruction of our free economy.

We pledge our continued and vigorous support to a program of constructive legislation in the field of labor relations which will prevent these forces from attaining their objective and which will effectively protect our free enterprise economy against such onslaughts.

SOCIAL SECURITY

We urge upon Congress and the executive branch of our Government a conservative approach toward further broadening of the scope of our social-security laws. The lowering of the eligibility age for beneficiaries and the broadening of the act to include disability pensions indicate a trend of political thought which is economically unsound.

It is urged that the taxes collected for the support of social security be placed in a trust fund for the payment of benefits provided for by the act. We believe the time has come for immediate consideration of the drastic effect on our economy which will result if this principle is not adopted as the basis for the entire program.

The social-security amendments enacted into law during the closing hours of the 84th Congress demonstrated with frightening clarity the extent to which political expediency can hasten our embracement of the welfare state. The reduction of the retirement age and the extension of benefits to new areas in an election year, with their obvious political appeal, reflect a highly dangerous trend.

TARIFFS

We again endorse the Government policy that a strong, vigorous and efficient domestic mining industry is essential to the long-term economic development of the United States, and that for an adequate mobilization base of metal and mineral production our Nation must look to domestic production and ore reserves for the major portion of our metal and mineral supply, despite progressive increase in imports of some of these materials.

Experience has shown that we cannot depend on foreign ore reserves as a source of supply in an emergency, however important it may be to import some metals and minerals to supplement domestic production and to fill our stockpile with materials in which we are deficient. World political conditions, as well as hazards of possible air and submarine warfare, support this conclusion.

We continue to recommend, therefore, that Congress exercise its authority over tariffs, to be administered for the welfare of the American people and provide reasonable tariff protection. In this connection we endorse the recommendation of the United States Tariff Commission to the President on the industry's application for increased duties on lead and zinc. We commend the Members of Congress who worked tirelessly in support of the industry. The President's alternative

stockpiling program, while having certain desirable features which have been of material temporary benefit, is at best a stopgap solution and does not offer any real long-range cure to the problem of the industry.

A reasonable and workable means of maintaining an adequate "mobilization base" in the production of critical and strategic metals and minerals must be worked out promptly. While each metal or mineral has different problems and each must be considered separately on its own merits, this mobilization base can be maintained in most minerals and metals by maintenance of a reasonable price. To accomplish this we favor enactment of excise taxes or flexible tariffs on imports, which may be suspended in whole or in part whenever prices are at an economic level that will permit the domestic mining industry to maintain such adequate mobilization base for national security. The use of direct subsidies will lead to eventual Government control of industry. The nature of mining requires that the industry make long-range plans, and revocable or stopgap measures by the Government contribute little to the real problem.

We recommend that Congress reject participation in any organization which places the power to regulate trade and foreign commerce of the United States in the hands of any international body.

The industrial strength of our Nation has proved itself to be the unfailing mainspring of defense of the United States and the world's free nations. As a keystone to this industrial strength, we strongly urge governmental policies which will assure the maintenance and encouragement of the fullest possible domestic production capacity in strategic and critical metals and minerals.

INTERNATIONAL AND UNITED NATIONS COMMODITY AGREEMENTS

We endorse the action taken by our representative to the United Nations Economic and Social Council, with the concurrence of the President of the United States and the Secretary of State, in opposing the formation within the United Nations of a Food and Raw Materials Reserve. We oppose congressional efforts to reverse this position.

We have consistently opposed intergovernmental efforts to control the price and production of metals and minerals. Accordingly, our 1952 policy declaration opposed United States participation in the International Materials Conference. Again, in 1954, we expressed concern over the establishment of a Commission on International Commodity Trade by the United Nations. In 1955 we commended the administration for its rejection of intergovernmental commodity agreements to control the price and production of basic raw materials. We again commend the forthright position taken by our Government in opposing the adoption of this latest economic panacea which would substitute bureaucratic controls for free markets.

STOCKPILING

We endorse a national policy of stockpiling of strategic and critical materials and the provision of adequate funds at all times for prompt orderly purchases for possible emergency needs. As long as the security of the free world is threatened, the Nation's stockpiles must be filled.

We believe the most efficient and economical procedure is to stockpile at times when output exceeds demand, and that it is in the national interest to reduce or suspend stockpile purchases during periods when shortage of metals causes dislocation of production in defense and essential industries. We also believe that minerals procured for stockpile should be processed to a usable form when capacity is readily available instead of delaying such processing until a time of shortages which may cause serious and unnecessary dislocations.

In connection with minerals and metals in which we normally are not self-sufficient, a definitely stated long-term objective should be fixed and adequate prices paid to domestic producers to encourage the development of domestic reserves and the expansion of domestic production.

No withdrawals from the national stockpile should be authorized except in a declared emergency when national security clearly requires release of a particular material. We commend the administration and the Congress for the enactment of legislation providing that all metals and minerals acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act shall be subject to disposition only under the same restrictions as apply to materials in the national stockpile. Metals and minerals acquired under the Defense Production Act should be transferred promptly to the national stockpile.

We oppose the purchase or other acquisition of foreign metals and minerals for stockpile when adequate domestic supplies are available. Although the barter of surplus United States perishable products for foreign metals is constructive in its objectives, we oppose the recent action of the Department of Agriculture in holding that metals so bartered must be both mined and refined abroad. If foreign-mined but domestically refined metals are available, we believe that they should be eligible for barter negotiations as well.

LONG RANGE MINERAL PROGRAM

We believe that prompt action should be taken to prepare a long-range program for the development of mineral resources in the United States. Although the responsibility for the preparation of such a program was placed with the Department of the Interior, to date no program has been announced.

We believe continued operation of prospectors and small mining concerns is important because these smaller operations provide a pool of specialized knowledge and trained manpower available for the expansion of minerals production in the event of an emergency. Their activities also are the source of new mine discoveries of consequence.

PUBLIC LAND POLICY

We commend the Department of Agriculture and its Forest Service and the Department of the Interior and its Bureau of Land Management for their policies of inviting and giving consideration to suggestions from the mining industry as to proposed regulations, the application and administration of which may affect the mining industry or some segment thereof.

We oppose the withholding of public domain lands from mining location, either through creation of new withdrawals or maintenance of existing withdrawals, except in cases where the necessity therefor is clearly established. We further oppose the extension or continuation of any such needed withdrawal to any area in excess of that required to serve the particular purpose of the withdrawal. We consider as unwarranted many withdrawals precluding mining development on large areas even though undemonstrated objectives thereof may have been denominated as defense or conservation.

We commend policies which open to mining location lands that had been closed, and urge careful review of contemplated or existing withdrawals to determine the extent to which the creating or maintaining of the withdrawals is actually needed, and also the extent to which lands to be included or retained in withdrawals may be opened to mining location under conditions which will protect the proper objectives of the withdrawal.

We recommend an amendment to the Mineral Leasing Act of 1920 which will eliminate the present limitation as to the maximum acreage which may be held under a phosphate lease by 1 person in any 1 State, thus permitting the presently prescribed aggregate acreage limitation of 10,240 acres to apply without regard to State situs of the holdings.

We recommend an amendment to the General Mining Laws which will afford, prior to discovery, reasonable protection to one who is in good faith engaged in exploratory work.

We reiterate our confidence in the system established by the General Mining Laws for the location and patenting of mining claims as the means of encouraging and providing for development of the mineral resources of the public domain through private initiative and enterprise.

We commend the Department of the Interior and its Bureau of Land Management for its present application of the General Mining Laws in a manner consonant with the spirit and purpose of those laws and with recognition of long-established principles as to what constitutes a sufficient discovery upon a mining claim.

GOLD, SILVER AND MONETARY POLICY

Continuation of restrictions on ownership of gold and failure to take any steps to make more effective use of the Nation's stock of monetary gold and silver have made action on the recommendations in our previous statements of policy even more urgently needed.

The few surviving gold mines continue to be faced with diminishing profits as costs expressed in depreciating paper dollars continue to rise while the producers must sell their gold at a price fixed over 20 years ago when the dollar had twice its present purchasing power. The right to own gold is still denied to the American citizen, and the gold miner is allowed no protection whatever against inflation.

Furthermore, with the Treasury acting as a middleman, gold in quantities greater than the entire annual production of the country is supplied to industrial consumers at $35 per ounce, thus providing them with an unneeded subsidy at the expense of the miners.

Correction of this gross inequity by restoring to the American citizen the right to buy, sell, and own gold without restriction, accompanied by termination of sales of gold by the Treasury to industrial users, would be a simple step, involving no change in monetary policies with regard to gold, that would go far toward relieving the increasing difficult plight of the gold-mining industry.

The tax on transfers of silver bullion has no place in a free economy and deserves elimination from the statutes.

The place of silver as a monetary metal for appropriate uses is well established, and we commend the policies of the Federal Government that have contributed to this desirable end. Consumption of silver for both industrial and monetary needs is now absorbing available stocks at an accelerated rate. We recommend continued acquisition of domestic silver by the Treasury for monetary needs and urge that the stocks of silver so acquired be held inviolate for such purposes.

In accordance with these views, we recommend that—

(1) the restrictions on the purchase, ownership, and sale of gold and silver by United States citizens be abolished;

(2) to provide a sound basis for our currency, the Treasury be required to purchase at the monetary price all newly mined domestic gold and silver tendered by producers;

(3) to preserve and improve the backing of our currency, all present stocks and future acquisitions of gold and silver be utilized by the Treasury for monetary purposes only, and that neither metal be sold by the Treasury for industrial uses;

(4) Congress fix the ratio at which the dollar and gold are to be made fully convertible and determine other technical procedures involved in the restoration of the gold standard, after receiving the recommendation of a commission of its creation, to which men skilled in appraisal of the world's potential gold supplies as well as men of competence in domestic and international finance and trade should be appointed by designated Government authorities;

(5) the administration recognize the historical and traditional attachment to gold and silver money throughout the world and, as a part of its foreign policy, aid and encourage other governments in restoring gold and silver coinage as a circulating medium, as a standard of value, and as a form of conserving intrinsic wealth.

SOLID FUELS

The Nation will continue to grow in industrial might in step with dependable power. There is a growing awareness by Federal and State governments, transportation interests, and the customers of coal, of the well-deserved place which the solid fuel industry has in providing power for the economic life of the United States. The increasing use and dependence upon coal in expanding the power industry is most noteworthy. Only through a sound national solid fuel policy can the Nation be assured of adequate productive coal capacity required in these days of new dimensions in almost every phase of general industry. The need of the Nation continues for a dependable coal capacity particularly for power, metallurgical and chemical requirements. It necessitates that this all-important solid fuel industry be maintained and have a growth at an adequate level to assure our national and world markets a sufficient supply of solid fuels in times of peace and war.

URANIUM

During the past year the United States Atomic Energy Commission has sought to meet many of the problems facing the uranium industry. The Commission should be commended for this effort, particularly for its continued encouragement of uranium production and processing, both in the interests of national security and in preparation for increased industrial use.

The Commission by entering into new contracts for expanding milling capacity during the past year has provided better opportunities for the mine operator to dispose of his product. The Commission proposes to authorize the construction of still more mills; we urgently recommend that such contracts not jeopardize the investment in nor duplicate existing facilities. By modifying penalties on high-lime ores, the Commission has aided efficient and economic development of such ores. We commend the Commission for announcing a fixed price for uranium oxide after 1962 which we trust will provide adequately to maintain production at the desired level.

The definition of a mining or operating property in respect to the million-pound per property ceiling under the post-1962 program is ambiguous and should be clarified. The Commission should give consideration to the extension of existing and proposed mill contracts beyond 1962 in order to justify the substantial investment required and to facilitate long-term financing.

We commend the Commission for making available additional technical information relating to concentration and refining processes and for releasing technical and research information to aid in preparing market analyses for future production.

WATER AND AIR POLLUTION

Problems having to do with water and air pollution, in their nature, are uniquely related to individual situations and are therefore local in character. The solution of pollution problems is both the responsibility and the right of local and State jurisdictions. In those cases where local or area pollution problems involve two or more States, the appropriate end should be reached through the cooperative effort of local, State, and Federal authorities to the fullest extent authorized by law, and through the means of interstate compacts.

We commend the Congress, when adopting the Water Pollution Control Act Amendments of 1956, for making provisions for cooperative aid by way of research, and for enforcement with proper respect for local and State jurisdiction in regard to laws, standards and regulations. We believe, however, that the provision for direct Federal aid in treatment-plant construction, through partially lifting local responsibility for financing, will tend to delay rather than encourage needed treatment-plant construction.

We therefore urge the Federal agencies allocating such aid grants to retain full authority for approval of individual grants and to exercise the greatest caution in order that (1) such grants may go only to those areas which are able to demonstrate dire need; and that (2) communities otherwise able to do so will not delay construction in anticipation of sharing the appropriation for such grants.

We urge the Congress in its further consideration of pollution legislation to provide accelerated amortization for pollution control facility installations.

MINE SAFETY

We firmly believe that the providing of safe conditions and a healthy place to work is the primary responsibility of the mining industry. We strongly endorse a positive program, based upon the following policies:

1. That the mining operators participate in regional meetings held periodically where safe working practices, safety education of employees, accident reports and other problems relating to accident prevention are discussed and where ideas of safety men are exchanged.

2. That the mining industry continue to give high priority to the discussion of safety and health of miners in its meetings and continue its efforts to develop positive safety measures for improving the industry's safety record.

3. That the industry continue to promote and expand its medical research programs concerned with health and safety of mining employees.

4. That the industry publications continue to promote a strong safety campaign and show by experience and economic fact the benefits to employees and industry of an aggressive safety program and that mining operators support this campaign by contributing safety ideas and experiences which have proven worthwhile in their operations.

5. That the mining operators stimulate and support greater activity in the field of safety education among employees on and off the job and that management promote and actively support their safety organizations and encourage employee participation.

6. That the Bureau of Mines continue and expand its activities toward developing and disseminating improved techniques in mine accident prevention and promoting mine safety education. Adequate additional funds for the Bureau to carry out this important program should be forthcoming. We firmly believe that any necessary governmental safety regulations should come only from within the governmental structure of the States.

GEOLOGICAL SURVEY—BUREAU OF MINES—BUREAU OF LAND MANAGEMENT

These three Bureaus of the Department of the Interior are most intimately connected with the administration of public lands in their relation to the mining industry.

We wish to compliment the Bureau chiefs for their continuing efforts to furnish improved service to the public and to make their operations more economical and efficient. These Bureaus furnish many valuable services to the mining industry. Their technical and administrative personnel are outstanding.

We continue our support of adequate appropriations for geologic and topographic mapping.

We urge that continued efforts be made to transfer all Federal responsibilities affecting mineral resources to the Department of the Interior, and deplore the continued policy of scattering such responsibilities among various other departments and agencies.

MINE FINANCING

It is necessary and desirable that mining ventures, whether in the prospecting, development, or production stages, be permitted to raise funds for financing. Such financing should be done honestly, without misrepresentation or other abuses. Reasonable requirements to that end are appropriate but they should not be arbitrary nor should they unduly restrict honest efforts to obtain risk capital. We urge that the Securities and Exchange Commission fully recognize these objectives in redrafting its presently proposed regulations, so that in endeavoring to prevent abuses it shall not prevent proper measures for raising needed capital for mineral ventures.

We recommend that the Small Business Administration liberalize its qualifications for granting loans for worthy mining enterprises. We endorse the defense minerals exploration program and commend the efficient administration thereof; adequate provision should be made for the continuance of this important activity.

RADIO FREQUENCY ALLOCATIONS

A recent survey conducted by the American Mining Congress has emphasized the importance of effective radio communication to the safe and efficient operation of the mining industry.

Many mining operators are now being deprived of the full benefit of reliable radio communication by inadequate frequency allocations. There are over 8,000 stations, most of which are crowded into only 5 channels shared by mining with such unrelated activities as farming, ranching, manufacturing, crop dusting, and appliance servicing. Other industries have frequency allocations of their own, such as 39 for the railroads, 7 for motion pictures, 9 for petroleum and forestry, and 9 for the public utilities.

We again urge the Federal Communications Commission to allocate additional frequencies for use in the mining industry.

GOVERNMENT REORGANIZATION

We strongly urge that continued favorable action be taken to implement the sound recommendations of the Commission on Organization of the Executive Branch of the Government concerning the proper functions and policies of the executive departments and agencies. Only by such considered appraisal and evaluation can the competing and overlapping responsibilities be eliminated and economy and efficiency in the operation of our Government be achieved.

If we are to bring about reduction of the cost of government to those who must support it, it is imperative that the essential functions of government be conducted without waste, extravagance, or unnecessary expenditure.

LABOR'S POLITICAL ACTIVITIES

Mr. GOLDWATER. Mr. President, as both political parties continue to fail to recognize the political potential of COPE, the political arm of the CIO–AFL, and

continue to ignore the import of that organization in the election just passed, and also assume that the leader of that political movement, Walter Reuther, is a friend of either side, it is refreshing to hear a voice in the wilderness of heads in the sands who speaks the truth about this movement.

George Hinkle, of Indiana, a past officer of a UAW local and more recently the commissioner of labor for the State of Indiana, is such a person. He has, as have others, spoken out against the use of compulsory dues moneys for political purposes. That this might annoy some of the timid who inhabit the offices of both parties never entered Mr. Hinkle's mind. He was speaking as others do from a conviction that this type of action is morally wrong. He spoke thusly across the length and breadth of his own State and in many others. He was effective; so much so that the Reuthers cried for his scalp, and they got it.

That the Members of this body may better know what this man stands for and what he says and how he was rewarded for his courage, I ask that an editorial from the Saturday Evening Post and a speech this gentleman made be printed in the RECORD at this point in my remarks.

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

[From the Saturday Evening Post]

MANY UNION MEN RESENT FORCED CAMPAIGN GIVING

Labor's rank and file has just lost a friend in court under circumstances that every man or woman who holds a union card should know. Politicians, too, will be interested—and perhaps surprised.

The friend of the rank and file is George F. Hinkle, a member of the United Automobile Workers and former officer of Local No. 5, UAW-CIO, at Studebaker's South Bend plant, and the office he vacates is that of commissioner of labor for the State of Indiana. Mr. Hinkle is a Republican, appointed by a Republican governor a year and a half ago. Indiana's new governor is also a Republican, but he and Mr. Hinkle do not see eye-to-eye.

The new governor, Harold W. Handley, backed away from Hinkle's outspoken defense of political freedom for union members. The Indiana commissioner of labor, as the election campaign got under way last spring, openly attacked those union leaders who channel dues money to the support of political parties or candidates. The result, he claims, when the money comes from a worker who has to pay dues to hold his job, is the creation of a "second-class citizen." "There are millions of Republicans in organized labor who are being forced to pay the campaign expenses for Democratic office seekers as a condition of employment," Hinkle asserted. "If they do not pay their union dues, they do not have a job; and if they object to this sort of use of their dues money, they are insulted, baited, and labeled antilabor by the very same labor leaders who claim to be defending their individual rights and freedoms."

Mr. Hinkle proposed a denial of the closed-shop privilege as a suitable penalty for unions persisting in political activity, although he is on record as believing in closed-shop union contracts. "I am not opposed to unions participating in politics," he said, "as long as they finance their candidates with money which is solicited on a noncompulsory, voluntary basis from the membership."

Several Indiana union chiefs, as forecast, promptly labeled the outspoken commissioner of labor "antiunion" and demanded that he be fired. Mr. Hinkle was not fired, but Governor Handley, then Lieutenant Governor and spearheading the State GOP campaign, passed the word that the issue and Mr. Hinkle were "too controversial" and should be swept out of sight. Indiana's commissioner of labor thereafter delivered most of his second-class citizen speeches outside the State. It also was obvious that his career in the statehouse was over.

The election, however, brought a surprising vindication. Senator HOMER CAPEHART did not go along with Handley, and circularized every union member he could reach with the same outspoken attack on politically ambitious leaders that Hinkle used. When the ballots were counted—and Indiana went overwhelmingly Republican—the votes for Senator CAPEHART topped Governor Handley's votes in every industrial community in the State, excepting the Gary region, where he was 500 votes behind. This support from the labor centers ran counter to the State totals, which gave Handley a larger majority than CAPEHART'S.

George F. Hinkle no longer represents labor in the councils of his home State. But his courage, in our opinion, will put heart in the rank and file far beyond Indiana, and might even prompt the politicians in both parties to buck up and face an issue that violates our freedoms. As Mr. Hinkle believes: "If we want to keep America as the land of the free, we have to make sure it is also the home of the brave."

IMPLICATIONS OF LABOR'S POLITICAL ACTIVITIES

(Address by George F. Hinkle, Commissioner of Labor, State of Indiana, for the National Association of Manufacturers, 61st Congress of American Industry, New York, December 5, 1956)

It is certainly an honor and a privilege to be here today to address this 61st Congress of American Industry. Not only do I consider this a distinct privilege, but I also appreciate the opportunity to discuss with you the subject of labor's political activities.

In order to discuss this problem in its proper light it will be necessary to first establish the fact that unions have become one of the most powerful special interest groups in the political arena today and that many labor political bosses are acquiring this power through the use of compulsory union dues money for political purposes. Next the fact shall be established that this use of dues money for such purposes is immoral and unconstitutional. After establishing these two facts, we can then explore the implications and possibilities of such activities.

In developing this basic outline it shall be to our benefit to touch briefly on the history of the American labor movement as it has been involved politically from its inception to this present date. We must do this in order that we may see how the political complexion of the labor movement has changed down through the years. We shall scrutinize and analyze the philosophy of certain great labor leaders. We shall discuss the problem of labor bosses as a special interest group and their domination of one of our major political parties. We must be constantly aware of the fact that individual rights and freedoms make up the fundamental theme of a discussion such as this and that many times these rights supersede the rights of government or labor organizations.

The American labor movement was born on or about the year 1790 and from that time up to the year 1882, many types and kinds of union organizations came into being, developed, and passed away. One of the principal reasons for the demise of many of these union organizations was their close alinement with political parties and factions. In fact they operated mostly as a supplement to some political group and their success as labor unions, as a result, depended upon the success and power of the particular political organization or faction to which they had become beholden.

It is important to note that in those days the union organizations were beholden to the political parties. Today, the exact opposite is true. One of our two major political parties is becoming more and more indebted to, and controlled by, a group of politically powerful labor bosses.

In 1882, the American Federation of Labor was born and organized by men such as Samuel Gompers, Peter Strasser, and others. The AFL was not the first federation of international unions, but it was the first to weather wars and depressions, and as you know, it is still with us today, more powerful than ever before. There are reasons for the survival and growth of the AFL.

Originally Gompers and the other founders of the AFL were active members of the Socialist Party, but as their federation grew, they became increasingly aware of the incompatibility of socialism as opposed to the American capitalistic type of government, in which they believed. These men discarded socialism completely and developed the first American business-type union with the philosophy of a fair day's work for a fair day's pay and the avoidance of political entanglements and organized politics. This is the primary reason why the AFL prospered and grew. Later we shall examine Mr. Gompers' philosophy more thoroughly.

The AFL reigned as the only great federation of international unions from 1882 to 1936, at which time we saw the birth of the Congress of Industrial Organizations. The CIO evolved out of the fact that the true test of organized labor's political power lies in its financial support of a political party or candidate. John L. Lewis made no bones about the fact that the United Mine Workers and the CIO paid $500,000 for a piece of legislation giving them the right to organize.

With the organization of the CIO there came into power a certain leftwing Socialist element, some of whom we might categorize as intellectual radicals. Under Lewis, this group formed Labor's Political Nonpartisan League, which disintegrated in 1940 because the leftwing group was not nonpartisan and Lewis attempted to be when he endorsed Wendell Willkie for President of the United States.

Someone may question the use of the term "leftwing Socialist," so let us go to the year 1942 and see what happened because of what some labor leaders called brazen election victories by reactionary forces. This leftwing group was seeking some way to bore into one of our two major national political parties and because of the results of the 1942 elections, this group organized and promoted the CIO Political Action Committee. The following is from a pro-union publication entitled "The First Round." "PAC was fortunate in having the advice of the distinguished CIO general counsel, Lee Pressman. It was even more fortunate in its own legal adviser, John Abt. John Abt gave more than legal advice. He participated in the planning of every one of the PAC's activities."

Recently, John Abt represented the Communist Daily Worker in its difficulties with the Treasury Department. Pressman has admitted being a Communist at one time. Abt has used the fifth amendment many times in congressional hearings. Pressman and Abt were in a powerful advisory position with the CIO-PAC and someone was responsible for their being there. The term "leftwing Socialist" is very mild when applied to men such as these two.

In 1948, 5 years after the birth of the CIO-PAC, the AFL formed Labor's League for Political Education. This organization, however, was not as active or partisan as the

PAC because of the great number of members in the AFL who were, and still are, exponents of the Gompers' school of conservative trade unionism. In 1952, we saw, for one of the few times in their history, the endorsement of a presidential candidate by the AFL, something the CIO–PAC had been doing consistently since 1944.

In 1955, the merger of the AFL and the CIO came about. As a result we now see a special interest union political organization known as the Committee on Political Education (COPE). This political organization is a powerful, fast-growing arm of the Democrat Party and is well on the path to gaining control of the National Democrat Party as it has that party in the States of Michigan, Indiana, Pennsylvania, and others.

Now let's talk about individual rights and freedoms.

Today there are millions of members of organized labor who have been and are presently being compelled to contribute to the campaign funds and efforts of candidates not of their choosing. Candidates these very same union members are opposed to at the polls. This violation of individual rights and freedoms, this violation of individual political freedom is a result of the absolute power the labor political bosses wield over a minority in organized labor and is made possible by the union-shop clause which in turn provides the union boss with compulsory union dues money. This dues money is being used to help finance the campaigns of certain political candidates and segments of the Democrat Party.

A few moments ago I made the point that the true test of a labor leader's political strength and power lies in his ability to financially support a candidate or party and now we tie that point in with the fact that the union-shop clause makes it possible for the labor political boss to render this tremendous financial support to candidates.

You often hear the labor leader defend himself by saying that he cannot deliver any vote except his own and this defense on the part of the labor leader is accepted by many as being true and therefore many persons in our country have a tendency to discount the ability of a union political boss to influence a political contest.

Of course he can deliver only his own personal vote in most instances, but with huge financial resources at his disposal he can propagandize his membership and when he does this he sees to it that they get only one side of the story. He can sponsor and pay for expensive radio and television time, which he does. He can furnish cars, drivers, and workers on and before election days; this he does. The grass root workers and car drivers are the very key to the success of many political campaigns. Any person who is familiar with organizational politics knows this. Of course the labor political boss can deliver only one vote, his own, but he can also deliver the ammunition to be used to influence the thinking and voting of thousands of other persons.

Remember this, when one sells a political candidate, one is selling an intangible; and in order to sell the intangible, which is what the candidate stands for, one must sell an idea; and in order to sell an idea, one must propagandize; and in order to propagandize in a political campaign, one must spend huge sums of money. The labor boss furnishes the huge sums of money and this money is available to him because of the compulsory dues money required by the union-shop clause.

Many union members will not agree with this propaganda, these television and radio programs, the financing of workers and drivers, etc., but still these members are forced to help finance these various political activities against their own will. Individual political freedom is being sacrificed to gain political power for a certain few.

I can cite many instances and examples of the use of dues money for political purposes, but I shall use only one or two major examples because of the limited time.

First let's look at the State of Michigan and the testimony of Mr. John Feikens, Michigan Republican State chairman, before the Senate Subcommittee on Privileges and Elections in the spring of 1955. Mr. Feikens submitted an audit report by Emil Mazy, secretary-treasurer of the UAW–CIO, for the 12-month period ending December 31, 1954, which showed a political action disbursement from the union general fund of $2,611,980.05. All for the Democrat Party. This amount was broken down into categories labeled educational, editorial, radio, citizenship. PAC department expenses, etc. Regardless of how it is labeled, it is all politics and political action.

In a recent conversation with Mr. Feikens he told me that from all indications the UAW–CIO doubled this tremendous expenditure in the elections of this year. He expects the audit report of the UAW–CIO, which will be published next spring, to bear him out in his analysis of their expenditures.

This case of huge expenditures on the part of the UAW–CIO in Michigan is going before the United States Supreme Court this year or early next year. The decision as to its legality will be one of extreme significance and importance.

When this case was before Federal Judge Frank A Picard in Michigan, the Judge dismissed the case on the grounds that "the expenditures charged in this indictment are not prohibited by the act." This may be true, and if it is, the act should be strengthened so that it would prohibit these expenditures. But the judge goes on to say that the union was "exercising the right of free speech."

"Free speech"? In other words, the individual union member must supply the labor leader with money so that he, the labor leader, can speak freely for the political candidate endorsed by the labor leader. The right of individual political freedom and endorsement is completely ignored by the labor leader and the judge.

In another part of his opinion, Judge Picard says this: "It (the union) desired to inform its members and others of the position of the union on those seeking certain Federal offices." Now I ask you, just who is the union, the bosses, or the rank-and-file membership? In other words, the union boss says he has the right to take my money and spend it to tell me what candidate I am supporting in an election for public office, when I already know what candidate I am supporting and do not particularly care for the labor boss' advice in the first place. That is just like saying down is up.

Rev. Edward A. Keller, C. S. C., of the University of Notre Dame, brought out the case of Cecil B. deMille in his recent book entitled "The Case for Right-To-Work Laws." Mr. deMille refused to contribute a dollar, assessed by the union, for a political purpose to which Mr. deMille was opposed, and as a result Mr. deMille was suspended from his union and consequently put off the air. Father Keller goes on to note that from 1944 to this day Mr. deMille has not been allowed to produce a radio show by reason of his refusal to make a forced political contribution. If this can happen to a man as prominent, powerful, and wealthy as Mr. deMille, what chance has an ordinary worker to protect himself against abuse under compulsory unionism and the use of his dues money for political activities?

In order to establish the fact that the use of such dues money is immoral and unconstitutional, we shall examine certain opinions and philosophies.

First I should like to read from the encyclical letter of Pope Leo XIII on the condition of labor. This establishment of an individual right is found in the ninth paragraph of the encyclical letter and is as follows: "Clearly the essential reason why those who engage in any gainful occupation undertake labor, and at the same time the end to which workers immediately look, is to procure property for their very own. When the worker places his energy and his labor at the disposal of another, he does so for the purpose of getting the means necessary for livelihood. He seeks in return for the work done, accordingly, a true and full right to not only demand his wage, but to dispose of it as he sees fit. * * * Therefore, inasmuch as the socialists seek to transfer the goods of private persons to the community at large, they make the lot of all wage earners worse, because in abolishing the freedom to dispose of wages they take away from them by this very act the hope and the opportunity of increasing their property and of securing advantages for themselves."

This paragraph of Pope Leo's letter established the right of a worker to dispose of his wages, which is the same as property, as the worker sees fit and also brings out the point that the confiscation of a worker's property without compensation and by force is socialism and the denial of an individual right.

Judge Carter, of the Nebraska supreme court, had this to say about compulsory unionism today and why it should be opposed because unions, in their functioning, are becoming more and more political. "In some instances compulsory membership would compel support, financial and otherwise, of policies which an employee might deem objectionable from the standpoint of free government and the liberties of the individual under it. * * * To compel any employee to make involuntary contributions from his compensation for such purpose is taking his property without due process of law. * * * To force contributions against one's will in the manner here employed is a violation of his fundamental rights and privileges. It is a violation of 'nor be deprived of life, liberty, or property without due process of law,' contained in the fifth amendment of the Constitution of the United States."

From an opinion by Judge Abner McCall, associate justice of the Texas supreme court, we find this interesting bit of history.

Prior to the American Revolution, compulsory religion was the law in nine of the original colonies and the churches were supported by taxes. Judge McCall states as follows: "The crucial struggle came in the Virginia house of delegates in 1784 over a bill for a general assessment for the maintenance of religion. No less an orator than Patrick Henry urged that since religion promotes happiness and prosperity for all, every citizen should be compelled by law to contribute to the support of his church. * * * The opponents of the general-assessment bill, led by James Madison, supported an opposition bill drafted by Thomas Jefferson, entitled 'Statute of Virginia for Religious Freedom', which declared in its preamble the following, 'That to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors is sinful and tyrannical.' * * * Madison and Jefferson won this fight and later Madison wrote Jefferson the following in a letter. 'I flatter myself that we have in this country extinguished forever the ambitious hope of making laws for the human mind.'" Judge McCall goes on to say that "Apparently the gift of prophecy was not among Madison's endowments."

If in this case one will substitute the word unions for the word churches, one can see that the use of compulsory union dues money for political purposes is a violation of individual rights by unions, and those union bosses who claim they have a right to do this are placing themselves and the union above and beyond the rights and the powers of the state and the church. If certain labor

political bosses believe that they have rights and powers which are greater than the state or the church, what will happen to government when candidates owned and controlled by labor bosses are elected to office? They will make sure that they get these powers and maintain them.

Now we have established the fact that compulsory union dues money is being used for political purposes and we have established the fact that it is immoral and unconstitutional. Let us now examine the philosophy and the thinking of two prominent labor leaders in the American labor movement—Samuel Gompers and Walter Reuther.

Gompers had this to say about the Socialists at the 1903 convention of the AFL. "I want to tell you Socialists that I have studied your philosophy, read your works upon economics. * * * I have heard your orators and watched the work of your movement the world over. * * * I have kept close watch upon your doctrines for 30 years; have closely associated with many of you and know what you think and what you propose. * * * I know, too, what you have up your sleeve. And I want to say that I am entirely at variance with your philosophy. * * * Economically you are unsound, socially you are wrong, and industrially you are an impossibility."

At the American Federation of Labor's convention held at El Paso, Tex., in 1924, Gompers had this to say about voluntarism: "So long as we have held fast to the voluntary principles and have been actuated and inspired by the spirit of service, we have sustained our forward progress and we have made our labor movement something to be respected and accorded a place in the council of our Republic. Where we have blundered into trying to force a policy or a decision, even though wise and right, we have impeded, if not interrupted, the realization of our aims."

Today this does not seem to be the policy of the now merged AFL–CIO and I say that the ranks and leadership of this great organization abounds with those persons who are of the leftwing Socialist school. These persons, some of whom are the intellectual radical type, are doing their utmost to promote and foster their absolute control over all the citizens of our country. They wish to promote their own socialistic ideals by using the labor movement as a vehicle for the attainment of these ideals.

Most of you have probably heard of the famous Reuther letter dated January 20, 1934, which Walter and Victor Reuther sent from Russia to their brother and sister in America. This letter is a glowing accolade to the Russian Communist movement and ends with this statement: "Carry on the fight for a Soviet America." The letter was signed Vic and Wal.

From the CONGRESSIONAL RECORD of Tuesday, August 2, 1955, an excerpt from the remarks of CLARE E. HOFFMAN, Congressman from Michigan, the following is taken, and I quote: "In 1933 Walter Reuther was lecturing under the auspices of the Young People's Socialist League, which was a forerunner of the League for Protection of Civil Rights. At this meeting Walter Reuther was asked this question: 'Do you believe in religion and God or in science as a religion?' His answer was: 'We do not believe in God, but that man is God.' (Testimony of Herman Luhrs, chairman of the joint committee of the American Legion, Flint, Mich.; vol. 2, p. 1654.)"

In his testimony before the Senate Subcommittee on Privileges and Elections (the Gore committee) just last October, a month prior to the national elections, Reuther made some rather startling, questionable, and contradictory statements throughout his appearance.

In a question on the results of voting for or against a union shop, Reuther said the following, and I quote: "They came to be liberated. We liberated the workers in this industry. We didn't enslave them. A little insignificant minority that wouldn't pay a dime for anything want a free ride."

When I ask you did we ever in this country ever consider any minority insignificant? A minority of one is not insignificant according to our concepts of government. I wonder if Walter Reuther considered himself a member of an insignificant minority when he first started to help organize the United Auto Workers? There is no question about their having been a small minority at one time.

In another part of his testimony, Reuther says "* * * that for every democratic right there is a corresponding responsibility, for every democratic privilege there is an obligation. * * *" I agree with him. Rights are dependent upon responsibilities and responsibilities are dependent upon rights. Now let us go a little further and see what else he has to say.

Again I quote Mr. Reuther: "When Life magazine, which is a corporation, when they endorsed President Eisenhower, as they did in the last issue, they have a right to do that constitutionally. When the Detroit News, which is a corporation, does the same thing on the front pages, they have a right to, and we have the same constitutional right, as a trade union, to put out publications, to buy radio time, to buy television time, to express our point of view on the issues and our preference on the candidates."

Mr. Reuther wants the same rights as corporations. I wonder if he would want the same responsibilities? He said in testimony that for every right there is a corresponding responsibility and obligation. I wonder if he would want the responsibility and the obligation of paying corporation taxes? How much are they? It's 52 percent, isn't it? I gather from Reuther's testimony that he considers himself and the UAW equal to corporations and deserving of the same rights as corporations, so I cannot help but take that to mean that he believes that the UAW should be subject to the same tax responsibility as Life magazine or the Detroit News. I can just imagine Walter Reuther agreeing to that.

In another part of his testimony, Mr. Reuther says, "I am not a member of the Democratic Party." In another part he says, "We didn't get anybody in the Cabinet when we used to win the national elections." His testimony is generally confusing and misleading. I am absolutely sure that he is not a member of the Republican Party so I can gather from his testimony that he considers himself to be a member of the Democrat Party even though he denies it in one place and admits it in another. If not the Democrat Party, what party is he referring to when he says, "When we used to win the national elections"?

I bring these points out only to give an example of the difference in the thinking of Samuel Gompers, the father of the American labor movement and Walter Reuther, the leading exponent of compulsory political action on the part of union members. Gompers was usually clear, concise, and straight from the shoulder. Reuther contradicts himself continually and is a master of the distorted, twisted statement.

What does all this fanfare and commotion about labor's political activities mean? What does it imply?

There is no doubt that many union labor bosses are in this political picture more so than they are in the bona fide business of representing dues-paying members in labor-management relations. These leaders intend to stay in the political arena and build as much power and control over as many elected officeholders as they possibly can. This is not a partisan problem. It affects the Democrat Party as much as it does the Republican Party. In fact it affects the Democrat Party more than it does the Republican Party because the labor bosses intend to gain control of the Democrat Party. If this march toward power continues, one day the term "Democrat Party" will be a misnomer, for it will actually be the labor party. And when I say labor party, I mean a party controlled by labor bosses.

Walter Reuther is an extremely intelligent, aggressive labor leader and the man is very ambitious politically. He is no longer biding time in his quest for power in the political arena of this country. He is conducting a positive campaign to become the political power of our country. A man with his philosophy must continually increase and develop organizational power in order to exist. Any major setback or defeat of Reuther as an organizational leader would jeopardize his position as a labor leader and make him vulnerable to attack and defeat by other ambitious leaders in the labor movement.

There have been many polls and surveys showing preelection inclinations of the rank-and-file union members of this country. Since the recent national elections, I don't think there is any reason for examining these polls closely. All we have to do is to examine the returns from some of our huge industrial centers and see how deep an inroad President Eisenhower made in labor areas. It is no secret that an overwhelming majority of the labor bosses in this country were supporting Adlai Stevenson and were using every financial facility at their disposal to elect him. It is safe to say that between 40 percent and 50 percent of the union members today supported President Eisenhower and the dues money of this 40 percent to 50 percent was being used in an attempt to elect Mr. Stevenson. Is this political freedom in America? These union members, because of the union shop clause, were forced to support Stevenson as a condition of employment.

No agreement between unions and management should be permitted which will force a person to give up any one of his fundamental constitutional rights. No employer or union leader has the right to speak, act, or contribute for an individual union member when it comes to selecting people who will govern that member in all phases of his social and economic life. To most union members, the union is only one phase of their life in our society and to most union members there are other things which they deem much more important than laws or candidates which may give increased power to their labor leaders. The union member may want to support candidates who will work for those things which he believes to be most important.

When we discuss the potential results of this march toward socialism we must realize that this type of political activity on the part of the union leader is pure socialism and that it in turn will beget socialism. We must remember that their activities in this field are not for the benefit of business, large or small. We must realize that most labor bosses do not believe that business directly or indirectly always serves the masses. We must realize that the labor bosses do not supply any one of the three primary factors necessary for the development of our free enterprise system. The labor bosses do not represent those who accumulate capital, they do not represent those who invest capital, and they do not represent those who develop new fields for the employment of such capital and the employment of millions of American workers. In fact, a great many powerful labor leaders do not subscribe to capitalism or the free enterprise system and they do not contribute to the growth and development of our system. The labor leaders who do not subscribe to our system of government are advocates of statelsm and are desirous of gaining enough political power to change this system.

These facts should be of primary importance to you here today because the businessman is the very backbone of our free enterprise system. It is you the labor boss is challenging. It is you that an ever increasing number of educators are challenging. This group of labor leaders, politicians, and educators do not participate in our free enterprise system in the same manner as you. They do not contribute to its development and growth, and when they accuse you of exploitation and monopoly, they are indirectly condemning our American Republic and our free enterprise system.

If the labor political bosses can gain control of enough of our large industrial States, as they have in some at the present time, and if the labor bosses can gain control of the National Democratic Convention, as they are coming close to doing every 4 years, and if, after gaining control of this National Convention, they are successful in electing their candidates, you, the businessmen of today, will be the target for tomorrow.

Some may be of the opinion that these are idle remarks on my part. Let's do a little research.

Victor Riesel, the eminent labor writer, wrote a column shortly after the recent national elections in which he made the point that labor was the big winner in the last election. Some would say that this is silly. Let's see if it is.

In his column, Mr. Riesel stated that President Eisenhower won the Presidency but lost the election to labor leaders. He said that it was labor's political machine, operating in the Nation's 154,865 precincts, which prevented the President from winning a friendly Congress. He states that from now on labor can write its own ticket inside the Democrat Party and that there would have been practically no Democrat campaign if the labor people had not poured every facility available into the Democrat campaign. He tells about Michigan, Pennsylvania, Oregon, and how labor candidates piled up votes even when losing. Mr. Riesel went on to say that there were no blues in labor's camp the day after the election because they, for the most part, won at the grassroots level on their homefronts, and are now turning to the task of winning inside the Democrat Party. A task which they will not put off until 1960, but are intent on exerting even more influence in the elections of 1958.

Did you notice how many union bosses were in attendance at the Democrat National Convention last summer? Reuther, Carey, McDonald, Kennedy, Harrison, and many lesser men in labor's hierarchy. They were there backing their candidates before any of them had read or seen the platform of either the Democrat or Republican Parties. Their claim of nonpartisanship does not seem to hold water. Walter Reuther's delegation from Michigan at that convention was the delegation which, when it was committed to Stevenson in the prenomination maneuverings by Reuther, assured Stevenson of the nomination on the first ballot.

Ladies and gentlemen, it has been my opinion for several years that you, as business men and women, have a job on your hands. A job which will call for the expenditure of hundreds of thousands of dollars and also the expenditure of many hours of effort and time. This job is your responsibilty because it involves your very way of life and also the very concepts of our American form of government. The manner in which you go about doing this job, the thoroughness you attain in completing this task shall determine whether or not the businessman and the free-enterprise system as we know it today shall survive tomorrow.

Not only do you have a responsibility to yourselves, but you have an equal responsibility to the millions of American workers who are dependent upon you for the employment opportunities which you create for them. You have a responsibility to tell the American worker of his great partnership in this system, of his responsibility to maintain this system and how history has proved that this is the only system which has been able to provide this tremendous expansion of employment and high standard of living.

For the past two decades, many labor leaders, politicians, and educators have made great strides in the acquisition of political power by discrediting and vilifying the businessman. What have you been doing to counteract this concerted effort on their part to destroy you?

The unions spend millions of dollars on propaganda and publicity in which you are made to appear to be the villainous exploiters of the American masses. How much have you spent to tell your side of the story?

I know that you have done something toward informing and educating the various echelons of management and to a degree you have been successful. One of the reasons for this being true is that the people to whom you direct your propaganda are originally sympathetic with you because they are one of you to begin with. That, however, is not even half the job done. Those whom you inform and educate in the various echelons of management should in turn strive to educate and inform the rank-and-file union member and the American citizen who is not one of you. They deserve to hear both sides of the story and at the present time they are not getting it. I know you spend millions of dollars selling your products to the public, but how much do you spend to sell the free-enterprise system to the American public? The system of which you are such a vital part.

The other side is selling an idea which is diametrically opposed to the free enterprise system and they have the money to spend, public relations men who are every bit as good as the so-called Madison Avenue publicist, and they have a one-sided press.

Ladies and gentlemen, it is time you stood up to be counted. Go to the rank and file worker, go to the American citizen and tell them the story of business and free enterprise before it is too late.

In this discussion today, we have examined the history of the American labor movement, the use of compulsory union dues money for political purposes, the immorality and unconstitutionality of this action, the philosophy of certain labor leaders, the control of one of our major political parties by a special interest group, and the possible results of the activities of this special interest group if it continues to grow in strength and power as it has in the past decade.

I say to you delegates of this 61st Congress of American Industry that there is a course charted for you and it is your responsibility to follow it.

First, you should commence a program of education for the benefit of all the American people. A program which will explain, defend, and promote the free enterprise system. Those who are opposed to our system have been working at it for years. I say it is your duty to lead the fight to effectively halt the socialism which is growing in this country.

Second, you as the greatest exponents of the free enterprise system should encourage the active participation of all segments of management and business in the political field. Remember, in order to have good government, you must have good, capable people in the political field, regardless of party. This is a simple formula, but it has proved itself to be basic and true.

Third, you should participate in a concerted effort to prevent the use of compulsory union-dues money for political purposes. Half the American labor movement today is being relegated to a role of second-class citizenship because of this violation of their constitutional rights, and I say that those unions which are guilty of this violation should be denied the right to have a union shop. Look to the United States Congress and Senate. Find out what men such as Senator GOLDWATER, of Arizona, and Senator CURTIS, of Nebraska, have been doing in an attempt to eliminate this second-class citizenship. Give them your active support, not just your tacit approval of what they are doing. Make an effort to do something about this problem on a local and State level, the most important level of our Government.

In closing, I say to you what I have said many times before. It is time we took cognizance of the fact that our individual rights and freedoms are in jeopardy and that our children will not enjoy the freedoms we enjoy today if proponents of the antifree enterprise system are permitted to thrive and grow in power and control.

We must face this problem head on, with foresight and courage, and faith in this free enterprise system—a system that has worked so well that it seems sometimes to be the architecture of God. It is the same today as in the time of Samuel Gompers. If we want to keep America the land of the free, we have to make sure it is also the home of the brave.

C. WAYLAND BROOKS

Mr. DOUGLAS. Mr. President, the Honorable C. Wayland Brooks, who died on Monday, January 14, was United States Senator from Illinois for the 8 years from 1941 to 1948 inclusive. Born in Wyanet, Ill., in a ministerial family, he attended the University of Illinois, the University of Chicago and Northwestern University. Enlisting in the Marine Corps at the outbreak of World War I, Senator Brooks distinguished himself by his conspicuous bravery at Chateau-Thierry and other battles. For this, he received well-deserved honors and decorations.

Active in the American Legion and the Republican Party, and a public speaker of great ability and persuasiveness, Mr. Brooks led an eventful and action-packed life and worked hard for the causes in which he believed. After leaving the Senate, he was elected Republican national committeeman from Illinois and held that office at the time of his death.

Mr. Brooks and I differed profoundly on a wide variety of issues, both domestic and foreign. But I would prefer not to dwell on these matters at this time. I would rather emphasize his bravery as a marine and his continuing loyalty to that corps, and his sincerity in support of the causes in which he believed. I extend my sympathy to his widow, his son, the other members of his family, and to his many friends.

VINDICATION OF HOWARD YOUNG

Mr. SYMINGTON. Mr. President, last year one of the most prominent and highly thought of citizens of Missouri, Mr. Howard Young, was attacked on the floor of the Senate as the result of a report from the General Accounting Office.

Friends of Mr. Young, including myself, were confident that any fair investigation would justify our high opinion of his character and his integrity.

Such an investigation has now been completed, and in the interest of justice I ask that a recent editorial entitled "Vindication of Howard Young" published in the St. Louis Globe Democrat, be printed at this point in the RECORD.

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

VINDICATION OF HOWARD YOUNG

Special notice should be taken of the clearance by the Justice Department of the "conflict of interest" charges against Howard I. Young, St. Louis mining executive, who was falsely charged by the General Accounting Office.

When the GAO's accusations were first made and Mr. Young was denounced for using his Government position to help his own firm and the zinc industry generally, Mr. Young vigorously denied the charges and was in turn warmly defended by several Members of the Senate and the House.

It turns out now, one and a half years later, that the General Accounting Office was wrong. Both a congressional committee and the BI have made a very thorough investigation of Mr. Young's actions as deputy administrator of the Defense Materials Procurement Agency and have found, quite contrary to the charges, that Mr. Young had gone out of his way not to favor his own company.

We doubt that any damage has been done to Mr. Young's fine reputation. This newspaper and his many friends defended him when the charges were made. But that is not the point. What is pertinent is the question how the Government can hope to attract top executives to dollar-a-year jobs if they are to be harassed and persecuted irresponsibly.

This does not mean for a moment that transgressors should not be ferreted out and, if necessary, prosecuted. Somewhere, however, there must be the middle ground which defends the public servant and the public from damaging charges which hurt not only the subject of the attacks but the public itself, by making it more difficult to get proper people to run the Government's business.

Howard Young has been a great citizen of St. Louis and of the Nation. His stature, if anything is increased by virtue of his ordeal. Those of us who have had faith in him right along are joined by the rest of the St. Louis community in rejoicing in his complete vindication.

SEVENTY-FOURTH ANNIVERSARY OF THE CIVIL SERVICE—ADDRESS BY SENATOR CARLSON

Mr. CARLSON. Mr. President, I call to the attention of my distinguished colleagues the fact that 74 years ago this week President Arthur signed legislation which formed the foundation of our present-day career civil service. The past 4 years have brought about greater public understanding and new heights of prestige for Federal employment and Federal employees. The observance of National Civil Service Week is a tribute to the men and women dedicated to public service.

The growth and complexity of our Government emphasizes the need for continued efforts in the strengthening of our merit system and in furthering public appreciation of civil-service employees.

Mr. President, I had the honor of addressing the National Civil Service League's second annual awards dinner on July 2, 1956, at which 10 distinguished Federal employees were honored for their outstanding contributions in public service. The credit of these awards reflects representations of the high caliber of the persons who are serving the public.

I ask unanimous consent that the address be printed as a part of these remarks.

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

ADDRESS DELIVERED BY SENATOR CARLSON AT THE NATIONAL CIVIL SERVICE LEAGUE SECOND ANNUAL CAREER SERVICE AWARDS DINNER, JULY 2, 1956

President Kelley, Governor Meyner, my congressional colleagues, distinguished guests, ladies and gentlemen:

It is a great privilege for me to have this opportunity to congratulate publicly the two sponsors of this memorable event: The National Civil Service League, which during its existence has contributed so much to the growth and development of the Federal civil service; and Look magazine, whose vision in joining with the league on this occasion for the second time exemplifies the high sense of public responsibility that is the hallmark of enlightened journalism.

And may I add a special compliment to Mr. Gardner Cowles for his appreciation of the fact that "the people's right to know" includes the right to know the good as well as the bad in public affairs.

Among the various means of bringing to public attention the high caliber of Federal career employees, awards and honors publicly conferred are particularly effective. Incentive awards, honors from business and professional groups, grants from foundations, and the like, have contributed greatly in recent years to an improved public appreciation of civil-service employees.

I regard the league's career service awards as especially valuable in this respect, because of the fact that they emphasize not only accomplishments but also character. They are granted on the basis not only of what these people do, but also what they are.

The 10 distinguished Federal employees whom we are honoring tonight therefore typify in all respects what is best in our career service—as did their 10 distinguished predecessors who were similarly honored last year. I take great pride in congratulating them on being selected to receive the second annual Career Service Awards, and I want to add to those congratulations my personal expression of appreciation to them for their invaluable services to me as a citizen and to all my fellow citizens.

In the final analysis, it is the character and ability of the men and women in the career service that make events such as this one possible. The credit that these awards reflect on the career service in general gives a real lift to the morale of all career employees, for recognition is one of the most essential ingredients of morale. Remembering the tremendous success of the first program, it is my earnest hope that these occasions will be repeated annually for many years to come.

The determination with which the National Civil Service League embarked last year upon this new program is consistent with the manner in which it has pursued its objectives over a period of 75 years. Dedicated to the high purpose of developing "an enlightened public attitude toward efficient and non-partisan personnel practices in government," it was organized while President James A. Garfield lay on his deathbed, a martyr to the spoils system. For three-quarters of a century the League has continued with unabated vigor its battles on behalf of good government, concentrating in its early years on laying the foundation of the merit system and progressing, as the merit system progressed, to increasing emphasis on methods of improving public personnel administration.

Through the long fabric of the League's history runs one consistent thread: the thread of its concern for the quality of public-service personnel. One of its basic contentions 75 years ago was that open competition and merit-system administration would provide the Federal Government with a competent, stable, and loyal work force.

We have with us tonight living proof of that contention, because these ten career employees are representative of the best in the career service rather than unique. It is doubtful whether a single person could have been found in the Government service in 1881 who could meet all the League's present criteria for career service awards—competence, efficiency, character, and continuity of service. Certainly there was no dignity in public service in the days when the first concern of every Government job holder was the mad scramble for political patronage.

Over the years, the National Civil Service League has served not only the Executive Branch of Government but the Legislative Branch as well. Through this organization, and others of its kind, the Congress has had the benefit of advice on important personnel matters from men of wisdom and experience. These people have no personal axe to grind and they are motivated solely by their sincere and unselfish interest in good government. Only a Member of Congress can know how pleasant it is to encounter "advisors" who are working for a principle rather than for a personal interest.

This is not to say, of course, that the members of the Civil Service League do not have a personal interest in their cause. Actually, it is the most enlightened kind of interest. Those who identify themselves with this organization do so because they are more keenly aware than the average citizen is of the fact that every man, woman and child in this country has a personal stake—and a big one—in the honest and efficient operation of our Federal Government.

I think it is appropriate on this occasion to point out that from the day the present administration came into office it has been actively concerned with the improvement of the Federal civil service, and with the closely related problems of the prestige and the morale of Federal employees. Under the inspiring leadership of President Dwight D. Eisenhower, great gains toward more efficient and economical administration of the executive departments and agencies have been made, and it has increased the average citizen's respect both for the Government activities with which he comes in contact and for the Government employees who carry on those activities.

The fact is that since 1953 we have seen a significant improvement in the prestige of Federal employment and Federal employees, and I hope that the employees themselves realize how great a change has taken place.

In a public address a few weeks ago, President Harold Dodds of Princeton University praised the high caliber of Government employees and their devotion to duty, and expressed the belief that they are more generally appreciated by the American people than they sometimes realize.

The enactment of progressive personnel legislation is in itself evidence that the representatives of the people hold Federal employees in high esteem. I am proud to have been the author of many laws that have been enacted for the benefit of those in the public service.

And finally, let us not overlook the fact that the dignity, the efficiency, and the prestige of the career civil service all depend upon its being kept clear of the taint of politics. As a practical politician, I am naturally interested in patronage. I want to see it well and wisely used in its proper place, namely, the legitimate political or policy-making area of the Government. I do not want to see it mixed with the career civil service, because such an association

gives both the career service and patronage a bad name.

This is a big problem for both major political parties and there is no simple answer. I do however pledge myself to the continued nonpartisan development of the career civil service.

I believe that with this administration the stability and value of the career service is well established and the integrity of the career service has been advanced.

And now let us take a brief look into the future problems. In spite of the almost unbelievable distance we have traveled in three-quarters of a century, much important work yet remains to be done. Seventy-five years from now, for that matter, there will still be work to do. For the merit system is not a thing of fixed rules or eternal laws; it is a dynamic, living force that must change with changing times. While its fundamental principles need not—and indeed must not—be altered, the application of those principles should be adapted to serve the needs of our Government under whatever conditions the future may bring.

Several problems requiring such solutions are currently before the Congress. Among these is the provision for outside-Government training of selected Government employees. As you know, this proposal was advanced by the Hoover Commission and is strongly favored by the administration. I shall do all I can to secure its enactment before the end of this session of Congress. And may I add here my pledge to consider carefully all the Hoover Commission recommendations, to work for the adoption of those that are meritorious and practicable, and to cooperate fully with the executive branch in carrying them out.

Looking ahead a little farther we will encounter the problem of automation, which we are told is practically upon us. I see no great cause for alarm in this prospect. Actually, "automation" is more a new word than a new thing. It is a further development in the whole process of mechanization which has been going on ever since the industrial revolution. And just as the industrial revolution created vastly higher standards of living, rather than the dire want and distress that many predicted, so automation in the Government should result in better Government service. Of all people on earth, Americans have the least cause to fear mechanization; it has already brought us a level of economic well-being that cannot be matched anywhere in the world.

To be sure, when automation is introduced or expanded in Government agencies it must be carefully planned in advance so that the necessary reorganization, retraining, and reassignment can be accomplished in an orderly and equitable manner.

Normal attrition will eliminate any possibility of widespread reductions in force. We have every reason to believe that, in the coming years, automation will bring greater benefits for employees—a shorter work week, more leisure time, less nervous pressure and strain, and relief from many monotonous and blind-alley jobs.

But let us take a real look to the future.

We have an opportunity here tonight to do more than recognize the historic advances in the last 75 years—or even the high degree of competence in our career service that we are now recognizing.

I have pointed out that we have in American Government three great factors: (1) An outstanding career service which is strong, efficient, and capable of great improvement and advancement; (2) we have a great American tradition of citizen concern for good government, which is represented here by the fine efforts of the National Civil Service League and the distinguished group of public-spirited citizens who are ever alert to the needs for improving government; (3) we have that essential characteristic of American democracy, responsible political leaders.

It is my proposal that we rapidly raise our sights to the true challenge and opportunity of a peacetime atomic age. I feel especially confident in discussing this because of the factors which we represent and recognize tonight.

I would like for us, however, to stop for a moment and think of the tremendous responsibilities which we as a free nation must meet in terms of the future of the world and the miraculous and fantastic development of nuclear power.

God has given us the use of atomic energy first to defend the freedom of the world. We have—in true fashion of the American way—pursued vigorously this development. While other forms of actual defense use may be forthcoming, it seems to a practical layman that we have reached the ultimate.

Most scientists agree we can destroy ourselves, so what else is there? Therefore, let me urge that we turn and direct our energies and resources for the fullest peacetime development, both at home and for world wide benefits.

Certainly, in receiving this great miracle as a defense measure, we must assume full responsibility for its beneficial development for world peace.

This we can undertake in full confidence because of the factors which we are recognizing and honoring here tonight. I am not ready to make a specific proposal in terms of dollars to be spent or exact programs to be undertaken, but we have learned a great deal about cooperation by the American Government and the factors of the capitalistic system.

Today more than ever before, the people of America are realizing that government as an institution of American society can and must participate in America's development as a partner with the constructive forces of capitalism. I am certain, therefore, that government must work with private forces in finding ways for fullest use in peacetime of atomic energy. It may be to heat the new Senate Office Building; it could possibly be to run a tractor in the wheat fields of Kansas. Whatever it is, we should work diligently on it because every stage of advance not only improves our way of life in America, but constitutes one more step toward world peace.

We must join in training the scientist who will work in industry and who will serve Government like these outstanding scientists we honor here tonight. Not many years from now, we will be honoring the people who have done most for the development of atomic science for peacetime utilization.

In the same vein, we must keep our sights broad and recognize that many economic, social, and political questions will arise and need to be given thorough study. Government in every phase must meet this challenge. It must be as efficient and as forward looking as progressive private industry. In other words, an ever-developing, ever-improving thing. It must maintain its efficiency and adaptability to meet the 20th century challenge.

In my capacity as United States Senator, I will work toward this end of the fullest American responsibility for the peacetime use of the great miracle of the 20th century. I feel strong in this because of the friends and colleagues represented at this dinner tonight and the fine spirit in which we are meeting.

I have outlined a few examples of the work to be done by the Government. There is also important work still to be done by the National Civil Service League. Eternal vigilance has been the league's watchword for 75 years, and I cannot foresee a time when that vigilance can safely be abandoned.

One of the most important of the league's activities is its grassroots educational work on behalf of good government at all levels. I hope it will never lack the necessary resources for carrying on this work. The public must be given the same facts over and over; some of the things the league was saying 75 years ago still need to be said today. Neither the merit system nor career employees must ever be taken for granted.

The National Civil Service League, like the Federal civil service, was born of the martyrdom of a President—the tragic event that we commemorate today. But the spoils system itself was a great tragedy also—less dramatic but equally disastrous to the American people. The tragedy must never be permitted to recur. The smallest evidences of spoils practices must be recognized and stamped out before they have a chance to develop. The time will never come when the "watchdogs of the civil service" will not have work to do.

May I express again my gratitude to the league and to Look magazine for the privilege of taking part in this inspiring program—my hearty congratulations to the winners of the career service awards—and my sincere admiration for the competent, devoted, loyal, and honorable men and women of the career civil service whom I have known and with whom I have worked for so many years.

PROTESTS AGAINST INCREASE OF PRICE OF FUEL OIL AND GASOLINE

Mr. PURTELL. Mr. President, I have received bitter protests from constituents against the price increase of household fuel oil, industrial fuel oil and gasoline. Others of my colleagues have brought this matter to the attention of the Senate earlier in the week, and have suggested action in which I wholeheartedly concur. The many protests against the recent increases in the price of gasoline and fuel oil are warranted.

Mr. President, I have before me a telegram from a small business concern in my State, the Seymour Paper Mills, of Seymour, Conn. It reads:

> Bitterly protest price increase in industrial fuel oil received this morning. This is second increase in short period on item which is big factor in our cost. Small competitive industry cannot survive such inflationary measures. Is bankruptcy to be our reward for your support of foreign aid and greedy oil interests?

There are other protests, but this points up the effect of what, in my judgment, are unnecessary and indefensible price increases made simply because the consumer has no choice but to accept them.

Mr. President, fuel oil is not a luxury in my State or in other States. It is the only means available to thousands upon thousands of people for household heating and for industrial concerns such as the firm to which I have just called attention. We described, and properly so, the natural gas consumers as captives at the end of a pipeline. They were, in fact, captives of one source. But the users of fuel oil are no less captives. They are captives of an industry that has seen fit to increase prices twice in a short time, taking advantage of a most unusual situation prevailing elsewhere in the world as an excuse for inflicting upon users of their product price increases which appear to be unjustified.

Less than 2 months ago, it was reported that the stored and available supplies of oils and their products were

greater than ever before. Now the consumers are told that they must pay higher prices because of alleged oil shortages. The old story of the law of supply and demand cannot be used as a reason in this case, because when the supplies were great, the consumers at no time had been given a reduction in price.

Mr. President, I believe in, and have preached for years, the virtues of our system of competitive capitalism. I still believe in them as strongly as ever, but I have said before on the Senate floor, and I shall say again and continue to say, that the gouging of the defenseless consumers must not and cannot be justified in the name of that system. The license to extract all the market will bear is not inherent in competitive capitalism, particularly when the products sold become so vital a part of our very existence.

My fears for competitive capitalism are not founded upon what those who do not believe in it preach, my fears for its future rest with those who claim they believe in it but who practice abuse on the public in its name. In thousands of homes throughout my State and many others, the consumers of fuel oil were, in effect, told to pay or freeze. They are hooked, Mr. President. They cannot convert quickly, if at all, to other fuels. The alternatives are plain and cruel—pay or freeze.

Nor is this all of the sorry picture as I see it. Those who imposed and profited by the added levy escaped the odium of their action. As has been pointed out on this floor, the wrath of the consumers will be visited upon the heads of the retailers who, in truth, profit little—if at all—by the price increase, but who find themselves, along with the consumers, victims of what has every evidence of being a philosophy of "Get while the getting is good."

I sincerely trust that the various agencies of the Government and the congressional committees already contacted will waste no time in determining why in the bitter cold of January these price increases were put into effect, and also what can now be done about them.

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

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Senate is operating under the 2-minute limitation on speeches.

Mr. CAPEHART. I ask unanimous consent that I may address a question to the Senator from Connecticut.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. PURTELL. I yield for that purpose.

Mr. CAPEHART. I am certain the Senator from Connecticut remembers that about 2 years ago, or perhaps a little longer, I introduced a bill to provide standby authority for the President of the United States, and under that bill in the case of a dire emergency, the President would have the right to put into effect price, wage, and rent controls, on the theory that if and when emergencies arose, such as in the case of a declaration of war, when prices automatically go up and usually go completely out of control, there would be some opportunity for legislative regulation.

Now there seems to be such an emergency in respect to oil as a result of the closing of the Suez Canal, and the emergency has been deemed to be so serious that the President has asked for a standby law to give him the right, under certain conditions, to use the Armed Forces in the Middle East.

I simply could not help thinking, as the able Senator was making his speech concerning the rise of the prices of oil and gasoline, how important it is, in my opinion, to have legislation and ways and means all prepared whereby price, wage, and rent control may be imposed in a time of emergency; otherwise the prices automatically go up, as they are going up at the moment in the case of oil and gasoline.

Mr. PURTELL. Was the question directed to me as to whether or not I believe such action should be taken or should have been taken?

Mr. CAPEHART. The question was whether the Senator remembers my introduction of a bill providing for such controls.

Mr. PURTELL. I believe I joined with the Senator from Indiana in the introduction of the bill.

It is stated that the reason for the price increases is the situation which was created by the closing of the Suez Canal and the pipelines. That is simply the explained reason. In my humble opinion, it is not the real reason at all.

Mr. CAPEHART. At the same time, the President is asking for standby authority to use the Armed Forces under certain conditions. Would the Senator from Connecticut say that that is more important than the lives of the American people when the temperature goes down below zero?

Mr. PURTELL. I would not attempt to answer concerning the degree of importance; I should say that both situations are very important.

DESIGNATION OF NATIONAL JUNIOR ACHIEVEMENT WEEK

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 73, which requests the President of the United States to designate the period from January 27 to February 2 of this year as Junior Achievement Week.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 73) relative to the designation of National Junior Achievement Week.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to the consideration of the concurrent resolution (H. Con. Res. 73).

Mr. JOHNSON of Texas. This resolution, Mr. President, is similar to one I have already submitted and which was offered in the House at my request. The House has already acted, and it is my hope that the Senate will do likewise.

Junior Achievement Week is one of the imaginative ideas that has helped to keep the economy of this nation strong. It is a device through which we can foster a constant flow of capable, experienced executives who will be able to take over the reins of business.

I have a great deal of respect for the men who have fostered this idea. It gives young people an opportunity to learn early in life of the tremendous responsibilities which they will face, and also gives them some idea of just how to tackle the problems.

Junior Achievement Week helps to build character and self-reliance. I hope that my colleagues will agree with me that it should have the blessings of the Senate by a unanimous voice.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 73) was agreed to, as follows:

Whereas it was the initiative, the sense of individual dignity, and the determination to mold their own futures that motivated those who founded this Nation; and

Whereas Junior Achievement, Inc., through its learning-by-doing program, is inculcating those ideals in American youth by helping them to set up and operate their own small-scale business enterprises; and

Whereas their experience in running Junior Achievement companies will provide these young people with a heightened understanding of the privileges and duties of citizenship and better prepare them to assume the responsibilities of community leadership; and

Whereas thousands of American businessmen voluntarily give unstintingly of their time, their counsel, and their experience for the benefit of the members of Junior Achievement; and

Whereas it is understood that the week beginning January 27, 1957, and ending February 2, 1957, will be observed as National Junior Achievement Week: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is authorized and requested to issue a proclamation designating the week of January 27, 1957, through February 2, 1957, as National Junior Achievement Week and urging all citizens of our country to salute the activities of Junior Achievers and their volunteer adult advisers through appropriate ceremonies.

CHARLES McDONALD PUCKETTE

Mr. KEFAUVER. Mr. President, it was with much sorrow that I learned a few days ago of the passing of Charles McDonald Puckette, the general manager of the Chattanooga Times, and formerly associated with the New York Times.

Mr. Puckette brought to his position on both newspapers a faith in the usefulness of a competent newspaper and a sensitivity to the responsibility of the press.

Mr. President, I ask unanimous consent that an editorial from the Chattanooga Times and one from the New York Times be printed in the body of the RECORD, following these remarks.

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

[From the Chattanooga Times of January 16, 1957]

CHARLES McD. PUCKETTE

"Or ever the silver cord be loosed, or the golden bowl be broken * * *."

The death of Charles McDonald Puckette saddens the hearts of the Chattanooga Times

family. The passing of a friend has more poignancy for all of us at this hour than our pride in his achievements as a journalist, a newspaper executive, a civic worker, a friend of the humble, and a peer of the most distinguished in intelligence, breeding and general worth.

We extend to Mrs. Puckette, who was his partner and companion in all of the phases of his career, a heartfelt sympathy in so great a loss. And to all of his family at home go tenderest thoughts from his newspaper family.

Mr. Puckette had an understanding heart for all of us. If there were conflicts of opinion, he would gently resolve them. He had a forgiving heart, always tolerating temporary weaknesses in others in the charitable knowledge that out of those weaknesses could be developed strength.

His personal integrity was a shining light, throwing its gentle beams into every facet of the Chattanooga Times. During a long and painful illness his courage was an inspiration to our staff. Until the last, he hoped to be back with us, and we clung to that hope. We had a sinking of spirit when his daily telephone messages ceased, but he never lost contact with the newspaper he loved and with his friends in all departments of that newspaper.

His character was, in a way, an inheritance from a distinguished ancestry, and he had the gentleness for which his grandfather, Bishop Elliott, was renowned. Strongly influential in his attitude toward life was his relation to Sewanee as student, regent, and constant friend of that great institution.

He came to the Chattanooga Times with an extraordinary knowledge of journalism, through years of experience first on the New York Evening Post, when it was at its peak, and later with the New York Times.

He gave this newspaper 14 years of brilliant service.

In the community, he had the common touch, especially giving time and devotion to children as they were affected by the Family Service Agency, the juvenile court, and in State organizations. On the business level, he was, before his illness, president of the Southern Newspaper Publishers Association. He was one of the founders of the American Society of Newspaper Editors.

During his years as general manager of the Times, cultural organizations found him willing to associate the Times with their causes as a generous benefactor, and among these joining in sorrow over his death will be the musical and art associations, the United Fund and similar groups.

Mr. Puckette was a liberal, but not merely in a political sense. His feeling for the underprivileged came from his heart. In his social life he delighted in the company of the intelligent, the gay, and the cultivated. A well-rounded man, his ideals were a strong influence on the policies of the newspaper he served.

He once wrote: "The newspaper, an institution by its nature able to shift daily to the needs of the times, can confidently look forward, under competent management, to a stronger and more established existence. Probably it will swing slowly but surely in response to a world more aware of broad social progress, in the direction of becoming a more consciously social agency than it now is."

Those in Chattanooga who have watched Mr. Puckette's career here can easily observe how he sought to translate that opinion into action.

Mr. Puckette's influence on the thinking, the character, and the ideals of the members of the Times family is no passing thing—it will endure. His warm friendship will be treasured by those who delighted to work with him. His patience, his personal interest in everyone, will be remembered many years to come.

At the moment, however, our own thoughts of the future are subordinated to our grief. Mingled with that sadness is an admiration for a man of character. With all of his gentle nature, he was not a man to compromise with principle. He had the qualities of a knight, and, in the belief of those of us on the Times who knew him so well, the words of Sir Thomas Malory could be applied to our departed friend and leader:

"Ah, Sir Lancelot, thou wert head of all Christian knights; thou wert never matched of earthly knight's hand; and thou wert the courtliest knight that ever bare shield; and thou wert the kindest man that ever strake with sword; and thou wert the goodliest person that ever came among press of knights; and thou wert the meekest man and the gentliest that ever ate in hall among ladies; and thou wert the sternest knight to thy mortal foe that ever put spear in rest."

[From the New York Times of January 16, 1957]

CHARLES McD. PUCKETTE

Charles McDonald Puckette had a long, useful life in journalism and he had a devotion to his profession that was an inspiration to those around him. Whether on the old New York Evening Post, or in his many years on the New York Times or in the management of the Chattanooga Times to which he gave his later years, he served with a fidelity, an integrity, a competence that compelled respect and admiration.

We remember him here as a grand person to work with and be with, a man never too busy to take an interest in younger men and help them on their way up, a sympathetic, approachable person who by setting his own sights high encouraged others to do likewise. He had great faith in news as the basic, dependable commodity and responsibility of newspapers. His standards were high, and they were influential. So we part sadly with an able colleague and an old friend.

JEROME N. FRANK

Mr. KEFAUVER. Mr. President, I know that all of us who knew Judge Jerome Frank are grieved at his passing. He was a capable public servant and friend and counselor, and was one of the outstanding members of the United States Circuit Court of Appeals.

I knew Judge Frank over a period of many years. His suggestions, advice, and writings were always useful.

I ask unanimous consent that a brief editorial in regard to his life and service be printed at this point in the RECORD. The editorial is from the Washington Post.

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

JEROME FRANK

The death of Judge Jerome N. Frank is a loss not only to the Federal bench but to the wider political world which knew him as a useful and sharp-tongued controversialist. Along with Rexford Tugwell, Tommy Corcoran and Raymond Moley, Judge Frank is remembered here as one of the early New Dealers who once charged the air with an incandescent excitement. It is well to celebrate such men at a time when controversy and independent thought are frequently discouraged by timid men who forget that free debate is the lifeblood of a democracy. Judge Frank, of course, was a warm and able partisan of the New Deal, serving as one of Roosevelt's original "braintrusters," as counsel to the faction-torn Agriculture Adjustment Administration, and as chairman of the Securities and Exchange Commission.

But Judge Frank's spirited liberal partisanship was tempered by a pungent wit and a willingness to admit error—as he did in reversing himself on the isolationist issue just before Pearl Harbor. On the bench he became more detached and judicial in his approach. During his 16 years on the Court of Appeals for the Second Circuit in New York he displayed a blend of humane liberalism, wit and independence. In a characteristic opinion, Judge Frank struck down a contempt conviction of a union official last September, noting tartly: "An overzealous prosecutor's heaven may be everyone else's hell." He will be remembered as a champion of individual rights and unfettered debate.

THE PRESIDENT'S BUDGET—STATEMENT BY THE SECRETARY OF THE TREASURY

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a complete statement made yesterday by the Honorable George M. Humphrey, the Secretary of the Treasury, in his press conference on the new budget.

This statement comes from a man dedicated to the public service of our country. It comes from one of the ablest public officials ever to serve the United States. He speaks in a field where he is the best qualified man in America today. His warning should be heeded by the public and by the Congress.

After losing 48 percent of the purchasing power of the dollar from 1940 to 1952, inflation was halted, and the dollar was stable in value until 1956, when inflation began again in substantial measure; and the value of the dollar declined in 1956 by 2 cents, so that today the American dollar is worth just one-half what it was worth in 1940.

It is very evident that we have now embarked upon another era of inflation, which may be disastrous. Inflation, once started, is one of the most difficult things in the world to stop. In my judgment, we are faced with a very serious situation.

The Secretary of the Treasury urges Congress to reduce the President's budget. It is now up to Congress to act, if we are to represent the best interests of America. This budget, which will lead to still further inflation, and will commit our Government to new avenues of spending, must be substantially and drastically reduced in order to preserve our solvency.

Mr. President, I ask unanimous consent that the statement by Mr. Humphrey and the interview he held with representatives of the newspapers be printed in the body of the RECORD as a part of my remarks.

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

Mr. LENNARTSON. Everything distributed and said here is for use with the budget message at 12 noon Wednesday.

Secretary HUMPHREY. I think perhaps the best thing to do is to start by reading a statement. I have a written statement which is being distributed and I think perhaps if I read it and you can follow along, we will all get through about the same time. Then we will go back and go into the questions.

In support of the President's budget message for the fiscal year 1958, which has just

been presented to the Congress, there are several recommendations which I want particularly to emphasize.

The President has often said that the basic fiscal problem confronting this Government is how to meet the necessary costs of an adequate defense and other governmental activities and, at the same time, furnish the incentives necessary to a thriving, growing, and reasonably stable economy. Failure in either direction could well mean the gradual loss of our freedom and of our way of life.

During the past few years the greatest strides in history have been taken in the development of modern lethal weapons which can literally destroy great cities and whole areas of population. The methods are completely new. They are extremely costly. They are shared to some degree by two great powers with wholly different ideologies.

In this state of affairs, we must remain both militarily and economically strong. To do so, the extremely high cost of the new weapons demands that we be highly selective and quick to abandon the expense of obsolete methods and equipment.

No one can say exactly how much we can continue to spend for defense and all other governmental services without seriously weakening our economy. While military manpower and equipment protect our lives and our land, they make virtually no addition to the permanent wealth of the Nation—to new plants and machinery, new mines, new farms, new homes, or to new jobs for peacetime living.

The billions of dollars spent annually by the Government for military equipment and manpower go into the spending stream but are not matched by an increase in the production of peacetime goods, so that heavy pressure is put on the price of goods which all the people must buy. This imbalance makes it more difficult to keep the cost of living within bounds. Monetary measures alone may not be sufficient for this task unless the Federal Government makes reductions in its manpower and in its purchases which will help to increase the production of additional peacetime goods and so help to hold down prices. Moreover, the funds so released will then be available to build up the capital needed to help create the new jobs, to build the new schools and the countless other improvements required in this growing country of ours.

Our reduction in Government expenditures 3 years ago made possible the greatest tax cut in history and stimulated the surge of national confidence which has created the prosperity of the past 2 years, the greatest we have ever known.

These reductions in Government spending also helped to give greater stability to the cost of living than we ever had in a period of such prosperity. The cost of living has recently moved up somewhat in spite of monetary measures to restrain it. Governmental expenditures and the number of Government employees are now increasing. This trend should promptly be stopped.

This administration has a record of gratifying achievements in economical and efficient management of the Federal Government. The civilian working force of the Government has been reduced by over 234,000 persons during the past 4 years; the accounting and management procedures of Government have been vastly improved; over 400 Federal enterprises competing with business have been abolished; surplus real estate worth $366 million has been sold and turned back to local tax rolls. These are but a few specific illustrations of our progress. We all must work together to widen and enlarge these accomplishments.

Long hours of painstaking and conscientious work have gone into the preparation of the budget for the fiscal year 1958. All departments of Government should be commended for the efforts they have made.

The President of the United States in his state of the Union message has just said:

"Through the next 4 years, I shall continue to insist that the executive departments and agencies of Government search out additional ways to save money and manpower. I urge that the Congress be equally watchful in this matter."

To accomplish these essential objectives we should now all go to work, not simply to keep within the limits of this budget, but to make actual and substantial reductions through improved efficiency of our operations during the period of the next 18 months which this budget covers. To make this possible, every department of Government must with vigor and determination modernize and streamline their services. The management of every service must be conducted with the possibilities of economy always in mind.

The President has said that the Federal Government alone cannot successfully combat inflation without the earnest cooperation of all individuals and groups of our citizens. As emphasized in the state of the Union message, business leaders and labor leaders, through their wage and price policies, must make their full, constructive contribution. All other groups must also contribute to the common effort.

First. We must seek the full cooperation of the public generally in limiting its demands upon the Federal Government for only essential Federal functions, especially at this time when the economy is operating at such a high level. Requests should be avoided for services or assistance which properly can be supplied by States or local communities or by the citizens themselves.

Second. We must request the support of the Congress to restrict the appropriation of public money to amounts within those recommended in the budget which may be required to carry out the necessary Federal functions.

Third. We must require every department and agency of the Government to take vigorous measures, without harm to either security or service to the public, to see that actual expenditures are kept well within the present budgeted figures between now and the end of the next fiscal year and, as the President has said, "search out additional ways to save money and manpower."

Fourth. We must plan for the 1959 budget, giving urgent attention to making further reductions both in Government employment and in expenditures where these savings will not lessen our security or the quality of the necessary services rendered to the public.

If this program is adopted and resolutely followed, we can, a year hence, give consideration not only to some further payment on the public debt but also to further tax reductions. This, of course, must be conditioned upon continuation of our present prosperity. Just when and how a tax reduction should be made can be determined only when it is known how well these conditions have been fulfilled. In any event, any such tax cuts must provide relief so that every individual taxpayer may have some benefits. In the meantime, and until this is accomplished, we must continue to oppose any revision of the tax laws which results in any substantial loss of Government income.

This program will provide more effective control of our spending. It will become a desirable restraint on inflationary pressures through release to the private economy of added manpower and money which, in turn, can open the way to lower taxes, with a sharper spur to incentive and greater opportunity, and production of more and better jobs.

You have heard a good deal of talk about whether or not we are just continually going to go up and up and up and that is my answer to that talk.

Question. Mr. Secretary, on page 2 you say "governmental expenditures and the number of Government employees are now increasing; this trend should promptly be stopped." Who do you blame for this increase?

Secretary HUMPHREY. Everybody.

Question. The administration?

Secretary HUMPHREY. Everybody. Congress enacts laws, that start with the public. The public, various groups of the public—and it is getting so more and more—keep turning to the Federal Government for everything in the world to be taken care of. Whenever anybody gets into a little bit of trouble he immediately runs to Washington and asks for something to be done about it.

The pressure is put on Congress to enact laws to help them. Congress enacts some laws to help them and the Executive when the laws go in has to support the laws and work with the laws and that adds to the payrolls and it adds to the employment and it adds to the cost of Government and that adds to the taxes. It is just everybody——

Question. Are you criticizing the administration for this?

Secretary HUMPHREY. I criticize everybody from the public right straight through to myself. We have not been firm enough. We have to be firmer than we have been and we have to get our expenses in better control than they now are.

Question. Mr. Secretary, in your statement you speak of cutting back expenditures next year, you hope, and we all remember how you complained over the past 4 years that it was very hard to cut expenditures because of the immense carryover of unexpended funds. How do you figure that you can cut expenditures next year when your unexpended balances are once again going up?

Secretary HUMPHREY. They only went up a little and they have been substantially reduced. In this budget you will notice they are held down to about the same amount.

The appropriations are right close to the estimated expenditures. We have done a lot with that. We have to make more progress with it, but we have already made a lot of progress.

Question. Do you support those parts of the current budget which propose increased expenditures?

Secretary HUMPHREY. I think this budget as now drawn has been prepared with the very greatest care and I think it is the best that we can possibly do right now.

Now my whole point is this: That it is 18 months before we get through living under this budget and I think there are a lot of economies and a lot of savings that we ought to be able to make if we pay strict attention to our business and work at them hard enough during the 18 months.

I don't think there is anything in sight at the moment that can be done better than is now proposed in this budget, but I think we ought to improve it as time goes on.

Question. Mr. Secretary, you say on page 2 that the expenditures are now going up and must be promptly stopped, yet the four budgets this administration has had beginning with the low of 64.6 have gone up every year. You're now 7 billion up.

Secretary HUMPHREY. We made—let's see 3 years ago—a very substantial reduction in our expenditures.

Question. 6.46?

Secretary HUMPHREY. A very substantial reduction. The thing has been creeping up ever since.

Question. You are up 7 billion?

Secretary HUMPHREY. That's right; $7,200,000,000.

Question. Do you really think it will go down at any time?

Secretary HUMPHREY. I think it must.

Question. Why didn't it this time?

Secretary HUMPHREY. It just kept creeping up on us. It did it for the reasons I gave.

Everybody from the public all the way through have just been looking to the Federal Government for more and more and more and we have not controlled it.

Question. Mr. Secretary, on page——

Secretary HUMPHREY. Congress and executives and the public and all.

Question. Mr. Secretary, on page M-68, it tells about your increase in interest rates. There is a hundred million dollars increase in interest. You can't stop a thing like that.

The statement reads: "As a result, the average rate the Treasury pays on outstanding interest-bearing public debt has risen in the past 12 months from 2.49 percent to 2.67 percent." Will they not increase?

Secretary HUMPHREY. I don't know whether they will increase or decrease. That will depend on what the demands are. There again reductions of Federal expenditures would have a wholesome effect in supplying additional capital which would be available for use in peacetime industry and living and for peacetime goods, and the production of goods would tend to reduce the price of goods and would tend to reduce the demand for money and would tend to reduce the cost of interest. Interest would come down.

Question. Your interest rate is seven billion three.

Secretary HUMPHREY. Not the rate. The total amount of dollars.

Question. In dollars?

Secretary HUMPHREY. That's right.

Question. Is that figured on your 2.67?

Mr. BURGESS. That is approximately the average rate.

Question. What I am asking is, Will that rate increase as you do your refinancing?

Secretary HUMPHREY. It will all depend on market conditions. And as I just got through saying, if we can reduce our Government expenditures, it will help to tend to bring those interest rates down and we will have our money for less interest instead of more.

Question. The point I am interested in and a lot of people are interested in is whether you are going to raise the rates on your E bonds? You have already said you were.

Secretary HUMPHREY. No, we never have said it.

Question. That has been published that you would.

Secretary HUMPHREY. No.

Question. Because you are getting more E bonds cashed in than you can sell. Isn't that a serious problem?

Secretary HUMPHREY. Very little difference.

Question. Is consideration being given?

Secretary HUMPHREY. We are not prepared today to make a final and definite statement on E bonds. That has no part in the budget. We will have a permanent and definite decision and statement before very long on E bonds.

Question. To clarify this particular point, you say the average rate has risen to 2.67. Of course, you have a decline in the public debt, whereas your total debt interest charges are going up. That increase in the total interest charges is based on what assumption as to an average interest rate in the 1958 fiscal year?

Secretary HUMPHREY. You mean this estimate here. I presume that is based on approximately the present rate.

Question. On approximately the present rate?

Secretary HUMPHREY. Yes.

Question. Mr. Brundage told us that he thinks we have got about to the peak of the tight money market. Do you share that judgment?

Secretary HUMPHREY. I wouldn't undertake to say. I think it depends on a great many conditions and again I get right back to what I said a minute ago. It depends a good deal on how much the Government itself spends, how much the Government takes out of the economy. And it is taking a great deal out of the economy today.

My own feeling is that we are taking more out than we can continue to do over a long period of time. I think the present trend must be reversed. I think our present taxes, the trend in our present taxes, the amount of our present taxes, are too high. I think they have to come down. Over a period of time, the only way they can come down is by spending less money, and having a greater margin between income and outgo.

Question. Where would you cut?

Secretary HUMPHREY. I think there are a lot of places in this budget that can be cut.

Question. Name three.

Secretary HUMPHREY. I think—well, I don't believe I will do that. We have been all over this with the greatest care and I don't believe it is up to me to start now to point the finger at people to make cuts but I think a lot of people will make some cuts. I think we will do so in the Treasury.

Question. Don't you think that is an executive problem—must not leadership come from the executive branch for cuts in the budget?

Secretary HUMPHREY. That's right.

Question. The administration proposes the budget. They make the proposals. If there are to be cuts must they not necessarily come right from the White House?

Secretary HUMPHREY. You just heard me read it. I read you a statement that said cuts ought to be made.

Question. But they didn't do it.

Question. The small business proposal, the President's message is rather vague on it. I wonder if you can make it more specific as to what tax recommendations you are making with regard to that?

Secretary HUMPHREY. So far as the Treasury is concerned, we are saying just as I said in this statement:

"Until the time comes when a general overhauling of our taxes can be made and reductions can be made, we are opposing any changes that will substantially reduce the Government's income."

Question. In the Cabinet Committee's recommendations, one was for a change in the corporate tax rate which would help small business. Are you opposed to that particular recommendation this year?

Secretary HUMPHREY. I am opposed to that this year.

Question. Could you go through the other four items on taxes in the Cabinet Committee report and say which of those you feel does not involve a substantial loss of revenue and therefore can be done this year?

Secretary HUMPHREY. No, I can't do that, for this reason. There are a large number of suggestions for reductions in taxes that are going to be brought before this Congress.

Question. By the administration?

Secretary HUMPHREY. No, by Congress and by various people.

The Congressmen themselves are going to be bringing lots of things up. A lot of people are here in Washington now, complaining about various taxes and asking for reductions. Just at the moment it is particularly confined to the excises. But there will be more and more coming and there are 3 or 4 committees of Congress who are making reports or will make reports.

So far as the Treasury is concerned, we object to any reduction, any law, any change in the tax law which will mean a substantial loss of revenue.

Question. Would you favor, sir, the suspension entirely of the 5-year write-off, the so-called fast tax write-off?

Secretary HUMPHREY. I don't think it should be entirely eliminated. It is reduced now as you know to a very small amount and it is confined now by order to only, I think, 15 or 16 classifications, out of something over 200 previously, that apply directly to the defense effort.

Now, I think perhaps it is well to leave it for those few particular things that are directly, and importantly, and in a large degree strictly defense. Does that answer your question?

Question. Yes, sir; if you give me a definition of defense. You use a very narrow definition, sir. You are not talking about any wide category of defense support?

Secretary HUMPHREY. That's right. I am talking about direct defense.

Question. Like steel?

Secretary HUMPHREY. Not at all. Any industry like steel where a relatively small amount of the total production goes into direct defense and the great growth is in the normal economy, I am opposed to having any rapid amortization.

Question. Thank you.

Mr. Secretary——

Secretary HUMPHREY. Just a minute, please. That does not apply necessarily to the consideration that is being given all along to the previous adjustments of depreciation and the proper depreciation schedules. We are talking about rapid amortization.

Question. The fast stuff?

Secretary HUMPHREY. That's right.

Question. Mr. Secretary, on the receipts side what estimates are you making for calendar year 1957 on personal income and profits?

Secretary HUMPHREY. Well, we are estimating personal income for calendar 1956 at $325.5 billion. I don't know why I put in .5; it came out that way. That is the estimate for last calendar year's personal income and I will give you the figure for the next calendar year personal income, and those are the figures on which we base the estimates of income with respect to fiscal years. Last year it is 325.5.

Question. So that is 1956?

Secretary HUMPHREY. That is 1956, calendar year 1956. It was 316 in January, it was 333 in November, which is almost exactly 325, if December is approximately the same or a little bit higher than November.

We are estimating $340 billion for calendar 1957.

Question. How about corporate profits?

Secretary HUMPHREY. Corporate profits have been estimated at $43 billion for calendar 1956 and $44 billion for calendar 1957.

Question. Do you have an estimate, sir, for gross national product for those 2 years also—GNP?

Secretary HUMPHREY. I don't have it here.

Question. Mr. Humphrey, a year ago with reference to depletion allowances on oil, you said "Proper depletion is a very proper deduction and a very desirable one from the whole point of our economy."

Do you regard, sir, the rate of 27½ percent in oil a proper rate?

Secretary HUMPHREY. I don't know whether it is proper or not. That figure was arrived at after long hearings and a great deal of discussion on the subject and all sorts of evidence and proof and the Congress finally picked out that figure. That was done before we came here.

Question. Yes, sir.

Secretary HUMPHREY. I had no part in those proceedings. In the way the thing has worked out, our reserves of oil, our new development of oil in this country, which is continually more expensive, both searching for it and getting it after it is discovered, producing it, has just about kept pace over the past half dozen years or more with the consumption so that from a practical point of view it looks as though this thing was about working out practically.

Question. Mr. Secretary, do you have any estimate on the corporate profits for total 1956—this $43 billion, is that a pretty firm figure?

Secretary HUMPHREY. I hardly know what to say about being firm. You know they must publish these figures and you remem-

ber last year I showed you some figures that had been published and 2 years later they changed them by $2 or $3 billion, went back in the record, 3 years after the record had been published for 3 years. So it is pretty hard to say. You see, after all it isn't quite so important that we have it exactly as it is, so long as we keep it relative.

We know what we collected last year upon the way business was. If we have a relative figure for this year that is the important thing even though it may be that the Commerce Department 3 years later may come along and say we made a bad mistake. They may say it never was 43, we published that for 3 years but it ought to have been 41 all along.

Question. Forty-three was the figure you used last August?

Secretary HUMPHREY. That is about it. Let's see, what was it? What is this 42.7 figure that we gave last year?

Mr. SMITH. That was for calendar 1955. So this is substantially the same as last year.

Secretary HUMPHREY. There is very little difference. Some businesses are running ahead and notably some of the larger ones have been running behind.

Question. Do you have any figures for the fourth quarter?

Secretary HUMPHREY. I haven't seen fourth-quarter figures. I don't believe you will get such a figure for quite a while. You don't get it usually until April. The last quarter is always the quarter where the big adjustments are made for the end of the year and those are slow coming out.

Question. I have another question: You commented in the past on the size of the budget surplus. You thought that would properly be necessary before you could consider a tax cut, and I think one time the figure of $2 billion was mentioned—two or three billion dollars.

Secretary HUMPHREY. I said I thought two was too small. There is no magic in that at all. We are figuring on getting about 37 to 38 billion dollars from individual taxpayers, you know. If you talk about a 10-percent cut in individual taxes that is $4 billion. There is no magic in it. There would be no cut in corporate taxes in that amount. It all depends on what you are going to do. I think about all you can say is, as to the amount required before you make a general tax revision, is that you should have enough money to make a reasonable, respectable tax reduction. I don't think you would want to make a 1-percent tax reduction and get all the confusion that would follow.

Question. Would you say at the present income levels that something like $3 billion would be a minimum?

Secretary HUMPHREY. Three to five.

Question. Mr. Secretary, the tone of what you are saying here today might be taken as encouragement for Congress to go ahead and cut this budget quite a lot. Do you want to encourage that sentiment or not?

Secretary HUMPHREY. Dick, that is a hard question to answer. If the Congress, in further study, after hearing the expressions of the executive department on what they believe it is necessary to do, if the Congress can find ways to cut, and still do a proper job with respect to our security and with respect to the proper services to the public, I would be very glad to see it. It is possible there are some things we still are doing that were necessary some years ago that we are still continuing that we might find ways of eliminating.

I think that in all of these things we don't want to stand still, we want to go ahead and continue to do new things and continue to meet changing conditions.

On the other hand, I think we have to be very selective and I think that you just can't do everything. As a matter of fact it isn't a bit different than it is in your own home. You can't have everything you want and what you want to do is to pick out the things that the present situation demands the most and then in order to be able to afford them you have to eliminate some of the things that maybe you did before that now you can get along without.

Question. That would be pretty good political story, wouldn't it, Mr. Secretary, if a Democratic Congress cut a Republican President's budget.

Secretary HUMPHREY. To be perfectly frank I am only thinking of the good of the country.

Question. Mr. Secretary——

Secretary HUMPHREY. I am not thinking of the political angle—what we want is to have a good country and that is what I am interested in.

Question. Could you tell us a little something about why this strong call for economy comes from you rather than from the President himself and the budget? Has this been a result of consultation? Is this your view or are you speaking for the administration or the President? Just what is the background of that?

Secretary HUMPHREY. I am speaking for the Treasury Department largely. We are responsible for the Federal finances. I am trying to give as good a picture as I can of what is required for what I believe is the strongest financial position for this country. Referring to the previous question I am thinking of ourselves as citizens and not as voters.

Question. In that connection, in your statement here, I'm sorry I can't put my finger on it, you state that the pressure is on Congress with respect to matters that in some cases at least should be taken care of by the States. I think you made that statement.

Secretary HUMPHREY. Local communities and by the citizens themselves.

Question. Does it matter much from the standpoint of the total inflationary effect where the pressure is applied?

Secretary HUMPHREY. I think it makes a great deal of difference, because I think that as you get nearer and nearer to local expenditures, the spending will be more properly and effectively spent, if it is done locally for local issues. It is very much more efficiently done, very much better done, than if the Federal Government reaches into the locality, takes the money out in taxes brings it down here, carries a lot of overhead on it and then passes part of it back to do the same job that they ought to do at home.

Question. Is it always available in those particular spots?

Secretary HUMPHREY. Not always. A great many places it is. There are a great many things that people run down here for that can be very much better done at home.

Question. The tone of your statement this morning makes it sound as though you had pressed in the administration's councils for some sharp spending cuts and would have been overruled.

Would that be an unfair inference?

Secretary HUMPHREY. Yes; that is unfair. I have pressed for less spending right along. There is no division or difficulty in the administration at all on this subject. This is a thing that we all are in accord on. This budget was made up as I say with the very greatest care and a great deal of time spent on it and this is apparently the best we can do at the present time.

But I just believe that over 18 months we ought to keep doing better.

Question. Can you be specific? Are you for instance for that Federal aid to education program? That is a $1.4 billion outlay. That is what you are talking about as far as taking money in the local communities and giving it right back.

Secretary HUMPHREY. I don't believe I can get into these specific things. If you do you get into a maze of problems——

Question. You put a lot of contingencies on your tax reduction but you do say a year hence we can give consideration. What information do you have that all of these conditions you laid down in the matter will be met in the next year?

Secretary HUMPHREY. I say if you do it in the year then you can give it consideration.

Question. Does it mean anything?

Secretary HUMPHREY. I don't know. We did it once before. We made some very substantial reductions once before.

Question. And the next year you raised your expenditures $8 billion?

Secretary HUMPHREY. No; we didn't.

Question. From 60 to 68?

Secretary HUMPHREY. No; not in any year. It has gone up 7.2 billion in 3 years.

Question. In 3 years but then it has gone up since 1954?

Secretary HUMPHREY. Yes. Seven billion two hundred million dollars since 1954.

Question. What makes you think that these things will all be done in the next year? That is what I am trying to clarify.

Secretary HUMPHREY. I said I think they ought to be done.

Question. You hope they will.

Secretary HUMPHREY. That's right. We ought to set our sights for that and ought to try to accomplish it. If we do accomplish it then we are in a position for a tax cut.

Question. But if none of these conditions——

Secretary HUMPHREY. If we make no progress whatever——

Question. Then no tax cut?

Secretary HUMPHREY. Then there is no tax cut next year.

Question. No consideration?

Secretary HUMPHREY. How are you going to? You have nothing to pay it with.

Question. You did it before without a balanced budget.

Secretary HUMPHREY. No; we didn't.

Question. The budget was balanced in 1953?

Secretary HUMPHREY. It was right on the line and coming down. I have said always that you don't have to wait until you have the money in your hand; you have to have your trend of expenditures going down and be able to estimate ahead to see that it's coming down, and have some real firm basis for seeing that it is coming; the last time we did have a firm basis because it came true.

Question. Aren't you really paying now for the tax cut you gave then?

Secretary HUMPHREY. No. Why would you say that?

Question. Well, your budget is going up.

Secretary HUMPHREY. But we balanced the budget on the last tax cut. The budget was balanced right the following year after the last tax cut.

Question. But you emptied the pipelines on defense.

Secretary HUMPHREY. No; we didn't do anything on the pipelines on defense.

Question. Yes; you did.

They testified they did.

Secretary HUMPHREY. When you make a tax it isn't effective on the day you make it. It becomes effective as you move forward over the next months in the time when the money is being collected, you see, and when the money is going out so that that is why I have always said you don't have to have it in your hand today.

You don't have to wait until the $4 billion or $5 billion or what you will give back to the people is in hand that very day, but you have to be sure that it is available as you move forward.

It was available the last time when we moved forward on that.

Question. Has not the tax cut been offset by taking more money away from the taxpayers the succeeding 3 years?

Secretary HUMPHREY. I don't think you can offset it. We have taken more money out of more taxpayers who had bigger incomes. If the tax cut had not been made, we would have taken still more money out of them. We have taken less out of every taxpayer during these 3 years than we would have taken if it hadn't been for the tax cut. Do you see what I mean?

Question. Not in my pay check.

Secretary HUMPHREY. Let me put it this way. If you are earning $1,000 and your tax take is 10 percent, we take $100 out of it. Then if you reduce the 10 percent to 5 percent and you earn $3,000, we take $150 out of it. But you have had the benefit of the tax cut, haven't you?

Question. Momentarily, but not over the long run, because if you have reduced it——

Secretary HUMPHREY. Over the long run you have. If the same rate is in effect, you would pay $300 as against $150.

Question. Isn't that against your own argument that you must reduce the expenditures for me to get the real benefit out of it?

Secretary HUMPHREY. We must reduce expenditures, and that is what we will do when we don't need to collect so much money from you.

Question. Mr. Secretary, would it be possible——

Secretary HUMPHREY. If your earnings are going up and there are 2 of you instead of 1, we keep adding taxpayers and we keep adding taxpayers who are getting more money; therefore, when we made the lower rate, we still were able to collect more total dollars, but each single taxpayer was better off.

Question. Mr. Secretary, you say that a tax reduction must be conditioned upon the continuation of our present prosperity. Does that mean that the administration will not cut taxes so that it can add to purchasing power to offset a recession or to prevent a threatened recession?

Secretary HUMPHREY. I will contest a tax cut out of deficits as long as I am able. I will not approve, myself, of a tax cut out of deficits. I think it would start a downward spiral that would be serious. I don't believe in this idea that you can cut taxes out of deficits, and then build up from that.

Question. Then you don't believe in compensatory spending?

Secretary HUMPHREY. What do you mean by that?

Question. In other words, increasing the level of Government spending during a period in which business generally is declining and, therefore, presumably tax receipts will be declining.

Secretary HUMPHREY. No; I don't think so, Joe. I don't think you can spend yourself rich. I think we went all through that for a good many years, and we kept spending and spending and spending, and we still didn't help our employment or help our total position.

Question. Mr. Secretary, perhaps the answer is to put more of the Government's operations under trust funds like the highway program.

Secretary HUMPHREY. Well, I don't think that is necessarily so. The reason for the trust fund is, I think, a very good one.

Question. Your budget would look better today if highway was in the budget.

Secretary HUMPHREY. That is right. Why fool the people?

Question. You think we are fooling them now on highways, sir?

Secretary HUMPHREY. No; I think, if you put it in the budget, if you go out and collect a lot of money ahead of time that you are obligated to spend, and show it as assets, and show that you are better off, I think you are fooling the people. I think that ought to be out of your budget. It would be an easy thing for us to make a wonderful showing here. I wouldn't do it because I don't believe in fooling the people. I believe in showing them where they stand and letting them know where they stand all the time.

That is what the highway fund does. That is the principal reason for it. That money is for a specific purpose. It is set aside for that purpose and, if we happen to have a surplus of it this year, which is obligated to be spent next year, that is no reason why we should think we are rich this year.

Question. Then you think that, by and large, the Government's productive expenditures should remain within the framework of the general revenue rather than be put on a use-tax basis?

Secretary HUMPHREY. No, not necessarily. No, no. The road tax is a use-tax basis.

Question. Yes, sir.

Secretary HUMPHREY. And I am for that.

Question. Could we have more of that type?

Secretary HUMPHREY. Yes, I was its principal advocate. We should have more of it. I am an advocate of it. I think a use-tax is a very proper tax.

Question. For instance, what besides roads? Schools?

Secretary HUMPHREY. Roads is the principal thing. That is the biggest item. There can be others that can be developed.

Question. Mr. Secretary, would you resign if the administration embarked upon the deficit program you have just described?

Secretary HUMPHREY. I think I would.

Question. Mr. Secretary, suppose inflationary pressures exist a year from now and you have a projected surplus of $3 billion to $5 billion, would you oppose a tax cut because of the effect on inflationary pressures?

Secretary HUMPHREY. Well, it is pretty hard to say—you would have to see just what the causes of the inflationary pressures were, if we had as much of a surplus as that. It is pretty hard to have that kind of a surplus with strong inflationary pressures all at the same time. You wouldn't be apt to have it. There might be a reason why you would, and you would have to know. I don't believe you can make a categorical answer to that.

Question. Mr. Secretary, some private industrial firms may have been holding back expansion in the hope of getting accelerated tax amortization, but you seem to have killed that hope. Others may have been holding back on the hope of a general overhauling and liberalizing of the depreciation structure. Do you think that hope is groundless?

Secretary HUMPHREY. No; I don't. I think that you are continually reviewing the life factors, and things of that kind, in depreciation. I do not think there is a great big change coming in depreciation.

Question. Nothing that would warrant them holding off a necessary project?

Secretary HUMPHREY. No; I wouldn't think so. I think that, if you take the total dollars of depreciation that we collect and divide it by the total amount of capital investment in the country, you would come out with something in the order of 17 years—now, there is nothing scientific about that, but it gives you an idea that you are depreciating your total investment in the area of somewhere near 17 years under present rates. Readjustments might reduce that to 16 or 15½ or might put it up to 19, or something like that, as you move along, but there isn't anything that should encourage anybody to wait for some special windfall.

Question. Mr. Secretary, for several years—that is back on the depletion privilege—you said you had been studying whether this 27 percent was right, and then today you said you don't know whether this is the right level, but you think it works out about right.

Secretary HUMPHREY. That is right.

Question. Could you spell that out?

Secretary HUMPHREY. All I am saying is that I don't think anybody in the world can tell you whether 27½ or 27⅝ or 27 and some other fraction is exactly right. These have to be approximations to obtain a certain objective. If you have a figure which works out to about a proper objective, that is about as close as you can come.

The same thing is true with depreciation. You estimate the life of equipment at about so long, and you do it the best you can. You keep revising that. If the equipment changes more rapidly, why, you cut it down. If it is too long, you raise it up.

Question. On this point the Congress will ask your ideas this year, I think. Maybe there are a couple of questions in your shop now.

Secretary HUMPHREY. My answer would be the same I gave you.

Question. To stick to 27½?

Secretary HUMPHREY. I gave you the best answer I have. I think in practice this has worked pretty well.

Question. In the increased spending in this budget, can you make any estimate as to how much is inflation and include in that inflation the increase in interest rate?

Secretary HUMPHREY. Well, that is pretty hard. You mean inflation for how long a period? In the last 4 years?

Question. Well, all right, take the last 4 years.

Secretary HUMPHREY. In the last 4 years the general change in the price level has been comparatively little. Even up to this minute, it is only 2 to 3 percent. So I would think that up to date comparatively little is due to depreciation of the dollar. It has to be that. If the dollar has only, over the 4 years—the depreciation of the dollar is measured in your price levels of various commodities—and if all balanced out, it has only moved a cent or 2 or 3 or in that area, it couldn't be anything different than that.

Question. You don't regard the increase in interest rate as an inflationary factor?

Secretary HUMPHREY. Yes, I do, but the increase in interest rate is relatively small. You are getting into small percentages. It is a lot of dollars, but a very small percentage you are talking about.

Question. Mr. Secretary, at this time last year, when corporate profits were clearly rising, you estimated for budget purposes that they would remain level throughout 1956. Now, when the last figures we have, the third-quarter figures, on corporate profits, show a decline, you are estimating that they are going to go up in the coming year. Why?

Secretary HUMPHREY. We estimated about the same both years, and we hit them pretty close as far as the corporate profits are concerned. Our corporate profit estimates have been very close right along. The estimates that have been off, the estimates that we have missed, have been the individual incomes.

Question. You missed it by 3 billion last year.

Secretary HUMPHREY. The individual people made a lot more money than we had estimated.

Question. You missed it by 3 billion. Do you call that close?

Secretary HUMPHREY. Not corporate. I just got through explaining—I guess you were writing. The big difference was in the individuals, not the corporate.

Question. Will the Eisenhower administration put more pressure on Congress to eliminate the Post Office deficit than they have in the past?

Secretary HUMPHREY. They are going to put all they can. I hope it is more.

Question. Could you tell us what is contemplated in that legislation—5 cents for first class——

Secretary HUMPHREY. The detail of it, I can't. The objective is to make the Post Office a pay-as-you-go.

Question. They didn't put much pressure on last time.

Secretary HUMPHREY. They thought they did. They worked awfully hard at it. I don't believe I would tell Art Summerfield that.

Question. You have to have someone more than Summerfield to do it.

Secretary HUMPHREY. No; I think the whole administration feels that—and very definitely—the Post Office is a service department which ought to pay its way, and that the general public shouldn't pay for subsidies in a hidden way.

Question. Is it high administration policy to put the pressure on?

Secretary HUMPHREY. It is.

Question. Mr. Secretary, I was going to ask you, you mentioned individual tax cuts in all caps next year, but next year also the corporation thing will again come around, and it is being presumably renewed this year. Does that mean you favor renewing it again next year, or what about the corporation tax?

Secretary HUMPHREY. That all depends, as I say, on the amount that might be available for a tax cut. I personally feel that for the next tax cut, the first emphasis is for the individual. If you can have enough for a general revision, that is fine if you can also have an individual cut. Otherwise I would be opposed to a corporate tax cut. Somebody asked me here a minute ago if I was in favor of the corporate tax cut that has been proposed for this year for small business. I am opposed to it for a number of reasons not worth going into now. But one is that I think the next emphasis is on the individual.

Question. Mr. Secretary, a few minutes ago you were asked a few questions about your own reactions to taxes and budget policy in the event that we faced a depression.

Secretary HUMPHREY. Let me interrupt to make perfectly plain that on small business, I am not opposed to help for small business, but I am opposed to that particular proposal this particular year.

Question. What other ones would you be for this particular year?

Secretary HUMPHREY. I am opposed to any reduction for anybody in a way that substantially reduces our revenues.

Question. What is a substantial reduction?

Secretary HUMPHREY. Anything that is going to deplete our revenues much. You can see we are on very narrow ground here.

Question. A billion?

Secretary HUMPHREY. No. I am talking about small amounts. We are on very narrow ground to make a balanced budget here. I don't think we ought to give tax cuts to anybody until we are paying as we go.

Question. Fifty million, is that too much?

Secretary HUMPHREY. If you had a half dozen things—I will object to 50 million each. I will object to anything that costs much, but if the Congress passes 50 million, I won't go out and cut my throat. If it is 51 million, I might.

Question. What do you think it would cost you to enact the recommendation for small business corporate tax relief?

Secretary HUMPHREY. Do you mean the whole program?

Question. No, just that one corporate income tax rate.

Secretary HUMPHREY. Dan, what is that?

Mr. SMITH. Four hundred forty million for that one, alone.

Secretary HUMPHREY. Between four and five hundred million for that one.

Question. On page M-9, the President says—

"Some relief in the tax burden affecting small business as recommended by that committee", that is the Cabinet Committee, "which would give help with a minimum loss of revenue should have early consideration by the Congress."

Which of those recommendations give help to small business with a minimum loss of revenue, and therefore could be approved by the Treasury?

Secretary HUMPHREY. There is one recommendation that costs very little. There is another that costs twenty million and another that costs thirty or forty.

If the Congress is going to adopt one and only one tax cut for anybody, and they pick out a twenty or thirty million-dollar item, I can say for these proposals that the committee has given them very good and careful consideration, that they are good proposals, and that they are worthy of consideration and worthy of help, and if they are only going to give one of twenty or thirty million dollars or something of that kind, I would be glad to see them have some one of these.

That is about the net of it. I want to say this: I think we all want, and you all want, to think as citizens. Now, what goes on is this: Our tax laws are so very high, the amounts that we take from everybody are so very high, that there is hardly anybody in this country or any group of this country that cannot come down here and show that they are hurt by the taxes they pay. It hurts almost everybody in this country and almost any group can come in and make an awfully good case for tax relief. What has been going on, and it still goes on, is this, and it is perfectly natural that it should.

Groups come down here and make a showing that they are badly hurt by these taxes and they ask for tax relief and, if that group is sufficiently powerful and has a sufficiently powerful backing and makes a sufficient effort, the Congress has given them some consideration. From a little tax law this thick, we have one that is as thick as this, because all sorts of gadgets and relief of various kinds have been granted to various sets of people instead of having overall relief granted.

Of course, there are a few strictly unfair things that creep into the law occasionally that need to be straightened out, but if we can stop making all these little adjustments all around, except the very unfair ones, and save our money until we can make a reduction all down the line, everybody gets the benefit of that, and the pressure on everybody is taken off. And I believe that instead of this group and this group and this group, each one being favored here and there all over the place, what we need in America is to have this whole tax structure come down, and when our whole tax structure comes down, everybody will be better off, and the necessity for meeting these demands of these little groups will be largely reduced because it is the height of our rates that causes the trouble.

If you take the opposite side of that and if you go on just giving little groups here and there and everywhere special consideration and bringing them down, the first thing you know, you are going to have to raise the rates on the poor fellows who are left, and they are going to have to pay higher rates, because we have to have so many dollars to run the business with.

Every time you give a special group some relief, you are just putting that much burden on everybody else, and I think it is high time we quit burdening everybody else for special people and we should try to get everybody down all at one time.

Question. Mr. Secretary, I believe you said a few moments ago that you would not be in favor of cutting taxes or increasing Government expenditures as an antidote to a depression.

Secretary HUMPHREY. I don't say that as a categorical thing. I said cutting taxes out of deficit.

Question. Yes. Well, I have two questions to ask about that general policy.

First, isn't that attitude in general disagreement with what has been the expression of Presidential policy, as indicated in the economic reports over the years; and, secondly, what would you do to counter a depression?

Secretary HUMPHREY. In the first place, I think that it is at variance with a lot of economic writing that there has been in the past, a lot of the economists having advocated that. I just personally do not believe in it. I think that a depression is brought about by imbalances that come in, some sort of imbalances that come into your economy. I think the thing to do to avoid a depression is to try to correct those imbalances and take some measures, some basic measures, and, as you get your imbalances corrected, if you are on a sound base, then people begin to take courage, people begin to get confidence, and it is the confidence of the people that moves the thing ahead.

Question. What is the role of the Federal Government in trying to redress those imbalances?

Secretary HUMPHREY. To try, as rapidly as possible, to assist in getting those imbalances brought back into balance, and then to try to resist all sorts of novel ideas and to try to get down to a sound economic base, and by being on a sound economic base, give courage to people to go ahead. After all, it is the people going ahead that does the job.

Question. Just how do you do it, sir?

Secretary HUMPHREY. It all depends on what is the matter.

Question. Would you let them starve?

Secretary HUMPHREY. No, I wouldn't let them starve; no, sir. Or sell apples on the corner.

Question. Suppose there was a decline, a considerable decline in plant and equipment expenditures of corporations, would you not advocate a speed-up, let us say, in Government expenditures on construction, in order to countervail that?

Secretary HUMPHREY. I don't think so, Joe; no. Of course, you would have to know where it was and why it was, and all that. I think you just can't sit and speculate without knowing all the conditions. That doesn't get you very far. I will put it this way; we didn't do it the last time, did we? Pressure was brought on us to do it. We didn't do it, and it worked.

Question. Even President Truman didn't do it in 1948.

Secretary HUMPHREY. We didn't cut taxes until we got ready for a balanced budget, until we saw it in hand, and it came true.

Question. The President has repeatedly claimed that the automatic reduction in individual income taxes and the elimination of excess profit taxes helped offset the 1954 depression by adding to purchasing power.

Secretary HUMPHREY. The excess profits tax went out long before that.

Question. It went out automatically after the Eisenhower administration came into office?

Secretary HUMPHREY. It went out 6 months later. The other went out a year and a half or 2 years later.

Question. There was a simultaneous reduction. The excess profits tax lapsed, and then the other came through.

Secretary HUMPHREY. That is right. That was when our expenditures had been reduced by more than enough to pay for the tax. We were on the way then and before we failed to collect the money from the people, we had the money in hand.

Question. The deficit increased the next year.

Secretary HUMPHREY. The reduction in tax became effective later.

Question. Eighteen months later. It increased in 1955.

Secretary HUMPHREY. As we went along and our spending decreased, we decreased our collection of money.

Question. Mr. Secretary, Senator RUSSELL said yesterday he would not consent to grants for Middle East economic aid. Would you consent to an economic program in the Middle East that created a deficit?

Secretary HUMPHREY. That is a very difficult and hypothetical question. I myself, Miss Craig, really do not know. Our whole program, as you know, is under consideration by Members of Congress, and the committees, and all I think I am going to say is that I am going to be extremely interested to see what the recommendations are and how they work out. There are a good many things that we have done in the past that I personally do not approve of and that I hope will be terminated.

On the other hand, I would certainly not urge the complete elimination of any activity of that kind.

Question. Mr. Secretary, isn't nearly all the talk here today about cutting spending and cutting taxes largely academic, as long as the world situation remains what it is?

Looking at this budget, I find that the lion's share of the increased expenditures, $2.6 billion of it, is for mutual security and defense. Is there any hope anywhere in the world situation that you can do any cutting in defense spending in the next few years?

Secretary HUMPHREY. I think there is; yes. I do. I think there is some hope you can reduce expenditures all along the line. I would certainly deplore the day that we thought we couldn't ever reduce expenditures of this terrific amount, the terrific tax take we are taking out of this country. If we don't over a long period of time, I will predict that you will have a depression that will curl your hair, because we are just taking too much money out of this economy that we need to make the jobs that you have to have as time goes on.

Question. Could we have the stenotypist read that back to us? That is a good quote.

Question. The President says he will make recommendations on the waiver clause in the British loan. Are you in favor of postponement as against cancellation of the interest payment due on December 31?

Secretary HUMPHREY. I am in favor of an adjustment in that document that will carry out the spirit of the document. I would feel just as I would if I had any business arrangement with anybody, that conditions had changed so that some of the wording was no longer applicable. The spirit is perfectly plain that some relief should be available.

I think the spirit of that should be carried out, even though the language itself is complicated now by change in conditions, and I think we ought to revise that language to carry out the spirit of it and work out some proper kind of an adjustment that will give some relief.

Question. Would the spirit include paying the interest some day, if not now, rather than canceling it?

Secretary HUMPHREY. There are a lot of ways to work it out, and we haven't come to an agreement as to how it should be done. The general spirit of it should be carried out.

Question. Which do you favor, a postponement or a cancellation?

Secretary HUMPHREY. We have not reached a conclusion.

Question. Are you in favor of canceling some of the lend-lease silver obligations of India or Pakistan or other countries?

Secretary HUMPHREY. Why would you want to cancel them?

Question. I wouldn't want to. Maybe they would.

Secretary HUMPHREY. I go along with you.

Question. Thank you, Mr. Secretary.

(Whereupon, at 12:35 o'clock p. m., the press conference was concluded.)

THE HUNGARIAN REVOLT—ARTICLES BY CLAIBORNE PELL

Mr. HUMPHREY. Mr. President, Mr. Claiborne Pell, the Washington chairman of the International Rescue Committee, has recently returned from a trip to Austria, where he watched the Hungarian relief operation. He has written two interesting articles for the Providence Journal, of Providence, R. I.; and I ask unanimous consent that the articles be printed at this point in the RECORD, as a part of my remarks.

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

[From the Providence (R. I.) Journal, of November 28, 1956]

HUNGARIANS FLEE FROM SIBERIA PERIL

(By Claiborne Pell)

VIENNA.—The Hungarians continue to stream across the Austrian border in an unending torrent of humanity. Already thousands have crossed and the rate is increasing. A fair estimate is that well nigh 100,000 will have come into already overcrowded Austria by the end of this month.

These refugees travel light. The most luggage that any of them has is a satchel or a brief case. I spent from 1 to 4 in the morning and the same hours in the afternoon at the Einser Canal on the Hungarian border 5 miles beyond Andau and found that the pattern did not differ between morning and night. Only at night the temperature dropped to 4° F. There was no hut or other warmth at this border except for an open bonfire that was continuously fed with beet stalks.

The refugees came in steady groups of anywhere from 2 to 20 and from 5 to 10 minutes apart.

At another crossing I was at, a half-mile walk through Hungarian territory, the Hungarian border guards were helpful to their fellow Hungarians. After frisking the refugees for arms, the guards would shake their hands and wave them on. Occasionally, one of the guards would fire his tommygun into the swamp in order to make a noise and show his superiors that he was carrying out orders and attempting to stop the flood of refugees. At other border points, however, the going was much tougher. As the Russian troops moved across the Hungarian plain and came closer, the shooting became more serious and reports came in of refugees being wounded or killed.

The fleeing Hungarians are one vast cross-section of their country. While the majority are young workers, either skilled or unskilled, there are older people, professors, and journalists. There are also many youngsters in our country would be called children. The almost universal reason for fleeing is the fear of deportation to Siberia. Some mothers had told their children to leave while they could, even though the mothers remained behind.

One particularly sad scene was when a father and two boys arrived at the border. After they had been searched by the guards, the younger boy, a handsome blond about 14 years old, hesitated. He did not want to cross and leave his mother behind in Budapest. The father and older brother urged him to come. After a quarter of an hour, with tears streaming down his face, the youngster crossed the border.

Since ours were the first free world faces seen by the refugees, some refugees would shake our hands and greet us with great emotion. Others appeared as nonchalant as if they had been strolling down a Budapest boulevard.

The Austrians are pitching in and doing a magnificent job. However, their task is overwhelming and it is proving difficult to provide transportation for refugees from the border to the first reception points. The Red Cross, various private organizations such as the International Rescue Committee, and Caritas, and just warmhearted individuals are going to the actual border with hot coffee and tea and helping the particularly weak who can't make it to the receiving station.

One man's heart gave out two hundred yards from the bonfire. He was helped to the friendly fire and soon revived.

Toward the end of our early morning vigil, four men and a woman came along carrying a blanket by its corners. In the blanket was a fat, rosy 2-year-old baby boy. I later went with the baby and his mother to Andau. The mother said that the preceding day all the freedom fighters in an apartment house next door to her in Budapest had been taken away by the Russians, presumably to be deported. The janitor, who had at first refused to admit the Russians, had been taken away, too. He returned, an incoherent, gibbering wreck, the next morning. The sight of this janitor convinced the mother and her husband that they should flee since he had been active in a workers' council during the short-lived Nagy regime. The mother, father, and child had hitchhiked a ride to near the border, found a reliable guide and had walked 12 miles across by the time we saw them.

This woman made various statements which were confirmed by our conversations with other refugees. She said the work stoppage continued. People were being deported to Russia in droves. The Hungarian uprising had been spontaneous, without organization and without leadership. It had sprung from the mass of the Hungarians themselves.

One sad youngster appeared and said a companion had had a cramp in the swamp some three-quarters of an hour earlier. The young man warmed himself, went back into "no man's land," couldn't find his friend, and returned.

In Andau, itself, the refugees are placed in a big barn, strewn with clean hay and given a hot meal and chocolate. The barn is so full there is no place for a person to lie stretched out. Men, women, and children slept or dozed or vacantly stared, all curled up on one another. The cheerful lighting and colored paper streamers contrasted with the blank, sad faces of the refugees. By this time the reaction had started to set in as they contemplated their future. In the whole room of several hundred people, not one smiled or looked happy. And this is particularly striking since Hungarians are by nature lighthearted and gay.

However, by the time the refugees got to Andau, the worst was over for them, as regular buses were provided by the Austrian Government to take them to Eisenstadt, the main receiving camp. From there, the Hungarians are distributed to various other camps in Austria, and a lucky few are taken straight to one of the European countries that have offered them refuge.

[From the Providence (R. I.) Journal]

FREE WORLD SHOULD HAVE PLAN OF ACTION TO ASSIST ANTI-REDS

(By Claiborne Pell)

PARIS.—The surprising thing about the anti-Soviet and anti-Communist revolution in Hungary is that it was launched by young people and workers. Classically, these are the very two groups who have always fought the hardest for the Communist cause in past revolutions.

And afterward, the young people and workers have been thought the bulwarks of Communist society. To have these two groups not only abjure the Communist philosophy, but do so violently and at infinite sacrifice has rocked the Communist ship of state as it has never yet been rocked.

There are two main conclusions we can draw from the Hungarian revolution and the Soviet lack of success in crushing it. First, human beings find the Communist system unnatural and distasteful and will do what they can to get rid of it. Secondly, the Soviet apparatus and military force is much weaker than the West had suspected.

The prime political weakness of communism is that it is a way of life that runs against human nature and human progress. The desire of the individual for privacy, for freedom in work and leisure, and for the possibility of acquiring, increasing, and passing on worldly possessions are basic human drives. When a regime runs counter to these drives, it is running against human nature. It is, in fact, coiling its own spring of resistance.

KREMLIN EASED TENSION

Since Hungary is a country where the original standards had been relatively high and where the Communists had compressed the spring with immense speed and brutality, its tension increased equally. The Kremlin recognized the long-term impossibility of maintaining the spring's pressure and of maintaining Stalin's harsh policies. Moscow shifted toward a lighter but, it was hoped, a more permanent relationship with its Soviet and satellite subjects.

However, the released spring started to expand. First, in Poland there were the Posnan outbursts and the emergence of nationalistic Gomulka. Then, perhaps taking heart from Poland, perhaps because the Communist boot had pressed so hard, the spring burst in Hungary with wild force.

Hungary's violence of reaction and her withdrawal from the Warsaw Pact made Soviet counteraction inevitable. Any major nation, particularly such an utterly ruthless one as the Soviet Union, will do what it can to prevent the emergence of a hostile power on its border.

Undaunted, the Hungarians resisted and fought in subfreezing weather and in hunger. The hospitals of Budapest lack windows, many sections are in rubble. When the going got too unbearable or fear too strong, individual Hungarians fled rather than surrender.

DEFIANCE OF SERFDOM

I stood for hours on the Hungarian border, watching them stream across, watching what appeared the first step toward national suicide rather than the acceptance of serfdom. More than 1 percent of the Hungarians have already taken this choice. And these people are of all sorts. Since mine was the first Western World face that many of these refugees encountered on their flight, they would often seize my hand and shake it. I marveled at the diversity of hands I shook. There were those of manual workers and clerks, of young people and farmers. And scarcely a hand had a glove, although the temperature was as low as 4° Fahrenheit.

Meanwhile, the free world watches Hungary in her agony and regrets that, except for refugee relief through such organizations as the Red Cross, the International Rescue Committee, and other private agencies, there is little it can do to help.

The free world's only comfort in watching the Hungarian revolution is that it is also watching the clearest exposition yet of the fundamental weakness of the Communist apparatus. Moreover, we are also watching the first major sign of the inevitable destruction of the Soviet Empire from within.

This view is well expressed by George Kennan who recently said of the violent events in Eastern Europe: "* * * certain moral principles really must be observed in the long run in the successful government of great peoples. These events prove that if these principles are consistently violated over a long period of time, this violation avenges itself. It inevitably produces trouble and disorder and even greater violence and bloodshed and tragedy. The Soviet Government has ignored these principles, has denied these principles for a very long time indeed; and they are getting the results of that in Eastern Europe today."

CAUGHT IN VISE

The Soviets are caught in their impossible vise. The events in Poland and Hungary have taught them that their structure has very shaky foundations indeed and that a different type of structure must be built if it is to last. And yet the Soviets dare not lighten up for fear of repetitions of outbursts of wrath from indignant, downtrodden satellite peoples. The results of this dilemma may be perceived in the Soviet Union itself where there have been upheavals in Moscow University itself and a general increase in restlessness.

Eventually, these tensions and events will produce a fundamental policy change in the Soviet Union, perhaps accompanied by violence, perhaps not. If this change is back to Stalinism, the ground will be laid for more fiery outbursts and the eventual violent destruction of the Soviet Union from within. And, if the change is toward a milder course, away from Stalinism, then there will be an increase in the tempo with which the bonds of the Soviet and satellite peoples are snapped and a change in the very character of the Soviet system itself. This process will inevitably take some years and will be accompanied by many shifts of the pendulum.

In the meantime, we in the West should not think that Hungary's agony is in vain. Not at all. The weakness of the Soviet philosophy and apparatus is being nakedly exposed to the whole world. Moreover, the Soviets have been placed in a most embarrassing position. The coiled spring of resistance, once sprung, will never again be as secure as it was. On the other hand, the Soviets cannot release the pressure for fear they will have a hostile neighbor on their border.

The free world can only comport itself with skill and compassion. If we react with atomic violence, world war III is upon us. Even if we react with direct conventional armaments, if we send in American troops and tanks, we will produce hardening of the Kremlin's position and a return to Stalinism. Our only wise course is to help the victims as much as we can and, perhaps, to make arms available through nonofficial channels to Freedom Fighters.

SHOULD DEVISE POLICY

Moreover, we ought to draw from the Hungarian experience in order to prepare a crash policy position. Then when another East Berlin affair, another Posnan or another Hungary occurs, as it most certainly will, we will be set to take decisive steps immediately. This crash program would include recognition right away of the insurgent regime and the flying in of as many high level and low level United Nations and Western officials as possible so that the whole world may be adequately informed of developments.

Another time too, we should be careful that the inference not be let abroad in Eastern Europe via Radio Free Europe that, in case of insurrection, American armed aid will soon arrive, while at the time the administration specifically informs the Soviet Union that the United States will not use those measures that include force. Rather, we should make sure that the Eastern Europeans realize that their struggle for independence must be waged by themselves, while letting the Soviets guess a bit and not specifically tie our hands in advance.

RELATIONSHIP OF WAGES, PROFITS, AND PRICES

Mr. HUMPHREY. Mr. President, for some time various voices have been raised asking for a congressional investigation into the relationship of wages, profits, and prices in the present economy. Such an investigation would seek the root causes of the creeping inflation which has plagued American consumers for the past three years, and which now seems to be increasing at an accelerated pace.

Mr. Walter Reuther, president of the International Union, UAW, wrote to President Eisenhower on November 28, following some remarks made by the President in his press conference on November 14, which implied that wage increases were responsible for advancing prices.

I ask unanimous consent that the text of Mr. Reuther's letter be printed in the RECORD at this point in my remarks.

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

NOVEMBER 28, 1956.

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

DEAR MR. PRESIDENT: At your press conference held on November 14 you discussed the danger of inflation. Since that date, the October Consumer Price Index has been published showing a further increase to a new alltime high. Prices of new automobiles played a major part in this latest rise of the Index.

As you doubtless know, the dangers of inflation and the inflationary price practices of the leading automobile corporations have been matters of deepest concern to the UAW throughout the entire postwar period. The concern of the UAW for the interest of American consumers has been more than academic and has been demonstrated in a very tangible and practical manner. In 1945–46, a quarter of a million UAW members struck against the giant General Motors Corporation for 113 days in an effort to win "wage increases without price increases." They struck, in other words, not only to win their just wage demands but to prevent the fulfillment of those demands from being used as an excuse for completely unjustifiable price increases.

The UAW's continuous effort at the bargaining table has been to achieve greater purchasing power to balance expanding productive power. We have insisted that wage increases be paid out of the greater productivity made possible through advancing technology rather than out of higher prices to consumers.

Higher wages, followed by higher prices, merely rob Peter to pay Paul and do not contribute toward the achievement of the dynamic balance between increasing production and increasing consumption which is essential to the achievement of a full production, full employment, peacetime economy. Unfortunately, the growing imbalance in our economy during the postwar period has, in a large measure, resulted from the fact that profits of America's giant corporations have reflected a disproportionately large share of the fruits of advancing technology and greater productivity and that American wage earners and American consumers have not received their rightful share of the greater productivity of the American economy.

The UAW members who struck in 1945–46 were just as strong in their desire to protect consumers and the Nation against inflation as they were firm in their determination to win a fuller measure of economic justice from General Motors. This they proved when they offered to reduce their wage demand to whatever amount—zero, if need

be—that could be paid without necessitating an increase in prices charged the consumer for General Motors' products.

During the period of this strike, America faced the grave threat of inflation caused by pent-up wartime demand and inadequate supplies of goods whose production had been suspended during the long years of the war. UAW members and their families endured many months of hardship and sacrifice in a gallant effort to protect the Nation, and to arouse consumers generally to protect themselves, against the inflationary flood that shortly afterward burst upon us when the price control dikes were destroyed by a congressional majority misled by spokesmen for big business who promised that there would be no inflation if price controls were removed.

Ever since then, before, during, and after the fighting in Korea, the UAW has continued in the forefront of the fight against inflation.

The record will show that, starting in 1947, we proposed aggressive steps to end the policy of planned scarcity in the steel industry that threatened spiral-inflation throughout the economy. In 1947, and again in 1948, we directed public attention to unjustifiable price increases by the auto manufacturing corporations. In 1950, immediately following the Korean outbreak, we called for the quick imposition of anti-inflationary controls. Later in the same year, we issued a detailed analysis proving conclusively that the price increases then contemplated or put into effect by the auto corporations, the steel industry, and other basic industries were unnecessary, unreasonable, and unjustifiable.

Again last year, when the auto and steel industries once more raised their prices, we published data showing that these price boosts were without justification and we called for a congressional investigation of the entire wage-price-profit relationship in these and other industries. It was our hope that such an investigation, by enabling the public to fix the responsibility for profiteering price increases where it properly belongs, would deter similar irresponsible corporate greed and price gouging in the future.

At one point, in September 1955 to be specific, we tried to enlist the support of Secretary of Agriculture Benson for such a congressional investigation. This effort failed. Mr. Benson apparently preferred to sow division among the American people by blaming workers for the high prices charged farmers, rather than to seek the facts which would reveal where the real fault lay.

Now, once more, prices are moving upward with a rapidity that is all the more alarming because the rise is occurring at a time when the Nation is not involved in hostilities. So far this year, the Consumer Price Index has four times established new alltime record-breaking highs, each one exceeding the last.

Only a few months ago, the steel industry, although already enjoying record-breaking profits, raised its prices once again. The auto manufacturers followed when their new 1957 models were introduced. Almost daily, the newspapers and trade publications carry reports of price increases in other industries, and the steel industry now threatens to accelerate the inflationary spiral by hiking its prices further.

More than a million wage earners and their families enjoy the safeguards of UAW collective-bargaining agreements containing cost-of-living escalator clauses which protect their current wages against the erosion of inflation. At the beginning of September, UAW members covered by such collective-bargaining agreements received a 4-cents-per-hour cost-of-living wage adjustment, and beginning with the first pay period in December, they will receive an additional 2-cents-per-hour cost-of-living adjustment.

However, despite the protection that UAW members enjoy, we are concerned with the economic well-being of millions and millions of American families who do not enjoy such protection against inflation. I need not tell you what hardships these price increases bring to families living on fixed incomes—pensioners, unemployed workers drawing benefits that were pitifully inadequate even before the price increases, salaried workers and wage earners without the protection of collective bargaining, Government employees, and many others. Nor do I need to spell out in detail the plight of farmers who pay ever higher prices for what they buy, while the prices they obtain for their own products continue to decline; or of small retailers and manufacturers who are unable to pass on the higher prices charged by the big corporations which supply them. Neither is there any need to describe the devastation wrought on the buying power of the life savings of millions of American families—savings accumulated to pay for the education of children; to meet the hazards of illness, disability, or unemployment; and to buy security and dignity in old age.

Current and threatened price increases that are having and that will have such far-reaching and serious consequences for the general welfare must arouse not only the concern of all of us, but a national determination to check them.

On November 14, you expressed your own belief that they must be checked. But, Mr. President, do you not agree that it will not be possible effectively to check the forces of inflation until we first determine conclusively the real causes and fix the responsibility for price increases? To objectively analyze the causes and fix the responsibility, it is necessary to approach the matter with an open mind and to avoid prejudgment before all the facts are before us.

Unfortunately, and I am sure unintentionally, the example you used in your press conference of November 14 left the impression that wage increases are the cause of our current inflation. For example, the New York Times, in reporting your remarks, used the caption, "Mentions Labor Rises." We are of the firm belief that an objective analysis of all the economic factors relating to wages, prices, and profits will furnish irrefutable proof that wage increases definitely cannot be blamed for recent price increases by major corporations in basic industries such as auto and steel.

The domestic economic forces that make our inflationary threat both real and urgent are being further intensified by the serious developments in the world situation. Only prompt and decisive action on our part can check the growing inflationary forces before they snowball to even more serious proportions. As a practical and effective step to bringing about a better understanding of the underlying causes of inflation, I would like to urge that you use the great influence of your office to call for and support a searching congressional investigation into wage-price-profit relationships in the auto, steel and meat packing industries and other basic industries whose pricing policies exert such a decisive influence on the American economy. Our deep concern about the threat of inflation prompted us to ask for such a congressional investigation of the wage-price-profit relationship as early as July 1955. I am confident that your urging of such an investigation will encourage those congressional leaders who have already expressed an interest and desire to explore this problem, and will win additional support so that such an investigation can be gotten under way without further delay.

As an indication that such an investigation will yield meaningful information that would provide a basis for appropriate action, permit me to recite a few facts about price increases in the auto industry. I choose this industry, of course, because it happens to be the major industry organized by our union. But, as you know, information pertaining to the auto industry takes on particular significance at this time because prices charged for new car models were a major factor in boosting the Consumer Price Index to a new alltime high in October. (The October index, incidentally, does not fully reflect the impact of recent car price increase since certain of the new models were not yet on sale when prices were collected for that month's index.) The pricing policy of the auto industry has a broad impact upon the total American economy because the auto industry is the largest single consumer of steel, rubber, glass, textiles and electrical equipment, and directly and indirectly affects the employment opportunities of more Americans than any other industry.

When General Motors raised its prices in 1955, it used as an excuse the 20 cents per hour in economic gains won by UAW members. It ignored the fact that its profits, based on the first 9 months of 1955, were equal to $2.93 per hour for every hour worked by all factory workers in its United States plants. Its profits before taxes were running at an annual rate of 78.9 percent on its net worth—3.2 times the average for all United States manufacturing corporations during the same period. General Motors' profits, before the 1955 price increase, were 20.7 percent of sales, equivalent to $310 on a car wholesaling for $1,500 and retailing for $2,070.

Ford, whose workers won approximately the same economic gains as those of General Motors, raised prices in 1955, after reporting profits during the first 9 months of the year equal to 57.7 percent on net worth on an annual basis and to $3.06 per hour for every hour worked by its United States factory workers.

In the face of such profits it would be a gross distortion of the truth to say that economic concessions to their workers compelled these corporations, which account for 80 percent of total car production, to raise their prices.

From the time of last year's auto price increases to the introduction of the 1957 models, auto workers had received an average of slightly more than 10 cents per hour in wage increases. Of this amount, 4 cents reflected cost-of-living wage adjustments to restore the buying power that these workers and their families had previously lost to inflationary price increases affecting the things they buy. The remainder was compensation for increased productivity under the so-called "annual improvement factor" provisions of our collective bargaining agreements. This part of the total wage increase, by the industry's own admission, does not provide any basis or justification for a price increase. In fact, it is quite likely that the entire wage increase, including the cost-of-living adjustment, meant no cost increase whatsoever to the industry because of increased productivity resulting from automation and other technological changes. (The offset of the cost of wage increases by productivity advances is certainly a matter that should be given intensive study in the kind of congressional investigation for which we are asking your support.)

Nevertheless, General Motors and Ford, despite profits that were still exorbitant (although lower than last year because of reduced sales) raised prices on their new models by sizable amounts again this year, claiming or hinting, in accordance with what has now become standard operating procedure, that wage increases were responsible for their higher prices. These latest price increases were put into effect although the executives of both corporations have publicly predicted substantial increases in sales which, of course, would have the effect of raising profits much more than proportionately.

The price increases, however, will limit the size of the sales rise and thus make for continuance of unemployment for a significant number of auto workers. This is evident from the warning given the industry by the president of the National Automobile Dealers Association, who said that higher price tags "could mean the difference between a 6½ to 7 million car year or a 5½ to 6 million car year." This difference in sales would reflect itself in a difference of approximately 100,000 jobs in the auto industry.

These facts relating to the auto industry are cited purely for purposes of illustration. There is much more evidence to prove the complete lack of justification for price increases in this industry. In addition, other unions have published or compiled data which reveal similar profiteering by major corporations in their industries.

Yet the public is misled into believing that wage increases are to blame for high and rising prices.

So long as that belief remains unchallenged by public exposure of the actual facts, the guilty corporations will be able to continue their price gouging without hesitation or fear. In so doing, they will not only create widespread personal hardships of the kinds described above but they will also be introducing serious imbalances into our economy, tending to undermine its stability and to create serious economic dislocation. Through its irresponsible pricing policies, big business is usurping a growing and disproportionate share of the fruits of advancing technology, thereby siphoning off consumer purchasing power and narrowing the market for the products of farms and small business. At the same time, by undermining the consumer purchasing power base of the economy, industry destroys the outlets for profitable reinvestment of its extortionate profits. The serious end result of a continuation of this process is obvious. The inevitable economic dislocation which will ultimately result, unless action is taken in time to prevent it, will seriously undermine America's ability to supply the moral leadership and the material assistance needed to restore and firmly secure peace in a world teetering on the brink of a new holocaust.

The essential first step to check our current inflation before it reaches tragic proportions is to inform and arouse the public by making available all the relevant facts about recent and threatened price increases. Once that step has been taken, the processes of democracy can get to work in developing solutions to the problem of an inflationary spiral created, not by the blind forces of the market, but by unconscionable profiteering on the part of a relatively small number of gigantic corporations which use their positions at strategic economic crossroads to extort an inflationary toll from unprotected consumers.

We wholeheartedly share with you your desire to check inflation. Our members have proved by paying a high price in sacrifice and hardship their devotion to the cause of combating inflation. We believe that gives us the right to ask of you on their behalf that you use your good offices to call for a searching congressional investigation of wage-price-profit relations that, by revealing the true causes of our current inflation will make it possible for America as a nation to combat them promptly and effectively.

Mr. President, in this period of fear and uncertainty in the world—at a time when once again we are witnessing the brutality and the immorality of Communist tyranny in its latest effort to crush freedom in Hungary—the truth that America is the last best hope for preserving peace and freedom in the world is more appreciated than ever before. In this hour of crisis the American economy is freedom's greatest material asset. How effectively we mobilize our productive potential and how intelligently we distribute and share the fruits of our advancing technology will be a decisive factor in the struggle to make peace and freedom secure in the world. It is for these reasons that we cannot permit the forces of inflation to undermine our economic stability at home nor to weaken our ability to discharge our world responsibilities.

Ours is the challenge of maintaining a dynamic expanding balance between greater productive power and greater purchasing power so that the greater economic abundance, made possible by automation, the peaceful use of the atom and by our developing technology, can be reflected in higher living standards, increased material comforts, more leisure, and a greater opportunity for spiritual and cultural growth for all people.

Ours is the challenge of achieving the delicate economic balance within the framework of our free economy in which we encourage maximum voluntary economic decisions, with a minimum of governmental economic directives. To do this, all of the free economic groups in America who exercise the right of voluntary economic decisions must, of necessity, recognize that the degree of Government interference into our economic life will be determined in a large measure by the degree of social and moral responsibility and concern for the general welfare that free economic groups demonstrate in making their voluntary economic decisions. When free economic groups fail to carry out their basic social and moral responsibilities to the community as a whole, the vacuum created by such failure will inevitably be filled by greater Government intervention into the economic sphere and the area of voluntary economic decisions will be narrowed in like proportion.

The key to economic stability and growth is the achievement of a dynamic balance in the wage-price-profit equation. To insure that all three voluntary economic groups—workers, investors, consumers—and all three economic factors—wages, prices, and profits—are kept in proper relationship one to the other, we need to achieve the broadest possible understanding of the economic facts bearing upon this relationship. It is to get all of the basic economic facts before all of the American people that I sincerely urge that you call for a searching congressional investigation of the wage-price profit relationship. In a free society the moral persuasion of an enlightened public opinion can be a powerful force in fixing responsibility and encouraging voluntary discharge of such responsibility.

Mr. President, I sincerely urge your consideration of this proposal, and I hope that you will find it possible to give the matter your earliest attention, since action taken in time could succeed in blocking the threatened new increases in steel prices which would give new and further impetus to the already dangerous inflationary spiral.

Sincerest best wishes,

WALTER P. REUTHER,
President, International Union, UAW.

Mr. HUMPHREY. Mr. President, Msgr. George G. Higgins, director of the social action department of the National Catholic Welfare Council, wrote an article, which was distributed on December 17, 1956, supporting Mr. Reuther's proposal. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

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

THE YARDSTICK

(By Msgr. George G. Higgins)

CONGRESS SHOULD STUDY PAY, PRICES, PROFITS

Walter P. Reuther, president of the United Automobile Workers, recently addressed a lengthy letter to President Eisenhower urging him to support a searching congressional investigation into the relationship between wages and prices in the major industries of the United States. "Current and threatened price increases * * *," he wrote, "arouse not only the concern of all of us, but a national determination to check them." He asked the President whether he did not agree that to control the forces of inflation, we must first determine conclusively the real causes and fix the responsibility for unsettling price increases.

Reuther himself appears to be convinced that the pricing and profit policies of basic industry are primarily responsible for inflation. This may or may not be true. In any event, Reuther is willing and eager to have his own analysis of the problem tested for accuracy in a full-scale investigation.

A newspaper clipping summarizing Reuther's letter to the President was recently forwarded to our office by a scholarly priest who is one of the pioneers in the Catholic social action movement in the United States.

On the margins of the clipping he wrote the following questions "Isn't this (the relationship between wages, prices, and profits) going to be the ultimate socio-economic question? And what should we in the Catholic social action movement be saying and doing about it? Am I looking too far ahead—or am I too impatient?"

In our opinion, the answer to the last two questions is "No." Our correspondent is not looking too far ahead, nor is he too impatient. The problem is every bit as serious as he thinks it is.

The answer to his inquiry about the Catholic social action movement is that we ought to second Reuther's request for a full-scale congressional investigation into the wage-price-profit equation as the first step toward a rational solution to the problem of inflation. The sooner such an investigation can be held, the better.

On the basis of previous experience, we would expect this indorsement of Reuther's proposal to be criticized by some of our correspondents as a partisan prolabor recommendation. Actually there is nothing partisan about it at all. A congressional inquiry into the causes of inflation—if it is conducted fairly and objectively, as we would expect it to be—will serve the public interest and will benefit all of us across the board regardless of our occupations.

It will provide labor and management the information which they need to bring about what Pope Pius XI, in his encyclical, Quadragesimo Anno, refers to as "a right proportion" among wages, salaries, and prices. This right proportion, so necessary to the healthy functioning of our economic system, cannot be left to chance but must be consciously promoted by labor and management working together for the general welfare. It cannot be imposed from the outside by the Government. On the other hand, the Government may and should cooperate with labor and management by providing them the information they need to arrive at sound conclusions. A congressional inquiry into the causes of the present imbalance among wages, prices, and profits, would, in our opinion, be extremely helpful in this regard.

Incidentally, there is no reason to anticipate that such an investigation would play into the hands of the labor movement or that it would necessarily put the stamp of political approval on the current wage policy of the UAW and other bellwether unions in the United States. The purpose of the investigation would not be political at all. The important thing is to get the facts and to get them straight. Then, and only then, will it be possible for labor, management, and the general public to approach the problem of inflation objectively and to keep it from becoming a political football.

We are pleased to note, in conclusion, that A. H. Raskin of the New York Times—who

is one of the fairest and most knowledgeable labor reporters in the business and who is anything but a blind protagonist of Walter Reuther—has also come out in favor of a congressional investigation into the wage-price-profit equation.

It is to be hoped that those newspaper editors who have summarily dismissed Reuther's proposal as a partisan political stunt will take another look at it now that it has been vigorously supported and seconded by Mr. Raskin, who is a great credit to their own profession and cannot in fairness be accused of having a political ax to grind or of being an uncritical apologist for organized labor.

Mr. HUMPHREY. Mr. President, not only would unchecked inflation inflict serious economic hardship upon millions of America families, but it would also weaken American economy, which is freedom's greatest material asset in the world struggle to preserve peace and to meet the challenge of Communist tyranny.

I wish to take this opportunity to urge prompt consideration by the appropriate Senate committees of this proposed congressional investigation. The urgency is clear, and I hope that Congress will accept its responsibility to act.

AID TO SMALL BUSINESS

Mr. KUCHEL. Mr. President, the security of the people of the United States rests not alone on the strength of our defenses, but rests also, in very great part, upon a strong economy at home. All of us recognize this statement to be true. Economic disaster, brought on by an upward spiral of inflation which finally would break, and topple business and industry, would be as great a loss to our country as a defeat in battle.

Our Government, both the executive and legislative branches, achieved the encouraging and rather novel fiscal feat of balancing the Federal budget in 1956. It appears that the 1957 budget will be balanced as well. And the President stated, as he transmitted his budget message to us yesterday, that his budget proposals for 1958 continue a regime of living within our Federal income. Congress will now play its part in achieving this worthy goal.

So long as American business is sound, so long as it progresses, we may look forward hopefully to high employment and economic happiness in our country. The policies we lay down in the field of Federal taxation obviously have a relevant and highly important impact on American business. Indeed, the problem of high taxes which all business has been made continually to face represents, in my judgment, the most critically important question for American business and industry.

I speak today particularly with respect to the small-business man of America. I have been privileged to serve on the Senate Small Business Committee under the chairmanship of the able junior Senator from Alabama [Mr. SPARKMAN]. In the deliberations of the committee we have seen the growing hazards to the small-business man of our country.

I was gratified to read in the President's message yesterday his general endorsement of legislation designed to assist small business. I quote from the President's message:

> In the area of taxation, I am especially interested in the problems of small business. Last August the Cabinet Committee on Small Business made a series of carefully considered recommendations in this field. Some relief in the tax burden affecting small business, as recommended by that Committee, which will give help with a minimum loss of revenue should have early consideration by the Congress. Any changes involving substantial loss of revenue should be considered at a later time when a general tax reduction is possible.

Later in his budget message the President states:

> Of particular importance are recommendations to protect and foster the initiative of the small-business man. The Small Business Act should be extended. In order that small business may have better opportunity to secure adequate financing, issues of securities up to $500,000 should be exempted from the regular registration provisions of the Securities Act of 1933. Similarly, the Congress should enact legislation providing for notification to the Federal Government of proposed business mergers, and should amend the procedural provisions of the antitrust laws to facilitate their enforcement. Wage reporting for income tax and social security purposes should be consolidated and simplified. Other means of assisting small business will be discussed in the economic report.

I endorse and approve these statements by the President. They represent a growing possibility of our assisting independent small business, which continues to be the mainstay of our country's economy.

Against this background of Presidential recommendation, I am very glad to say that I have joined with the Senator from Alabama [Mr. SPARKMAN] in coauthoring several bills which I believe will assist the independent small-business man in our country, regardless of what, from a legal standpoint, his business status may be, corporate, partnership, or otherwise. In a word, these measures would: First, amend the Internal Revenue Code of 1954 to permit the payment of estate taxes in installments—S. 348; second, amend the Internal Revenue Code of 1954 to permit small corporations to elect to be taxed as partnerships—S. 349; third, amend the Internal Revenue Code of 1954 to permit the proprietor of an unincorporated business to be treated as an employee under a qualified pension, profit sharing, or stock bonus plan—S. 350; and, fourth, amend section 167 of the Internal Revenue Code of 1954 to extend the benefits of rapid depreciation to purchasers of used equipment—S. 351.

Basically, the problem of Federal taxation for the small-business man represents the area in which this Government can be of the most inestimable assistance. There is a continuing and serious threat to our free enterprise system implicit in Federal tax rates which take away 52 percent of all earnings above $25,000. Small business can hardly hope to expand through retained earnings when such retention, under the law, is relatively impossible. Even the larger business entities in our country are hampered in their efforts effectively to compete with the great business corporations.

I know of only one way to determine what amount of tax relief can be given. That is for the Senate and the Senate Finance Committee, and the House of Representatives and its committee as well, to hold hearings as early as possible on rate structure legislation designed to bring what the President calls some relief in the tax burden affecting small business in the United States.

Mr. President, I ask unanimous consent that two resolutions from independent organizations in California may be printed at this point in my remarks.

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

RESOLUTION OF THE INDEPENDENT REFINERS ASSOCIATION OF CALIFORNIA, INC.

Whereas the Independent Refiners Association of California, Inc., is an association of practically all the independent refiners in southern and central California; and

Whereas both Houses of the United States Congress have repeatedly recognized that it is vital to the general economic welfare of the United States and the capacity of the United States to maintain a virile national defense, that the small-business man continue to exist and prosper; and

Whereas this recognition by the United States Congress has been particularly effective in its passage of the Small Business Act and its adoption of legislation creating the Small Business Administration; and

Whereas the United States Senate, after the passage by the Congress of the Small Business Act, by resolution set up as a temporary committee of the United States Senate the Select Committee on Small Business, to investigate, observe, and determine whether or not the Small Business Act and the Small Business Administration were operating in a manner to strengthen and secure the position of small business in the national economy, all as intended and directed by the Congress; and

Whereas the Independent Refiners Association of California, Inc., has had repeated occasions to present problems to the select committee of the United States Senate, problems encountered by the small refiners in their effort to secure a fair share of petroleum procurement by the Defense Department through implementation of the Small Business Act and other applicable legislation; and

Whereas the Independent Refiners Association of California, Inc., on all such occasions aforementioned, has obtained the sympathetic, effective, and continuing assistance of the able staff of the said committee under the direction and as requested by the Committee's chairman, Senator JOHN J. SPARKMAN, and Senator THOMAS H. KUCHEL; and

Whereas the Independent Refiners Association of California, Inc., has concurrently, by resolution directed to the appropriate officials of the executive department of the United States Government, and the honorable committee members of both Houses of Congress concerned with such matters, recommended that the Small Business Act, which now has a fixed expiration date, be improved, strengthened, and made a permanent law of the United States, and that the Small Business Administration be made a permanent agency of the executive branch of the Government to administer such Small Business Act; and

Whereas in view of the experience of the membership as aforesaid, the Independent Refiners Association of California, Inc., believes that it will be of inestimable benefit to the country in general, and to their industry, their employees, and their customers in particular, that the Select Committee on Small Business of the United States Senate be made a permanent standing committee

of the United States Senate, and to permanently exercise the jurisdiction and responsibilities heretofore entrusted to it for and in behalf of the entire United States Senate: Now, therefore, be it

Resolved, That the members of the Independent Refiners Association of California, Inc., in meeting assembled, do unanimously petition the honorable Members of the United States Senate, upon the convening of the new Congress in January of 1957, that the august United States Senate take such action as may be necessary to make its Select Committee on Small Business a permanent standing committee of the United States Senate, with continuing jurisdiction and authority; and be it further

Resolved, That the president and the secretary of the Independent Refiners Association of California, Inc., be and they are hereby directed, in the name of the association, to forward copies of this resolution to Senators LYNDON JOHNSON and WILLIAM F. KNOWLAND, majority and minority leaders of the United States Senate; to Senator JOHN B. SPARKMAN, present chairman of the Select Committee on Small Business; and to the balance of the membership of said Select Committee on Small Business: Senators RUSSELL B. LONG, of Louisiana; HUBERT H. HUMPHREY, of Minnesota; GEORGE A. SMATHERS, of Florida; JOHN F. KENNEDY, of Massachusetts; JAMES O. EASTLAND, of Mississippi; WAYNE MORSE, of Oregon; EDWARD J. THYE, of Minnesota; LEVERETT SALTONSTALL, of Massachusetts; ANDREW F. SCHOEPPEL, of Kansas; BARRY GOLDWATER, of Arizona; and THOMAS H. KUCHEL, of California; and to the chairman of the Senate Rules Committee in the new Congress, and to the chairman of such other committee or committees of the United States Senate in the new Congress which may have before it the consideration of the subject matter of this resolution.

Dated at Los Angeles, Calif., this 23d day of October 1956.

GEORGE T. GOGGIN,
President.
MALCOLM MCDUFFIE,
Secretary-Treasurer.

RESOLUTION OF INDEPENDENT REFINERS ASSOCIATION OF CALIFORNIA, INC.

Whereas the Independent Refiners Association of California, Inc., is an association of practically all the independent refiners in southern and central California, all of whom have qualified with the Small Business Administration of the United States Government as being within the provisions of the Small Business Act passed by the Congress at the instance of President Eisenhower; and

Whereas it is vital to the general economic welfare of the United States, and the capacity of the United States to maintain a virile national defense, that the small-business man continue to exist and prosper; and

Whereas the economy of the United States and the independent businessman are vitally affected by capital and market influences in interstate commerce and by the procurement policies and practices of the United States Government; and

Whereas under the Small Business Act, and the agency set up thereunder to administer its provisions—the Small Business Administration—energetic and encouraging attention has been given to many of the dangers threatening the gradual extinction of the independent businessman and affirmative relief extended to the varied problems peculiar to the independent businessman; and

Whereas under its terms, the Small Business Act is scheduled to expire, and with it the Small Business Administration, in 1957, unless further affirmative legislation is adopted by the United States Congress; and

Whereas the members of the Independent Refiners Association of California, Inc., believe it to be in the best interests of the general and economic welfare of the entire country, as well as the entire membership of this association, that said Small Business Act be renewed, strengthened, and made permanent, and the Small Business Administration be made a permanent agency, and its ability to effectively assist the small-business man be extended and expanded: Now, therefore, be it

Resolved, That the members of the Independent Refiners Association of California, Inc., in meeting assembled, do unanimously petition the President of the United States and the Congress of the United States that, upon the convening of the new Congress in January of 1957, immediate legislation be sponsored, introduced, and speedily enacted into law, to renew, extend, expand, and make permanent the Small Business Act, and to provide for the continuation of the Small Business Administration as a permanent executive agency to carry out and implement such renewed, extended, expanded, and permanent small-business legislation; of our desire and willingness to actively support such legislation, by attendance at committee hearings thereon and/or otherwise; and be it further

Resolved, That the president and the secretary of the Independent Refiners Association of California, Inc., are directed, in the name of the association, to forward copies of this resolution to the President of the United States, to Senators WILLIAM F. KNOWLAND and THOMAS H. KUCHEL, of California, to the Members of the House of Representatives of the United States Congress from California, and to the chairman of the appropriate committee of the House and Senate which will have referred to it consideration of such legislation, and to the Honorable Wendell B. Barnes, Administrator of the Small Business Administration.

Dated at Los Angeles, Calif., this 23d day of October 1956.

GEORGE T. GOGGIN,
President.
MALCOLM MCDUFFIE,
Secretary-Treasurer.

ADDRESS BY SENATOR LANGER AT CONGRESS OF CLERGY AND LAITY AT GREEK ORTHODOX CHURCH OF NORTH AND SOUTH AMERICA

Mr. LANGER. I ask unanimous consent that the clerk may read a statement I have prepared concerning the Greek Orthodox Church.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the statement will be read as requested.

The Legislative Clerk read as follows:

Mr. LANGER. Mr. President, at this time I would like to have inserted into the CONGRESSIONAL RECORD certain remarks made by me at the Congress of Clergy and Laity of the Greek Orthodox Church of North and South America given on October the 2d, 1956, at Washington, D. C.

I was very happy to visit with His Eminence Archbishop Michael, primate of the Greek Orthodox Church of North and South America, and the distinguished bishops of seven dioceses of the Greek Orthodox Church, including many distinguished clergy and laymen of that religious faith, who have helped to make Greek orthodoxy in the United States one of the great religious faiths in this country. I was very much impressed, Mr. President, with the business being conducted at the conference, some of which was rendered in the Greek language as well as the English language. I met with some of the outstanding citizens of the United States at that conference. Hon. Thomas A. Pappas, of Boston, Mass.; Mr. Spyros Skouras, of New York City; Mr. Charles Kotsilibas Davis, of Worcester, Mass.; Mr. Spyros Ponty, of Los Angeles, Calif.; Mr. John L. Manta, Mr. Pierre DeMets, and Mr. Van A. Nomikos, of Chicago, Ill.; and other distinguished business leaders of the Greek Orthodox faith who were in attendance. Mr. President, I was very happy to be one of the principal speakers at the congress of the Greek Orthodox Church since the list of guests who appeared included the President of the United States, the Vice President of the United States, the Secretary of State, and the Honorable Adlai Stevenson.

It is most fitting in this great country of ours that the great religious faiths should hold annual and biannual conventions to discuss not only matters dealing with the religious life of their followers, but also outstanding national and local problems dealing with social, economical, and civic matters.

I ask unanimous consent that my remarks at the congress referred to be printed in full at this point in the RECORD.

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

REMARKS BY SENATOR LANGER AT THE CONGRESS OF CLERGY-LAITY OF THE GREEK ORTHODOX CHURCH AT WASHINGTON, D. C., OCTOBER 2, 1956

Your Eminence, Your Graces, and distinguished clergy and laymen of the Greek Orthodox Church of North and South America, it is a great privilege and a pleasure for me to appear with you this morning and speak to you on matters of great importance to your church, in which the Senate of the United States interested itself.

I could go into a discussion of the great role that your church has played in world religion, but these facts are so well known to you all that it would suffice to say that the Greek Orthodox faith is one of the great religions, comprising over 25 percent of the Christian peoples of the world.

SENATE CONSTITUTIONAL RIGHTS SUBCOMMITTEE

I understand that the first Greek Orthodox church in this country was established in New Orleans in 1864 and since that time some of the country's most beautiful edifices have been built by you.

The Constitution of the United States guarantees freedom of religion. The Constitutional Rights Subcommittee of the United States Senate, which is headed by Senator THOMAS C. HENNINGS, JR., Democrat, of Missouri, and of which Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, and I are members, conducted a survey among religious leaders of all faiths and denominations to determine if there are any violations in this country of this constitutional guaranty of religious freedom. The questionnaires received immediate public attention and many responses were returned to the subcommittee. However, the subcommittee determined that although we must be constantly on guard in protecting the rights and privileges of all religious faiths and denominations, there was no need for a public hearing on this matter. Of great interest to you in this respect is the fact that for years, perhaps in violation of the constitutional guaranty, the Greek Orthodox faith was not granted certain rights and privileges. I refer specifically to the

fact that no Orthodox chaplains were designated in the Armed Forces, nor were members of the Armed Forces permitted the choice of Orthodox-Christian designation on their identification tags. However, this matter has now been corrected by the introduction of several legislative bills into the Senate and the House, in which the efforts of both political parties were reflected. I wish to assure you that any complaint that you may have as to possible violation of the right of freedom of religion, our subcommittee would be most happy to receive.

SENATE REFUGEE SUBCOMMITTEE

I have had the privilege the past few years of being chairman of the Refugee Subcommittee of the United States Senate. I know of no people who are more concerned with the work that this subcommittee is doing than you since many Orthodox-Christians of Greek and other European ancestry are affected. Six significant Senate bills were introduced which would have continued the refugee law and increased the number of Greek and Italian refugees and orphaned children admitted into the United States. In this respect His Eminence Archbishop Michael was kind enough to submit a written statement and several prominent leaders of Orthodox and Greek-American groups appeared personally to support these bills.

I am sorry to say that although the bills passed the United States Senate, Congress adjourned before the House of Representatives could act on the measures. However, in the next Congress I assure you that these Senate bills will be reintroduced, since they will aid many oppressed peoples to whom the United States should open its hearts and its doors.

IMMIGRATION AND NATURALIZATION

The Senate Judiciary Committee, of which I am the ranking minority member, had before it several very fine immigration and naturalization bills which were not enacted into law because of the pressure of other legislative business. We of the Judiciary Committee from both parties realize that more liberal immigration and naturalization laws must be passed. Again, representatives of your church and Greek-American organizations appeared before the Judiciary Committee espousing the cause of a more liberal immigration and naturalization law, especially that part which will wipe away the restriction of immigrants because of national origin. I urge you, that in your deliberations you come up with a recommendation to the Congress of the United States asking for a more liberal immigration law which will aid not only those of the Orthodox-Christian faith but those of the other religious faiths also.

JUVENILE DELINQUENCY SUBCOMMITTEE

The United States Senate Subcommittee To Investigate Juvenile Delinquency, which is chairmaned by Senator ESTES KEFAUVER, of Tennessee, and of which I am a member, has done excellent work in trying to combat America's No. 1 social problem, that of juvenile delinquency. There is no group of people in the United States who are more concerned with the juvenile delinquency problem than the leaders of our churches and schools. Since your church operates parochial as well as day schools, you are doubly concerned with this problem. Speaking for the chairman as well as the other members of the subcommittee, we were gratified that your archbishop, your bishops, and your clergymen actively participated as expert witnesses in several of our hearings throughout the United States, making constructive suggestions as to the role of the church in combating juvenile delinquency. We have received reports from various agencies pointing out the low delinquency rate per capita among the Greek Orthodox children in this country. It has been stressed that the close family unit as well as the fine religious training that the Orthodox youth receive are highly responsible for this very low delinquency rate. I, therefore, urge you, that in each of your communities throughout the United States, you participate with other civic and religious community leaders in city and statewide programs to combat juvenile delinquency.

THE CYPRUS ISSUE

Perhaps one of the most emotional and stirring issues that confront you as Orthodox Christians and as Americans of Greek descent is the issue of self-determination for the island of Cyprus. It is most regrettable that three of America's great allies, England, Greece, and Turkey, have found themselves at odds on this issue. I wish to state to you categorically, as I have stated previously, that the United States of America was founded on the principle of anticolonization and the principle that all peoples should be free to determine how they should be ruled. This principle is embodied also in the Atlantic Charter and in the United Nations Charter. It was with this principle in mind that I joined with prominent Democratic and Republican Senators in cosponsoring Senate Resolution 229, introduced by Senator Lehman of New York, setting forth clearly that the principle of self-determination must be recognized for all peoples. I assure you that this resolution will be reconsidered at the next session of Congress.

There are so many other things that I would like to talk to you about today but they are very time consuming. I do want to tell you that I have been greatly impressed by the leaders of your church and by the clergy and the laymen who have taken such a great interest in issues which have come before the Congress of the United States and others that are before the State and city governments. The Greek Orthodox youths of America have within a period of 5 years emerged as an organization of national significance taking part in the religious, civic, and community activties. The strength and the prestige of your church has become noted year by year. On behalf of my colleagues in the Congress of the United States, I wish you the greatest possible success in your deliberations this week and hope that you will always be mindful of the many critical problems and conditions that demand attention by people such as you.

DEATH OF WALTER E. EDGE

Mr. MARTIN of Pennsylvania. Mr. President, a few days ago the distinguished Senator from New Jersey [Mr. SMITH] announced with deep regret the death, on October 29, of Walter E. Edge, a former Member of this body from the State of New Jersey.

At that time the Senator from New Jersey was joined by his distinguished colleague the junior Senator from New Jersey [Mr. CASE] in tribute to this great American statesman and patriot. I was not present on that occasion, but I desire to associate myself with the remarks which were made in praise of Walter Edge and of his outstanding record of service to his State and the Nation.

It was my happiy privilege to be closely associated with Senator Edge for many years. During World War II we served as governors of our respective States at the same time. During World War I he served a previous term as governor. He was a Member of the Senate from 1918 to 1929, and brought his distinguished career to a climax as Ambassador to France from 1929 to 1933.

His career in public life embraced a half century of brilliant achievement which should be an inspiration to every American.

To his widow and family I extend my deepest sympathy.

PANAMA CANAL: A CHALLENGING PROBLEM FOR THE UNITED STATES

Mr. MARTIN of Iowa. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an important paper on the Panama Canal, with some preliminary remarks by myself.

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

STATEMENT BY SENATOR MARTIN OF IOWA

Among the results of my correspondence about the Panama Canal in the last session of Congress was the bringing to light an unpublished manuscript prepared in 1954 by four distinguished engineers who participated in the construction of the Panama Canal.

One of its authors, Edward C. Sherman, was designer of the Gatun Spillway; another, E. Sydney Randolph, the designing and constructing engineer of the Madden Dam and power project and later principal engineer of the Panama Canal. The other two, William R. McCann and William G. B. Thompson, have outstanding records of achievement in engineering and industry.

In connection with their paper, which discusses the principal proposals for increasing capacity of the Panama Canal, the attention of the Congress is invited to my remarks to the Senate on June 21, 1956, quoting a declassified wartime report of Maj. Gen. Glen E. Edgerton on the elimination of the Pedro Miguel Locks of the Panama Canal. In that report General Edgerton, who was Governor of the Panama Canal when the well-conceived Terminal Lake-Third Locks proposal for its operational refinement was developed, approved it in principle. In discussing the "sea-level" proposal, he expressed the view that the main arguments for a canal at sea level are not the quality of its navigational features but the "relative vulnerability of the high-level-lock and sea-level types to enemy attack." He prophetically warned that advocates of a sea-level canal would oppose unjustifiably any major alteration of the existing canal on the ground that it would defer the time when conversion to ocean level might otherwise be authorized. These views were expressed prior to the development of the atomic and hydrogen bombs, which, in the opinion of competent independent experts, render any canal fatally vulnerable regardless of type or location.

In their arguments about vulnerability, advocates of the sea-level type do not appear to have been candid. For example, they stress the Gatun cluster of locks and dams as vulnerable but are absolutely silent on the serious vulnerability to slides by nuclear attack of Gaillard (Culebra) Cut, which would be obviously increased by lowering its present bottom (40 feet above m. s. l.) more than 100 feet as specified for the sea-level project. These advocates have also ignored and continue to ignore the gravely important question of a new treaty with Panama with greatly increased indemnity and annuity benefits to that country. Such diplomatic benefits would have to be added to the costs of a sea-level undertaking at Panama, presently estimated from five to ten billion dollars. Nor, in event of authorization of a water-level plan, have they pointed out the demands that would unquestionably develop for transferring jurisdiction of such project to international or other non-United States

control, a threat as serious to canal security as modern weapons.

From the arguments these advocates put forth in behalf of alleged greater security of the sea-level project over the lake and lock type, which has survived the two greatest wars in history, they apparently believe that the Members of Congress are and will be utterly stupid. Moreover, the arguments for a sea-level endeavor have not been fairly based but appear intended to deceive both the Congress and the Nation.

The facts in the situation clearly demonstrate the absolute need for an independent interoceanic canals commission to reevaluate the entire problem in the light of up-to-date developments and the best interests of the United States and the world at large.

The article follows:

THE PANAMA CANAL: A CHALLENGING PROBLEM FOR THE UNITED STATES

(By William R. McCann, E. Sydney Randolph, Edward C. Sherman, and William G. B. Thompson, engineers, all formerly with Isthmian Canal Commission)

The recent disclosure of serious cracks along the crest of Contractors' Hill, which were first observed in 1938,[1] the alarming press reports of possible blockage of Culebra (Gaillard) Cut by rock slides, the award of an emergency contract for the removal of more than 2,000,000 cubic yards of earth and rock, and a subsequent movement of the long dormant Cucaracha Slide on the opposite side of the Cut, blocking the east half of the channel, together with the Guatemalan crisis, have again directed world attention to the entire Panama Canal problem.

For many years, subject to controversy and confusion, the principal issues of this problem have been substantially obscured. The issues, nevertheless, are fundamental, and they transcend all questions of personal and group considerations. As such, they require vigorous clarification.

PANAMA CANAL A LONG NEGLECTED WATERWAY

The Panama Canal is a much neglected waterway, now approaching obsolescence. The necessity for its increased capacity and operational betterment have long been recognized by the Congress.[2] Recently the volume of commercial traffic has been the highest since 1914. However, there have been no major improvements in the shipway since its original opening to traffic.

With the saturation point approaching, it is of preponderant importance to provide, without further delay, the additional transit capacity and essential operational improvements required to meet present and future needs.

PROPOSALS FOR INCREASED FACILITIES

The two major proposals for increased facilities at Panama are:

(a) Improvement of the existing canal by completing an authorized third locks project adopted to include the features of a terminal lake plan, to form a terminal lake-third locks project.

(b) Construction of a practically new Panama Canal, improperly termed the sea-level project.

The above terms require some explanation.

THIRD LOCKS PROJECT

The third locks project, authorized by the Congress in 1939 as a defense measure, without a comprehensive investigation,[3, 4] provided for locating a new set of larger locks (140 feet by 1,200 feet) in the vicinity of the existing locks and at some distance away from them for the primary purpose of affording greater protection through dispersal. The new locks were to be joined with the existing channels by means of bypass channels.

The layout for bypass channels in the Pacific sector contains three sharp bends—29 degrees, 47 degrees, and 37 degrees in succession, from north to south. This scheme, if constructed, would create operational problems and navigational hazards of the gravest character. The bypass plan for the Atlantic sector is not subject to such criticism.

The third locks project also includes a number of costly features for a future conversion of the Panama Canal to sea level. Adopted without either specific authorization by the Congress or a comprehensive investigation of the ultimate objectives, this project is now recognized by discerning students as resurrecting the old battle of the levels in a new form—that of conversion.

Authorized at a cost of $277 million, construction on the third locks project was started in 1940, and pushed vigorously for a time. In May 1942, however, after the expenditure of approximately $75 million, mainly on lock-site excavations at Gatun and Miraflores, the undertaking was suspended because of shortage of ships and materials, more urgently needed elsewhere for war purposes. No excavation was accomplished at Pedro Miguel.

The attempt, to say the least, proved disappointing. Suspension, however, has afforded an opportunity for reexamination in the light of experience in operating the canal.

MARINE OPERATIONAL PROBLEMS

Painstaking studies and repeated observation of Panama Canal operations have established that its principal marine problems are:[5]

1. Dangerous bottleneck at Pedro Miguel, and lack of a Pacific summit anchorage.
2. Double handling of vessels at separated Pacific locks.
3. Effect of fog in Culebra (Gaillard) Cut on canal capacity and operations.
4. Lockage surges in Culebra (Gaillard) Cut caused by operation of the Pedro Miguel locks (3-foot maximum amplitude).
5. Limited operating range of Gatun Lake water level (87 to 82 feet).
6. Navigational hazards in the restricted channel of Culebra (Gaillard) Cut (300-foot minimum width).
7. Inadequate dimensions of present locks (100 by 1,000 feet).

To the above a number of lesser difficulties can be added. Included in these are regulation of the intermediate Miraflores Lake water level, silting in the Pedro Miguel lock chambers, excessive time required for lockages, and periodic reductions in canal capacity caused by lock overhauls.

TERMINAL LAKE THIRD LOCKS PLAN

Historically, the idea of a high-level lake at the Pacific end of the Panama Canal traces back to the Godin de Lépinay conception of 1879. After occupation of the Canal Zone by the United States, Chief Engineer John F. Stevens, early in 1906, urged, as a desirable change in plans,[6] the construction of the Pacific locks in continuous lifts near Cerro Aguadulce, duplicating the Atlantic locks at Gatun. In 1908, Col. William L. Sibert made the identical proposal,[7] which will be discussed later.

During World War II, the same idea was further developed by an operating official of the Panama Canal, in what was the first reasoned solution of operational problems based upon marine experience, known as the Terminal Lake Plan. Publicly presented in the Canal Zone in a paper delivered on May 20, 1943, before the Panama section of the American Society of Civil Engineers,[8] the proposal caused an immediate engineering sensation on the Isthmus, and quickly aroused worldwide interest, particularly among maritime agencies.

The main features of the terminal lake plan, which is designed to solve the principal marine problems, are:

1. Physical removal of the bottleneck Pedro Miguel locks.
2. Construction of all Pacific locks in continuous lifts, near Miraflores to eliminate double lockages, and to reduce both capital outlay and operating costs.
3. Elevation of the intermediate Miraflores Lake water level (54 feet) to that of Gatun Lake to create a summit-level anchorage south of Culebra Cut.
4. Raising the entire summit water level to its optimum height, approximately 92 feet, thereby deepening the channel and conserving water.
5. Widening of Culebra (Gaillard) Cut.
6. Construction of a set of larger locks.

These modifications would remove the traffic choke at Pedro Miguel, correct the present operational dissymmetry of the Panama Canal, improve navigation, simplify canal operations, mitigate the effect of fog on capacity, reduce marine accidents, decrease transit time, and increase canal capacity. The best operational canal economically practicable would be attained.

Such a program of improvement, which may be described as the terminal lake-third locks plan, could be accomplished at relatively low cost—estimated under $600 million, widening Culebra (Gaillard) Cut excluded. The latter would be frugally accomplished over a prolonged period. Moreover, there is no doubt as to the soundness of the terminal lake idea at Miraflores, as a similar arrangement has been tested for 40 years at Gatun, and found eminently satisfactory.

The terminal lake-third locks plan, if lock sites at the Pacific end of the canal are properly selected, will permit the construction of additional paralleling locks to meet future needs. This likewise could be done at Gatun.

The Governor of the Panama Canal, when testifying before the House Committee on Merchant Marine and Fisheries on November 15, 1945, approved the terminal lake plan in principle,[9] for the major modification of the existing waterway.

It is important to record here that the enlargement of existing canal facilities, such as contemplated in the terminal lake-third locks plan, is specifically covered by treaty with the Repubic of Panama,[10] and would not require negotiation of a new treaty.

SEA-LEVEL PROJECT AND TIDAL LOCK

After the first explosion of an atomic bomb in 1945, the 79th Congress enacted Public Law

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[1] Panama Canal Review, Vol. 4 (May 4, 1954), p. 1.

[2] Hon. Clark W. Thompson, "Interoceanic Canals Problem," CONGRESSIONAL RECORD, Vol. 98, Pt. 8 (Jan. 15, 1952), p. A163.

[3] H. Doc. No. 210, 76th Cong. (1939).

[4] Public Law 391, 76th Cong., approved August 11, 1939.

[5] Hon. Willis W. Bradley, What of the Panama Canal? CONGRESSIONAL RECORD, vol. 94, pt. 10 (Apr. 21, 1948), p. A2449, contains an able discussion of the principal operational problems.

[6] Miles P. DuVal, And the Mountains Will Move (Stanford University Press, 1947), p. 216.

[7] Harry O. Cole, Tribute to Sydney B. Williamson, CONGRESSIONAL RECORD, vol. 94, pt. 11 (May 21, 1948), p. A3191 contains a brief summary of Pacific lock arrangement history.

[8] Duval, "The Marine Operating Problems, Panama Canal, and the Solution," A. S. C. E. Proceedings, vol. 73 (Feb. 1947), p. 161; and Transactions, vol. 114 (1949), p. 558.

[9] Hearings on H. R. 4480, 79th Congress, November 15, 1945, p. 9.

[10] Treaty Series No. 945, General Treaty Between the United States of America and Panama of March 2, 1936 (Hull-Alfaro Treaty), United States Government Printing Office, 1939. p. 4.

280, authorizing the Governor of the Panama Canal to conduct a comprehensive investigation of the means for increasing canal "capacity" and "security" to meet future needs of "interoceanic commerce" and "national defense," including a reexamination of the third locks project and consideration of canals at other locations.

The Governor's report of his investigation,[11] predicated on an extreme interpretation of the "security" factor of a law originally drafted in the Canal Zone, recommended construction of a practically new Panama Canal, known as the sea-level project, initially estimated in 1947 to cost approximately $2,500,000,000. Under present conditions, the proposal would likely cost several times that amount, not to mention its engineering uncertainties and international complications. The project would require a tidal lock at the Pacific end of the canal, many miles of massive dikes for flood reservoirs on both sides of the main channel, diversion channels, and other vulnerable features.

The report makes no mention of important diplomatic involvements of the sea-level project. These involvements include construction of a new channel somewhat removed from the existing channel, diversion of the Chagres River with a flooding of Panamanian territory below Madden Dam, draining of Gatun Lake with health and sanitation implications, and disruption of several small channels to Panamanian settlements on the lake with probable grounds for damages.

The sea-level project is not covered by existing treaties and, therefore, would require negotiation of a new treaty to determine specific conditions involved in its construction, operation, and protection, with tremendous indemnity, greatly increased annuity payments, and diplomatic hazards. Not to be overlooked is a likelihood that demand for internationalization of the Panama Canal may be precipitated.

The official report of the 1947 investigation recommends none but the so-called sea-level project for a major increase of canal facilities. This recommendation serves to exclude what may be the best solution of the canal problem when evaluated from all angles.

The report[12] was transmitted to the Congress by the President on December 1, 1947, and without Presidential approval. The report was never published, nor has the Congress ever taken any action thereon.

SYMPTOMATIC TREATMENTS NO SOLUTION

As recently reported in October 1953, canal authorities have obtained approval to expend funds for repairs and alterations to existing canal facilities and structures, at an estimated ultimate cost of $26,500,000. The proposition is not a fundamental canal improvement; symptoms are being treated. While some more-or-less minor improvements would be made, inherent defects of design will still prevail.

For this reason, such repairs and alterations are makeshift in character and without sufficient merit. Moreover, reliance on minor alterations, in lieu of major improvements, will inevitably delay the basic and long-overdue solution of the canal question. The funds expended on structures that may be abandoned in the Terminal Lake-Third lock proposal, for example improvement of Pedro Miguel locks, would be a waste of money; and all such improvements necessarily would be abandoned if a sea-level canal were ever built, except perhaps the all-weather navigation equipment.

PROPOSAL FOR ADDITIONAL CANALS

The historic rival of the Panama Canal route is one using Lake Nicaragua. There are other areas that have sought an interoceanic canal, some of which have had strong support.

In the development of a long-range Isthmian Canal Policy,[13] all routes should receive full and unbiased consideration by an independent body.

QUESTION OF TYPE OF CANAL

The third locks project, as previously stated, served to resurrect the old debate as to the type of canal. Later, on advent of the atomic bomb, discussions of the defense aspects of the canal problem became animated, with the 1946–47 investigation directed toward securing maximum inherent physical resistance to destruction from attack. The development of more powerful A-bombs and of the H-bomb since 1947, however, has shown that the idea of obtaining security through passive protection embodied in design is untenable.

Aside from the atomic and hydrogen bombs, the recurrent discussions as to the relative advantages and disadvantages of the high-level (lake-and-lock) and sea-level (tidal-lock) types of canal were exhaustively investigated, debated, and considered in 1906, when the Congress and the President decided in favor of the high-level plan[14] under which the canal was constructed. With the exception of operational defects in the Pacific sector, it has been successfully operated. These defects can, and should, be corrected.

In considering the question of type of canal, it is self-evident that the operational advantages of unrestricted navigation in lakes outweigh the minor hazards and time lost by passage through locks. Not only that, raising the entire summit water level as provided in the Terminal Lake-third locks plan is less hazardous and far more predictable in its consequences than attempting to lower the bottom of Culebra Cut another 108.7 feet at Contractors Hill, as contemplated in the sea-level project.

PACIFIC LOCK LOCATIONS

A proper location of Pacific Locks with relation to the major improvement of the Panama Canal cannot be overemphasized. This subject was seriously studied in 1907–08 by Col. William L. Sibert of the Isthmian Canal Commission—a fact that should be better known.

Ever desirous of consolidating the 3 Pacific-Lock lifts, as had been originally suggested by Chief Engineer Stevens, Colonel Sibert organized extensive explorations to find proper rock foundations for a pair of three-lift locks at Miraflores, as at Gatun. In the drafting room daily rumors of the rock situation were coupled with close observation of Colonel Sibert, who ordinarily was a very calm man, always interested in every one in the office.

One day, in 1908, he emerged from his office, waving a roll of blueprints, and exclaimed, "There is enough rock at Miraflores for 3 lifts"[15]—the only time he ever showed such animation. His subordinates, recognizing the significance of his excited statement, looked forward to acceptance of the idea, as a great improvement of the approved design.

Unfortunately, the Sibert proposal was not adopted. The stated reasons for its rejection were:

(1) Work accomplished would be lost.
(2) Construction plant had been ordered.
(3) Canal completion would be delayed.
(4) Public opinion in the United States would be adversely affected by a change of any sort, as evidence of weakness in the high-level plan.

The first three reasons, in the perspective of today, do not appear valid. The fourth, perhaps, was controlling.

When the decision against combining the Pacific locks was made, the Isthmian Canal Commission did not include a member experienced in marine operations. What would have been the result had there been such a member for Colonel Sibert to consult, no one can now state. But, in the light of later knowledge developed in 1941–44, it is indeed regrettable that Colonel Sibert's solution was not accepted.

ISTHMIAN CANAL POLICY

The Isthmian Canal policy of the United States has long had as its main objective, the construction of an interoceanic waterway of the best type at the best location to supply the best canal for the transit of vessels—and at low costs of construction, maintenance, and operation.

The achievement of this objective involves a thorough study of the operational, engineering, and construction history of the Panama Canal, its Third Locks Project, other locations, diplomatic relationships, protection, and effect of burdensome construction costs on tolls.

INTEROCEANIC CANALS COMMISSION REQUIRED

Experience in the recent past (1939–54) has conclusively established that the canal problem is not a proper task for routine agencies of the Government, which of necessity are ex parte in character, with results well illustrated in the collapse of the Third Lock Project, and in the failure of the Isthmian Canal Studies of 1947[16] to win congressional approval.

Today, in Panama, the United States stands challenged before the world. We started a third-lock project—but we never finished it. An ill-advised sea-level project submitted by Canal Zone authorities has failed of Executive and congressional approval. And still the years pass by with no constructive action yet in evidence to provide an improved canal capable of handling the traffic of peace—or war.

In order to secure a proper resolution of the problem, it is abundantly clear that an independent and wholly American interoceanic canals commission is required, and that it should be immediately created and put to work in developing a timely, definite, and wisely reasoned Isthmian Canal policy. To this end, the Commission should be made up of broad-gaged, unbiased, and independent men of the widest engineering, operational, governmental, and business experience, not dominated by routine executive agencies.[17]

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[11] Report of the Governor of the Panama Canal under Public Law 280, 79th Congress, available at headquarters of American Society of Civil Engineers, New York, N. Y., and in various committees of the Congress.

[12] Summarized in American Society of Civil Engineers, Transactions, vol. 114 (1949), pp. 608–906.

[13] Hon. Clark W. Thompson, "Isthmian Canal Policy of the United States—Documentation," CONGRESSIONAL RECORD, vol. 101, pt. 3 (Mar. 23, 1955), p. 3610, contains useful bibliographical list.

[14] President Theodore Roosevelt, message to the Congress, transmitting report of International Board of Consulting Engineers, February 19, 1906, and act of Congress, approved June 29, 1906.

[15] Recollection of Wm. R. McCann, who was attached to Colonel Sibert's staff. For Colonel Sibert's story, see William L. Sibert and John F. Stevens, The Construction of the Panama Canal (New York: D. Appleton & Co., 1915).

[16] Harry O. Cole, What Should Be Done To Improve the Panama Canal and Sequel, CONGRESSIONAL RECORD, vol. 94, pt. 10 (May 4, 1948), p. A2743, contains illuminating information.

[17] The Panama Canal Problem: A memorandum to the Members of the Congress, 1954, quoted in an address to the House of Representatives by Hon. EUGENE J. KEOGH, CONGRESSIONAL RECORD, vol. 100, pt. 5 (April 29, 1954), p. 5795.

THE HONORABLE GEORGE BENDER, OF OHIO

Mr. MARTIN of Iowa. Mr. President, during 14 of the 16 years I served in the United States House of Representatives one of my colleagues who distinguished himself for his outstanding service to his constituents was the Honorable George Bender, of Ohio. He not only won recognition for his good work in the House of Representatives, but he also won election to the United States Senate in 1954 to fill the unexpired term of the Honorable Robert A. Taft; and it was my great pleasure to serve in the United States Senate with him in the 84th Congress.

Recently an editorial appeared in the Cleveland (Ohio) News which describes so well the outstanding qualities of Senator Bender that I am proud to bring the editorial to the attention of my colleagues. I therefore ask unanimous consent that the editorial be printed with my remarks at this point in the RECORD.

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

HE SERVED CONSTITUENTS

George H. Bender leaves the United States Senate and public life in the next few days, ending another phase of his long legislative career.

Whether it will be resumed in the future, only time will determine.

Behind him is service as an Ohio State senator, as an Ohio Congressman-at-large, as a district congressman representing the 23d district here, and most recently as a United States Senator.

Few Ohioans have had as long or as continuous a span of State and national legislative service as he.

We can appreciate Mr. Bender's personal feelings as he leaves the Senate, the type of work he cherishes, and has found satisfying for so many years.

As his Senate seat is taken by Frank J. Lausche, we wish to reiterate what we have said previously regarding Mr. Bender as a Member of Congress.

He served his constituents.

He worked hard at his job as Congressman and as Senator.

His office in Washington was expertly staffed by aids who knew how to get things done.

No questions were asked by Mr. Bender whether the person seeking help in the labyrinth of Washington bureaus or agencies was a Republican or a Democrat. Suffice it only that the individual was an Ohio constituent.

He coupled this energetic service with loyal support of his party and of President Eisenhower in legislative work on Capitol Hill.

Senator Bender should find much personal satisfaction in all these things. His misgivings should be few. He loves politics too much to give it up.

Whatever his future plans, we wish the Senator well and congratulate him for outstanding service in Washington.

FOREIGN POLICY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "It Seems to Me," which appeared in the Grand Forks (N. Dak.) Herald.

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

IT SEEMS TO ME

President Eisenhower's request for authority to use our fighting forces in the Middle East against Communist armed aggression, as submitted in person to Congress yesterday, is likely to run into a few congressional snags.

While the President's personal popularity and the great confidence placed in him by the American people would seem to assure approval of the request, there are phases that will meet with opposition.

On the other hand, it is likely the part of his request dealing with economic aid for the friendly Middle East nations will be approved without much serious debate or objection.

It is quite likely, too, that public pressure for approval of the whole program outlined by the President will have its influence in Congress, though a considerable segment of our people may be with the opposition.

It seems to me the request for authority to use troops is simply for the purpose of bypassing Congress should an emergency arise, with the usual congressional authority surrendered to the United Nations Security Council.

The President did not ask for authority to go it alone and at his own decision. He told Congress any use of troops would be only at the request of an attacked nation and "subject to the overriding authority" of the Security Council.

Thus approval of his proposal would simply mean that the President would not have to deal again with Congress, but could go ahead at the invitation of the nation attacked and with approval of the United Nations. There will be many Members of Congress opposing the proposal on the grounds that, instead of Congress, the U. N. will tell us whether we should fight.

It will be emphasized, of course, that the President does not have to send troops just because a nation requests it or the U. N. gives the go ahead, and that our safeguard lies in the President's judgment.

But just what is gained in an obviously urgent situation is not apparent to this writer. True, it can be argued that congressional debate and objections might delay action dangerously, but that might be a safeguard.

Assuming the President had no new authority to make the decision for the United States entirely alone, as he requests, and that he had to proceed through the constitutional channels of Congress, obviously there would be some debate.

However, if the President is to wait for the final signal from the U. N., isn't it just as likely there will be delay there that would allow time for Congress to express its opinion and make its decision?

And isn't it more in keeping with our ideas of Government to leave to Congress the decisions the Constitution says it shall make than to have the legislative body transfer this authority to one man—the President?

There are obvious dangers in the proposal. I believe the judgment of the President is just as sound as that of any Member of Congress, but the many opinions of Congress are more likely to reflect the national thinking, whether it agrees or disagrees with the President.

That is what Congress is for—to act as the direct representatives of the people and do whatever they feel meets with the approval of their constituents.

Inasmuch as the President has no apparent desire to go to war without approval of the United Nations, there is no apparent strategic military value in his proposal for authority to use troops, for any action taken would be advertised in advance through U. N. debate and decision.

If it were proposed to give the President blanket authority to act entirely on his own, using our troops as he thought justified in handling the Middle East situation, there would be stronger argument in favor of it in many quarters.

In the U. N., of course, with the United States backing the use of troops, there likely would be no prolonged discussion over approval of use of United States troops, for it is not hard to decide that somebody else should do the fighting.

If the situation is so obviously acute that the President is convinced armed intervention is the only answer, he should have little difficulty convincing Congress that it should approve use of our troops.

With no element of surprise involved, whatever delay that would result from congressional debate might be a good thing, for then, at least, our own legislative body would be deciding whether our men were to fight and die on foreign battlefields.

To assign the responsibility for that decision to a world group that would have little or no participation in the actual fighting would hardly stir a patriotic mood in this country, in my opinion.

M. M. OPPEGARD.

The PRESIDING OFFICER (Mr. JAVITS in the chair). Is there further morning business? If not, morning business is closed.

ADMINISTRATION OF DROUGHT AID

Mr. SYMINGTON. Mr. President, the President of the United States concluded his drought-inspection tour this week with a request for authorization to use $50 million in funds already available, and also for a new relief appropriation of $25 million.

It was with great regret the farmers of Missouri found out that President Eisenhower did not plan to visit Missouri on his tour of drought States. I was out in the State this week and farmers so told me.

Nor is his Secretary of Agriculture allowing Missouri to receive any real drought aid, despite the fact my State is one of those most grievously stricken.

According to the United States Weather Bureau, over the past 5 years, southwest Missouri is short 1¼ years of rainfall.

In Platte County, Mo., a river that once ran as deep as 29 feet disappeared completely last October. It just dried up.

With pastures burned, many farmers have been feeding winter forage since last July.

Many have already been forced to sacrifice their foundation herds.

A letter which I received this week from Murray C. Renick, president of the Rolla Feed Mills, Inc., illustrates the economic disaster staring Missouri farmers in the face because of the shortage of hay. It shows clearly just how much Federal help would mean to them.

Mr. President, I ask that the letter from Mr. Renick be printed at this point in the RECORD.

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

ROLLA FEED MILLS, INC.,
Rolla, Mo., January 11, 1957.

The Honorable STUART SYMINGTON,
United States Senate,
Washington, D. C.

DEAR SENATOR: We have combed the country for hay to take care of our farmers.

Within a 2-week period there will be no hay left in our vicinity. We are now hauling from Illinois by truck and the cost is prohibitive. Can you do something that will enable our farmers to get some type of Federal or State relief to keep them from going completely broke?

Very truly yours,

MURRAY C. RENICK,
President.

Mr. SYMINGTON. Mr. President, since 1952, southwest Missouri has suffered most. But a number of other counties in Missouri have also been seriously affected during the past year.

Congressman CHARLES BROWN, of Springfield, representing the southwestern counties, has stated that drought aid is now a matter of survival for many of the farmers in his district. This is the famous Springfield milkshed, one of the largest concentrated dairy areas in the United States.

At this point I invite the attention of Senators to the fact that on the floor of the Senate at this time are four distinguished Members of the House from Missouri. They are the Honorable PAUL C. JONES, of the 10th District, member of the House Committee on Agriculture; the Honorable CHARLES H. BROWN, of the 7th District; the Honorable W. R. HULL, of the 6th District; and the Honorable MORGAN MOULDER, of the 11th District.

Over the years, Congress has provided a number of programs to help farmers suffering from drought and other disasters. In the main, these programs provide emergency credit, discounts on federally owned feed grains, and Federal aid for the purchase of hay.

As of now, the Department of Agriculture, by administrative action, has refused to allow the farmers of Missouri to participate in the programs they have given other States, even though the Department certified 90 out of Missouri's 114 counties as drought-stricken counties.

Theoretically, therefore, this administration recognizes the existence of a drought in Missouri, but practically it does nothing about it.

This continuing refusal of aid for Missouri is bitterly ironical.

The Department's Agricultural Marketing Service publishes maps indicating the supply of pasture feed for grazing, and a map reflecting this condition was published only last Sunday in the St. Louis Post-Dispatch.

The map is before me today, Mr. President, and is available to any Senator who wishes to look at it. It shows that most of Missouri has less than 35 percent of the normal supply of pasture feed available—a condition classified on the map by the Department of Agriculture as "extreme drought."

Of the six other States with substantial portions of their area classified as "extreme drought" by the Department of Agriculture, each is receiving some form of Federal help—loans, feed, or hay—according to the records of the Department.

Mr. President, I ask unanimous consent that a table showing the kinds and amounts of Federal aid enjoyed by these six States and in others in the last 6 months of 1956 be printed at this point in the RECORD.

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

U. S. Department of Agriculture—Drought and other disaster assistance program (fiscal year 1957) [1] *loans, feed, and hay programs (July 1–Dec. 31, 1956)*

	Loans						Feed and hay assistance					
	Production disaster		Economic disaster		Special livestock		Emergency feed program [2]				Agreements with States under hay and roughage program [3]	Number of counties
	Number	Amount	Number	Amount	Number	Amount	Purchase orders issued to farmers	Hundredweight of feed	Dealers certificates issued			
									Number	Amount		
States designated under Public Law 875:												
Arizona					1	$5,330	3,394	1,028,970	441	$451,167	$1,000,000	14
Colorado	222	$485,868			57	561,140	11,111	1,354,592	1,553	789,267	1,000,000	33
Kansas	396	1,559,302	75	$106,400	20	471,575	83,700	5,289,066	10,467	4,408,588	500,000	89
Nebraska							23,832	1,269,348	1,576	1,101,646		47
Nevada					2	79,670	589	43,199	43	23,273	30,000	3
New Mexico	47	117,625	12	20,480	44	388,015	15,485	3,282,736	2,666	2,206,795	1,225,000	31
Ohio	14	38,330			1	5,500	1,450	47,345	74	18,362		8
Oklahoma	184	498,162	240	233,985	70	535,228	206,705	7,805,778	16,147	6,476,172	2,000,000	77
South Dakota	5	1,335			9	70,100	3,040	214,844	315	117,432	75,000	5
Texas	2,775	6,135,534	1,149	2,158,345	354	3,231,855	398,396	18,982,668	41,889	15,150,209	7,500,000	239
Utah					16	326,805	2,936	483,286	388	341,994	250,000	19
Wyoming	9	54,870			11	159,580	2,469	507,901	321	230,878		12
Other States	563	1,575,630	363	268,055	87	634,420						
Total	4,215	10,466,656	1,839	2,787,265	672	6,469,218	753,107	40,309,733	75,880	31,315,783	13,580,000	577

[1] This report covers the States in which counties are currently designated as disaster areas. Separate reports are available covering activities under the drought program in fiscal years 1954, 1955, and 1956.

[2] This reflects activity under the 1956 feed program. The cost of the subsidies under this program are borne by the Commodity Credit Corporation pursuant to sec. 301 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.). The administrative costs are charged to Public Law 175 funds.

[3] Charged to the balance of the $50,000,000 appropriated to carry out sec. 2 (d) of Public Law 38, as amended by Public Law 115, 83d Cong., and in part to an allocation provided from the President's disaster relief fund in October 1956.

Mr. SYMINGTON. Mr. President, at this time Missouri is receiving none of these aids shown on this table. Nevertheless, it ranks first among the seven drought-stricken States as shown on United States Department of Agriculture maps in the percentage of its gross agricultural receipts received from all livestock and products, and sixth among these States in percentage of gross receipts from cattle and calves.

A livestock State, Missouri nevertheless finds itself a poor relation when it comes to obtaining drought emergency help for the production of livestock and products.

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

Mr. SYMINGTON. I am glad to yield to my friend, the distinguished Senator from North Dakota.

Mr. LANGER. Will the Senator list those States?

Mr. SYMINGTON. I am glad to list the States for the Senator from North Dakota. As shown on the table, the States receiving drought aid are Arizona, Colorado, Kansas, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, South Dakota, Texas, Utah, and Wyoming.

According to United States Department of Agriculture maps, the seven States suffering most from drought are Nebraska, Kansas, Oklahoma, Texas, New Mexico, Colorado, and Missouri.

Mr. LANGER. I thank the distinguished Senator.

Mr. SYMINGTON. Again, from the Department of Agriculture's own records, the Agricultural Marketing Service reports that in 1956 Missouri's hay crop was—and I quote from the 1956 Missouri Crop Report—"damaged most severely by the 1956 drought, 28 percent below normal."

To make a bad situation even worse, adjoining States now receiving aid have bought up our Missouri hay, and now alfalfa hay is selling for $52 a ton, and prairie hay is selling for $35 a ton. Many farmers are being forced out of business by such prices.

In a recent survey, the New York Times found Missouri among the States hardest hit by the drought. Mr. President, I ask unanimous consent that a brief portion of a story which appeared in the New York Times of December 9, 1956, be printed at this point in the RECORD.

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

[From the New York Times of December 9, 1956]

DROUGHT DAMAGE IN BILLIONS SCARS SOUTHWEST AREA—PRESIDENT WILL TOUR DISTRICT IN JANUARY—BLIGHT CALLED WORST IN 700 YEARS—DRINKING WATER SCARCE—CROPS LOST OVER WIDE AREA, BASIC HERDS IMPERILED, 57 PROSPECTS BLEAK

President Eisenhower will find in his projected mid-January air tour of the Southwest farm and ranch lands that have been scarred by one of the worst droughts in the Nation's history.

Scientists at the University of Arizona, judging from growth rings on trees, appraise the drought as the worst in 700 years.

The States the President will visit for a first-hand look at the problem have not been named, but the ones hardest hit are Texas, Oklahoma, Colorado, Arizona, New Mexico, Missouri, Kansas, and Utah.

From the air, the President will see a desolate, dun-colored tundra stretching between successive horizons in dismal miles of caked and cracked earth that appears lifeless and barren. What grass remains has been bleached yellow or white.

Aground, the grass is brittle. It creaks and crackles and breaks underfoot.

DETAILS OF DISTRESS

A survey by the New York Times produced the following details of the problem from farmers, ranchers, and State government officials:

Vast damage and billions of dollars of losses; bleak prospects for the coming year; complaints of inadequate Federal aid and of "gougers" capitalizing on relief programs; some farmers leaving the arid land; foundation herds threatened; drinking water so short in some places residents have had to haul it in jugs from other communities; reports that some farmers were borrowing money to meet the crisis beyond the ability to repay.

Mr. SYMINGTON. Mr. President, the drought in Missouri is real. Our parched land and our empty haylofts testify to it.

Farmers forced to sacrifice their foundation herds in the stockyards bear witness to it.

The Weather Bureau records the drought.

Newspapers continually report it.

The Department of Agriculture publishes statistics and maps proving the existence of drought.

But Mr. Benson repeatedly refuses the farmers of my State the drought assistance approved by the Congress.

These are some of the grim ironies of the drought in Missouri. But there are others.

Our farmers can stand in their fields and see Government bins stocked with grain—a "burdensome surplus," to quote a recent United States Department of Agriculture spokesman.

The Department of Agriculture apparently would rather hoard grain than sell it to Missouri victims of the drought.

But these same Missouri farmers can look across the State boundary into Kansas and see Kansas farmers, adjacent to their own farms—where the pastures are no browner and the soil no drier—feeding both hay and grain which the United States Department of Agriculture has provided them.

What is fair or right about playing that kind of favoritism in a democratic form of government?

Missouri farmers also know that for many months farmers in adjoining States have been receiving emergency Farmers' Home Administration credit.

This credit has been denied to the farmers of Missouri.

Missouri farmers ask no preferential treatment. They only ask that they also have recourse to programs established by law for just such emergencies as the present drought.

On three separate occasions in the past year, the Governor of Missouri urged drought assistance aid for Missouri, and I supported the Governor in each of these requests.

On 16 occasions since last May, I have tried to impress the gravity of the situation on the Department of Agriculture.

The record shows that eight times I personally wrote or wired the Secretary of Agriculture on this subject, without the Secretary himself answering me once.

On October 10, last, Mr. Benson, while campaigning for the Republican Party met with the State drought committee in Columbia, Mo. At that time he promised a quick decision on our committee's request for Federal aid for farm ponds and pasture seeding.

This meeting was reported in the St. Louis Globe-Democrat of October 11, 1956, Mr. President, and I ask unanimous consent that this story be printed at this point in the RECORD.

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

[From the St. Louis Globe-Democrat of October 11, 1956]

BENSON PROMISES ACTION ON DROUGHT

COLUMBIA, MO., October 10.—Secretary of Agriculture Benson today promised the Missouri Emergency Drought Committee prompt action on its request for assistance in combating shortage of pastures and roughage.

Benson heard the 8-man committee stress the need for Federal assistance in establishing and improving farm ponds and of 50 percent Federal assistance in fertilizing and seeding wheat, rye, and silage to provide livestock roughage "which will become critical after Christmas."

Murray C. Colbert, chairman of the Missouri Agricultural Stabilization and Conservation Committee and a member of the Emergency Drought Committee, predicted after the hour-long meeting that Benson will have an announcement on a program within 2 days.

The drought committee, referring to Missouri's haylift in previous drought disasters, indicated that such a program is not contemplated now, and that it would be less effective than fall seeding of roughage. The need for roughage is not now immediate, they said, and they believe farmers will take a chance on seeding in the dust if the Federal Government will bear half the cost. The other point stressed was increased assistance to provide water supplies through digging new ponds or improving old ones.

Benson suggested that the committee survey military establishments for loans of pumps and similar equipment to provide emergency assistance.

Warren Fuqua, Farm Bureau representative on the drought committee, told the Secretary that unless rain falls, "towns as well as farms will be without water in a month to 6 weeks."

L. C. Carpenter, State agricultural secretary, presided at the meeting and presented county-by-county reports on Missouri's drought situation.

Benson inquired if any State funds are available for a drought-relief program, explaining that the President has been urging joint State-Federal participation to combat emergencies. Carpenter said that about $23,000 in State funds are available, and indicated that the general assembly might join in a program when it meets in January.

Mr. SYMINGTON. Mr. President, Mr. Benson chose that occasion to release the wonderful news that Mexico had received a $5 million loan, which would be used to purchase good quality cattle our own drought-area farmers were being forced to sell.

What a strange concept of drought aid for American farmers.

The Secretary, campaigning for his ticket on the same day in Kansas City, Mo., promised a prompt decision on the drought requests of Missouri's Governor Donnelly. I ask unanimous consent that a portion of a story from the St. Louis Post-Dispatch of October 11, 1956, be printed at this point in the RECORD.

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

[From the St. Louis Post-Dispatch of October 11, 1956]

BENSON PLEDGES FAST ACTION IF STATE IS LISTED AS DROUGHT AREA—AGRICULTURE SECRETARY IS IN MISSOURI ON SPEAKING TOUR—PLANS TO INSPECT DRY CONDITIONS

(By Herbert A. Trask)

KANSAS CITY, October 10.—Ezra Taft Benson, Secretary of Agriculture, today pledged prompt consideration of the request of State officials that 90 of Missouri's 114 counties be declared drought disaster areas and eligible for Federal aid.

Benson, who arrived early today for a 1-day campaign speaking tour of western Missouri towns, told reporters he is certain President Eisenhower will act immediately on Gov. Phil M. Donnelly's request that Federal drought aid be made available to farmers throughout most of the State.

PLANS TO INSPECT CONDITIONS

The Secretary of Agriculture said he will peronally check into drought conditions during his Missouri trip.

Donnelly's request covers all counties in the State except Audrain, Barton, Bollinger, Butler, Cape Girardeau, New Madrid, Pemiscot, Perry, St. Charles, St. Francois, Ste. Genevieve, St. Louis county, Scott, Shelby, Stoddard, Warren, Carter, Franklin, Gasconade, Jasper, Lincoln, Macon, and Mississippi.

In the drought area, a report showed, pasture conditions ranged from poor to nonexistent. Only a small percentage of normal acreage is seeded for grain for pasturage, and it was in poor condition.

Mr. SYMINGTON. Mr. President, on last October 11 the President told the farmers of 90 counties in Missouri they could graze their cattle on soil-bank acreage.

This meant little or nothing, and Mr. Benson knows it, because he also knows that most dairy and beef farmers in Missouri had no soil-bank acres; and those who did found these acres just as dry as their other acres. The hot sun hit both.

The president of the Missouri Farmers Association, Mr. Fred Heinkel, aptly termed the soil bank grazing privilege "an empty gesture."

Mr. President, I ask unanimous consent that his comments as expressed in a press release of January 14, 1957, be printed at this point in the RECORD.

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

JANUARY 14, 1957.

COLUMBIA, MO.—"Grazing privileges of soil-bank acres can hardly be considered adequate drought aid for the State's hard-hit farmers," explains Fred V. Heinkel, president of the Missouri Farmers Association.

"Southwest Missouri is suffering from 5 years in a row of drought. Most of the farmers in this area are dairy farmers. They are not in the commercial corn area and have no corn base to put in the soil bank in the first place. These farmers grow very little wheat and again if they have a wheat acreage allotment, it is small. For all practical purposes these farmers never were eligible to share in soil-bank benefits. Granting these farmers soil-bank-grazing privileges as a means of helping them weather 5 long years of drought is nothing but an empty gesture," Heinkel said.

"What our farmers need is hay and lots of it. Small grain purposely planted for pasture made no growth this fall. Springfield weather bureau reports a rainfall deficiency of 57¾ inches—almost 5 feet—in the last 5 years. Many farmers started feeding their winter supply of silage and hay in July. They simply had nothing for their livestock to pasture," Heinkel continued.

"Secretary Benson has promised to reconsider Missouri's plea for drought aid. In the meantime the State's farmers are pulling their belts tighter and tighter. Repeated attempts to get pasture seeding established have not only been costly but have failed when the rains did not come. It is hoped fall and winter pasture will be considered as a factor in determining the need for drought assistance," Heinkel said.

Mr. SYMINGTON. Mr. President, the Secretary's promised decision on the rest of Missouri's requests—additional aid to build or renovate farm ponds, to purchase seed and fertilizer for pastures and to purchase grain and hay was not forthcoming as promised.

After repeated requests for drought aid, Missouri's commissioner of agriculture, Mr. L. C. Carpenter, came to Washington to carry his appeal personally to the Department of Agriculture.

Subsequently, hearings were held in some of Missouri's drought-stricken counties. An administrative assistant to the Secretary of Agriculture, along with a Utah ASC official, heard many farmers testify on the effects of the drought during a tour of the drought area.

Stories from the Mountain Grove News of November 29, 1956, and the Warsaw Enterprise of December 6, 1956, plus an editorial from the November 20, 1956, issue of the Springfield Leader Press, referred to these hearings and this inspection tour.

Mr. President, I ask unanimous consent that the stories and the editorial be printed at this point in the RECORD.

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

[From the Mountain Grove (Mo.) News of November 29, 1956]

FARMERS FACING FINANCIAL RUIN UNLESS DROUGHT PROGRAM INAUGURATED SOON

Unless the United States Department of Agriculture comes through with an approval of Missouri's application for an emergency drought feed program, a majority of Wright County's livestock farmers are facing financial ruin.

Over 300 farmers attended drought meeting conducted by State Agriculture Commissioner Clell Carpenter, United States Department of Agriculture fieldmen, and Taylor Allen, and Congressman-elect Charlie Brown at the circuit courtroom in Hartville Monday night.

Time after time, local farmers rose to their feet to relate the pitiful feed situation on their own farms.

Wilson Watt, of Mansfield star route, was typical of most of the farmers at the meeting. Watt, who operates a 1,200-acre dairy farm, told Allen his operation was usually self-sustaining, "But I won't have a bit of feed after January 1," he stated. Watt said he had just sold off 100 head of cattle because of the critical feed conditions. He now has about 200 head left on his farm.

"We put up only about 50 percent of our normal supply of roughage last summer. Now our pastures are burned out," he told the Federal investigator. When asked what the Federal Government could do to help, Watt said he felt it could help the most by selling small grain at reduced prices and helping farmers acquire access to some roughage.

Emmett Jones, Hartville farmer, spoke on behalf of practically every farmer at the meeting when he told Allen, "These people feel embarrassed to think they have been farming all their life and can't raise enough feed. They don't want something for nothing; what they need is some temporary help to get them through this condition which they couldn't help or control."

Carpenter explained to the audience that he and Allen were not trying to embarrass anyone. "But when Mr. Allen makes his report to Washington, he must have specific cases to report," Carpenter said.

Ellis Hart, when asked if he normally produced all his grain, replied that in normal years farmers in this area used small grain for feed. But in drought years they had been forced to use it for pasture.

Vance Henry, of the State extension service, told Allen that the thing which really hurt farmers in this area was the lack of late summer and early fall moisture which prevented the sowing of small grains. "Normally, these people here sow small grain for fall pasture and for early spring pasture. That pasture, together with their roughage they put up in the spring, usually gets them through the winter," Henry stated.

"But this year," he continued, "farmers couldn't get any fall pasture and had to start feeding roughage 2 months earlier than usual. Not only that, but they won't have small grain for spring pasture, and will have to continue feeding roughage much longer in the spring. That's what really hurts."

One farmer added that nobody had mentioned the grasshoppers. "The drought hurt us," he stated, "but we would still have had roughage if the grasshoppers hadn't eaten everything left."

When Carpenter asked how many farmers would be out of feed grains by January 1, 95 percent of the farmers attending the meeting held up their hands. Only three farmers said they had enough grain to carry them through to spring grass.

Only 35 percent of the more than 300 farmers at the meeting said they had enough roughage to carry them over to January 1.

Allen is making the tour of the Ozarks drought area with Carpenter to draw up recommendations on emergency feed program. After he completes his study, he will make a recommendation to the Department of Agriculture in Washington. There, the recommendation will be reviewed by Secretary of Agriculture Ezra Benson and President Eisenhower. Final decision on whether a grain program will be inaugurated will be put up to the President.

At the conclusion of the meeting Allen told the News that "conditions in Wright County are as bad as any I've seen so far." When asked whether he would recommend that an emergency feed program be inaugurated for this area, Allen said, "I have no statement to make at this time."

He explained that he would have to get together with Harry Dahl, who is surveying conditions in northern Missouri, and study their findings. After they have studied the facts obtained in the on-the-spot interviews, then their recommendation will be drawn up and sent to Benson.

Congressman-elect CHARLIE BROWN told Allen, "These people need some temporary help to see them through this crisis."

The young Democratic Congressman-elect added, "This emergency program won't get the price you receive back in line with the prices you have to pay. And this man (Allen) can't do anything about that. This price thing is a situation I'm going to take up with his boss when I get to Washington next month."

BROWN told those attending the meeting that word had been received early Monday that a definite "yes" or "no" answer on the drought petition would be given by the Department of Agriculture next week. "By next week we will know whether we are going to get some help, or whether we are going to starve to death and can start making some arrangements," BROWN said.

Allen told the News that he had made the survey of drought conditions in Oklahoma about 2 months ago. Farmers in Oklahoma have been eligible for surplus grain price reductions and a hay program since October.

When asked why it had taken so long to get action on Missouri's application for an emergency program, Allen said he was not aware there had been any delay. Several State Democratic officials have charged that Oklahoma, Kansas, and Texas received immediate help because the administration felt such a program would carry those States for Eisenhower. They have charged that the Republicans had no hopes of carrying Missouri, and therefore made little effort to offer any assistance to drought-stricken farmers in this area.

Allen said he did not think there was any foundation for those charges. "If there has been any delay, it has been in Washington and not in the field," he declared. He added that the survey had been scheduled a week earlier, but the fieldman who was to have made the inspection had become ill and could not make the trip.

BROWN told the News that Missouri's application for an emergency grain and hay program had been filed with the United States Department of Agriculture since October 2—approximately the same date that Oklahoma was declared a drought area.

[From the Washaw (Mo.) Enterprise of December 6, 1956]

FARMERS TELL OF PLIGHT ON THEIR PROPERTY HERE

Among testimonials given at the meeting of Benton County citizens for drought aid last Friday were:

Frank Vaughn: Usually carried 100 beef herd, has had to sell down to 35. Carries about 20 head dairy herd. Will have to sell unless there is some help. The cattle population has gone down. One neighbor sold

half of his cattle. Another neighbor has sold all of his cows except a few milk cows.

Elmer Estes: Sowed sudan. Had no oats to cut or harvest because of dry weather and grasshoppers. Had no wheat at all. If we don't get something done, we are going to have to dispose of the whole herd. As to the corn crop, all that was produced was in the low land below the lake-flood level. The people who farmed on the lowlands got a crop of corn.

Raymond Findley: In the east part of the county more people farm land that is ordinarily under water. They made silage. My herd of 35 milk cows started on feed the first of August. There is no grass. Put out sudan pasture and it just did not grow. Have same silage but have been feeding since the first of August and will soon be out of feed. Have no grain. All feed was put in silo. We normally put out and get a good yield from oats but had to turn in and use oats for pasture. Had out 30 acres of oats.

Charley Parker: The grass on our old pasture land is nearly all dead. I am not looking for help but people have the longest feeding season I have ever known. I never saw the native and bluegrass pastures in the condition they are in now.

J. E. McLerran: Sowed 180 bushels of seed oats and combined only 90 bushels. Just got back half of his seed. Cut 790 bales of hay off 14 acres. Farms both upland and bottom. Bottom production was good. Everytime a rain went over, it seemed to fall on that piece of ground. The cattle have been reduced in the county. I run a truck. I would be afraid to say how many cattle I have hauled from herds who said they had reduced because of the drought.

Mr. Armstrong from Camden County: We had a few pretty good rains in July, but then our pastures burned up in the hot winds which immediately followed in August. We have nothing left. It was dry in the spring and so we have no feed or pasture.

Has 450 ewes. His 1,400 acres of pasture just as bare as the floor.

Mr. Lugenbeel Edwards: Has 34 head dairy herd. Has hay to last until February. No grain. I am going to have to sell part of the herd to get by. Alfalfa hay is selling for $34 to $35 per ton some places, mixed alfalfa and grass is selling for $38 per ton, and alfalfa for $43 a ton. Corn is $1.40 a bushel. He feels the grain program would be the most important.

Bill Watkins: Lives in the south part of the county along the Hickory County line. Had a grade A dairy herd of 20 and runs 10 head of stock cattle. Sold off all but 15. He has some silage, no hay, has 500 bushels of corn that he bought. Farms 120 acres of good, productive land on the Pomme de Terre, and 160 acres of hill land. I will still have to sell more cattle before I can get through. I think a supplement of grain would help me most.

McMillin: Had 58 head of cattle; 15 are dairy. He had already sold 2 truckloads this fall. Had enough feed to carry his cattle 40 days. No grain but what he bought.

One farmer asked Dahl why Kansas and Oklahoma received drought disaster aid and not Missouri.

[From the Springfield (Mo.) Leader Press of November 20, 1956]

ONCE OVER LIGHTLY

Illness of a representative of the United States Department of Agriculture yesterday halted the proposed series of drought hearings that were to be held through the southwest Missouri area over a 2-day period, after yesterday's initial hearing at Springfield.

Here the hearing developed as expected. About a hundred farmers dropped their early morning work to come in and tell of the hardships of 5 years of drought: feeding begun a month to 6 weeks sooner than normal from stocks of hay that were far below normal; hay that was worth $25 to $30 in the early summer now priced at $40 to $45 with virtually none available at any price. Few dairymen and no beef men can afford to feed $40 hay in these times.

That is what undoubtedly will be said at other hearings to be scheduled later in place of those that were postponed. Nothing wrong about it, for it's tragically true—all this and much more.

On the other hand, aren't these hearings a trifle silly? What can a representative of the United States Department of Agriculture hope to learn about the ravages of a 5-year drought by means of a hop-skip trip through the area? What can he see for himself, know to be true? How can he tell whether or not testimony isn't deliberately loaded against him?

The answer is, he can't.

Drought is never spectacular. It's a slow, grim, colorless, strangling death of the land and all that lives on it. Driving along the highways of the Ozarks this season, who can see drought or recognize it if he sees it?

A survey, if it is to mean anything, would require days, perhaps weeks, of thoughtful farm-to-farm observance and inquiry. It would go afield and see seared weeds where lush grass had once grown, springs mute and dry where once had run clear, inexhaustible water. It would check on farmer's hay supplies, silage, and grain. It would observe the tragedy of farmers lined up to haul water many miles to their farms. It would note wells that have failed, dried-up ponds and creeks.

There's no seeing drought in a 2-day trip that skims across 300 to 400 miles of highway with eight 2-hour stops in towns en route.

This isn't to be construed as an attack upon local or State farm leaders. Everyone knows they have tried hard—the very hardest they knew how.

It is a bitter kick in the pants for the United States Department of Agriculture which will sit blandly in Washington, discussing in academic terms the tragedy of thousands of farmers, and then stupidly sending a representative into this area for an absurdly impossible first-hand report on conditions—a hastily skimmed, unfair, unseeing report at best.

Mr. SYMINGTON. Mr. President, after the Secretary's October 10 visit to Missouri, despite the obvious degree of disaster, 2 long months went by before any decision was announced with respect to the urgent requests of Governor Donnelly and the State drought committee.

And the answer given on December 7 was "No."

Thereupon on December 18, following another meeting of the Missouri State Drought Committee, Governor Donnelly wired the President himself, again urgently requesting that the Department reconsider the drought conditions in Missouri and extend this badly needed aid. At that time I supported the Governor in his request by again wiring the Secretary of Agriculture.

I ask unanimous consent, Mr. President, that the Governor's telegram, and my telegram of December 19, 1956, be printed at this point in the RECORD:

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

GOVERNOR'S OFFICE,
Jefferson City, Mo., December 18, 1956.

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

The Missouri State Drought Committee in a meeting December 17, 1956, unanimously recommended that I urge you and Secretary Benson to reconsider Missouri's request for designation of drought disaster counties in our State. I urge your immediate reconsideration of Missouri counties which were recently visited by Mr. Harvey Dahl and Mr. Taylor Allen of the United States Department of Agriculture.

Facts brought out at the committee meeting revealed:

1. Farmers' feed supplies, both grain and roughage, are either exhausted or are diminishing daily.

2. Hay production in Missouri is 22 percent below the 10-year average.

3. November 1 roughage production for 1956 is estimated at 72 percent of normal.

4. This year farmers in many parts of the State started feeding hay as soon as it was harvested. Considering a minimum 7-month feeding season, the monthly supply would be 55 percent of the average for the State as a whole.

5. A major contributing factor is the condition of the pastures for the season. The 10-year average for the entire season is 80 percent of normal; the 1956 average is 58 percent. In 1956 pasture condition was much below average and most of the season was below average each month, April through November.

6. In relation to condition of pasture is the condition of fall-seeded grain, as evidenced by reports on wheat. The 10-year average of wheat on December 1 was 82 percent, whereas December 1, 1956, the average was 68 percent, the lowest average for that date on record, and emphasizes the fact that little feed has been available from small grains seeded this fall.

These figures were prepared by State-Federal Statistician A. C. Brittain.

I urgently request an immediate reconsideration of our drought problems and further request that a representative of the United States Department of Agriculture meet with the State drought committee at the earliest possible date. I cannot overemphasize the important of prompt and decisive action in the making of this review.

PHIL M. DONNELLY, *Governor.*

WASHINGTON, D. C., *December 19, 1956.*

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

Strongly support Gov. Phil M. Donnelly's request for favorable reconsideration on emergency drought assistance for Missouri counties. Need is great as shown by on-the-spot inspection by Missouri drought committees and two USDA representatives, Harvey Dahl, of Nevada, and Taylor Allen, of Utah.

Many beef and dairy farmers who had no fall pasture and therefore have been buying hay and grain for several months must either have assistance or be forced to sacrifice their foundation herds.

Designation of drought counties for reduced cost on Government-owned surplus grain, for reduced freight rates and emergency credit, would help.

Your favorable decision will be appreciated.

STUART SYMINGTON,
United States Senator.

Mr. SYMINGTON. Mr. President, on January 9 Mr. Wesley D'Ewart, writing for the Secretary, replied to my telegram of December 19. He again told us that Missouri had been turned down for drought aid.

At that time Mr. D'Ewart suggested the drought-stricken farmers of Missouri should apply to the Farmers' Home Administration for credit, even though he, D'Ewart, knew and knows that the same credit is available in every State which has no drought.

Congress has provided for emergency credit in such circumstances.

Last year the Department made emergency drought assistance credit available in 11 States, but not in Missouri.

Mr. President, I ask that Mr. D'Ewart's letter of January 9 be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, January 9, 1957.

Hon. STUART SYMINGTON,
United States Senate.

DEAR SENATOR SYMINGTON: Your telegram of December 19 addressed to the Secretary, Ezra Taft Benson, concerning the drought situation in Missouri has been referred to me for reply.

I am sorry to have to advise you that the Department's Drought Committee unanimously agreed that the area could not qualify under Public Law 875 for disaster assistance. This decision was based on a careful study by the Committee of a report made by two of our most able fieldmen, together with a study of factual data available within the Department.

If credit would be helpful in this area, the Farmers' Home Administration is ready and willing to lend such financial help as is possible under the laws governing that service. I suggest those needing such assistance contact their local Farmers' Home Administration office.

Sincerely yours,

WESLEY A. D'EWART,
Assistant to the Secretary.

Mr. SYMINGTON. Mr. President, inspection apparently was an objective of the President's recent tour. The New York Times last January 14 said the trip was "designed to dramatize to the Congress that many areas are experiencing the worst drought conditions in history and that more help is needed."

The story continues to the effect that the President was accompanied by three men whose presence emphasized "the public relations aspect of the journey."

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I shall be happy to yield to the able Senator from Minnesota, who has so consistently supported programs of benefit to the farmers in my State, in his State, and throughout the Nation.

Mr. HUMPHREY. I thank my colleague.

Mr. President, I was intrigued by the comment of the New York Times that the purpose of the President's trip—and, by the way, I am very happy that he made the trip—was to dramatize to the Congress the need for aid to the drought-stricken areas. The only thing necessary would have been to suggest what aid Congress might render. Every such request has been quickly honored and quickly acted upon in the past. I know of no request at any time for emergency drought relief or any other kind of emergency aid to our farm families under this administration or any other administration, that has not been acted upon almost in a moment.

Mr. SYMINGTON. The Senator from Minnesota is correct and I thank him for his constructive comment.

Mr. President, it was not necessary for anybody to "dramatize to the Congress" the fact that Missouri is "experiencing the worst drought conditions in history and that more help is needed."

Mr. President, I ask that a portion of this New York Times story be printed at this point in the RECORD:

There being no objection, a portion of the New York Times article was ordered to be printed in the RECORD, as follows:

[From the New York Times of January 14, 1957]

EISENHOWER FLIES TO TEXAS TO BEGIN DROUGHT SURVEY—SAN ANGELO IS FIRST STOP IN 6-STATE TOUR OF RAVAGED FARMS AND RANCHES—CONFERENCE TOMORROW—PRESIDENT TO ATTEND WICHITA TALKS—SPECIAL MESSAGE TO CONGRESS EXPECTED

(By W. H. Lawrence)

WASHINGTON, January 13.—President Eisenhower flew west today on a campaign-promised inspection tour of the drought area. He will visit six States before midnight Tuesday.

With General Eisenhower were top-ranking officials who will urge on him new measures to meet the water shortage and alleviate the plight of farmers and ranchers.

The trip is designed to dramatize to Congress that many areas are experiencing the worst drought conditions in history and that more help is needed.

General Eisenhower left Washington in late afternoon aboard the Columbine III, the Presidential aircraft.

OTHER STOPS SCHEDULED

The first scheduled stop was at San Angelo, Tex. The President will make a 1-hour automobile tour there tomorrow morning to get an on-the-spot view of conditions in the State in which he was born. This area got only 37 percent of its normal precipitation last year.

Stops also are scheduled tomorrow at West Woodward, Okla., Clovis, N. Mex., and Tucson, Ariz. On Tuesday, the Presidential party will visit Pueblo, Colo.; Garden City, Kans.; and Wichita, Kans., before flying back to Washington.

At Wichita the President will take part in a regional conference on drought problems. There he will receive the reports of delegates from the area.

Most of the area to be visited by the President already has been certified for emergency relief. But during the campaign he promised a personal inspection tour to determine what else might be done by the Federal Government. In a sense, therefore, this will be the first campaign promise of the 1956 election to be fulfilled.

PRESS AIDS WITH HIM

Traveling with the President as his top advisers are two Cabinet members—Ezra Taft Benson, Secretary of Agriculture, and Fred A. Seaton, Secretary of the Interior.

The public relations aspect of the journey is emphasized by the presence of three men—James C. Hagerty, White House press secretary; Murray Snyder, Mr. Hagerty's assistant, and Thomas E. Stephens, who holds no formal Federal post but is the President's principal field representative for political affairs. Mr. Stephens formerly was the White House appointment secretary.

Mr. SYMINGTON. Mr. President, if Secretary Benson would read my mail, he would know that it is not necessary for anybody to dramatize the intensity of the drought to my Missouri colleagues, or to me.

Because the Presidential party was not stopping in Missouri, the distinguished senior Senator from Missouri [Mr. HENNINGS], together with Representative BROWN and myself, wired Secretary Benson, requesting an audience for members of the Springfield, Mo., Chamber of Commerce who were willing to travel to Wichita, Kans., to meet with the President and the Secretary of Agriculture. We felt that if Mr. Benson had advised the President, as he apparently did, not to visit our State, representatives of our State had the right to visit with him in Wichita.

The Under Secretary of Agriculture replied to our telegram; and, Mr. President, I ask unanimous consent that our telegram and the response of Under Secretary Morse be printed at this point in the RECORD.

There being no objection, the telegram and response of Under Secretary Morse were ordered to be printed in the RECORD, as follows:

JANUARY 8, 1957.

Hon. EZRA T. BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

Pursuant to urgent drought situation in Missouri, three members of the agriculture committee of the Springfield Chamber of Commerce respectfully request a brief audience with you and the President or you alone in Wichita, Kans., to present the special situation of southwest Missouri. Could this be arranged? Thank you for an early reply.

THOMAS C. HENNINGS, Jr.,
STUART SYMINGTON,
CHARLES H. BROWN,
Members of Congress.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE UNDER SECRETARY,
Washington, D. C., January 11, 1957.

Hon. STUART SYMINGTON,
United States Senate.

DEAR SENATOR SYMINGTON: This is in response to the telegram of January 8, addressed to Secretary Benson and signed jointly by you, Senator Hennings, and Congressman Charles H. Brown. I have talked with the Congressman about the request that the Secretary and the President grant an audience to the agriculture committee of the Springfield Chamber of Commerce while they are in Wichita, Kans., next week.

I have offered to meet with the delegation in Wichita on Wednesday morning, January 16, or here in Washington if they desire.

I have suggested that it might save the time and travel expense of the committee if they submitted in writing the points they wish considered, following which their recommendations could be discussed here in Washington.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

Mr. SYMINGTON. Mr. President, Missouri's most important economic endeavor is agriculture.

This great agricultural economy of our State has been badly damaged by the drought, and, along with it, the welfare of tens of thousands of farm families.

This fact is the more tragic because assistance authorized by the Congress is being deliberately withheld by Mr. Benson.

We of Missouri do not understand this refusal, because this type and character of assistance was designed and authorized by Congress for just such an emergency, as I am sure my distinguished friend with whom I have the honor to sit on the committee will verify.

For reasons we do not know, at the same time he has denied assistance to drought-stricken farmers in Missouri, Secretary Benson has been generous to the farmers in other States in our part of the country.

It should be noted that at the same time the Secretary of Agriculture is refusing this aid for our drought-stricken farmers, only this week at Wichita, Kans., his Chief, President Eisenhower, said:

> We are going to come up with additional programs that the Federal Government can commend to you to work with you in solving this problem which I assure you we will solve.

Mr. President, may I assure the Secretary and President Eisenhower that under this administration of his Department of Agriculture little or nothing is being solved so far as Missouri is concerned; and we would be more interested in carrying out the present programs in accordance with the intention of the Congress than in any promises about future programs.

We plead with the President to instruct Mr. Benson to carry out the wishes of the Congress.

Drought strikes impartially, but the Department of Agriculture extends aid with a partiality that poses many grave questions, questions for which I intend to seek answers, as a Representative of the people of Missouri and as a member of the Senate Agriculture and Forestry Committee.

A high official in the farm effort in Missouri may have given me part of the answer when he said that he believes Mr. Benson has passed the word through his organization to slight Missouri because he feels he was insulted by the Missouri State Commissioner of Agriculture.

If that is true I am truly sorry, but on the other hand, if Mr. Benson is taking out his personal pique against one Missourian on the hundreds of thousands of Missouri farmers, then he is unfit for the high office he holds, and he should resign.

Before making this talk today, Mr. President, I called up the office of the Secretary of Agriculture. He was unavailable to me, but I did talk to the Under Secretary, Mr. Morse, and stated that I was going to criticize the way in which the Secretary himself was handling this program, and that if any Member on this side of the aisle, or on the other side of the aisle cared to defend Mr. Benson, I would be very glad to debate the matter to the extent time would permit.

Mr. HUMPHREY and Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Minnesota, who I believe asked first.

Mr. HUMPHREY. I may say to my friend from Missouri that his concern over the welfare of the Missouri farmers is a concern which is well deserved. I think any of us who have visited Missouri—and it has been my privilege to visit that State several times in the past year on official committee business of the Congress, as well as on personal business—will agree as to the seriousness of the drought, and the terrific economic toll and personal hardship which have resulted from it. At least, I think it is well known in Washington; certainly it is well known in the area of Missouri and its neighboring States.

I suggest to my good friend from Missouri, in the light of what I have heard, and in the knowledge of his other attempts to get some response from the Secretary of Agriculture—and the Senator from Missouri has detailed those efforts on other occasions—that I should be more than happy to join with him. Then if the Secretary of Agriculture does not respond in the complete fulfillment of his duty, I suggest that the Senator from Missouri prepare a concurrent resolution, for which he will find many cosponsors on both sides of the aisle, directing the Secretary of Agriculture to recognize that the State of Missouri is a drought-stricken area, and that it is entitled to the relief and assistance which the law provides.

If Mr. Benson does not know where Missouri is, we can provide for him a conducted tour.

Mr. SYMINGTON. I thank the distinguished Senator from Minnesota. I believe the work he did when he came to Missouri as chairman of a subcommittee of the Senate Committee on Agriculture and Forestry to investigate the ASC problems of my State, an inquiry which demonstrated that 29 percent of all the discharged ASC county committeemen in the United States were discharged in Missouri, was of great help in bringing before the people and the Congress the facts with respect to that problem in my State. I look forward to discussing with him this concurrent resolution and again thank him for the thought.

I may say to the Senator from Minnesota that I asked in routine staff fashion for information with respect to the soil bank, including where the money was going and who was getting it. My office was told that the information could not be supplied unless requested more formally. I thereupon approached the chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER], and asked if the information I was requesting was proper. He assured me that it was. On January 8 I requested the information by letter to the Secretary.

Mr. President, I now yield to my friend, the distinguished junior Senator from Arizona.

Mr. GOLDWATER. Mr. President, I listened to the Senator's remarks with great interest, because Arizona is one of the States participating in the disaster program. I have just returned from the West, where I visited several States in the drought area.

Can the Senator from Missouri tell me offhand the total agricultural income of his State?

Mr. SYMINGTON. The total direct agricultural income of the State of Missouri was some $933 million. The indirect income from the handling of food, and so forth, is over another $1,300,000,000.

So agriculture, to the people of the State of Missouri, represents an income of more than $2¼ billion.

Mr. GOLDWATER. But $933 million would be the total income from livestock and agriculture?

Mr. SYMINGTON. That is the total direct agricultural income of the State of Missouri.

Mr. GOLDWATER. Would the Senator from Missouri agree with me that during the period beginning with the fiscal year 1954 through November of last year, Missouri has received $13,433,000 in emergency credits?

Mr. SYMINGTON. If the Senator from Arizona has some detailed figures as the result of my call to the Secretary of Agriculture, I shall be glad to discuss them with the Senator at another time. I do not have those detailed figures now. I have asked for figures showing the amount of drought relief received by all States in 1956. I shall place them in the RECORD as soon as they come from the Secretary.

If the Senator from Arizona will let me complete my remarks now, I shall then be glad to listen to him, and think I will be able to answer some of his points.

Mr. GOLDWATER. The Senator from Missouri indicated that he wanted to discuss the problem. I was merely trying to fulfill that desire. If the Senator wishes me to wait, I shall be happy to do so.

Mr. SYMINGTON. The drought assistance figures given by the Senator from Arizona were for drought assistance in Missouri, prior to 1956. I am talking about the year 1956. But I shall be glad to remain on the floor and discuss the subject.

Mr. GOLDWATER. I did not want to leave unchallenged the statement that the Department of Agriculture has not provided any relief for the State of Missouri.

Mr. SYMINGTON. Missouri did not get any assistance in 1956.

Mr. President, I now wish to discuss a book entitled "Farmers at the Crossroads," written by Ezra Taft Benson. The book was distributed by the Constitution and Free Enterprise Foundation. A telegram from Mr. Benson to Mr. Fred H. Sexauer, president of that foundation, reads as follows:

> Mr. FRED A. SEXAUER,
> *President, Constitution and Free Enterprise Foundation, New York, N. Y.:*

That is right in the middle of the farm district, Mr. President.

The telegram reads:

> Of course, we were surprised and much interested in hearing of your program for the nationwide distribution of the book, Farmers at the Crossroads. In this book I have tried to outline the principles that must guide to a sound nonpolitical solution of our farm problem so far as possible within our free-enterprise system.

Then, Mr. Benson, as do many others, begins to plug the subject of quantity of distribution. I continue to read the telegram:

> By laying the foundation now for the mass distribution of this book during the next 6 or 8 months your foundation and those who are cooperating are rendering a distinct public service.
>
> EZRA TAFT BENSON.

Now let us see exactly what type of special service Mr. Benson is referring to.

The first paragraph of the foreword of the book in question reads as follows:

When President-elect Eisenhower offered Ezra Taft Benson the post of Secretary of Agriculture in November 1952, he demurred, explaining that he was a clergyman and doubted whether he could engage in politics, where expediency is often the rule. Mr. Eisenhower replied that the American people had given him a mandate to restore their faith in the integrity of the United States Government and surely that was a spiritual job. From that time on, frank and honest dealings were to mark the relationship of the Department of Agriculture and the American farmer.

Mr. President, I would be interested to know what the distinguished junior Senator from New Mexico [Mr. ANDERSON], a great former Secretary of Agriculture, thinks about this statement.

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

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I was very much impressed with the words in the telegram "frank and honest dealings." I gather that that does not include the cheese scandal which took place under this administration, and in connection with which the Comptroller General found that more than $5 million of the public's money had been pilfered. I gather that it does not take into consideration some of the grain bin scandals. I gather that it does not take into consideration a few other little matters which have been brought to the public's attention, even including, I may say, the occasion when the administration itself found that a security risk in the Department of Agriculture was a very safe risk in the Department of State.

I am certain that these little addenda, these little supplements, which I have suggested could be placed as footnotes to Mr. Benson's publication. In other words, everything is frank and honest and aboveboard, except when one is caught.

Mr. SYMINGTON. Let me thank my colleague for his observation. There are other similar points which might be discussed. I intend in due course to make that information a part of the RECORD for future discussions.

Mr. HUMPHREY. I may say, while I am making these comments at the Senator's pleasure, that I stand in the same great respect of Mr. Benson as a politician. I do not know whether he would include expediency as one of the criteria or credentials for a politician. But, however he may define the word or whatever he may consider to be the criteria for a good politician, I may say that Mr. Benson is a good politician, and he is rough and tough. He plays for keeps. He still has not acknowledged that the State of Missouri is entitled to all reasonable and equal opportunities and privileges under the law. And I know why. It is because both the senior Senator from Missouri [Mr. HENNINGS] and the junior Senator from Missouri [Mr. SYMINGTON] have been on this floor, time after time, exposing the unbelievable political manipulations in the farmer State committee system in the State of Missouri.

Mr. SYMINGTON. Let me ask a question of my distinguished friend, the Senator from Minnesota, who has such an excellent record in support of the family size farm—not the factory size farm that Mr. Benson apparently is trying to elevate to complete supremacy in this land: Based on the record, does the Senator from Minnesota believe that Mr. Benson is justified in what he is trying to do to the State of Missouri?

Mr. HUMPHREY. I wish to say to the Senator from Missouri that, without regard to any particular State or without regard to any man's politics, the Government of the United States has an obligation, when people are in need, under the law of this land to respond and to assist; and the emergency assistance for drought relief is provided for by statute.

Let me say that it is nothing short of unbelievable, and bordering upon indecency, to permit large storehouses of feed grains to be within almost arm's length of a farmer whose cattle are starving; and, Mr. President, it is unbelievable that farmers are compelled to pay from $35 to $40 a ton for hay, when they do not even have enough money to pay their taxes.

I say to my friend, the Senator from Missouri, that it is about time Mr. Benson is brought to Capitol Hill, to give an accounting to some of the Members of Congress.

Mr. GOLDWATER. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield, although I am anxious to complete my remarks.

Mr. GOLDWATER. I know the Senator from Missouri is anxious to complete his remarks and to leave the floor, but I could not let the statement the Senator from Minnesota made go without being challenged.

Let me say that in the Southwest hay was selling for approximately $23 a ton. Since that area has been declared a disaster area, the Government has been paying up to $10 or $20 a ton as the cost of shipping the hay. The natural result was that hay rose in price, and now the farmer and rancher is paying up to $50 a ton for the hay.

My point is that prices go up when the Government is brought into any situation. That always happens.

The grains referred to by the Senator—those that the Government under this program has to sell to the farmers at $1 below the market price—rose in price $1.50 or $2. My point is that the price of the commodities referred to by the Senator, both in his section, in Missouri and in my own section, has gone up because of the operation of the legislation that both the Senators criticize.

Mr. SYMINGTON. Is the Senator from Arizona criticizing the aid given to the farmers of Arizona by the Government? Does the Senator from Arizona say here that no Government aid should be given to Arizona?

Mr. GOLDWATER. I think the Senator from Missouri is trying to read into the words I used, something I did not either say or imply. I am rather surprised that the Senator from Missouri would attempt to do so.

Mr. SYMINGTON. If I misunderstood the Senator from Arizona, I apologize.

Mr. GOLDWATER. I am trying to point out an economic fact of life, namely, that the farmer is not helped when Federal aid is injected into the hay program. It already has doubled the price of hay. That has happened in the Senator's State of Missouri and in Minnesota and in Arizona.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. I appreciate the courtesy of the Senator from Missouri in yielding.

Let me say to my good friend, the Senator from Arizona, that if the price of hay is doubled because of the activity of the Federal Government, then that is the worst indictment of the Department of Agriculture under this administration that I could ever imagine.

Let me say that I am not a novice in these matters. Our State produces a substantial amount of hay which not only has been sold but has been given to drought areas, not only this year, but in years gone by.

The only time I can recall when hay was inflated in price when the Federal Government got interested in it was under the Hoover administration, in 1932; and I remember that some persons did rather well on the misery of other persons at that time.

I say, Mr. President, that during previous droughts in this country, hay has been shipped and has been provided for nothing by the Federal Government. I say further, Mr. President, that if the Federal Government really wishes to give assistance to any farmer in Missouri, that can be done by utilizing the feed grain in the storehouses. However, the Government is giving a great deal of this assistance through the feed dealers in Texas and in Oklahoma.

Let me say that I am quite well prepared about this situation, and there is going to be a showdown on the matter of drought relief, once the programs comes before us, because the Federal Government has been using the normal channels of trade in some areas, and that has resulted in the inflation of prices and the skyrocketing of prices, at a time when the Federal Government has millions and millions of pounds and bushels of feed grains with which to relieve the suffering. When the Government goes into an assistance program, it can set the price, because it controls the commodities.

Surely the Senator from Arizona does not believe that it is right or proper for Missouri farmers to lose their livestock because they are unable to purchase hay at prices they can afford to pay, whereas Mr. Benson is helping some farmers in other States get hay at the same time he is refusing to help the farmers in Missouri get hay.

Mr. GOLDWATER. Mr. President, I am glad to hear both Senators criticize this Agricultural Act.

Mr. SYMINGTON. I respectfully call the attention of the Senator from Ari-

zona to a letter in respect to the hay problem of our farmers which I placed in the record before the Senate from Arizona came on the floor.

Mr. President, I should like to dwell a little further on Mr. Benson's book. The foreword goes on to say that originally Mr. Benson refused to come to Washington as a lobbyist until "given assurance that it did not entail plying Senators and Congressmen with cocktails."

Mr. President, I do not know about Mr. Benson's philosophy with respect to alcohol. I have never discussed it with him. I read in the book that he had no objection to having people smoke or drink in his presence; but the book adds "but somehow very few people do."

Mr. President, the slur against some Members of Congress by a high Government official, who to the best of my knowledge has never run for public office, is just another illustration of his opinion about some Members of this body and about some Members of the House of Representatives.

Apparently this Cabinet member, as he wanders through the maze of maladministration now characteristic of his administration of the farm programs, does not realize that a man can get just as drunk with power as he can with alcohol.

The foreword of the book also illustrates Mr. Benson's opinion of Republican as well as Democratic Members of Congress. Let me quote another paragraph:

> He [Benson] has been figuratively manhandled by committees of Congress, they being controlled by the Democrats, though members of his own party have occasionally joined in.

Mr. President, this talk is already of some length. I have more facts on the matter, however, which I will present to the Senate in the weeks to come.

Mr. SYMINGTON. I now yield to the Senator from Arizona.

Mr. GOLDWATER. I am certain the Senator from Missouri did not mean what could possibly be interpreted from his remarks when he referred to Secretary Benson's not smoking or drinking, nor minding that people did so around him. I know he did not mean to imply what might possibly be interpreted from his remarks. So that people will not misunderstand his remarks, I want to say Secretary Benson is one of the high men in the Mormon Church. I know that persons of the Mormon faith do not believe in smoking or drinking. However, having been raised with Mormons, I know they are broadminded. I wanted to put those remarks in the RECORD, so people will not misunderstand the remarks of the Senator from Missouri.

Mr. SYMINGTON. Mr. President, there is nobody in the Senate of the United States who has more respect for the Mormon Church than I do. Let the record be crystal clear on that.

Now, I have in my hand a booklet entitled "Ezra Taft Benson (as told to Carlisle Bargeron)," and the further title of the booklet is "Farmers at the Crossroads." It is the unabridged special edition distributed by the Constitution and Free Enterprise Foundation, 210 East 43d Street, New York.

I shall have more to say about this book at another time. However, now I should like to read another statement from the book, to be sure that the distinguished junior Senator from Arizona is not in any way implying any misinterpretation on my part. I now read a paragraph from the foreword of Mr. Benson's book, written by Mr. Bargeron:

> Secretary Benson neither smokes nor drinks, nor do any of the rest of his family. And when he goes to gatherings where there is drinking, as is necessitated by his official position, he doesn't hold a glass of ginger ale to give the appearance of having a highball. Although he adheres to his standards, he does not impose them on others. It is perfectly all right to drink or smoke in his immediate presence, but somehow very few people do.

I have just read this from the foreword in the book.

I read now, to be sure that the RECORD is clear, Mr. Benson's opinion of the original bill passed by the Congress with respect to agriculture. I now quote:

> When Congress passed the earlier hodgepodge, self-defeating farm legislation in 1956, many influences were brought to bear upon the President to accept it. If he vetoed it, he was told, the Democrats would claim that he didn't have the farmers' interests at heart. Benson strongly urged a veto. The President did veto it, and the subsequent favorable response throughout the country, together with a better farm bill, brought a sorely needed unity to the Republican Party.

Finally, Mr. President, with respect to the remarks made by my good friend the Senator from Arizona, who referred to certain figures, I should like to point out that in 1954 the State of Missouri spent approximately $9 million on drought assistance. My staffs tell me they believe that is more than was spent by any other State during this administration. The State government of Missouri did its part.

Mr. GOLDWATER. I wish to thank the Senator for clearing up the matter of Secretary Benson and his religion. If the Senator will yield, I should like to ask a question. Is it not true that the production of corn in 1956 was not only ahead of production in 1955, but above the 10-year average in Missouri? By the way, I have those figures from the Department of Agriculture. I shall be glad to give them to the Senator from Missouri, if he does not have them.

Mr. SYMINGTON. I would be interested in knowing more about my State from the Senator from Arizona, as I am sure he would be to know more about his State from me. It is a fact that we did have an exceptional corn crop in some of our commercial corn counties. But that did not help the dairy or beef cattle farmer who had no corn and no pasture.

In part of Missouri the soil bank helped to some extent also, but it did not help the farmer unable to participate. In many Missouri drought counties there are few if any soil bank acres. There are 5 Missouri counties where the average annual gross income per farm is less than $1,000. No program has helped those people. On analysis, I believe, to the best of my knowledge, that the present agricultural program of this administration is helping primarily the large factory-size farm and is not materially helping the family-size farm.

Mr. GOLDWATER. If the Senator will yield further for a question along this inquiry, I should like to say that I am trying to ascertain the reason why Missouri might find itself in the position in which she finds herself relative to drought relief. The figures from the Department of Agriculture, which I have in my hand, show wheat, corn, oat, soy bean, and barley production in 1956. The figures show that 1956 corn, wheat, and soy-bean production was ahead of 1955 production, and that production in 1956 was below the 10-year average for 1945 to 1954 in only one category, and that was hay, which fell below the 10-year average production in Missouri. Might not the Senator from Missouri be inclined to agree that there is a surplus of those grains in Missouri available to Missouri farmers and Missouri cattlemen?

Mr. SYMINGTON. The Senator has pointed out certain crops in which there were good yields. The Senator is not discussing livestock. He is not discussing problems of drought in the great milkshed of southwest Missouri. He is not discussing other aspects of the farm program in many parts of our State. So long as the Senator is apparently defending the prejudice expressed by the Department of Agriculture against Missouri, I ask him what right he thinks the Secretary of Agriculture has to give grain, hay, and special loan assistance to farmers right across the State line of Missouri, but refuse that assistance to the Missouri farmer?

Mr. GOLDWATER. In answer to that question, I should like to say that if the Department of Agriculture finds certain counties in the State of Missouri, or the whole State of Missouri, to be a disaster area, the grains which are in surplus are available to the livestock people and to the farmers.

Mr. SYMINGTON. I do not think the Senator from Arizona is expressing the whole situation accurately. The Secretary did declare 90 of our counties to be drought counties but did not designate them for assistance on emergency credit, for discounts on grain, or help in buying hay. The only credit available to any farmer in Missouri is the same credit which is available to farmers who have had no drought problem. Neither grain nor hay has been granted the farmers of Missouri. All that has been allowed them, under the present administration, is the right to graze cattle on soil-bank acres, which, in effect, means little, because those acres have been subjected to the hot sun just as other acres.

I presented to the Senator from Arizona that I had to leave to attend a meeting the chairman of the Committee on Government Operations has called for 2 o'clock. I understand a vote is to be taken with respect to a witness being in contempt.

I shall be very glad to discuss this matter further on the floor of the Senate at any time, with either the distinguished Senator from Arizona or with any other Member on either side of the aisle.

Mr. GOLDWATER. Will the Senator yield to me so that I may place some

figures into the RECORD, which would add to the present discussion? I certainly welcome the opportunity to discuss the subject further. I shall not inject anything which is controversial into the RECORD at this point, so the Senator may feel free to leave.

Mr. SYMINGTON. I shall be glad to yield. The Senator was not present on the floor when I put into the RECORD a great many figures obtained from the Department of Agriculture. I stated I would yield to my distinguished friend from Indiana [Mr. CAPEHART] when I completed my discussion of the matter. I should like to yield the floor.

Mr. CAPEHART, Mr. HRUSKA, and Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Chair will state that the Senator from Missouri cannot yield the floor to another Senator. Does the Senator from Missouri yield the floor?

Mr. SYMINGTON. I was explaining why I yield the floor at this time. The Senator from Indiana has been very courteous in waiting until I had completed my remarks. I shall return to the floor at any time convenient to the Senator from Arizona.

Mr. CAPEHART obtained the floor.

Mr. GOLDWATER. Mr. President, will the Senator yield for a minute?

Mr. CAPEHART. I am happy to yield, provided I do not lose the floor.

Mr. GOLDWATER. I appreciate the invitation of the Senator from Missouri to continue the discussion of this subject at a later date. However, I believe it would be appropriate at this time to insert in the RECORD some additional figures. First, the farm income of Missouri was higher during the first 9 months of 1956 than during the first 9 months of 1955.

I feel that fact has some bearing on whether or not an entire State should be called a disaster area.

I ask unanimous consent that the Missouri production figures which I have obtained from the Department of Agriculture be printed in the RECORD at this point in my remarks, along with statements made at Wichita, Kans., at which drought and other natural disasters were discussed, and other material.

There being no objection, the figures and other material were ordered to be printed in the RECORD, as follows:

Farm income, Missouri: 1955, first 9 months,. $622 million; 1956, first 9 months, $663 million.

Farm income, first 9 months, Arizona: 1955, $212 million; 1956, $202 million.

So that we can get a true picture of the conditions in Missouri, let me give you the official Department of Agriculture figures showing feed production in Missouri in 1956 compared with 1955 and with the 1945–54 10-year average:

Missouri production

	1945–54 average	1955	1956
Corn.....bushels..	141, 798, 000	162, 720, 000	189, 408, 000
All wheat.....do....	27, 976, 000	48, 081, 000	49, 800, 000
Oats.....do....	36, 203, 000	50, 976, 000	42, 129, 000
Soy beans.....do....	20, 616, 000	33, 250, 000	39, 120, 000
Barley.....do....	2, 510, 000	15, 428, 000	11, 826, 000
All hay.....tons..	4, 190, 000	4, 010, 000	3, 523, 000

These figures show that Missouri produced record or near-record crops in most feed grains and that production was well ahead of the 10-year average in every commodity except hay. Under such conditions it is hard to believe that the 18-percent reduction in hay could not be supplemented from the bumper yields of feed grains or from the substantial hay production of neighboring States.

	1945–54 average	1955	1956
Hay (Illinois).....	4, 254, 000	4, 937, 000	4, 998, 000
Hay (Iowa).....	5, 925, 000	6, 954, 000	5, 793, 000

There can be no doubt that there is some economic stress in Missouri, but it can hardly, under these conditions, be considered a major disaster area.

Federal funds have been made available to Missouri in the past when they were needed and there are many programs in which we are sharing now. During the fiscal years 1954 through 1957 (through November 30, 1956) Missouri received Federal farm assistance under Department of Agriculture disaster programs in these amounts:

In emergency credit.....	$13, 433, 522
In allocations for feed grains...	16, 512, 525
For hay distribution agreements.....	2, 104, 000
In assistance under food-distribution programs.....	30, 000
Total amount of assistance..	32, 080, 047

Mr. Chairman, I submit these facts so that the truth about the Missouri situation may be known.

Mr. Chairman, I want to thank you very much for allowing me to be heard. I had understood that the hearing today was to be concerned only with the soil bank, but since the drought problem in my State has been brought up I am glad for the opportunity to be heard.

In the special meeting on drought and other natural disasters, held in Wichita, Kans., January 14–16, 1957, Mr. Harold Sauer, Washburn, N. Dak., reporting for the more than 150 farmers, ranchers, State, and agricultural leaders in the conference, said to President Eisenhower:

"The first morning of this meeting we heard reports from each of the 15 States represented at the conference. That includes all of the 10 Great Plains States. While hardships and suffering on the part of farmers and ranchers in disaster areas were reported, there was a feeling of confidence—that the situation is not hopeless.

"There were many reports on the effectiveness of the emergency feed and hay, credit and other emergency programs. They have helped farmers and ranchers maintain their basic herds. Emergency tillage has enabled many farmers to check serious soil blowing. These programs have been appreciated."

Mr. H. Mark Richman, farmer from La Mesa, N. Mex., said:

"We have talked a lot about those responsibilities in our meeting here, yesterday and today. You will be interested to know that we have found a strong feeling that we must not get into the habit of calling on the Federal Government for help every time and in every kind of natural disaster that comes along. We think that it is part of the American tradition—to take care of as many of our troubles as we can before calling for outside help. In our final conclusions this viewpoint appears certain to be stated."

NEW USES AND NEW MARKETS FOR FARM PRODUCTS

Mr. CAPEHART. Mr. President, to my mind we have four major problems facing this Nation, and at least one of them, to my mind, is a world problem. The first problem, in my opinion, is that of maintaining peace, or keeping out of war.

I would say that the second problem is that of avoiding runaway inflation.

I would say that the third major problem facing the country is that of maintaining full employment. I do not believe we can afford to have a third world war. I do not believe we can afford runaway inflation. I know we cannot afford to have unemployment.

I would say that the fourth great issue facing the country is that of permanently solving what we ordinarily refer to as the farm problem.

Mr. President, before we can solve the farm problem I think we will have to admit that there is now, and there has been from time to time, a farm problem. I become very impatient with certain persons who fail to realize that there is a farm problem from time to time. There is a farm problem today. There has been a farm problem during my lifetime, except when we have been at war. When we were in World War I, World War II, and the Korean war, we had no farm problem. Why? Because the Government set the prices at which farm products could be sold, and likewise set the prices for products which the farmer purchased. I have always thought the prices for farm products were set too low, but, nevertheless, there was no particular farm problem when we were at war.

What is the farm problem today? It is nothing more or less than depressed farm prices from time to time. Putting it in another way, it is nothing more or less than too low farm prices from time to time. It certainly is not a problem of production. We have no farm production problems in America. The problem arises because of depressed farm prices.

Why are farm prices depressed from time to time? Simply because we farmers—and I am a farmer—produce more than the market will absorb.

To put it in another way, we produce more than we can sell in the open market, and the result is that we have surpluses and depressed farm prices.

So, Mr. President, the problem is one of depressed farm prices, and not one of farm production. We do not need to worry about farm production, because we have overproduction of farm products in the case of almost every agricultural item.

Mr. President, as a businessman, one who thinks things through, let me say that if the problem were one of overproduction or one of producing more than could be sold at a fair price, we might know what to do about it. What would we do about it? We would find new markets and new uses, or we would stop overproducing. A small group can control production, but inasmuch as there are 6 million farms in the United States, the question cannot be handled in that way. Corn and other crops are planted and are harvested in the fall. Such production cannot be shut off or curtailed as production can be in manufacturing businesses.

We have been trying to solve the problem—and this is true of both political parties—on the basis of reducing farm production on one hand, and, on the other hand, spending hundreds of millions of dollars in teaching farmers how to produce more. That is what we have been doing.

The Democratic Party tried to solve the problem of depressed farm prices by passing a law in 1938 known as the price-support law, or what we know today as the parity formula. The purpose of that act was to reduce production by providing that every farmer raising basic products, such as corn, should be allotted X number of acres.

If a farmer does not plant any more than the allotted acreage, he is permitted, when he harvest his corn, to go to his local bank and borrow so much a bushel, and sign a note due a year later. The amount he may receive for a bushel is based upon a parity formula concerning which we hear a great deal of argument as to whether it should be 75 or 80 or 90 percent. A year later, if the market price is more than the partity price on which the farmer borrowed, he can sell his corn and pay off his note. If the price is less than that, the Government will take physical possession of the corn and cancel the farmers' note. The Government has taken physical possession of corn in the past years and still has on hand 7 billion, 8 billion, or 9 billion bushels.

But the purpose of the law was to reduce production in order to push up the price of farm products in the open market. I am not quarreling about that. I am only trying to be factual about it. That was the Democratic Party's way of solving the problem.

Then last year the Republicans tried to solve the problem on a similar basis. We gave the American farmer what was called the soil bank. We said to every corn farmer, "If you will further reduce the number of acres allocated to you for the production of corn, we will pay you X dollars an acre." That is not a guaranteed price. The Republican Party and the administration thereby recognized the fact that the problem was overproduction, and we were seeking to solve the problem by reducing farm production.

Therefore, Mr. President, both political parties have recognized that the problem was one of overproduction, and both parties have tried to solve it by reducing farm production, and thereby raising the farmer's price in the open market.

But both parties have failed, because we cannot help any one by pushing him down. I recognize that a huge surplus was on hand, and something had to be done about it. But what we did was definitely wrong. We cannot help men by pushing them down.

During the past 100 years we have spent, I suppose, billions of dollars to teach the farmer how to grow more and more and more. All our emphasis, with certain exceptions about which I shall speak a little later, has been on teaching farmers how to grow more and more, until we have farm production away up here [indicating]—and I wish everyone who reads the RECORD could see where I have my left hand. We have spent billions of dollars and billions of manhours teaching the farmers how to produce more and more.

I am not quarreling about that, Mr. President. I am glad we did it. There are county agents in every county in the Nation. We have agricultural policies; we have the Department of Agriculture. Private industry has given us better tractors, better seeds, better fertilizers. The Federal Government has spent millions of dollars in eradicating plant diseases.

The purpose of the bill which I have today introduced, which is sponsored by myself and many other Senators, is to spend as much money, as much time and effort, and as much ingenuity in finding new uses for farm products in industry, and new markets for farm products, as we have been spending in showing the farmer how to grow more.

What I wish to do, Mr. President, is to bring the farmer's market up to fit his production. Every policy we have had up to this time has been on the basis of pushing production back with the market. What happens when we push the production back with the market? The farmer makes less money. Every one in the cities who manufactures products to sell to the farmer sells less of them to the farmer, because if the farmer produces on only 80 percent of his tillable acres, he needs 20 percent less gasoline, oil, and so forth, so that everyone who sells to the farmer sells less. That means fewer jobs in the cities.

If the farmer allows a number of acres to lie idle, and grows nothing upon them, as a result the railroads and the trucks haul fewer cargoes, the grain elevators handle less grain, and there are fewer jobs. The farmer buys less gasoline, less oil, fewer tractors, and less of everything else which he normally buys. The taxpayer sits in the corner and puts up a couple of billion dollars a year to pay the farmer for not producing agricultural commodities. In the long run, fundamentally, no one wins under that kind of a program.

I am not trying to be critical; I am simply attempting to speak factually. I want to have as much money and as much time as are necessary spent in fundamental research. The bill I have introduced, in cosponsorship with a great many other Senators, calls for the expenditure next year, of only $100 million on fundamental research, in order to try to develop new uses for farm products in industry and also to find new markets for farm products.

One hundred million dollars is less than one third of the amount which was spent last year, 1956, for storing surplus commodities. In 1956, a million dollars a day was spent simply to store surplus commodities. That meant a total of $365 million. The bill would start the program with an expenditure of $100 million a year for research.

Mr. President, unless a policy is adopted looking to new uses for farm products in industry, together with the finding of new markets for everything the farmer has to market, so as to result in an increase both in his production and in his income together, we shall eventually socialize the farmer. We cannot help doing so. If it is to be our policy to reduce farm production, and to make such a policy work, we shall only be fooling ourselves.

It will be necessary to pass and enforce laws which will regiment the American farmer. This means that he will be required to plant only X number of acres, and market only X amount of products every year. If we continue to follow the policy which we apparently have adopted, the policy of trying to solve the farm problem by reducing production, eventually the farmer will be regimented. We have not really accomplished this result yet, because all that has been done has been to pile up surplus after surplus, and to tax the American people billions of dollars to pay the farmers for not raising even more farm products.

During the past 10 years, starting in 1946, Congress has appropriated more than a billion dollars to the Department of Agriculture for the purpose of showing the American farmer how to grow more and more, and of helping him to do it. During the same period, only about $70 million was appropriated for what we know as industrialization, or what I like to refer to as the finding of new uses for farm products in industry. That amount includes the $12 million which Congress appropriated last year.

I now have the actual figures before me. Starting in 1946, and continuing through the fiscal year 1957, the fiscal year in which we are now operating, $1,098,792,000 was appropriated, of which $88 million was to be used to find new uses for farm products in industry.

Mr. President, this is a very, very important matter. At least, it is important to me, as a farmer, and I think it is important to all the farmers in Indiana. It is an attempt to solve the problem of farm surpluses. I think all Senators ought to be very much interested in the matter.

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

Mr. CAPEHART. I yield.

Mr. LANGER. The problem is one which is of great importance to farmers all over the country. They have been seeking a solution to it because it has been getting more serious every year. I am delighted to hear the excellent elucidation of the subject now being made by the Senator from Indiana.

Mr. CAPEHART. A solution will not be found merely by reducing farm production. Of course, there can be a reduction in farm production, if such a program is to be successful, and an increase in the prices paid farmers in the marketplace is to be achieved simply by a reduction of the farmers' production, it will be necessary to regiment the farmers. They will actually have to till fewer acres and grow fewer farm products. That will not accomplish anything except the building up of a great expense which the American taxpayers will have to pay.

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

Mr. CAPEHART. I yield.

Mr. LANGER. Do I understand correctly that the bill provides for the authorization of $100 million for research?

Mr. CAPEHART. The bill provides for the appropriation of $100 million for research and other means of finding new uses for farm products in industry and new markets for farm products.

Mr. LANGER. How much has been spent in the last 10 years for this purpose?

Mr. CAPEHART. For this purpose, $88 million has been spent in 12 years, and $12 million of that amount was appropriated last year.

I shall place in the RECORD the amount which was appropriated in each year since 1946 to help show the farmer how to grow more and further aggravate his situation and further depress his income, thus requiring more money to be paid by the taxpayer.

In 1946, payments to State agricultural experiment stations in Federal grant funds totaled $7 million. For production research, the Agricultural Marketing Service received $14 million. For marketing research, the Agricultural Marketing Service received $2 million.

The total for that year was $24 million, of which $5 million was to find new uses, or what is called utilization research.

From 1948 through 1957, $84 million was spent on everything except industrial uses or the finding of new industrial uses.

Mr. LANGER. Considering all the money which has been spent on research, what have been the results in the finding of new uses for farm products.

Mr. CAPEHART. The Department of Agriculture in its four research laboratories, with its small personnel and inadequate sum of money available, has done exceptionally well. Many new industrial uses have been found for farm products. If the Department could obtain $100 million and sufficient personnel, and could build some pilot plants to do what ought to be done in this field, many more new uses for farm products could be found, thus enabling the consumption of 100 million more bushels of grain a year. This information will be found in the exhibits I am having printed in the RECORD as a part of my remarks. I shall not take the time to read all of them today.

As the Senator from North Dakota knows, I have spoken on this subject several times on the floor of the Senate. I shall continue to talk about it, because I am certain that this is one of the most important ways in which to solve the problem of farm surpluses. The problem will not be solved by reducing farm production on a permanent basis, unless it is desired to regiment the farmer 100 percent, and unless he wants to be regimented, which he does not want to be. The problem will be solved only by the finding of new uses for farm products in industry and in the developing of new markets to enable the farmer to grow more farm products.

Mr. LANGER. Consider, for example, alfalfa. As I understand, through the use of research funds, new uses for alfalfa have been discovered.

Mr. CAPEHART. Many new uses.

Mr. LANGER. Under the bill, would corn and rye be included in the research work?

Mr. CAPEHART. The bill includes everything which conceivably can be grown, even to the development of new crops. I remember, as I am certain the able Senator from North Dakota remembers, because he is a little older than I, although not much, when soy beans were not grown in the United States. I remember the first soy beans which were grown in my section of Indiana. They were grown for hay purposes.

Today in Indiana many thousands of acres of soy beans are grown and harvested. They are used primarily in industry. What would our economy be like today if soy beans were not grown for use in industry?

Mr. LANGER. Does the bill also provide for exploitation, if I may use that word, or the seeking of new markets in other countries?

Mr. CAPEHART. Oh, yes. One of the purposes of the bill is to develop new markets in other countries, as well as in the United States. It is hoped to develop new markets wherever they can conceivably be developed.

Mr. LANGER. Does the bill include research in fruit production, such as the raising of oranges?

Mr. CAPEHART. It includes every product which is grown or which can conceivably be grown from the soil.

Mr. LANGER. Tobacco?

Mr. CAPEHART. Anything which can be grown from the soil.

Mr. LANGER. I thank the Senator from Indiana.

Mr. CAPEHART. I am happy to have had the colloquy with the able Senator from North Dakota.

Mr. President, I hope it will be possible to find new uses for farm products, so that the farmer may grow more instead of less, and in doing so receive a fair price for what he grows. The result will be that more jobs will be available in the cities. Retailers and wholesalers will sell more goods to the farmers. The railroads and the truckers will haul more produce.

Not the least of all, it will enable the American taxpayer to get out of the farming business. I think it has been costing the American taxpayer approximately $2 billion a year to engage in the farming business. The finding of new uses for farm products will enable the taxpayer to get out of the farming business and thus save $2 billion a year. The savings thus made can be used for the building of necessary schools and hospitals and for the reduction of the debt and of taxes. Still the farmer will be making more money and will be free. He will not be regimented. He will have a market for everything he grows.

The farmer's problem, as I said at the beginning of my remarks, is not simply a farm problem; it is not merely one of depressed farm prices; it is not the lack of production. Of course, there is a lack of production in the drought-stricken areas of the United States, but Congress cannot do much about providing rain. Generally speaking, however, we have more of everything that is grown than we need. It is practically running out of our ears. We can produce still more. There is not a farm in the United States which cannot produce more than it is producing. All that is necessary is to place more fertilizer on the land and to use more improved methods.

I hope the Department of Agriculture will get behind the bill and that every Senator will give it his approval.

Mr. LANGER. Mr. President, since I must now leave the floor, I ask unanimous consent that my name may be placed on the bill as a cosponsor.

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

Mr. CAPEHART. I thank the Senator from North Dakota.

As I have said, Mr. President, the bill will lie on the table until Monday for the purpose of enabling other Senators who might wish to do so to join with me as co-sponsors.

I hope the Department of Agriculture will support the bill. I think it should.

I shudder to think what will happen to the American farmer in the next 10 years if we continue to follow the course we have been following during the past 20 years, namely, trying to solve the problem by reducing farm production. If farm production is reduced, all other forms of production in the United States will decline. In addition, the ability of the farmers to pay taxes will decline. Everyone loses as a result of the farm policy we are following. Everyone would gain if more time, money, and effort were spent in finding new uses for farm products.

Only today a bill was introduced—or perhaps it is soon to be introduced—to call for a study of the rise in the price of newsprint. As we know, the price of newsprint has risen higher and higher, until today the price is almost prohibitive. Ninety percent of the newsprint used in the United States is purchased from foreign countries. If the program to which I have referred is adopted, and if the necessary research is done, it will be possible to produce in the United States all the materials required for the production of the newsprint needed in this country. Today newsprint is produced from pulpwood, and at the present time most of the pulpwood required for the production of the newsprint used in the United States comes from Canada. However, weeds and other plants which can be grown on farms can be used for the production of paper or newsprint, and that should be done. We should produce our own newsprint; and the time will come when we shall be forced to do so, because the supply of pulpwood will be exhausted. So we should be engaging in such a program at the present time.

Mr. President, we should be trying at this time to solve—on a permanent basis—the farm problem. One of the troubles is that we have been looking upon the farm problem as a political problem. However, it is not at all a political problem. It is an economic problem. The problem arises because the farmers produce more than they can sell, more than the market can absorb. Unless we can find new markets and new uses for farm products, we shall not solve the farmers' problems, without

ultimately having the farmers regimented 100 percent. If that is what the farmers want and if that is what the Congress wants and if that is what the Department of Agriculture wants, at least it is definitely not what I want. I myself want no part of regimentation. But regimentation will be necessary unless the program to which I refer is put into effect; and year after year the situation will get worse, instead of better.

In the last farm bill we authorized the President to set up a commission to study the very problem I am now talking about. A fine commission was established, and at the moment it is doing an excellent job in studying the entire problem. I believe the commission will make an interim report on about March 1, and I believe the law requires the commission to make its final report by June 30. I am entirely confident—because I have great confidence in the good judgment of the members of the commission—that within the next 90 days it will recommend that we try to solve the farm problem on the basis of finding new uses and new markets for farm products, and that we spend the necessary amounts for the research required in order to accomplish that objective.

Mr. President, in closing, I wish to say that in a short time I shall have a great deal more to say on this subject; and I shall continue to discuss it and work on it until the problem is solved. Certainly it will not be solved if we continue on the basis on which we have proceeded in the past.

I say to all Senators, on both sides of the aisle, that this is not at all a political matter. It should be a nonpartisan matter.

Therefore, Mr. President, I hope all Senators will join in sponsoring this proposed legislation, and in working toward its enactment. I shall be delighted to have all Senators do so. Certainly that will be in the best interests of the Senate, in the best interests of the farmers, and in the best interests of the entire country.

AMERICA SHOULD HAVE BEEN READY TO LEAD WESTERN ECONOMIC SANCTIONS AGAINST RUSSIA AT TIME OF HUNGARY'S FIGHT FOR LIBERTY

Mr. NEUBERGER. Mr. President, one of the glories and tragedies of our time has been the valiant resistance of the Hungarian people to the barbarism of Soviet tyranny. The glory of this resistance is theirs, and it will not soon be forgotten. In the tragedy, we must share—for it is part of the tragedy that thus far the free world, and particularly our own country, has done little for the brave Hungarians, except to utter feeble protests.

Possibly our share of tragedy goes beyond this. Talk by some of our national leaders during the past few years, including the President and the Secretary of State, about liberation and rolling back the Iron Curtain as goals of our policy, widely broadcast in Europe, may have served to build up hopes and optimism among freedom-seeking Hungarians far exceeding the realities behind those slogans. I confess I have been disturbed over just how much our propaganda may have encouraged Hungarians in their hopes that their desperate uprising against tyranny would gain assistance from the West. There have been repeated reports, from journalists and observers on the scene, that many of these brave fighters for freedom were disappointed and bitter over the failure of any such assistance to materialize. As only one example of such reports, Mr. President, I ask unanimous consent to include in the RECORD at this point a significant dispatch from Vienna, of November 24, 1956, by John MacCormack, of the New York Times, which describes the emotions of Hungarian refugees crossing the border into Austria and their disillusionment about western inaction.

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

UNITED STATES RADIO'S ROLE IN THE REVOLT—HUNGARIANS DECLARE THEY WERE MISLED

(By John MacCormack)

VIENNA, November 24.—United States correspondents in Budapest during the uprising have reported the astonishment of the Hungarian people at the failure of the West, and particularly the United States, to help them repel the Soviet attackers.

In some circles it is charged that the impression of impending United States help was created as a result of broadcasts by the Voice of America and Radio Free Europe.

The real charge is not that United States propaganda media incited the Hungarian revolution but that such agencies led the Hungarians to think the West would aid them if they revolted. To that, officials of Radio Free Europe reply by challenging their critics to cite any statement by them to this effect.

HUNGARIAN REACTION

For this correspondent the proof of the pudding was in the eating. In the 19 days he spent in Budapest while the Hungarians were first demonstrating, then revolting, and finally resisting Soviet aggression he saw ample evidence that the Hungarians were thoroughly convinced the United States would help them against the Soviet Union.

"Why don't you help us?" was the standard query of the Hungarian rebels and their sympathizers when they saw a United States flag on a correspondent's car.

Both from Zoltan Tildy, former President of Hungary and chief representative of the democratic Smallholders Party in the Imre Nagy government, and from Maj. Gen. Bela Kiraly, revolutionary who became for a few brief days the commandant of Budapest under that government, this correspondent heard criticisms of United States broadcasts. Both said they had been useful in the early days of the revolution because of their news broadcasts but harmful later because they incited the Hungarians to further revolts and strikes, whereas what the Nagy government needed was to have the revolutionaries return to work.

Since his return from Hungary this correspondent has listened to many denials by the Voice and Radio Free Europe that they were ever guilty of such incitements. Radio Free Europe officials produced a communication from a Hungarian lawyer who said that although he had been a faithful follower of its broadcasts he had never heard any that advocated revolution or promised military help.

SUPPORT EXPECTED

The fact remains that the Hungarian revolutionaries, rightly or wrongly, expected Western support, which they did not get. Who was responsible? In the opinion of this correspondent and several colleagues with whom he discussed the matter in Budapest and since his return to Vienna, this responsibility rests on the Government of the United States—of which the Voice and Radio Free Europe are merely mouthpieces official and unofficial—and on its people, since people are responsible for their governments.

Even if the two propaganda media did not themselves preach revolution or promise help, they quoted freely from United States newspapers and utterances of public men in the United States who were less careful.

DULLES QUOTED

They quoted, for instance, Secretary of State Dulles when he talked of "rollbacks" and President Eisenhower when he endorsed the Secretary's stand in more general terms. They recorded as news the speech of Henry Cabot Lodge, Jr., before the United Nations, November 2, in which he recalled pledges given by the United States to assist "the brave Hungarian people in their struggle for freedom." That speech was made when it looked as if the Hungarian revolution against Soviet communism had succeeded. Two days later, when Moscow sent the tanks into Budapest to crush the revolution, no more was heard of the promised assistance.

But the Hungarian people could scarcely be blamed for regarding Mr. Lodge's words as a pledge of help, nor could United States propaganda media be reprehended for recording them. If history one day should hold the United States guilty of having deluded a brave people with false hopes it would seem that the responsibility must be placed higher up.

Mr. NEUBERGER. Mr. President, on December 10, 1956, in a speech in Hermiston, Oreg., I suggested a congressional inquiry into the true relationship between the "liberation" talk in our Government during recent years and the actual policies followed by the administration during the same years. I ask unanimous consent that a summary of my remarks on that occasion appear at this point in the RECORD.

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

REMARKS OF SENATOR NEUBERGER AT HERMISTON, OREG., MONDAY, DECEMBER 10, 1956

A congressional investigation of the role of American propaganda in "feeding false hopes" to Hungary's fight for freedom from Soviet rule was suggested today by Senator RICHARD L. NEUBERGER.

"Reports from correspondents on the scene and in Austria have told of the surprise and dismay of the Hungarians at the failure of material support of their uprising from American and other Western sources," NEUBERGER said. He cited a New York Times dispatch which reported that the Hungarians did not claim that American propaganda had incited them to revolt against communism, but that broadcasts by such media as the Voice of America and Radio Free Europe had led them to believe a national fight for freedom would have American support against military repression by Russia's Red Army.

"Of course neither the administration nor the privately operated Radio Free Europe would have called upon the people of the Soviet satellite states to revolt," the Oregon Senator stated. "But for 4 years, there have been broadcast to these people the statements of our top leaders about 'liberation', 'rollbacks,' and similar phrases and slogans from this administration's pronouncements on Eastern European affairs.

"It should hardly come as a surprise if brave and desperate anti-Communists in

Hungary took these statements to reflect an actual American policy, not merely words," NEUBERGER said, "and if so, our phrasemakers must assume a share of responsibility for the terrible bloodshed and tragedies of the Hungarians' courageous battle for national liberation.

"I believe the Congress should inquire fully into what relationship, if any, there has been between these slogans which have been so recklessly broadcast for the past 4 years and the actual foreign policies of this administration."

The Senator did not criticize the decision not to intervene militarily in the Hungarian crisis, which he said could not have been done without facing full-scale war with the U. S. S. R. "But our national spokesmen must have known all along, before any revolts happened in the Soviet empire, that we could not support such revolts against Soviet military repression," he said. "Thus they should have been especially concerned to bend over backward to avoid giving false impressions to brave people behind the Iron Curtain, who stood to pay the supreme price for any misunderstanding of the meaning and motives of our liberation talk."

"Theodore Roosevelt advised us to speak softly and carry a big stick," NEUBERGER reminded his audience. "We have completely failed to develop the political and economic unity of the Western democracies, which could be our only effective nonmilitary stick against communism, in the form of trade boycotts and other economic sanctions. But this softness in our ability to act was not matched by any softness of our words—at least as they reached the people of Hungary over their clandestine radio sets. It is time for a public review of this discrepancy between our actual policies and the image created by our propaganda abroad."

"It is time we accepted the knowledge that with great power comes responsibility, and that ringing declarations of high principles do not take the place of leadership in practice, even when they are endorsed by a great majority vote in the U. N. General Assembly," NEUBERGER said. "We must learn to resist the temptation to preach and to admonish as a substitute for the cost and difficulties of effective action."

Mr. NEUBERGER. Of course, I do not charge, Mr. President, that administration leaders and spokesmen meant to encourage revolt among the people of Russia's Eastern European satellites. Nor do I have reason to think that Western media of information directed to these people—such as the Voice of America and the unofficial Radio Free Europe—had such intentions, or that they did more than to disseminate the statements of responsible public leaders. But we must recall, Mr. President, that for reasons which may have had little to do with international affairs, this administration made every effort to exaggerate the differences between its Eastern European policies and that of the preceding administration—to create the illusion of new and supposedly firmer policies, at the same time that the Soviet Government was actually given every reason to know that the United States would not lift a finger over events in Eastern Europe. If our public phraseology was so designed to create illusions here at home, Mr. President, is it surprising if it may also have created illusions among brave men abroad who would grasp at any straw in their hunger for liberty?

I hope that Congress will take a look at this question, Mr. President, and that our information media will reexamine their programs, so as to avoid any future misunderstanding of our actual position toward satellite revolts, unheroic as that position may be. I ask that a brief item from Newsweek magazine of December 10, 1956, referring to such a reexamination, be printed at this point in the RECORD.

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

PROPAGANDA OVERHAUL?

The Hungarian tragedy may force a complete overhaul of United States psychological warfare.

It's not true, despite charges, that United States propagandists have been encouraging the peoples of the Red satellites to revolt.

It is true, however, that occasional broadcasts and leaflets have spoken of the eventual liberation of the satellites, and that many desperate victims of the Communists read more into these words than was intended.

This is causing some deep soul searching in State Department circles.

UNITED STATES COULD HAVE LED WESTERN SUPPORT FOR HUNGARY

Mr. NEUBERGER. It is tragic enough, Mr. President, if divergence between our actual national policies and our leaders' phrasemaking about our policies has added to the sacrifice, disillusionment, and bitterness of brave men and women in Eastern Europe. But beyond this, I have felt strongly that there is more that the United States could have done to make Russia feel the wrath of the free world over Soviet oppression and cruelty in crushing the Hungarian struggle for liberty. Our cablegrams of protest and toothless resolutions in the General Assembly of the United Nations must be regarded with the utmost cynicism by the ruthless men in the Kremlin once it became clear that they were not to be backed by any effective pressures.

When the Hungarian revolt occurred I publicly urged that the United States take the lead, along with the other Western democracies, toward organizing trade boycotts and other economic sanctions against the U. S. S. R., so as to back up the United Nations in the Hungarian crisis. We would have been in a position to do this very effectively, Mr. President, if the administration had not permitted our Western alliance to deteriorate to the point where we were, in effect, fighting England and France rather than the Communists at the time when the crisis came. I pointed out in November that the necessity of meeting a challenge, such as this Hungarian crisis, by nonmilitary means is precisely one of the reasons why we must develop political and economic functions for the North Atlantic community. One-half of Soviet trade outside the Communist orbit is with NATO countries; yet the Western democratic alliance has no means of using this economic leverage jointly and rapidly and to lead the United Nations in the imposition of economic sanctions in the cause of freedom.

I have recognized, Mr. President, that in organizing such sanctions we would have to be prepared to assume some of the burdens of the resulting interruption in the flow of international trade. We might have to increase our own imports, even if this meant that my own Pacific Northwest might have to accept some competition from Scandinavian timber products; New England might face additional fish imports; industrial States might have to absorb increased competition from the industries of Western Europe or Japan; California might have to tolerate fruit imports from Mediterranean countries. After all our brave talk of liberation and roll-backs would we boggle at such trade measures if the cancellation of Russia's commercial ties with the non-Communist world over Hungary would hurt Russia in the pocket nerve? Our verbal protests have inhibited the Russian leaders not at all, and certainly they have not helped the valiant people of Hungary to win the freedom for which they fought. Mr. President, I ask unanimous consent to have printed in the RECORD my statement of November 23, 1956, proposing our leadership in the organization of economic sanctions against Russia over the Hungarian incident.

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

STATEMENT BY SENATOR NEUBERGER, NOVEMBER 23, 1956

The Western democracies should be prepared to organize economic sanctions to back up United Nations condemnation of Soviet terrorism in Hungary, Senator RICHARD L. NEUBERGER said today.

In a statement released from his Washington office, the Oregon Senator declared that through joint action the Western nations could impose on the U. S. S. R. a new trade boycott and other economic pressures sufficiently severe to add noticeably to other present strains on the Russian economy.

"Individually, the trade of single nations with the U. S. S. R. may not be significant to the Soviets, and its abandonment may cause dislocations in the individual free nation's economy," said NEUBERGER. "But together non-Communist nations contribute as much as 20 percent of the U. S. S. R.'s total foreign trade, and the loss of this trade, with its attendant opportunities for commercial and cultural contacts, would not be insignificant for Soviet policies."

"In taking the lead toward organizing economic sanctions, the United States must be prepared to help assume some of the burdens of finding new channels for this trade—perhaps by increasing our own imports," NEUBERGER said, "yet such burdens are a relatively easy and minor price to pay if it will make it possible for the free world to take some initiative to back up Hungarian resistance to Soviet tyranny."

"Organization of economic sanctions in a situation of this kind is a typical example why we must develop political and economic functions for the North Atlantic community," the Oregon Democratic Senator declared. "NATO was conceived as a purely military alliance when the military defense of Western Europe appeared the immediate urgent task. When confronted with a different challenge, as in the Hungarian crisis, the Western democratic alliance has no adequate means of meeting it jointly and rapidly by political and economic action.

"Yet one-half of Soviet trade with non-Communist countries is with members of NATO. This adds up to Soviet imports of about a quarter of a billion dollars a year, including imports of chemicals, electrical products, metals, machinery, and ships. But United States imports from the same NATO countries approach $5 billion annually, com-

pared with which Western trade with Russia is a drop in the bucket.

"A single foreign economic and political policy among the democracies of the Atlantic community—which is also overwhelmingly the major industrial and trading area of the world—would permit us to offer real leadership in the United Nations in cases like Hungary and to organize meaningful nonmilitary action in support of the U. N.'s determinations."

Mr. NEUBERGER. Mr. President, I also desire to bring to the attention of the Senate two articles in the Providence (R. I.) Journal of November 28, 1956, and November 29, 1956, by Mr. Claiborne Pell, a distinguished resident of Newport, R. I., who traveled to Austria and to Hungary with a Government commission to study and analyze the reasons why refugees from Communist-dominated countries have changed their minds and redefected.

Claiborne Pell has very properly emphasized the urgent need that we of the Western world formulate a positive program in advance of any future episodes in the breakup of Stalin's European empire—which was something we certainly lacked in the Hungarian crisis. Let me quote one paragraph from his excellent series of articles in the Providence Journal:

Moreover, we ought to draw from the Hungarian experience in order to prepare a crash policy position. Then when another East Berlin affair, another Posnan or another Hungary occurs, as it most certainly will, we will be set to take decisive steps immediately. This crash program would include recognition right away of the insurgent regime and the flying in of as many high-level and low-level United Nations and Western officials as possible so that the whole world may be adequately informed of developments.

I also should like to call attention to the comment by Mr. Pell, this informed observer who was on the scene along the Hungarian frontier, that "we should be careful that the inference not be let abroad in Eastern Europe, via Radio Free Europe, that, in case of insurrection, American armed aid will soon arrive, while at the same time the administration specifically informs the Soviet Union that the United States will not use those measures that include force."

After all, Mr. President, when poorly armed men and women revolt against Soviet military forces in partial reliance on a mistaken impression of our policies, they face death, torture, and cruel deportation in many instances. As Claiborne Pell has pointed out, the Hungarian rebellion has greatly weakened the prestige of Russia in Europe, but our own prestige does not soar high when false hopes of American aid are first raised and then shattered among some of the bravest patriots of our times.

Mr. President, I ask unanimous consent that the articles by Mr. Pell from the Providence (R. I.) Journal be printed in the RECORD, followed by an able editorial from the Portland Oregonian of December 13, 1956, entitled "How U. N. Might Help Hungary," and a column by Mr. Drew Pearson of November 23, 1956, from the Capital-Press of Salem, Oreg.

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

[From the Providence (R. I.) Journal of November 28, 1956]

HUNGARIANS FLEE FROM SIBERIA PERIL

(By Claiborne Pell)

VIENNA.—The Hungarians continue to stream across the Austrian border in an unending torrent of humanity. Already thousands have crossed and the rate is increasing. A fair estimate is that well nigh 100,000 will have come into already overcrowded Austria by the end of this month.

These refugees travel light. The most luggage that any of them has is a satchel or a brief case. I spent from 1 to 4 in the morning and the same hours in the afternoon at the Einser Canal on the Hungarian border 5 miles beyond Andau and found that the pattern did not differ between morning and night. Only at night the temperature dropped to 4 degrees Fahrenheit. There was no hut or other warmth at this border except for an open bonfire that was continuously fed with beet stalks.

The refugees came in steady groups of anywhere from 2 to 20 and from 5 to 10 minutes apart.

At another crossing I was at, a half-mile walk through Hungarian territory, the Hungarian border guards were helpful to their fellow Hungarians. After frisking the refugees for arms, the guards would shake their hands and wave them on. Occasionally, one of the guards would fire his tommy-gun into the swamp in order to make a noise and show his superiors that he was carrying out orders and attempting to stop the flood of refugees. At other border points, however, the going was much tougher. As the Russian troops moved across the Hungarian plain and came closer, the shooting became more serious and reports came in of refugees being wounded or killed.

The fleeing Hungarians are one vast cross-section of their country. While the majority are young workers, either skilled or unskilled, there are older people, professors and journalists. There are also many youngsters who in our country would be called children. The almost universal reason for fleeing is the fear of deportation to Siberia. Some mothers had told their children to leave while they could, even though the mothers remained behind.

One particularly sad scene was when a father and two boys arrived at the border. After they had been searched by the guards, the younger boy, a handsome blond about 14 years old, hesitated. He did not want to cross and leave his mother behind in Budapest. The father and older brother urged him to come. After a quarter of an hour, with tears streaming down his face, the youngster crossed the border.

Since ours were the first Free World faces seen by the refugees, some refugees would shake our hands and greet us with great emotion. Others appeared as nonchalant as if they had been strolling down a Budapest boulevard.

The Austrians are pitching in and doing a magnificent job. However, their task is overwhelming and it is proving difficult to provide transportation for refugees from the border to the first reception points. The Red Cross, various private organizations such as the International Rescue Committee, and Caritas, and just warmhearted individuals are going to the actual border with hot coffee and tea and helping the particularly weak who can't make it to the receiving station.

One man's heart gave out 200 yards from the bonfire. He was helped to the friendly fire and soon revived.

Toward the end of our early morning vigil, four men and a woman came along carrying a blanket by its corners. In the blanket was a fat, rosy, 2-year-old baby boy. I later went with the baby and his mother to Andau. The mother said that the preceding day all the freedom fighters in an apartment house next door to her in Budapest had been taken away by the Russians, presumably to be deported. The janitor, who had at first refused to admit the Russians, had been taken away, too. He returned, an incoherent, gibbering wreck, the next morning. The sight of this janitor convinced the mother and her husband that they should flee since he had been active in a workers' council during the short-lived Nagy regime. The mother, father, and child had hitchhiked a ride to near the border, found a reliable guide and had walked 12 miles across by the time we saw them.

This woman made various statements which were confirmed by our conversations with other refugees. She said the work stoppage continued. People were being deported to Russia in droves. The Hungarian uprising had been spontaneous, without organization, and without leadership. It had sprung from the mass of the Hungarians themselves.

One sad youngster appeared and said a companion had had a cramp in the swamp some three-quarters of an hour earlier. The young man warmed himself, went back into "no man's land," couldn't find his friend, and returned.

In Andau, itself, the refugees are placed in a big barn, strewn with clean hay and given a hot meal and chocolate. The barn is so full there is no place for a person to lie stretched out. Men, women, and children slept or dozed or vacantly stared, all curled up on one another. The cheerful lighting and colored paper streamers contrasted with the blank, sad faces of the refugees. By this time the reaction had started to set in as they contemplated their future. In the whole room of several hundred people, not one smiled or looked happy. And this is particularly striking since Hungarians are by nature light-hearted and gay.

However, by the time the refugees got to Andau, the worst was over for them, as regular buses were provided by the Austrian Government to take them to Eisenstadt, the main receiving camp. From there, the Hungarians are distributed to various other camps in Austria, and a lucky few are taken straight to one of the European countries that have offered them refuge.

[From the Providence (R. I.) Journal of November 29, 1956]

FREE WORLD SHOULD HAVE PLAN OF ACTION TO ASSIST ANTI-REDS

(By Claiborne Pell)

PARIS.—The surprising thing about the anti-Soviet and anti-Communist revolution in Hungary is that it was launched by young people and workers. Classically, these are the very two groups who have always fought the hardest for the Communist cause in past revolutions.

And, afterwards, the young people and workers have been thought the bulwarks of Communist society. To have these two groups not only abjure the Communist philosophy, but do so violently and at infinite sacrifice, has rocked the Communist ship of state as it has never yet been rocked.

There are two main conclusions we can draw from the Hungarian revolution and the Soviet lack of success in crushing it. First, human beings find the Communist system unnatural and distasteful and will do what they can to get rid of it. Secondly, the Soviet apparatus and military force is much weaker than the West had suspected.

The prime political weakness of communism is that it is a way of life that runs against human nature and human progress. The desire of the individual for privacy, for

freedom in work and leisure, and for the possibility of acquiring, increasing and passing on worldly possessions are basic human drives. When a regime runs counter to these drives, it is running against human nature. It is, in fact, coiling its own spring of resistance.

KREMLIN EASED TENSION

Since Hungary is a country where the original standards had been relatively high and where the Communists had compressed the spring with immense speed and brutality, its tension increased equally. The Kremlin recognized the long term impossibility of maintaining the spring's pressure and of maintaining Stalin's harsh policies. Moscow shifted toward a lighter but, it was hoped, a more permanent relationship with its Soviet and satellite subjects.

However, the released spring started to expand. First, in Poland there were the Posnan outbursts and the emergence of nationalistic Gomulka. Then, perhaps taking heart from Poland, perhaps because the Communist boot had pressed so hard, the spring burst in Hungary with wild force.

Hungary's violence of reaction and her withdrawal from the Warsaw Pact made Soviet counteraction inevitable. Any major nation, particularly such an utterly ruthless one as the Soviet Union, will do what it can to prevent the emergence of a hostile power on its border.

Undaunted, the Hungarians resisted and fought in subfreezing weather and in hunger. The hospitals of Budapest lack windows, many sections are in rubble. When the going got too unbearable or fear too strong, individual Hungarians fled rather than surrender.

DEFIANCE OF SERFDOM

I stood for hours on the Hungarian border watching them stream across, watching what appeared the first step toward national suicide rather than the acceptance of serfdom. More than 1 percent of the Hungarians have already taken this choice. And these people are of all sorts. Since mine was the first Western World face that many of these refugees encountered on their flight, they would often seize my hand and shake it. I marveled at the diversity of hands I shook. There were those of manual workers and clerks, of young people and farmers. And scarcely a hand had a glove although the temperature was as low as 4° F.

Meanwhile, the Free World watches Hungary in her agony and regrets that, except for refugee relief through such organizations as the Red Cross, the International Rescue Committee and other private agencies, there is little it can do to help.

The Free World's only comfort in watching the Hungarian revolution is that it is also watching the clearest exposition yet of the fundamental weakness of the Communist apparatus. Moreover, we are also watching the first major sign of the inevitable destruction of the Soviet Empire from within.

This view is well expressed by George Kennan who recently said of the violent events in Eastern Europe: "* * * certain moral principles really must be observed in the long run in the successful government of great peoples. These events prove that if these principles are consistently violated over a long period of time, this violation avenges itself. It inevitably produces trouble and disorder and even greater violence and bloodshed and tragedy. The Soviet Government has ignored these principles, has denied these principles for a very long time indeed; and they are getting the results of that in Eastern Europe today."

CAUGHT IN VISE

The Soviets are caught in their impossible vise. The events in Poland and Hungary have taught them that their structure has very shaky foundations indeed and that a different type of structure must be built if it is to last. And yet the Soviets dare not lighten up for fear of repetitions of outbursts of wrath from indignant, downtrodden satellite peoples. The results of this dilemma may be perceived in the Soviet Union itself where there have been upheavals in Moscow University itself and a general increase in restlessness.

Eventually, these tensions and events will produce a fundamental policy change in the Soviet Union, perhaps accompanied by violence, perhaps not. If this change is back to Stalinism, the ground will be laid for more fiery outbursts and the eventual violent destruction of the Soviet Union from within. And, if the change is toward a milder course, away from Stalinism, then there will be an increase in the tempo with which the bonds of the Soviet and satellite peoples are snapped and a change in the very character of the Soviet system itself. This process will inevitably take some years and will be accompanied by many shifts of the pendulum.

In the meantime, we in the West should not think that Hungary's agony is in vain. Not at all. The weakness of the Soviet philosophy and apparatus is being nakedly exposed to the whole world. Moreover, the Soviets have been placed in a most embarrassing position. The coiled spring of resistance, once sprung, will never again be as secure as it was. On the other hand, the Soviets cannot release the pressure for fear they will have a hostile neighbor on their border.

The Free World can only comport itself with skill and compassion. If we react with atomic violence, world war III is upon us. Even if we react with direct conventional armaments, if we send in American troops and tanks, we will produce hardening of the Kremlin's position and a return to Stalinism. Our only wise course is to help the victims as much as we can and, perhaps, to make arms available through nonofficial channels to freedom fighters.

SHOULD DEVISE POLICY

Moreover we ought to draw from the Hungarian experience in order to prepare a crash policy position. Then when another East Berlin affair, another Posnan, or another Hungary occurs, as it most certainly will, we will be set to take decisive steps immediately. This crash program would include recognition right away of the insurgent regime and the flying in of as many high-level and low-level United Nations and Western officials as possible so that the whole world may be adequately informed of developments.

Another time, too, we should be careful that the inference not be let abroad in Eastern Europe via Radio Free Europe that, in case of insurrection, American armed aid will soon arrive, while at the same time the administration specifically informs the Soviet Union that the United States will not use those measures that include force. Rather, we should make sure that the Eastern Europeans realize that their struggle for independence must be waged by themselves, while letting the Soviets guess a bit and not specifically tie our hands in advance.

[From the Oregonian of December 13, 1956]

HOW U. N. MIGHT HELP HUNGARY

Consciences of freemen everywhere have been deeply disturbed by the fact that the Hungarians have had to fight their magnificent battle alone. But to have come to their aid with the troops and guns they need so badly would have been to risk a third world war which might leave all cities as rubbled as Budapest.

Condemnation by United Nations resolution of the Soviet Union for its brutalities focuses the censure of a large part of the world on Moscow. But it is cold comfort to the Hungarian citizen looking into the gun barrel of a Soviet tank. There must be more that the United Nations can do to force compliance by the Kremlin with the basic rules of civilization.

Delegate Emilio Nunez-Portuondo of Cuba contends that the condemnation resolution backed by the United States and many other countries is too weak. He believes that the General Assembly should vote to suspend or expel the Soviet Union if it continues to ignore U. N. resolutions on Hungary. But he has admitted that such action, too, would be only a gesture, for suspension or expulsion would have to be first recommended by the Security Council where Russia would veto it.

Perhaps, however, there is a field of action, short of war, where the Assembly could exert the kind of pressure the thick-skinned rulers of the Soviet Union would respect. This is in the field of foreign trade.

Sylvia Porter, business and financial analyst, reported the other day that public opinion alone already has hit hard the advances in the economic field made last year and this by then smiling salesmen for post-Stalin communism. In 1955, West Europe bought some $825 million of goods from the Soviet bloc and sold about $770 million worth in return. In the first 4 months of 1956, East-West trade was 15 percent higher than in the same period of last year. But since Russia turned its guns on the Hungarian people this movement of goods reportedly has dropped off markedly. European public opinion is set against dealing with the Soviet Union.

If U. N. censure and unorganized boycott are insufficient to cause Russia to withdraw its forces from Hungary, perhaps the General Assembly could exert the necessary extra pressure by calling on member nations to sever economic and financial relations with the Soviet.

The Uniting for Peace resolution adopted by the Assembly November 3, 1950, provides that if the Security Council, by reason of a lack of unanimity among the permanent members, fails to exercise its responsibility for maintenance of peace, the Assembly itself may make recommendations to members for collective action.

Although recommendations would not be binding on member nations, they would carry more weight than unorganized public opinion in individual countries. Economic isolation of Communist areas on a permanent basis undoubtedly would tend to intensify rather than lessen the dangerous division of the world into opposing armed camps, and, therefore, should be avoided. But it might prove to be an effective emergency weapon.

[From the Salem (Oreg.) Capital Press of November 23, 1956]

WASHINGTON MERRY-GO-ROUND

(By Drew Pearson)

WASHINGTON.—Newsmen in Southeast Europe report that, next to Russia, the United States is the most hated nation in Hungary. Freedom fighters spit when the name America is mentioned. "You have been telling us to revolt," they are reported as saying. "Yet when we face Russian tanks, you stand by and watch them crush us."

Much of this is unfair, some of it inevitable. Turmoil inside the satellite countries was bound to come. But to see who had the greatest long-range view of the satellite problem, let's take a look at the record—among others that of Harry S Truman.

Mr. Truman is the man who branded me with initials now currently featured in the Saturday Evening Post under the caption "Confessions of an S. O. B." I owe him no debt of gratitude.

Despite this I should like to call attention to some farsightedness on Harry's part when

he warned the American people, September 2, 1952, of exactly what is now taking place in Hungary.

"Nothing could be worse," said Truman, "than to raise false hopes of this (insurrection) in Eastern Europe. Nothing could be worse than to incite uprisings that could only end by giving a new crop of victims to the Soviet executioners."

Truman, then President of the United States, was replying to two speeches made by John Foster Dulles and Gen. Dwight D. Eisenhower encouraging the satellite nations and virtually, if not actually, promising them aid.

Speaking in Buffalo August 27, 1952, in a speech obviously aimed at winning Buffalo's huge Polish-American vote, Dulles promised that if the Republicans were elected the Voice of America would begin to stir up the resistance spirit behind the Iron Curtain, letting the Poles, Czechs, and others know they had the moral backing of the United States.

"Resistance movements would spring up among patriots who could be supplied and integrated via airdrops," Dulles pledged.

Answering Averell Harriman, who had warned of dangers in the Eisenhower policy of liberation, Dulles said:

"It is nonsense for Mr. Harriman to say that General Eisenhower's liberation policy is a trap and would lead to premature uprisings and more Warsaw massacres. The only trap I see is that in the Democratic platform which says they look forward to liberation of these peoples but they aren't willing to do anything about it. That's a trap to get votes."

IKE WENT OUT ON LIMB

General Eisenhower went just about as far in a speech before the American Legion in New York, August 25. This was what especially aroused Harry Truman.

"The American conscience can never know peace until these people are restored to being masters of their own fate," the general began rather mildly. He also talked about man's brotherhood under the fatherhood of God, and so on. Then he warmed up.

"We can never rest," he said, "and we must so inform the world, including the Kremlin—that until the enslaved nations of the world have the fullness of freedom, the right to choose their own path, that then and then only can we say that here is a possible way of living peacefully with communism in the world."

The President told his press conference last week that his administration had never used the satellite peoples to armed revolt. True, he never used that word. But here is exactly what he said:

"We must tell the Kremlin that never shall we desist in our aid to every man and woman of those shackled lands who seeks refuge with us, any man who keeps burning among his own people the flame of freedom or is dedicated to the liberation of his fellow men."

TRUMAN'S FIERY REPLY

To this, former President Truman, speaking at Parkersburg, W. Va., September 2, replied:

"The fate of the people in the Soviet borderland is one of the greatest tragedies of human times * * *. We shall never forget these people. But we shall never treat their plight * * * as matter for partisan debate. Millions upon millions of human beings are going through dreadful agony, and it is not for us to play cheap politics with their needs and fears and hopes. Yet that is exactly what these Republicans have begun to do.

"They are telling us we must undertake to liberate these people and do it right now. * * * Maybe the Republicans don't realize this, but the people who are on the spot in Europe know very well that talk of liberation under present circumstances is war talk.

"All Europeans know quite well that insurrections in the Soviet borderlands could only be successful with armed support from the outside world.

"If the Republicans don't mean to give that armed support—and I feel sure they don't—then they are playing cruel gutter politics with the lives of countless good men and women behind the Iron Curtain.

"Surely," concluded Mr. Truman from the rear of his train in Parkersburg, W. Va., "the Republicans must know that the Iron Curtain and the Kremlin walls will not come tumbling down from a few blasts on a campaign trumpet."

OUR VOICE IS DELAYED

On September 3, one day after reading the Truman speech, John Foster Dulles held a press conference at which he replied that the Truman "mood of weakness, timidity, and appeasement is the sure road to war."

Here is the last tragic chapter in the story of revolt behind the Iron Curtain:

On October 30 the Hungarian rebels had almost pushed Russian forces out of Budapest. Moscow indicated it would appease.

On November 3 the U. N. called for a vote of censure of Moscow. The U. N. had been procrastinating all week.

Soviet delegates on November 3 argued that the Security Council should not act that day. Things were settling down in Hungary, the U. N. should not intervene, they said.

Other delegates disagreed. Delegate after delegate urged immediate action. Finally, spoke United States Ambassador Henry Cabot Lodge:

"We believe," he said, "that adjournment for a day or two would give a real opportunity to the Hungarian Government to carry out its announced decision to arrange for an orderly and immediate evacuation of all Soviet troops. In this spirit I would be willing to adjourn until tomorrow or the next day."

That virtually ended the discussion. The Australian delegate argued vigorously against Lodge, urged the council not to adjourn but to act immediately.

There was a vote. The United States of America voted against Australia and for the Soviet.

Before the next day dawned, new Soviet armored divisions were crushing Hungary.

The Truman administration made mistakes in handling Russia. So has the Eisenhower administration. Anyway, that is the record.

SECRECY IN GOVERNMENT

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an informative speech being delivered around the country on the subject Secrecy in Government, by a stalwart American and fighting editor of the Tampa Morning Tribune, Mr. V. M. Newton, Jr.

I am in agreement with the principles enunciated by him and feel that the views expressed will be of interest to the Members of the Congress.

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

It is a great privilege and honor for me, a representative of the free American press, to appear before you, the liberal arts members of the senior class of this great university, and discuss the question of freedom and tyranny, which has troubled man's soul down through the ages.

Thirty-seven words in the American Constitution spell out the difference between freedom and tyranny.

Paragraph 2 of section 9 article I of the Constitution states:

"The privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it."

These 26 words protect you from secret and arbitrary arrest and guarantee you a public hearing before the bar of the public opinion of your fellow citizens.

The first amendment of the Constitution states, in part:

"Congress shall make no law * * * abridging the freedom * * * of the press."

Those 11 words give the free American press the right to alert the free people any time the politician violates the writ of habeas corpus.

Together, these 37 words distinguish the free American citizen from the citizen of Soviet Russia and the citizens of all other slave states in man's history. And they actually serve as a guaranty for all the other freedoms so carefully spelled out in our Constitution.

What good are these other freedoms if the politician can, at his will, throw the citizen into jail without the benefit of a public hearing? And what good even is this great freedom from secret arrest if the press is deprived of the right to alert the public in the event of its abridgment?

I ask these questions to show you how very vital to you, as you conclude your studies and prepare to sail forth on the stormy seas of life, is this purely American principle of freedom of the press. Need I remind that within less than 24 hours flying time from your campus, the Russian politician, sipping from his cup of vodka, throws his political opponent into jail and keeps him there because the Soviet press is shackled by tyranny and is the tool of the dictators and thereby cannot alert the Russian public to the horrors of the Siberian concentration camp? Need I remind also that this very great danger hangs constantly over the Free World today and, sad as it may be, it will face you young men and women for many years to come, and possibly throughout your lifetime.

But, if it is any comfort to you, this great danger always has confronted man ever since he crawled out of his cave armed with a club. And I say to you, supported by millions of pages of history, that the fight for freedom has been a constant one, that the fight is going on today with just as much intensity as it ever had, and that a free press, through which we have an informed public, is the sole key to the liberty of your actions, your words, and even your thinking.

We almost lost this freedom in the early days of our Republic. In my correspondence with Senator BENNETT, of Utah, over the secret proceedings in the United States Senate today, the good Senator wrote me as follows:

"I remember that the Constitution of the United States was written in a session so bound by secrecy that not only were no minutes kept, but the members were enjoined by their own honor not even to reveal the way in which they themselves voted. I am inclined to believe that, without that protection, we might never have had a Constitution."

In my reply, I wrote as follows:

You tell only part of the historical story, Senator BENNETT, and the part you leave out proves you wrong and stands forth as a great historical monument in favor of free open American government as contrasted to the secrecy now in Congress.

When the Constitutional Convention met in secrecy to draw that great document, a bitter roar of criticism swept the Thirteen Original Colonies. On August 20, 1787, Thomas Jefferson wrote John Adams as follows:

"I am sorry they began their deliberations by so abominable a precedent as that of tying up the tongues of their members. Nothing

can justify this example but the innocence of their intentions and ignorance of the value of public discussion."

And when the first draft of the Constitution came out of that secret meeting, a number of States indignantly declined to ratify it, because, behind those locked doors, the framers had chopped out of it all the great principles of freedom for which the colonists rebelled against England and shed blood on the battlefield to achieve.

So, amid great public hullabaloo, there was drawn the American Bill of Rights, which was attached to the Constitution as the first 10 amendments and which set forth in plain language the great principles of freedom which guide the American people today. Yet these great principles were left out of the document drawn in secrecy and they became a prime part of American Government only at the insistence of public opinion, which overruled the politician.

Senator BENNETT promptly dropped this correspondence.

The world's history shows plainly that whenever and wherever the politician piles up power in a strongly centralized government, the citizen's freedom of expression always dies. Less than 10 years after the adoption of the American Constitution, the Federalist Party which stood for a strongly centralized government, gained control of Congress and railroaded through the Sedition Act on July 14, 1798.

This act, in direct violation of the Bill of Rights, forbade criticism of Federal Government, the Congress, and the President under penalty of imprisonment. And in the next 2 years, 25 American citizens were arrested and 10 imprisoned, among them free American editors, for the great crime of criticizing Government.

Once again American public opinion rose up, just as it did in the fiasco of the secret Constitutional Convention, and repudiated this abridgement of the citizen's freedom. And it swept into the White House Thomas Jefferson, the great American voice of freedom, and it destroyed forever the Federalist Party.

Thus was established the great American principle of freedom of the press, which is your protection against governmental enslavery, and it stood unchallenged by the politician for 130 years. It withstood even the great trial by blood of the War Between the States, when Lincoln, a truly great American, took criticism from both northern and southern newspapers that no other American public has had to take.

But in our thirties began a new struggle in American Government in which once again proponents of a strongly centralized Federal Government began encroachments upon the individual's freedom. And once again the politician sought to curb the free press and its inherent right to criticism of Government, and this time, to get around the Constitution, the politician used the age-old tactic of secret government. That struggle is going on today, with your freedom at stake.

When a free people bestows freedom upon its press, it also bestows the very great obligation and responsibility of reporting all the facts, all the business and all the discussion of free government in the printed column at the time and not after the fact, when too often it has been too late for the general benefit and well-being of the free people. Neither the press nor the people are free when the politician deprives them of the facts of government, and the pages of history tell us over and over that whenever the people are barred from knowledge of their government and deprived of the opportunity of constantly exerting the restraint of public opinion upon the politician, man's liberty always descends into the tragic limbo of forgotten privileges.

During the Roosevelt administration, Government moved into all phases of the citizen's private life as it coped first with the depression and then with the greatest of all world wars. And as government interfered with the citizen's private life, our politicians piled more and more power in central government.

During the dire days of the depression and the exciting days of the war years, the press, short of help, materials and time, was gravely preoccupied with those tragic matters. And, at the same time, it became accustomed to accepting in good faith the proclamations, reports, and propaganda issued by Government press agents.

So, ignored by the press and left largely on his own in Federal office, the politician developed the new American philosophy that, once elected or appointed, government belongs to him as his private domain; that he feels he has the right to give out or withhold information of Government as he sees fit; and that he sincerely thinks that the people should be satisfied with the decisions of Government after he has made them.

After the war, when the press turned its attention back to domestic affairs of our Nation, it found itself confronted with a cloak of secrecy draped over most of Government in Washington. In 1951, President Truman attempted to justify this cloak of secrecy with an executive order which gave just about everybody in Washington the right to withhold news in the sacred name of national security.

So, during the late forties, we in the American press sat by in good faith and watched our Government so badly abuse this responsibility that virtually all Department of Defense news today is censored, regardless of whether or not it affects national security, and regardless also of the fact that 70 cents of every American tax dollar is spent on defense. And we sat by in good faith also while spies and traitors, apparently operating at ease behind the cloak of governmental secrecy, slipped key American defense data to the enemy.

Mr. Truman's executive order was so badly abused that the press almost en masse protested, and a committee representing the Associated Press Managing Editors Association conferred with him personally at the White House. Mr. Truman told this committee that if it didn't like his order, then it could submit another to him. The committee promptly withdrew from the negotiations simply because these sincere editors did not want any part in the setting of a precedent wherein the press, itself, agreed to censorship.

On November 6, 1953, Mr. Eisenhower issued a new directive limiting the right to classify and restrict information in the sacred name of security to the heads of only 17 of the nearly 2,000 Federal agencies and bureaus. But this was still censorship and during the last 3 years it has been abused by the Republican administration just as badly as the Democratic administration abused Mr. Truman's directive.

Last year, as chairman of the national freedom of information committee of Sigma Delta Chi, the professional journalistic fraternity, I compiled a report on freedom of information in Washington, or your right to know about your Federal Government, based on the personal experiences of the leading Washington correspondents.

This report, which I later submitted to the House of Representatives Subcommittee on Government Information, exposed clearly an alarming picture of a "paper curtain" draped securely over the release of news in the executive branch of Federal Government; of direct censorship in many departments, agencies and bureaus; of arrogance on the part of many of our public servants; of much propaganda for political gain or privilege; of utter public confusion as to the facts of the big stories of the day; and, in some cases, of favoritism, intimidation, and revenge in the release of news of Government to the people.

This cloak of news censorship, new to American Government, became so critical that Congress, composed of the people's representatives, found itself barred by arrogant bureaucrats from information of Government so necessary to the formation of the people's laws. So last summer, the House of Representatives appointed a subcommittee headed by Representative JOHN E. MOSS, of California, to investigate secrecy in the executive branch of Federal Government. This committee, after 8 months of hearings, disclosed this year the following:

1. Federal agencies and bureaus are using more than 30 subterfuge censorship classifications to withhold legitimate information from the people.

2. Letters from President Eisenhower to Secretary of Defense Wilson and from Attorney General Brownell to the Federal Security Commission advising them to withhold information of the inner operations of their agencies from the people.

3. Representatives of 19 key Federal agencies testified that they withheld nonsecurity information from the people.

To give you a typical example of one of many cases, Chairman Philip Young, of the Federal Civil Service Commission, which pays out your tax moneys in Federal pensions, bluntly told the subcommittee that he had an "inherent right" to withhold information. Three years ago, I asked Mr. Young to release a list of Federal pensions paid to former Congressmen. He declined on the grounds that this matter of the people's tax moneys also was a matter of privacy between the Government and recipients. After 3 years of correspondence, he finally wrote me that he had changed his policy to the extent that he would release the pensions provided the ex-Congressman gave their permission. But whoever heard of the people having to beg permission from their public servants before they can find out how their tax moneys are spent?

And it is interesting to note that in June of last year, Senator WILLIAMS, of Delaware, in a speech to the Senate, revealed that a former Congressman had reaped an additional $444 annual pension through payment of only $22.10, and that three other Federal officials had finagled windfall pensions through similar small payments.

This, of course, brings up the question of the secret proceedings of Congress, and I must confess that it greatly troubles me. I took up this matter with Representative Moss and his subcommittee and was told that the jurisdiction of the subcommittee's investigation extended only to the executive branch of Federal Government. Yet, how can one branch of Government, nursing its own pet brand of secrecy, investigate with a clear conscience the pet secrecy of another branch of Government?

During 1953, congressional committees held 3,105 meetings and 1,357—or 44 percent—were secret meetings held behind locked doors with press and public barred. In 1954, congressional committees held 1,357 secret meetings—or 41 percent—and during 1955 and 1956 more than 40 percent of the committee meetings were secret.

Few of these secret meetings dealt with defense or security affairs. Instead, they dealt with virtually every matter before Congress. Nearly every one of the Appropriations Committee meetings, in which our public servants decided how to spend the citizens' tax funds, was held in secrecy.

Much of this legislation conceived and congealed behind the locked doors of these secret congressional committee meetings was railroaded through Congress with a minimum of debate and with little opportunity for the restraint of public opinion to

be exerted. Actually, some it did not see the light of public print until it became law.

In my correspondence with Members of the United States Senate over this matter, your own Senator JENNER, of Indiana, wrote me as follows:

"Another reason for the 'railroading' of legislation through Congress is the very large role played in legislation by the bureaucracy of the executive branch. They frequently draft the bills. They write the arguments for the bills. They fill the record of hearings on bills. They have supporting groups which come in and testify to the 'approved line.' Ordinary citizens cannot meet such well-financed, well-organized competition. It may appear as if the sentiment is all in one direction on a bill and Congress hears little or no objection, and so moves quickly to pass it."

Now when you add Senator JENNER's damning statement to the fact that nearly half of all congressional committee meetings are held secretly behind locked doors, you can reach only the conclusion that the ordinary American citizen has very little to say about our legislation. Under such a system, the ordinary American citizen is deprived by his elected representatives of his inherent right to exert constantly the pressure of public opinion upon his free government. And any student of history soon learns that free government cannot long last in such secrecy.

And in support of Senator JENNER's statement and my comment, late in July the United States Senate, in one 2-hour session, "whooped through," to use the exact words of one national publication, no less than 134 laws. That is better than two laws a minute, and I doubt seriously that any one of our good Senators knew the contents of half of them.

I corresponded with 63 Senators on this matter of secret proceedings, and only 25 stated they were for open committee meetings. And only 11 had the courage to state outright that they favored secret meetings. The others hemmed about this qualification or hawed about that reservation.

Senator FLANDERS, of Vermont, wrote me that the secret committee meetings were necessary to "mark up" bills and to prevent the Congressmen from being self-conscious and from dropping into oratory. Yet it is in the same peace and quiet of these secret meetings that amendments are tacked onto the bills and other changes made that the American people should know about at the time and not after the fact, when too often it has been too late.

Senators Holland, of my Florida, Smith of Maine, Payne, Dirksen, Gillette, Walker, Ellender, and Hendrickson, expressed great and tender concern over the danger of needlessly ruining the reputations of witnesses and appointees before public meetings of the committees. But what about the case of Harry Dexter White, the Communist spy? His appointment was considered and confirmed in a secret meeting of a Senate committee and then railroaded through Congress. How in the world can the interests of the American people be properly protected unless all the facts are made public at the time and not after the fact, as in the case of White?

Senator GOLDWATER, of Arizona, wrote me that he felt the American people would be more informed if their legislators are allowed to work in the privacy of their own arguments. Isn't this the modern philosophy in Federal Government today, that government belongs to our public servants, and that the American people are entitled only to that information which our public servants think they should have?

Senator HAYDEN, of Arizona, wrote me that the secret meetings were necessary to protect our Congressmen from the bureaucrats and the lobbyists. But what about the protection of the American people from those same bureaucrats and lobbyists? What about giving the people a look at the bureaucrats and lobbyists in action?

Senator MILLIKEN, of Colorado, wrote me that the publicizing of the committee's work prior to final decision, and I use his exact words, "might lead the citizen into actions harmful to himself." In reply, I asked the Senator if he could name just one case in all history where free, open government, under the constant restraint of an alert and informed public, has "led the citizen into actions harmful to himself." On the other hand, any student can dig out of the pages of history thousands of cases wherein the politician, acting behind the locked doors of secret government, really dealt the citizen a knockout punch.

Senator BENNETT, of Utah, wrote that it would be impossible for our Congressmen to reach a compromise in a public committee meeting. This poses an interesting question. Does free American government today consist of nothing more than a secret compromise between two political parties without the restraint of the people's opinion? Isn't this a sad commentary on free government, anyway you look at it?

Later in our correspondence, Senator BENNETT wrote that if the congressional committee meetings were opened to the public, it would force the committees to adjourn to secret meetings in so-called smoke-filled rooms. In reply, I wrote that a group of Congressmen meeting unofficially in a smoke-filled room would have no official power whatsoever. They could not draw up a bill; they could reach no official decision. And if the American people ever tumbled to the fact that our legislation was being cooked up a smoke-filled room, I am sure that we would have a new set of public servants in Congress after the next election.

Senator ROBERTSON, of Virginia, suggested that I propose the plan of open meetings to the board of directors of my newspaper and invite the reporters of competitive newspapers to sit in on all meetings of our board of directors. In reply, I reminded the Senator that American citizens, through considerable taxation, are stockholders in their Government and had the right to check on the actions of their public servants just as the stockholders of a newspaper have the right to check on the actions of their board of directors.

Senator IVES, of New York, wrote me that the quiet atmosphere, divorced from the temptation of public expression or political maneuver to gain advantage in the eyes of the public was much more efficient than a public sounding board. In reply I asked this question: Which is better for the people, the harmony of the secret communistic government in Russia, or the turbulence of free, open democratic government in America? I think the answer to this question also would answer all of the questions involved in the quiet atmosphere of any secret meeting in Government. We cannot afford to sacrifice the basic freedom of our country for expediency or because another way is speedier, easier or more efficient. The world's history shows that once you sacrifice freedom, you regain it only through bloodshed.

So, it is not difficult to see that you, as citizens of free America, are not getting the facts of your Government from your public servants and that, in this matter of freedom of information, there is no difference between our two political parties. Likewise, it should be evident to you that there also is no difference between our parties in the matter of piling power into our evercentralized Government at Washington.

If the Republicans sponsor soil subsidy payments, which of course extends Federal authority over every farmer in our land; then the Democrats promise 90 percent crop parity and cash payments. I was very interested in Speaker SAM RAYBURN's somewhat cynical boast to the Democratic National Convention a few weeks ago. He said, and I quote:

"After 4 years I challenge any Republican anywhere to put his finger on my changes they have made. I challenge them to show where anybody in this administration, from the President down, has advocated the repeal of a single law we passed in 20 years of Democratic administrations."

Down through the ages, ever since man first conceived the idea of freedom, the struggle in government has pitted the conservative, who always has believed in a strongly centralized government, against the liberal, who likewise always has believed in the individual rights of man.

But in our day, sad as it may be, we see the strange sight of our intellectual liberals careening starry-eyed on the bandwagon of centralized power in government, not knowing where they are going. And the tragedy is that not a single great liberal voice has been raised in our land against this constant abridgment of man's freedom.

So, in conclusion, I warn that we can no more have a little secrecy in government than we can have a little freedom, a little justice, or a little morality. Of course, we do not have absolute freedom, absolute justice or absolute morality today. Yet our adherence to these great absolute principles, even though we yield a little here or compromise a little there in actual practice, has given the world the greatest free civilization of all time.

And I tell you with great personal conviction that should we ever veer away from our absolute principles of freedom, justice and morality, even though we occasionally compromise them in practice and in deference to human frailties, we will consign the great American experiment to that limbo of fallen civilizations.

So I tell you also, with equal conviction, that we in the newspaper profession are deeply obligated, under the precepts of free government, to fight with all our might for the absolute principle of freedom of information; for it is only through upholding that absolute principle, in the face of human frailties, that a free people can be guaranteed the maximum information of government, so necessary to retention of our freedom.

Thank you.

RECESS TO MONDAY

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 11:15 o'clock a. m. on Monday next.

The motion was agreed to; and (at 3 o'clock and 33 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, January 21, 1957, at 11:15 o'clock a. m.

NOMINATION

Executive nomination received by the Senate, January 17 (legislative day of January 3), 1957.

UNITED STATES ADVISORY COMMISSION ON INFORMATION

Sigurd S. Larmon, of New York, to be a member of the United States Advisory Commission on Information for a term of 3 years, expiring January 27, 1960, and until his successor has been appointed and qualified.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 17, 1957

The House met at 12 o'clock noon.

The Most Reverend Archbishop Metropolitan John Theodorovich offered the following prayer:

Our Eternal Father, Thou createst us. Thou lovingly endowest every one of us with Thy ray of potential perfections. We are to bring them out, to shine in us with the beauty, peace, and love of Thy gracious gift.

Give us, our Father, grace to realize firmly that the blessings of Thy gift may be brought out only in the freedom of self-expression. Guide us to achieve that freedom and with it the love, understanding, and tolerance of others.

Our Heavenly Father, Thou blessedest our country with might, peace, and prosperity. Grant us the grace to share with others Thy blessings. Keep us free of selfishness. Grant our leaders the loving heart, the noble spirit, the chastity of purpose in this country to be the hope of all oppressed, to be a luminous torch and a promise of freedom everywhere, to all races, nations, and individuals. The coming of Thy kingdom, Father, commands that freedom. The present turbulent days of discord, of enslavery, of brutal oppression demand also that freedom.

This prayer we raise up to Thee, Father, on this anniversary of the Declaration of Independence of Ukraine, whose freedom was suppressed with brute force, whose millions of martyrs cry to Thee, Father, for justice, and whose indomitable spirit of freedom is never dying.

We beseech Thee, merciful Father: shorten the dark days of discord among nations, remove the threats of war, smother every form of oppression.

May Thy will of love, of freedom for us, Thy children, be everywhere reasserted and may it prevail. May all peoples and the Ukrainian nation with them keep the spirit of freedom steadfast, hope—undying that Thy will be done and Thy kingdom come.

We humbly implore Thee, our Father, grant us this blessing and may Thy name, O God, be forever glorified by us, Thy children. Amen.

The Journal of the proceedings of Wednesday, January 16, 1957, was read and approved.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I offer a resolution and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 110

Resolved, That when the House adjourns on Thursday, January 17, 1957, it stand adjourned until 11 a. m. Monday, January 21, 1957; that upon convening at that hour the House proceed to the east front of the Capitol for the purpose of attending the inaugural ceremonies of the President and Vice President of the United States; and that upon the conclusion of the ceremonies the House stand adjourned until Tuesday, January 22, 1957.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, can the distinguished majority leader give us any information as to when the resolution, offered to the Congress by the President, will be considered; whether it will be next week or the week following?

Mr. McCORMACK. I am unable to state now. The best information I have, and I do not want to be bound by it, is that they expect to get through with their public hearings Tuesday or Wednesday of next week. I shall make inquiry to try to give a more responsive answer on Monday.

Mr. GROSS. May I suggest to the majority leader that we have ample time to read the hearings that have been held before the House Committee on Foreign Affairs on this subject so that the Members of the House may be advised as to what has taken place before the resolution is brought to the House for consideration?

Mr. McCORMACK. Of course, I do not want to be bound by any commitment except that it is always assumed that Members read all hearings, and I know the gentleman from Iowa particularly reads them.

Mr. GROSS. I think the gentleman will agree with me that this is one of the most important resolutions likely to come before this session.

Mr. McCORMACK. The gentleman from Massachusetts is thoroughly aware of the fact, and is also aware of the fact that the calculated risks of action are probably less than the calculated risks of inaction.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS ON MONDAY NEXT

The SPEAKER. The Chair desires to make the following announcement:

The Chair has had many inquiries by Members with reference to the proceedings on Monday next. The Chair has been requested to announce to the House that all Members who expect to go out on the official platform will assemble here in the Chamber of the House at 11 o'clock Monday morning. In order to go out on the official platform, it will be absolutely necessary for each Member to display his official ticket. The Joint Committee on Inaugural Ceremonies feels that this is an entirely reasonable regulation.

If a Member does not have his ticket, it will be impossible for him to get his seat, for there will be no opportunity to join the procession after it leaves the House. There are no tickets available to ex-Members for this platform, inasmuch as the seating capacity is limited.

The seats to be occupied by Members of the Senate and House of Representatives have no cover, and it is advisable for Members to take with them their overcoats and hats.

The Chair is further requested to announce that no children will be allowed upon the platform, and there will be no seats except for Members actually holding tickets for their own seats.

So if you expect to be in the procession and get a seat on the platform, it will be wise for you to be in the Chamber at 11 o'clock on next Monday.

NATIONAL JUNIOR ACHIEVEMENT WEEK

Mr. McCORMACK. Mr. Speaker, I offer a House concurrent resolution (H. Con. Res. 73) and ask unanimous consent for its present consideration.

The Clerk read the concurrent resolution, as follows:

Whereas it was the initiative, the sense of individual dignity, and the determination to mold their own futures that motivated those who founded this Nation; and

Whereas Junior Achievement, Inc., through its "learn-by-doing" program is inculcating those ideals in American youth by helping them to set up and operate their own small-scale business enterprises; and

Whereas their experience in running Junior Achievement companies will provide these young people with a heightened understanding of the privileges and duties of citizenship and better prepare them to assume the responsibilities of community leadership; and

Whereas thousands of American businessmen voluntarily give unstintingly of their time, their counsel, and their experience for the benefit of the members of Junior Achievement; and

Whereas it is understood that the week beginning January 27, 1957, and ending February 2, 1957, will be observed as National Junior Achievement Week: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is authorized and requested to issue a proclamation designating the week of January 27, 1957, through February 2, 1957, as National Junior Achievement Week and urging all citizens of our country to salute the activities of Junior Achievers and their volunteer adult advisers through appropriate ceremonies.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, and I shall not object, I understand this has been approved by the respective leaders of the Committee on the Judiciary.

Mr. McCORMACK. Yes. I have taken the matter up with the chairman of the committee, the gentleman from New York [Mr. CELLER] and also the gentleman from New York [Mr. KEATING].

May I also advise the Members of the House that I have received a message from the majority leader of the Senate expressing the hope that the resolution pass here quickly, and stating that they would take it up over there.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATION OF ACTING SPEAKER OF THE HOUSE ON MONDAY NEXT

The SPEAKER. The Chair desires to announce that the gentleman from Georgia [Mr. VINSON] will be acting Speaker on Monday next.

A UNITED NATIONS SECURITY FORCE

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, people as well as nations often learn by experience, and recent experiences in the Middle East may contain a lesson that we could profit by.

The crisis in Egypt started on October 29, 1956, when Israeli troops penetrated deep into the Sinai Peninsula in retaliation for continued raids by Egyptian Commandos. On October 30, Britain and France vetoed a United States sponsored resolution against new outbreaks of military action in Egypt and the next day launched air attacks aimed at separating the belligerents and safeguarding free passage through the Suez Canal. On October 31 the United Nations Security Council voted for an emergency session of the General Assembly. On November 2 the Assembly approved a United States proposed resolution calling for a cease-fire. Britain and France rejected this appeal but agreed to stop action on condition that the Egypt and Israeli Governments agree to accept a United Nations force to protect the peace and the canal. Later, on November 4, the Assembly, by a vote of 57 for, none against, approved a Canadian resolution for an emergency international United Nations force to obtain and supervise a Middle Eastern cease-fire. On November 5, Major General Burns of Canada was designated head of the force. The next day France, Britain, Egypt, and Israel accepted the United Nations appeal for a cease-fire.

This token force of approximately 5,000 men from the smaller countries of Canada, Colombia, Denmark, Finland, India, Norway, Sweden, and Yugoslavia was organized as quickly as possible to forestall intervention by the Soviet Union. By November 9 a staging area was set up on an airfield near Naples, Italy, and on November 15, 17 days after Israel had launched her attack, the United Nations Emergency Force landed in Egypt to secure and supervise the cessation of hostilities.

Thus arrived in battle-torn Middle East the first international police force of its kind in history. The presence of this force in Egypt is a strong deterrent to any independent military actions by any of the powers involved in the dispute, or by still another party, such as the Soviet Union.

For over a decade the United Nations has attempted to establish some type of an international police force similar to the one now on duty in Egypt. In fact the Charter of the United Nations itself envisages the possibilities of such collective measures to maintain peace. The Security Council was designated as the principal organ charged with the responsibility of peace enforcement. However, the constant use of the veto by the Soviet Union has prevented the Council from establishing an international police force which could aid the United Nations in its endeavor to promote world peace and security.

The Korean conflict showed the danger of placing too much responsibility for halting aggression in the hands of the Security Council. It was only the absence of Russia from the Council meeting that prevented the police action from being vetoed.

Recognizing the dangers inherent in such a system, and conscious that the veto might prevent action in future cases of aggression, the General Assembly, in November 1950, gave the first real impetus toward the establishment of an international security force by adopting the uniting-for-peace resolution.

A part of this resolution recommended that the United Nations be responsible for earmarking trained, organized, and equipped forces that could be called promptly in accordance with each nation's constitutional provisions to meet aggression immediately anywhere in the world. The resolution also urged member states to submit to the Assembly information on measures taken to maintain within their armed forces contingents readily available for use by the United Nations in times of emergency.

Unfortunately, although a few nations did cooperate and submit their information to the General Assembly, most refused to make advance pledges of troops for such an international police force. Consequently, little progress has been made under the uniting-for-peace resolution.

Various other plans have been suggested aiming at the establishment of some sort of a permanent international contingent. Some have recommended that such a security force should be made up of individual volunteers trained and organized under a United Nations Command and always ready for combat; while others think that the most efficient force would be a legion consisting of volunteers already serving in national armed forces who indicate their desire to serve under the United Nations.

Whatever the type, it is apparent that unless some system is adopted, the United Nations will always lack the necessary prestige and authority which is essential if threats to world peace and security are to be prevented.

The recent crisis in Egypt pointed out the necessity of a permanent police force which could be sent on United Nations authorization to any trouble area of the world. The existence of such a force would have exercised a great deal of moral pressure and perhaps have been the decisive factor in maintaining peace.

We should profit by this experience. Out of this crisis in the Middle East we may have found a solution to our dilemma. The token force created by the General Assembly to meet the particular emergency in Egypt could very well be the nucleus for a future permanent international force to handle any threat to world peace. This small force could be expanded into other troubled areas of the world at any time the United Nations so authorized.

Once a permanent force is organized it should be limited in such a way that no one nation or group of nations could dominate the force. In addition provisions should be made whereby no nation involved in a particular dispute could be a member of the security contingent. These and other problems will have to be ironed out by the United Nations before an effective international security force is finally formed.

The formation of some type of police force has become a matter of urgency for the world. No longer can the United Nations afford to sit idly by until tragedies such as Suez strike. The continued tensions in this atomic age make it imperative that immediate action be taken by the members of the United Nations to establish a combat-ready international security force which could be dispatched instantly to the scene of potential or actual aggression, wherever it may erupt.

The need for an international force is clear. The opportunities to establish it are infrequent and fleeting. The present time, while the nucleus of such a force is in being, is one of these opportunities, perhaps the best of them. We should not let it pass.

INCREASE IN GASOLINE AND OIL PRICES

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, I have today introduced a resolution directing the Banking and Currency Committee to conduct hearings and study the effect of the action of the Office of Defense Mobilization in granting export authority for 500,000 gallons of domestic oil daily to meet Western European needs, the current price increases in gasoline and fuel oil, and the advisability of standby oil price controls to guard against profiteering during the Middle East crisis.

There can be no valid argument against supplying oil temporarily to fill critical needs in Europe. However, when the industry takes advantage of the situation by making an unwarranted

domestic price increase the entire subject demands review.

With an annual domestic consumption of 1,334,205,000 barrels, a 1-cent-per-gallon increase in gasoline costs the American people $479,235,000, while a one-half-cent increase in fuel oil will cost the American people an additional $179,235,000. These unwarranted price increases will cost the American people $599 million, one-half the cost of the Aswan Dam, which precipitated the original controversy.

The storage tanks are bursting with oversupplies of gasoline stocks which are undisturbed by crude-oil exports to Europe. There is no justification for gasoline price hikes.

The domestic oil industry has substituted greedy profit taking for patriotism. Instead of receiving seasonal price reductions, the American oil and gasoline consumer is called upon again to pay tribute to the oil dynasties which exercise powerful controls over our economy.

NATIONAL MONETARY COMMISSION

Mr. McVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McVEY. Mr. Speaker, I have introduced into the House of Representatives a bill for the establishment of a National Monetary Commission. This bill provides for 23 members as follows:

First. Six appointed by the President of the United States.

Second. Six appointed by the President of the Senate.

Third. Six appointed by the Speaker of the House of Representatives.

Fourth. Provision for certain ex-officio members, including the Chairman of the Board of Governors of the Federal Reserve System, the chairman of the Home Loan Bank Board, the chairman of the Federal Farm Credit Board, the chairman of the Export-Import Bank of Washington, and the President of the International Bank for Reconstruction and Development.

In this bill, it is declared to be the policy of the Congress to promote and maintain the utmost stability of domestic and international trade and of dollar values and money rates, to the end that the orderly commercial relationships built up by the citizens of the United States of America both within and without the country shall remain as free as possible from uncertainty concerning and arising from the relative or absolute values of the currency of the United States: equally in terms of commodities and currencies of other countries, and of monetary metals.

It is within the jurisdiction of this Commission to consider whether it would be advisable for this Nation to return to the gold standard, which it enjoyed for many years prior to the date when it left the gold standard and entered upon a policy of irredeemable currency. The value of the American dollar has declined in purchasing power from a little more than 100 cents in 1939 to approximately 52 cents today. This decline of the American dollar has had a great impact upon the lives and fortunes of the American people. The value of life-insurance policies, time deposits, E, F, and G savings bonds has just about been cut in half. The misery caused the old-age pensioner and those, who with thrift, had saved something for their declining years is sad to relate. It will be within the province of the work of this Commission to recommend measures for the stability of the American dollar and advise as to whether a return to the gold standard would be in the best interests of these United States.

THE TEXTILE INDUSTRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from the Secretary of Commerce, a letter from the Under Secretary of State for Economic Affairs, and a release regarding voluntary agreements on textiles from Japan.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have in my hand a letter from the Secretary of Commerce, a letter from the Acting Under Secretary of State for Economic Affairs, and a release regarding the voluntary agreement on textiles from the Japanese Government.

Something has been accomplished. I do not know whether it is enough to protect adequately our present textile industry from the tremendous influx of Japanese goods. The velveteen and other textiles have not made a public report as yet. It would have been a calamity for the velveteen industry especially all over the country if something had not been done at once. I am very glad Japan has made a voluntary agreement, and if this is not enough we should come back and ask Japan to do something more.

The textile industry really needs a greater safeguard from Japan plus an increased tariff.

THE SECRETARY OF COMMERCE,
Washington, January 16, 1957.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: The Government of Japan is announcing today a 5-year program for the control of exports of cotton textiles to the United States. The program places an annual overall ceiling of 235 million square yards on the export of cotton cloth and manufactures to the United States with specific ceilings on many items, including gingham an velveteens.

In view of the widespread interest in the problem of the effect of import competition on the United States cotton textile industry, I wanted to be sure that you had immediately first-hand information on the subject. The Japanese program and its background is summarized in the advance copy of the enclosed press release.

In my judgment, the voluntary action of the Japanese government is a major step forward in the development of orderely and mutually beneficial trade between the United States and Japan. It is a constructive measure aimed at forestalling possible future injury to the United States cotton textile industry.

For the United States cotton textile industry the program should provide a basis on which it can look forward to the future with the confidence and the knowledge that import competition from Japan will follow an orderly pattern. It should permit the textile industry to devote more attention to some of its other problems which have also contributed to keeping that industry from sharing fully in our great national prosperity.

The executive branch of the Government has devoted a great deal of effort to the textile problem over the past year. There have been many discussions with representative United States cotton textile and apparel manufacturers aimed at establishing the facts of their situation and obtaining the best possible advice on how to meet it. There have also been many discussions with Japanese government representatives to convey to them an understanding of the nature of the United States market and the desirability of following a pattern of orderly marketing and sound merchandising of cotton textiles in the United States.

You may be sure that the Department of Commerce and the other interested Government department will continue to keep in closest touch with all aspects of the situation in order that the greatest benefit may be derived from this approach—both in terms of the welfare of the domestic industry and the interests of maintaining a sound foreign-trade policy.

I would be very pleased to try to answer any questions you may have on this matter.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

JANUARY 16, 1957.

The Honorable EDITH NOURSE ROGERS,
House of Representatives.

DEAR MRS. ROGERS: I am enclosing herewith an advance copy of a press release to be issued this afternoon regarding the Japanese program for the export of cotton textiles to the United States. This program, which is to be of 5-year duration beginning January 1, 1957, places an annual overall ceiling of 235 million square yards on the export of cotton cloth and manufacturers to the United States with specific ceilings on many items, including ginghams and velveteens.

The voluntary action of the Japanese Government is a major step forward in the development of orderly and mutually beneficial trade between the United States and Japan. It is a constructive measure aimed at forestalling possible future injury to the United States cotton textile industry.

In view of the widespread interest in the problem of the effect of import competition on the United States textile industry, I wanted to be sure that you had immediately first-hand information on the subject.

Sincerely yours,

THORSTEN V. KALIJARVI,
Acting Deputy Under Secretary for Economic Affairs.

RELEASE BY THE DEPARTMENTS OF STATE, COMMERCE, AND AGRICULTURE

JAPANESE TEXTILES

The United States Government was informed today by the Government of Japan, in a note from the Ambassador of Japan to the Secretary of State, concerning the details of the Japanese program for the control of exports of cotton textiles to the United States.

This program, effective as of January 1, 1957, has a 5-year duration. The details were developed pursuant to a note submitted to the United States Government by the Government of Japan on September 27, 1956

The new program places an annual overall ceiling of 235 million square yards on the export of all types of Japanese cotton cloth and cotton manufacturers to the United States, with specific ceilings on many items.

The Departments of State, Commerce, and Agriculture issued the following joint statement commenting on the new Japanese program:

"The action taken by Japan is a major step forward in the development of orderly and mutually beneficial trade between the United States and Japan. It is a constructive measure aimed at forestalling possible future injury to the United States cotton textile industry. It recognizes the problem faced by various segments of the domestic industry and meets this problem through the voluntary exercise of restraint on exports of cotton textiles to the American market.

"The program demonstrates an understanding by Japan of the importance of the orderly marketing of an item as significant to the economies of both countries as cotton textiles. It not only provides an over-all limit on the total volume of cotton textile exports to the United States, but perhaps even more important, it sets a pattern for the diversification of these exports over the entire area of cotton textile manufacturers. Under this program, it should be possible to avoid situations such as those which developed during 1955 and 1956 in blouses, velveteens and ginghams.

"The Japanese action provides a basis for the expansion of two-way trade between the United States and Japan in an atmosphere of the friendliest cooperation between the two nations, such as that which has characterized the economic and political relations between the two countries over the last decade.

"For the United States cotton textile industry, the Japanese program should provide a basis on which it can look forward to the future with the confidence and the knowledge that import competition from Japan will follow an orderly pattern.

"Officials of the several interested United States Government departments had the opportunity to hold a series of constructive discussions with representatives of the Japanese Government. Such discussions may be held from time to time, as needed, during the course of the program."

The overall ceiling for the export of cotton manufacturers to the United States announced by the Japanese Government is 235 million square yards. Within this ceiling the limit for cotton cloth is 113 million yards; the limits for woven and knit apparel total 83 million yards; and the limits for household goods and miscellaneous items total 39 million yards.

The cloth ceiling of 113 million square yards compares with a ceiling of 150 million square yards in 1956. Individual ceilings are specified for velveteens, ginghams, and high-grade (combed) cotton fabrics. The export limit for velveteen is 2.5 million square yards for each of the first 2 years. The export limit for gingham is 35 million square yards for each of the first 2 years. With respect to the remaining 75.5 million yards for "all other fabrics" a limit for high-grade (combed) cotton fabrics of 26 million square yards is established.

In the other groups covering cotton made-up goods individual annual ceilings have been established for pillowcases, dish towels, handkerchiefs, table damask, blouses, sportsshirts, dress and work shirts, brassieres, and other body supporting garments, men's and boys' T-shirts, and gloves and mittens.

The program also provides for Japanese cotton textile exports to the United States to be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands. The Japanese Government will also take all feasible steps to prevent transshipments to the United States through third countries.

The Japanese program has been developed in an effort to meet the problems which arose in 1955 when exports of Japanese textiles to the United States increased sharply. These exports were heavily concentrated with respect to certain commodities such as blouses, velveteens, and ginghams. Not only were the domestic producers of these items affected, but the entire textile industry became concerned because of the impact on the price structure of the industry and the uncertainty as to where other concentration of Japanese exports might hit.

The concern of the textile industry was expressed in a number of escape-clause petitions filed with the Tariff Commission, and in requests to the Congress and to the executive branch for action to establish quotas on imports of textiles.

More than a year ago, the executive branch of the United States Government began an extensive study of the problem with a view to finding a resolution which would provide appropriate safeguards for the domestic industry within the framework of established United States foreign-trade policy.

One phase of the executive branch action involved fact-finding and frequent consultation with representative United States cotton textile and apparel manufacturers.

A second phase involved a series of discussions with representatives of the Japanese Government, aimed at exploring constructively measures which might alleviate the situation, and at conveying to the Japanese Government a better appreciation of the nature of the American market, and the desirability of a program of orderly marketing and sound merchandising.

On December 21, 1955, the Government of Japan announced a program for the voluntary control of exports of cotton goods to the United States in 1956. On May 16, 1956, the Japanese Government advised the United States officially of the details of the program and of its intention to exercise similar controls for 1957.

On September 27, 1956, the Japanese Government advised the United States as to the principles on which Japan intended to base its control of cotton textile exports to the United States for 1957 and subsequent years. This note set forth the principles of diversification of exports and avoidance of excessive concentration of exports in any particular period or on any particular item. The 5-year program now established represents the actual implementation of these principles.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

THE LATE HONORABLE MILLET HAND

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Speaker, the year of 1956 has taken a heavy toll of membership in the House. All of us were shocked at the announcement of the death of our colleague, Millet Hand.

I considered him my personal friend. He was an industrious, effective, conscientious Member of the House. His record of public service both before becoming a Member of Congress and during the years he served here was one of the highest order. It is tragic that at the age of 54 years, in the very prime of his life, he should suddenly be called, for Millet Hand had not only a splendid background as an able lawyer before entering Congress but, as is true of many Members, he developed with his experience in the Congress.

Millet Hand was not only a sincere and honest friend, but he was an honest, logical thinker of strong convictions. I often admired him for his voting record and his strong adherence to voting as he thought was best for the United States. This independence and courage endeared him to his own people, as shown by the increasing majorities by which he was returned to Congress.

Millet Hand had many fine qualities that endeared him to his friends and his constituents. He at all times conducted himself with dignity, and yet he was very humane and kind and possessed a delightful sense of humor. It could truly be said of him that his qualities were so mixed as to give him the ideal makeup for a Member of Congress.

To his wife and to his son, I convey my deepest sympathy.

His district and the State of New Jersey have lost a splendid legislator, and the country has lost a devoted and patriotic son.

THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I have today introduced a resolution to reconstitute the Select Committee on Small Business of the House of Representatives. In this action I have the approval of my Republican colleagues on the committee, the Honorable R. WALTER RIEHLMAN of New York, the Honorable HORACE SEELY-BROWN, Jr., of Connecticut, the Honorable WILLIAM M. MCCULLOCH of Ohio, and the Honorable TIMOTHY P. SHEEHAN of Illinois.

In introducing this resolution the minority does so with the awareness that the distinguished chairman of the committee the gentleman from Texas [Mr. PATMAN] has introduced House Resolution 56, which has for its purpose the reconstitution of the committee. House Resolution 56 would have created a committee of 12 Members of the House of Representatives—7 from the majority party and 5 from the minority party. This division, of course, has never been the custom in appointment of members to the Small Business Committee. However, it is my understanding that this particular point has been resolved and agreement has been reached to recommend the creation of a Select Committee on Small Business composed of 13 Members of the House with 7 from the majority party and 6 from the minority party.

The purpose which has motivated the minority in introducing this resolution is to formally offer for consideration by

the Committee on Rules and the membership of this House certain vitally important matters concerning the operation and procedures of the committee.

In the 84th Congress, we are convinced, the Select Committee on Small Business did not fulfill the purpose for which it was created. The objections which the minority has had to the committee's operation and procedures have been called to the attention of the House by the minority on several occasions. The minority is frank to say that if the committee's business is to be conducted in the same manner during the 85th Congress, the committee has outlived its usefulness. As most of us are aware, the committee was established in the 77th Congress and has been reconstituted in each succeeding Congress thereafter. In the CONGRESSIONAL RECORD, volume 102, part 6, page 7363, I gave the House a short history of the committee and called attention to the numerous departures from orderly committee procedure. I said at that time:

> Any constructive program of study and investigation for small and independent business when sponsored by the Small Business Committee must be approached on a strict nonpartisan basis.

And that, Mr. Speaker, has been and is the fundamental position of the minority members serving on the Small Business Committee.

If a Select Committee on Small Business is to properly serve the small-business community of our Nation, then the majority and minority members of the committee must work together in complete cooperation and in good faith. The absence of free and frank intercourse, which was the case during the 84th Congress, has defeated the very purpose for which the House established the committee. Actually, as I stated on May 2, 1956, the methods of operation which were in vogue during the 84th Congress made the minority sometimes doubt whether or not we were actually members of the committee. The minority does not propose to submit to another 2 years of discourteous treatment or to political exigencies which only serve to create prejudice through the subordination of facts. The minority does not propose to sit idly by and view the spectacle of the committee or its staff depriving the minority of its rights as members of the committee and publishing numerous documents and other media which have not been properly presented or passed upon by all members of the committee, and especially by the minority members of the committee.

The minority does not expect the Committee on Rules to report out the resolution which we have this day submitted, but the minority does earnestly and respectfully request the Committee on Rules to consider the language which we are adding to the creation resolution and to make it a part of any resolution reported which has for its purpose the reconstitution of the Select Committee on Small Business.

THE SMALL-BUSINESS COMMITTEE IN THE 84TH CONGRESS

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, as the gentleman from Colorado [Mr. HILL] has indicated, the minority has continuously objected during the 84th Congress to the extremely partisan operations of the Select Committee on Small Business. In the conduct of its investigations and in its general operations the minority members have, with few exceptions, been completely ignored.

Mr. Speaker, this committee never operated in this fashion in prior Congresses. Up until the 84th Congress Democratic and Republican Members cooperated in a most harmonious fashion so that the greatest benefit might accrue to the small-business segment of our economy. In past Congresses, the committee acting as a service organization has been of considerable assistance to the constituents of the Members of the House. Through its studies and reports the committee has developed recommendations which enabled the administration in power to better understand the problems of small business and to improve the programs which had been established to assist small business.

Up until the 84th Congress the final report and other reports issued by the committees were always unanimous reports, reflecting the views of both Democrats and Republicans. As has been so often stated, the operations of this committee had to be nonpartisan to be effective.

The Small Business Committee was operated during the 84th Congress, however, on a strict partisan basis with little regard to an objective evaluation of the problems of small business. The minority members of the Small Business Committee were forced to submit minority views to the final report to the 84th Congress and to two other important committee reports, The Organization and Procedures of the Federal Regulatory Agencies and Their Effect on Small Business (H. Rept. 2967), and Price Discrimination, the Robinson-Patman Act, and the Attorney General's National Committee To Study the Antitrust Laws (H. Rept. 2966). The minority members were forced to state, and I quote in part from our conclusions in the final report:

> The minority is always willing to join in justified criticism of Government or other activity which is detrimental to our economy or to small business. The minority believes, however, that appropriate suggestions for improvement in a particular situation are as important as the criticism itself if not more so. * * *
>
> The minority, of course, is expressing its own views. But the minority is convinced that if this final report is published in its present form it will reflect little or no credit on the committee, its members, or the House of Representatives.
>
> The minority firmly but regretfully rejects the final report because its content is biased, unobjective, and nonfactual.

Mr. Speaker, I request that the entire minority views on the final report be inserted in the RECORD at the conclusion of my remarks. They are as follows:

FINAL REPORT—84TH CONGRESS—THE SELECT COMMITTEE ON SMALL BUSINESS OF THE HOUSE OF REPRESENTATIVES

MINORITY VIEWS, JANUARY 2, 1957

The minority disagrees with the final report of the Select Committee on Small Business of the House of Representatives. It is not a committee report in the accepted sense. Rather, for the most part, it is written as a report of the chairman of the committee.

The report unfortunately—and it is hoped inadvertently—is persuasive that only big business can survive in our free competitive system. The position of small business is absolutely hopeless if the report were to be taken seriously.

The report keeps the fires of political prejudice alive and burning. This is a technique which has destroyed the nonpartisan and unbiased approach to the solution of small-business problems in many of the committee's activities in the 84th Congress. The report sacrifices objectivity for political considerations. This is best illustrated by the language in the introduction which refers particularly to the past 2 years.

The report on pages 3 and 4 states that—

"When the House adopted the resolution creating our committee, almost 2 years ago, the clear purpose was to help small business. That purpose we have tried to accomplish. In all candor, however, we must report that in these 2 years we have witnessed a substantial deterioration of the position of small business and a strengthening of the position of the giant combines.

"We have witnessed, as a result of an inadequate anti-price-discrimination law, inadequately enforced, much needless destruction of small firms. We have witnessed big manufacturers, with sales outlets in many markets, cutting prices in a few selected markets, with the effect of destroying small competing manufacturers and barring access to markets wherever new small competitors try to arise. Such, for example, has been the demise of many small manufacturers of bread. An official of an association of bread manufacturers, testifying to our committee on the effects of discriminatory pricing in his industry, has offered an estimate that the number of bread manufacturers in the country has been reduced by one-half during the past 10 years.

"We have likewise witnessed much needless destruction of small wholesalers and retailers as a result of these price discriminations. We have found that manufacturers are again giving big chains and other big buyers extensive price advantages which they do not accord their smaller customers, and the old rule of limiting these advantages to the amount of the differences in the manufacturer's costs of supplying the different customers has fallen by the wayside.

"We have witnessed a sad deterioration, not only in the antiprice-discrimination law, but in the administration of the other antitrust laws which were designed to protect small business from monopolistic practices and to keep the channels of commerce open.

"We have witnessed most serious restrictions of individual business freedom among retail gasoline dealers—who are supposedly independent businessmen. We have heard complaints of an unholy alliance between the gaint oil companies and the great rubber companies, the terms of which are, allegedly, that the oil companies exercise a coercive influence over their respective customers—for a fee—to cause these retailers to deal only in the tires, batteries, and other products manufactured by the chosen rubber company.

"We have witnessed the Attorney General of the United States lending his name and the prestige and resources of his public office to a formidable project aimed at a further weakening of the antitrust laws. Specifically, we have witnessed the Attorney General extending the auspices of his office to the creation of a 'report' conceived and executed by a group of big-business lawyers and notorious lobbyists, and we have witnessed this report being used in an attempt to instruct the law enforcement agencies and, worst of all, our Federal courts, in ways to interpret the antitrust laws.

"We have witnessed—as a result of an inadequate antimerger law, inadequately enforced—a great consolidation and centralization of many previously competitive industries. We have witnessed such mergers taking place for no apparent reason, except that the bigger corporations have great accumulations of undistributed profits to reinvest, on behalf of their stockholders, and manifestly the lessening of competition which can be expected to result from the mergers promises enhancement of profits and a more secure control over the corporate destinies.

"We have witnessed the biggest corporations of all, flush with accumulatd savings, engaging in a recordbreaking expansion of production plants and sales outlets, while smaller competitors could barely find sufficient credit to carry present inventories. We have witnessed record levels of new investment which will add little to the productive capital of the Nation, but which will add, rather, new facilities to the holdings of the corporate giants—to take the place of facilities of smaller firms destined to go out of business.

"We have witnessed the corporate giants quietly raising taxes, shifting the burden of the corporate-income taxes on to consumers, and taking more profits with which to acquire a larger share of the productive resources of the Nation. At the same time we have witnessed smaller corporations, not so exempt from competitive pressures, struggle under the burden of the tax.

"We have witnessed Government steps to squeeze commercial bank credit, as a result of these big-business price increases, and we have witnessed small-business needs for credit grow as a result of these price increases.

"We have witnessed our military services, either through ignorance or indifference to the consequences, place an annual $15 billion in defense business with a few favored corporate giants. And we have found the military services dispensing $1.5 billion a year in subsidies for development of new products and production techniques, and not only funneling subsidies to a few giant corporations but allowing these corporations to acquire and control the patents on the new technology which these Federal subsidies produce.

"Finally, we have heard all of these things defended as being not only eminently fair, but in the highest public interest."

It will be noted in the foregoing quotation that the editorial "we" is used throughout. In fact, this editorial device is used 98 times in the report. The very first word of the report is an editorial "we." Therefore, the question may well be asked, "Who is 'we'?" Is it the committee? Is it the chairman? Is it certain members of the committee? Or is it the staff? The answer to this question is one in which every member of the committee should be vitally interested.

Continued lack of objectivity

The final report makes the same misuse of statistics as has occurred on many occasions in the 84th Congress. It is well established that statistics can be utilized to prove any point which is desired to be proved. In fact, the same set of statistics can be brought forward as proof on both sides of any question.

The minority finds that this distortion of facts and figures pertains in particular to the report's discussion of business failures, business profits, financial assistance rendered by the Small Business Administration, the role of small business in research and development contracts of the military departments, the availability of credit on the part of private financial institutions and in the effect of the excess-profits tax on new and small business. The minority cannot adopt the clear misstatements which are an integral part of this report.

While it is generally accepted that small business today faces serious problems, few will agree with the report that small business is subject to a gigantic conspiracy conducted by the heads of the country's largest corporations and by highly placed officials of the Federal Government in this or any other administration. The report even appears to suggest that Members of Congress have joined this great conspiracy against small business by their failure to enact certain legislation. The remedy offered to correct this implied conspiracy appears to be a leveling process which does not take into account the diverse structure of our economy. The report has reduced the entire operation of our competitive system to a battle between General Motors and the smallest local business institution. This oversimplification results in a distorted view of the assured place of small and medium independent business in a dynamic and growing economy.

The report completely ignores the fundamental restrictions of the activities of the Small Business Administration contained in the Small Business Act of 1953, as amended, and blames that agency, if any blame is due, for carrying out the intent of Congress in the manner prescribed by its basic legislation. For example, Congress established the Loan Policy Board and determined that SBA could function as an independent agency by coordinating with other departments of the executive branch through the offices of the Loan Policy Board. Nevertheless, the report complains of the Loan Policy Board and "find(s) * * * that no action or activity of the agency has been independent. We find that the Secretary of Commerce and the Secretary of the Treasury control the loan policies of the agency through actions of the Loan Policy Board."

The minority must state that no evidence has been presented to the Small Business Committee which would support this statement. Numerous changes have been made in SBA loan policy which broadened the amount of financial assistance rendered small business. In most instances these changes were recommended by the Administrator of the Small Business Administration and concurred in by other members of the Board. Moreover, the report does not point out that in the extension of the Small Business Act in the 84th Congress the Loan Policy Board was kept intact.

In the same manner the report suggests that the Small Business Administration's credit standards are unreasonable. The minority, however, suggests that the SBA is legally and morally bound by the criteria which the Congress saw fit to include in the Small Business Act of 1953, as amended.

A similar lack of objectivity is evidenced in the report's discussion of the administration of the lending program. Even if there were agreement with some of the extreme and intemperate views which are expresed, it is difficult to see how the conflicting, inaccurate, unfair, and misleading statements embodied in this report can be reconciled. For example, in chapter V entitled, "The Small Business Administration Loan Program," the report criticizes SBA officials for their alleged failure to advocate appropriations sufficient to carry out the agency's financial assistance programs. In direct contradiction the report also makes the assertion that the lack of appropriations has not been the limiting factor in SBA's lending program. The report adopts the unsubstantiated contention that any inquiry addressed to SBA is a request for financial assistance and complains of the low number of loans made as compared with the number of inquiries. The report states as a fact, when there is no basis for such a statement, that SBA's lending activity is small because SBA "discourages applications." The report ignores the obvious relationship between the demand for loans and the number of loans authorized by SBA. No acknowledgment is made of the increase in agency activity based upon the need of small business for Government financial assistance. At times the report appears critical of the small-business men themselves for their failure to demand financial assistance whether or not it is needed.

The report very obviously distorts the significance of the SBA lending program. The report ignores the requirement in the Small Business Act that no direct loans be made if participation with banks is available and minimizes the economic significance of participation loans made to small concerns. It is also found that the figures used for disbursements in the report are inaccurate.

In a similar manner the report complains that the interest rates established by the Small Business Administration are too high, but ignores the fact that section 207 (a) (2) which established interest at the rate prevailing in the area where the money loaned is to be used but shall not exceed 6 percent per annum is unworkable since it is administratively impossible to establish any such area. In addition, it is doubtful if the committee would want the Small Business Administration to ever charge the interest rates of 7, 8, or 9 percent which prevail in many sections of the country on small loans.

The report views with alarm the fact that the average size SBA loan has declined. This decline is, of course, due in part to the fact that the agency has made new lines of credit available to the smallest concerns which need smaller loans. A large volume of this type of financial assistance obviously affects the size of the average loan. However, this decrease in size cannot be interpreted as the report would have it.

No analysis has been made of the several procurement and technical-assistance programs of the Small Business Administration. At one point in the report the Small Defense Plants Administration is applauded for instituting a procurement set-aside program for small business. At still another point this very same program under the Small Business Administration is derided in both principle and operation.

The report demonstrates a distinct lack of understanding of many aspects of military procurement, particularly with regard to the importance of subcontracting to small business, the use of partial and progress payments, and the operation of the qualified products list. While the report recognizes the need for greater participation by small business in research and development contracts, it shows a deplorable inconsistency in arriving at the actual dollar volume of such contracts. At least four different figures are given as representing the contract awards for this type of procurement.

Economic distortions

The report states that in 1954 and 1955 the population of business firms has failed to keep pace with the growth of business. The implication is made that this reversal is a significant indication of a weakening of

the small-business segment of the economy. The so-called slower rate of increase in the number of firms indicated on chart 1 is not only very slight but also totally inadequate to support any conclusion of a deterioration in the economic position of small business. The deviations as shown during the period 1942–46 are the type of change which merits an explanation. It is hard to believe that this argument is put forward sincerely.

The report professes grave concern over the growing number of small-business failures. This concern seems to be of a partisan rather than economic origin. For the first half of 1956, the failure rate was 48.7 per 10,000 firms compared to 42.2 in the first half of 1955. However, for the years 1939 through 1941 the average was 63 and for the period 1900 through 1955 it was 70 per 10,000 firms. The most astonishing (and absurd) feature of this discussion of the weakening position of small business is the comparison between business failures and stock prices. The relationship between the two is most remote, if there is any relationship. The report apparently adopts the thesis that, for example, small business was in a healthier state than big business during the period of 1947–49 solely because at that time stock prices were unusually depressed.

It is true that only about 15 percent (not 10 percent as stated in the report) of business firms are incorporated. Nevertheless, the rate of business incorporations is significant since it measures not only the increase in new firms but also the growth of previously established firms which now desire to obtain the advantages of incorporation. If, as the report indicates, business incorporations are not a significant index because it only measures 15 percent of the small-business firms, then, applying the same logic, business failures are an insignificant index, since the failure rate is an insignificant fraction of the number of business firms.

In its discussion of business profits the report deals in statistical legerdemain. By picking the most favorable index in the most favorable base years almost any proposition can be proved. Much is made of the proposition that larger businesses are more profitable than smaller businesses. However, if this were not the case, obviously there would be no incentive for any business to strive to grow and expand. The comparison appears to have little significance in the solution of small-business problems.

While there has been a decline in profit rates both before and after taxes in 1953 and 1954, there was a dollar improvement for 1954 to 1955. This general pattern of decline and recovery characterized all sizes of manufacturing concerns. The decline in profit from 1953 to 1954 was greater for the small than for the large enterprises, but the smaller manufacturing companies experienced a sharper improvement in profit ratios in 1954 and 1955 than the larger concerns. In 1954 and 1955, improvement in profit ratios was extended to 1956 especially for smaller companies; 1956 is ignored in the report. Perhaps this is because profit ratios after taxes for manufacturing corporations in the larger size class—$100 million or more of assets—was slightly lower in the first half in 1956 than in the corresponding period in the previous year.

The many comparisons made between corporations with $100 million assets and those with less than $250,000 assets are not valid because the concerns involved are not comparable. For example, expense accounts for the smaller corporations often include actual living expenses for the owners. When the compensation of officers is added back to the rate of return and the calculation is made on net worth between 1947 and 1953, no appreciable decline for small business is demonstrated. This factor is ignored in the report.

The evaluation of the shift of assets into the hands of larger corporations is misleading because it ignores the inflationary factor. Because of the change in the value of the dollar it is natural for corporations with the same physical volume of sales to move into a higher bracket.

The report concedes that there is no adequate information as to the availability of the small-business credit. Nevertheless, it cites with apparent satisfaction the report of the Standard Factors Corp. which purports to show that large borrowers are hoarding long-term credit and that small business is suffering thereby.

The minority believes that considerable inconsistency exists in the report's discussion of the excess-profits tax. Whereas in this report that tax is stated to work little or no hardship on small business, the Small Business Committee has, in the past, drawn just the opposite conclusion. In both the Democratic 82d Congress and in the Republican 83d Congress small-business men testified before this committee with regard to the hardship imposed by the excess-profits tax. In both Congresses the committee unanimously called for its abolition.

Other reports

The minority has already filed its views on committee reports entitled, "Price Discrimination, the Robinson-Patman Act, and the Attorney General's National Committee To Study the Antitrust Laws" (H. Rept. 2966, 84th Cong., 2d sess.) and "The Organization and Procedures of the Federal Regulatory Commissions and Agencies and Their Effect on Small Business" (H. Rept. 2967, 84th Cong., 2d sess.). The minority views on the foregoing reports are equally applicable to the comments on these subjects as set forth in the final report.

Conclusions

The minority is always willing to join in justified criticism of Government or other activity which is detrimental to our economy or to small business. The minority believes, however, that appropriate suggestions for improvement in a particular situation are as important as the criticism itself if not more so. The report fails in two major objectives. They are (1) the absence of constructive conclusions and (2) the absence of recommendations for remedial action. Of course, there are conclusions scattered throughout the report which are neither helpful nor sound. There are also lengthy chapters, on material which has been included in other reports.

The minority, of course, is expressing its own views. But the minority is convinced that if this final report is published in its present form it will reflect little or no credit on the committee, its members, or the House of Representatives.

The minority firmly but regretfully rejects the final report because its content is biased, unobjective, and nonfactual.

The minority desires at this point to state the principles which have motivated its considerations as members of this committee:

1. The Republican members of the Select Committee on Small Business do not question the basic premise that all members of the committee have the same fundamental objective—the welfare of the small-business segment of our economy.

2. The immediate and ultimate fulfillment of that objective, insofar as the committee is concerned, may be accomplished only by a concerted effort made through the closest cooperation of the entire membership of the committee.

3. Political overtones in the conduct of an investigation or in the writing of a report serve only to obscure the purpose for which the committee was established and to nullify any beneficial results.

4. Any investigation, conducted in the atmosphere of secrecy, which denies all or any members of the committee full and reliable information in every particular is an unwarranted use of the committee's powers.

5. The careless use of allegations as to persons, whether in the Government service or in private endeavor, without presenting positive proof and without such person being given an opportunity to be heard in his own behalf, is not only unfair but also a reflection on the committee and its members.

6. A consideration which should always be paramount is the reputation of the committee in business and Government circles, since that is the measure of the committee's success and influence.

7. The distortion of facts and figures in committee reports or releases cannot be condoned under any circumstances. The small-business community is entitled to know the truth regardless of the circumstances.

8. The integrity of the committee is dependent to a great extent on the work of the committee staff. In approaching any matter concerning the committee or its business the staff should remember that the work is not being done to satisfy an individual member or in the interest of an individual member, but that such work involves the committee, the House, the Congress, and the public interest. The committee as established during the past eight Congresses was for the sole purpose of investigating small-business problems and making recommendations which would assist in solving these problems through legislative action or otherwise. It is true that many of the committee's recommendations have not required legislative action, but when such recommendations are sound they can be administratively accomplished in the executive departments and agencies.

Finally, the minority believes that during the entire period of its existence the Select Committee on Small Business of the House of Representatives has many great accomplishments to its credit. It is the minority's hope that in the future the committee may be worthy of the trust which the House has placed upon it so many times in the past.

ADDITIONAL MINORITY VIEWS WITH RESPECT TO THE PROPOSED RECOMMENDATIONS

On December 31, 1956, at 5:45 p. m., a tender was made by the staff director to the minority members of the committee of a document entitled "The Committee's Recommendations." The document, which consisted of 14 legal-sized, single-spaced mimeographed pages, bore the notation: "Draft: for the Committee's Consideration." The accompanying letter, signed by the staff director, stated in part:

"With this draft of the recommendations the final report will be complete for the committee's consideration January 2, when the committee meets at 9:30 a. m."

Due to the late hour of the tender on December 31 and due to New Year's Day following, the minority members were not in physical possession of the proposed recommendations until the morning of January 2, 1957. This timing of the tender, of course, has deprived the minority of an opportunity to make no more than the most cursory examination of the document.

The minority, as pointed out above, had noted the fact that the proposed final report contained no conclusions or recommendations. The report was mailed on December 15, 1956, and received by the minority at their District offices some days later.

The minority decries any situation which successively transgresses upon orderly committee procedure. As has been previously pointed out, the minority has been bypassed on committee business many times during the past 2 years. Official documents which the minority must pass upon have been submitted in such a manner as to create an atmosphere of urgency. In addition to this, some of the documents have been presented a year or more following the hearings on

which the reports are said to have been based.

In view of the foregoing facts and circumstances, the minority is forced to withhold its decision on the proposed recommendations until a later date.

We mutually subscribe to the foregoing minority views.

WILLIAM S. HILL.
R. WALTER RIEHLMAN.
HORACE SEELY-BROWN, Jr.
WILLIAM M. MCCULLOCH.
TIMOTHY P. SHEEHAN.

PROPOSED VISIT OF TITO

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, it is a great pleasure to speak from the well of the House when so many Members are present and the galleries are packed. Perhaps, under the rules, I should not refer to the galleries, therefore I apologize to the Speaker for that.

Yesterday, Mr. Speaker, it was evidenced from the remarks of the gentleman from New York [Mr. KEATING] that many people, and, undoubtedly, Members of Congress, were not aware whether Tito had been invited by the State Department or the President to visit this country. Undoubtedly the people have not the correct information on that and neither have the Members of Congress.

The gentleman from New York expressed the opinion that it was all wrong to ask one whom he described as a criminal, an outlaw, to visit the White House and this country. Then the gentleman from Wisconsin [Mr. O'KONSKI] followed that by expressing a similar opinion. He then stated that if Tito was invited here by the officials of this Government he would resign.

Many of us—I think all of us—recognize the worth of the timely and distinguished services rendered in years gone by by the gentleman from Wisconsin, who so often, so earnestly urges us to remember our duty to our country.

It is his privilege if he feels it necessary to resign. But it occurs to me, and this is only an opinion, that—in order to expose the Nation's peril in asking Tito to visit this country as its guest—if he does resign then he should go back to the people of his district when a special election is called and stand for reelection. Everyone there knows his views and as he undoubtedly would be reelected then Mr. Dulles, the State Department, and other top officials of this administration would know that at least one segment of this country was not in favor of being buddies or associating with any of the Communists who come to our country.

Long, long ago we should have severed relations with Russia and every nation which goes along with her.

I am not speaking for anyone else in the House. It would be well if somebody at the State Department learned what people were thinking of, what the people believe, what the people want. It is obvious, I think even to the Speaker, that Members of the House very seldom know even a little about our foreign policy, what it is, its purpose. Perhaps I should modify that statement because I understand the Speaker, the majority leader, the minority leader, the whip [Mr. ARENDS], and the chairman of the Rules Committee go down to the White House sometimes but, again with due apology, at least as one Member of the House I never know what is going on, what it is proposed that the Congress do in connection with foreign policy. In the local press I see a likeness of the President—perhaps of Mr. Dulles—of the minority leader, of the minority whip, of the chairman of the Rules Committee, but that does not enlighten me as to what is in store for our country.

DISTRESSED ECONOMIC AREAS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I was pleased to see that the President in his budget message referred again to the desire to have this body pass legislation in behalf of the so-called distressed economic areas of the Nation where there is chronic surplus unemployment.

Mr. Speaker, I introduced in this body a copy of the so-called Flood-Douglas bill, which passed the other body last session. A dozen or more of my colleagues on both sides of the aisle introduced similar legislation. I am advised that in the other body the same thing will be done. I earnestly hope and pray that the leadership on both sides of the aisle will join in having this essential and necessary legislation become law.

TO AMEND PUBLIC LAW 954

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 20) to amend Public Law 954, 84th Congress, approved August 3, 1956.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Public Law 954 of the 84th Congress, approved August 3, 1956, entitled "An act to provide for a President's Advisory Commission on Presidential Office Space," be amended as follows: In the second sentence of section 1 strike out the words "within 6 months" and insert in lieu thereof the words "within 10 months."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT OF APPOINTMENT OF DEMOCRATIC WHIP

Mr. McCORMACK. Mr. Speaker, I desire to announce to the House the appointment for the 85th Congress as Democratic whip the able and distinguished gentleman from Oklahoma [Mr. ALBERT].

ANNOUNCEMENT OF APPOINTMENT OF REPUBLICAN WHIP

Mr. MARTIN of Massachusetts. Mr. Speaker, I wish to announce to the House the appointment of the distinguished gentleman from Illinois [Mr. ARENDS] as Republican whip.

ORGANIZATION FOR TRADE COOPERATION

The SPEAKER. Under the previous order of the House the gentleman from West Virginia [Mr. BAILEY] is recognized for 20 minutes.

Mr. BAILEY. Mr. Speaker, I take this occasion to point out to the Members of this body that the State Department is still busy in its long-range strategy to maneuver Congress out of its power to regulate the foreign commerce of this country.

The evidence of this is unmistakable. The President in his annual message on the state of the Union has again asked the Congress to approve United States membership in the Organization for Trade Cooperation, known as the OTC. The international agreement calling for such an organization was negotiated in Geneva, Switzerland, by the State Department 2 years ago.

The President originally sent his plea for approval to the first session of the 84th Congress. Congress did nothing with the request. In the second session of that Congress, that is, in 1955, the President renewed his plea.

The House Committee on Ways and Means held hearings and reported the bill. That was the end of it. Neither the House nor the Senate took any action.

Now the OTC is back again, a warmed-over dish for which Congress not only has shown no appetite but a distinct distaste, as the record shows.

This short review of the State Department's recent efforts is only the latter-day part of the story. The whole story goes back to 1945. It was in that year that the State Department proposed to the world an International Trade Organization and drew up a proposal to launch it. This was a very ambitious undertaking that would have placed the regulation of our foreign commerce under a specialized agency of the United Nations. It provided for a governing body representing member countries in which the United States would have had one vote. The Organization was to be dedicated to international economic planning and the establishment of world free trade.

The negotiators forgot all about Congress and completed the negotiations in Habana, Cuba, in 1948. Four members of the House were indeed privileged to be present in the Habana conference, which was the last of a series of 4; but even those 4 were handpicked.

It was 1950 before the Habana Charter was sent to Congress for approval. It was referred to the House Committee on

Foreign Affairs, where public hearings were held.

The effect was numbing, if not stunning, for the charter resolution was never reported out of the committee. In the Senate no action at all was taken.

To prevent the corpse of the ITO from causing too great embarrassment the President thereafter withdrew his request for approval of the ITO Charter from Congress. And that was the end of the ITO. Failure of ratification by the United States was its death sentence. The country that had launched it had turned its back on it. No one else wanted it sufficiently to proceed with setting up the organization.

I have spoken of the persistence of the State Department in its efforts to replace Congress in the regulation of our foreign commerce.

Certainly the answer of Congress to the ITO Charter was clear enough. There are many ways of saying "no" legislatively. One is to defeat a bill on the floor. Another is to keep a bill from coming to the floor. One of the most definite reflections of the attitude of Congress is demonstrated by the failure of a bill in committee. A complete indisposal to act is often exhibited by refusal of a committee to take up a bill at all. The ITO Charter experienced this fate in the other body, where not even the hope of a hearing was granted; while as already said, it never came out of the Foreign Affairs Committee of the House after hearings were held.

In this way Congress unmistakably let the State Department know how unwelcome was the proposal to make this country a member of the International Trade Organization.

But the State Department has not relinquished its goal. Although it has already usurped much of the power of Congress to regulate foreign commerce under the guise of the Trade Agreements Act, it has not yet succeeded in putting this usurped power out of the reach of Congress. The ITO Charter was designed to do this. Having failed in that venture in 1950, the State Department came forward in 1955 with a bobtailed version of ITO, namely the OTC, and trotted it out in the most disarmingly innocent garb for introduction to Congress.

A new name was given this second creature of the State Department's one-world philosophy. In changing its name it was thought no doubt that the true nature of this new proposal could be concealed. Fortunately the close resemblance of the OTC to the ITO became apparent once the articles of agreement of the OTC were examined. Behind the false front lay the same unchanging State Department purpose.

In bringing out the OTC the State Department and the White House denied on behalf of the proposed new organization the only thing that gave the State Department an interest in it. If the OTC would not confirm the Department's usurpation of congressional power that Department would have no interest in pushing the legislation. In other words, if the OTC were designed to be nothing more than what the State Department says it would be there would be no reason for proposing it. Nothing would be added that GATT does not already do or has been doing for 8 years.

What is behind the maneuver is legitimization of GATT itself and approval by Congress of its own divestment of power. By approving the OTC Congress would in the same step approve GATT even though GATT—the General Agreement on Tariffs and Trade—itself has never been brought before Congress. And GATT has been running loose since the day of its birth 8 years ago, unblessed by constitutionality or legitimacy.

There is yet more to the maneuver with OTC.

The cautions that I offer here are not, I assure you, fabrications of a feverish imagination. They are offered as a result of experience with the Trade Agreements Act, with State Department actions under GATT and with the escape clause which I offered on the floor of this House in 1951 when it was first adopted by Congress. My own experiences have been corroborated by the experience of many others. Therefore, I hope that Members of this body will take my caution to heart.

When the bill offering the OTC to Congress came before the House Committee on Ways and Means in 1956, the public hearings turned up strenuous opposition from all parts of the country and particularly from industrial, agricultural, and labor groups that would be affected directly by the results of United States membership in the OTC. The committee adopted certain reservations to the bill in an attempt to make sure that the OTC would not become a supranational organization. Obviously the committee was concerned on that score and I do not doubt in the least that the reservations were made in all sincerity.

Unfortunately none of the reservations changed any of the articles of agreement that would determine the rights, powers, and jurisdiction of the OTC. Therefore if adopted, the reservations would only represent a unilateral interpretation by the United States and such an interpretation could later be upset by a contrary vote of the OTC membership.

Let me be more specific.

The OTC articles of agreement themselves provide that no new obligation could be imposed upon any member without the consent of such member. In the hearings fear was expressed that such consent on behalf of the United States could be given by the official delegate of the State Department without reference to Congress.

The question was an important one because the power of the OTC to amend itself was not questioned. The charge was made that it could convert itself into the very ITO that Congress had so unceremoniously rejected 5 years earlier.

In recognition of the cogency of this argument the Committee on Ways and Means inserted a reservation that no amendment could be accepted by the United States without the approval of Congress. To many observers this seemed to close the gaping loophole through which the power of Congress could have leaked away.

Unfortunately it did not close the real loophole; and it may be doubted that even the reservation to the bill expressing the view of Congress, as adopted by the Ways and Means Committee, would have bound OTC itself. Any time OTC, if set up, had a sufficient number of votes to the contrary, any United States reservation could be upset.

However, the real loophole was left open presumably because it could not be closed. This lies in the provision that the OTC would give full effect to the objectives of GATT; and these objectives could be amended, extended, or modified by GATT itself without so much as a glance at Congress.

Assume now that the Ways and Means Committee had sought a further reservation to close this cavernous loophole. It could not have reached the spot because GATT is not before Congress. The Congress cannot amend GATT with the purpose of placing a restraining halter on it for two reasons, namely, first, as already said, GATT is not before Congress and the State Department has no intention of sending it to Congress—it is clearly afraid to do so; second, we could not unilaterally amend GATT. GATT is an agreement and has built-in procedures for its own amendment. Congress in no way figures in those procedures.

Thus it is clear that there is nothing that could be done this side of outside rejection of the OTC that would prevent the new organization from emerging in time as a replica or reasonable facsimile of the rejected ITO. Thus Congress would have been neatly bypassed, only to find itself handcuffed and the keys thrown away.

If any doubt should linger in the mind of anyone about the charge of State Department and executive usurpation of congressional power or of the intent to keep and extend the usurpation, let me suggest that he consider the President's recent action in rejecting unanimous decisions of the United States Tariff Commission, an agency set up by Congress to assure nonpartisan, competent, and expert handling of certain phases of tariff administration.

In the groundfish fillet case the President, closely advised by the State Department, conceded the plight of the New England fisheries but invoked our friendship with Canada, Iceland, and Norway as a reason for rejecting the unanimous recommendation of the Tariff Commission.

The withholding of a decision in the velveteen case, after the expiration of the statutory 60 days allowed the President to reach a conclusion, represents simple contempt of Congress and it should be called by its right name.

No bolder disregard of Congress is easily conjured. The action was inreality a double contempt. The first has already been mentioned. This was the bland disregard of the 60-day period in which the President was to act. The second is more far-reaching and has the appearance of pushing Congress openhandedly in the face and out of the way where regulation of foreign commerce is concerned.

The velveteen case came to the President under a unanimous finding of serious injury and a unanimous rcommendation for an increase in the tariff.

In the meantime the State Department and other executive departments were negotiating behind the scenes with Japan to bring about a self-imposed quota on exports of cotton goods by Japan in her trade with the United States.

This was not to be a negotiated agreement. It was even conducted by the State Department outside the jurisdiction of its own fathered GATT—thus showing a phenomenal lack of confidence in its own handiwork. An understanding or arrangement was sought with Japan but stopping short of an agreement. There would therefore be no means of gaining compliance other than through threats or other arm-twisting exercises that could hardly be expected to warm the hearts of the Japanese nation toward us.

Now, without further exposure of this law-evading phenomenon of the State Department, let me point out that Japan laid down as one of the conditions of the understanding an assurance that the United States would not invoke any of the administrative restrictions on imports of cotton goods available to it. This meant that we would not invoke the escape clause of the Trade Agreements Act or section 22 of the Agricultural Adjustment Act.

This explains why the President delayed action on the Tariff Commission's recommendation in the Velveteen case. The understanding had not been completed. The illegal arrangement had not been sealed by a final wink.

Here we see the State Department playing the big man regulating foreign commerce of the country and saying to another power that the United States will withhold enforcement of laws passed by Congress if the other country will do thus and so.

They propose to mislead textile producers in the country just as they misled the coal industry into thinking a voluntary arrangement could be worked out with Venezuela to limit imports of residual oil that is destroying markets for domestic soft coal.

All the coal industry got out of this byplay was a 3,000 barrel per day reduction. When I remind you that these daily imports are more than 750,000 barrels per day you see a reduction of less than one-half of 1 percent.

If this arrangement with Japan can be made to prevail, I say to you that Congress has surrendered the trust placed in it by the people. It is my belief that the Congress will not, if fully informed on this subject, submit to the insatiable ambitions of the State Department. The end run has already gone too far. The Department's goal line is not far away.

I implore you to look closely at State Department proposals in the field of tariffs and trade. If you do, the OTC proposal will meet the same well-deserved fate as its forerunner, the ITO.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that if the escape clause had not been inserted in the most recent act it never would have passed the House or the Senate? That bill had a very difficult time in the Senate until the escape clause was introduced.

Mr. BAILEY. Yes. I would like to remind the gentlewoman from Massachusetts that a little later I shall refer to the fact that the unilateral agreement announced by the State Department with Japan sets aside that escape clause and I hope the gentlewoman will pay attention when I get to that point.

Yesterday the Department of State announced they had reached a gentleman's agreement outside the trade treaties with Japan under which they voluntarily agreed to cut down the amount of imports of certain categories of cotton cloth. Remember, Mr. Speaker, before this new Japanese treaty went into effect, I pleaded with the House, about a year ago, to do something about it when the House had the opportunity. We were then getting about 15 million yards of Japanese cotton goods into the country. Let me remind you right now that it is running at 270 million yards and they are agreeing to cut that back to 235 million under this voluntary agreement. Why was not this agreement carried out in the regular way? Why do we let the State Department take over the authority of the Congress?

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman.

Mr. HOFFMAN. The gentleman asked a question. Does he not know that the Department of State is running this Government of ours? I gather that he does.

Mr. BAILEY. I am beginning to become aware of that fact.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman is a man after my own heart. He calls a spade a spade. Does not the gentleman understand that it is true that after the Committee on Ways and Means voted out OTC on a divided vote, it went to the Committee on Rules for clearance to the House last year, that it was held in the Committee on Rules until a poll of this House was made and they discovered they did not have the votes, so they did not dare to bring it before the House? Is that the gentleman's understanding?

Mr. BAILEY. That is my understanding.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to ask the gentleman how long he thinks it would take the House to pass legislation to give relief by insisting that an increased tariff be put on cotton textiles?

Mr. BAILEY. I am ready to answer the gentlewoman. Had the House approved the amendment that I offered to the escape clause last year, which provided that on all matters not affecting national safety the ruling of the Tariff Commission shall be final and binding—had that amendment been approved, you would have been rid of the Department of State running the trade relations of this Nation.

Mrs. ROGERS of Massachusetts. Yes, sir; but we are placed in this situation today, and I think this is not right. I do think this is a step in the right direction in that I understand, from the industry, that it will give some relief immediately. Of course, if we could get legislation through the House, that is one thing; we could try, but it would take weeks and perhaps months to do it. I think something has been accomplished. I think the cotton textile industry now will agree that under this arrangement something has been accomplished. Without a quota system and with an increased tariff there still would be nothing much to prevent the Japanese making an arrangement and still send enormous quantities of cotton textiles and velveteens into the country. But I do think that speed, expedition in making some sort of an arrangement is essential.

Mr. BAILEY. Mr. Speaker, may I remind the gentlewoman from Massachusetts that this is a clever device on the part of the Department of State to whittle off one more sector of opposition to their running the affairs affecting our commerce. I understand they are hoping to stop the growing resentment on the part of the textile industry of this country and the cotton growers industry of this country, but I say to you it is not a solution to the problem.

Mrs. ROGERS of Massachusetts. I know the gentleman has always made a great fight to protect our industry. I am anxious to get immediate relief. For some years we have known that the textile industries, both cotton and woolen, have been considered expendable in the development of our foreign trade. We need foreign trade, but we certainly need these industries.

Mr. BAILEY. I hope the gentlewoman will go along with me in a move to support the findings of the Tariff Commission. It was set up by the Congress and is a creature of the Congress.

Mrs. ROGERS of Massachusetts. I would be delighted to go along with the gentleman. I have pleaded and pleaded with the White House, with the State Department, and with the Department of Commerce to urge the President to use the escape clause and agree to the Tariff Commission's unanimous recommendation for increased tariffs.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I have all due respect for my colleague from Massachusetts and all the other Members of that Northeast section, and I am not referring to all of them now, but our colleague who complains about this situation, if I am not mistaken, went along and goes along with the State Department. I cannot shed too many tears. I try to be sympathetic with her people when they are suffering, and I can understand this fishing situation. I know something about fishing inland lakes, not out on the ocean.

But how they do squeal when, under the authority granted, the State Department interferes in their local business and brings destitution to the people up there.

Mr. BAILEY. There is something to be said on both sides of the question.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. MASON. Everyone in this House and past Houses that voted for the reciprocal trade agreement in the first place and voted for each continual extension of it is to blame for the situation that is facing the cotton industry, the fish industry, the clock industry, and every other industry that has been affected, because we gave the power from the Congress and it has been taken over by the executive. That means, of course, the State Department runs our whole tariff problem.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Maine.

Mr. HALE. I am sure the gentleman is aware of my deep interest in this whole subject matter. I am very much interested in the ideas of the gentleman from West Virginia on the value of the so-called voluntary-quota agreement which was announced yesterday. Will it afford anything like an adequate protection to the industry? That, I think, is what all of us want to know.

Mr. BAILEY. It will be a temporary relief, but it will not be a permanent solution of it. Suppose some other nation that is party to the Geneva Agreement to which we hold membership objects to that arrangement with Japan? There is no assurance.

Mrs. ROGERS of Massachusetts. If the gentleman will yield further, the gentleman from Michigan stated that it was only the Eastern and Northern States that were interested in this cotton-textile industry. Just as many protests come from Kentucky and from the Southern States as from the New England States. I believe both an increase in tariff and quotas are needed for protection from Japanese cotton imports.

Mr. HOFFMAN. Yes; but we did not vote for it.

Mrs. ROGERS of Massachusetts. I think we are doing a little something to help the industry. I sincerely hope so, because it is a horrible thing to see two great industries, the cotton and the wool industries, made expendable. We have to trade with other countries, I know that, but fairness should be used.

Mr. BAILEY. I thank the gentlewoman.

Mrs. ROGERS of Massachusetts. I thank the gentleman for yielding. The gentleman and I have been together on this fight a great deal, as he knows.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. BOW. Is it not a fact that, when we talk about new legislation on the subject and on the other matters that have been before us, we are overlooking the fact that we do not need new legislation, but we need the courage in the House of Representatives to follow the Constitution of the United States.

Mr. BAILEY. That is exactly right.

Mr. BOW. The Constitution provides, and I will read from it in article I, section 8, that the Congress shall have the power to set the duties and tariffs, and that the Congress shall regulate commerce with foreign nations. If we will have the courage to remember and follow the Constitution, then we do not need anything else. We need the courage in the Congress to follow the Constitution of the United States.

Mr. BAILEY. The gentleman remembers the bitter floor fight in 1955 when we lost by a single vote when I failed to get an open rule to offer the amendment to the escape clause, which would have provided that the findings of the Tariff Commission except in cases of national security shall be final and binding. That is all that is necessary.

Mr. BOW. The gentlemen and I have been together in this fight right along.

Mr. BAILEY. I thank the gentleman.

AMERICAN POLITICAL SCIENCE ASSOCIATION CONGRESSIONAL FELLOWSHIP PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. BOLLING] is recognized for 15 minutes.

Mr. BOLLING. Mr. Speaker, I take this time to remind my colleagues of the congressional fellowship program of the American Political Science Association. As many of you know, this association is a professional organization consisting of about 6,000 teachers and practitioners in the field of political science. The fellowships are made possible through a grant from the Edgar B. Stern family fund of New Orleans, La. The program is now in its fourth year and has proved to be very successful. The primary objective is to give young political scientists and journalists an opportunity to learn about the legislative process from a first-hand experience. They then can return to their schools, papers, radio, or TV stations with an increased understanding of how Congress functions.

This year 11 of these young men are taking part in the program. They came to Washington last November to participate in an orientation period under the direction of Kenneth Hechler, an associate director of the American Political Science Association. The orientation program included interview sessions with about 30 people connected in one way or another with the legislative process. For example, the group met with Congressmen, Senators, committee staffs, legislative liaison officials in the executive office, the Legislative Reference Service, Coordinator of Information, legislative counsel, lobbyists, parliamentarians, and representatives of the press and radio. This series of interviews will continue throughout this session of Congress. By January 3, each congressional fellow had found a place in the office of a Congressman or a House committee, and will be working as staff members until May 1, At that time each is required to become a member of the staff of a Senator or a Senate committee where he will work for another 3 or 4 months. As staff members they perform the usual tasks of a full-time person in the Member's or committee's employ. In this way each of them comes into close contact with the real, day-to-day work of Congress.

I have served as a member of the association's advisory board for this program, and have had a congressional fellow in my office. I am sure that those of you who have also had one of these individuals on your staff will agree that they are capable, mature persons who take full advantage of the opportunity offered to them. I am sure as a result of this experience they are better teachers and journalists, and consequently, bring a clearer picture of how Congress works to an important segment of the American people.

For these reasons I urge the Members of Congress to support and further this program. At this time you can be of assistance by calling the fellowships to the attention of any political scientist, journalist, radio or television personnel who might be interested. Applications can be obtained from the American Political Science Association, 1726 Massachusetts Avenue NW., Washington, D. C. The closing date for applications is February 15, 1957.

Mr. Speaker, in connection with my remarks, I ask unanimous consent that there be printed in the RECORD at this point an announcement issued by the American Political Science Association.

THE AMERICAN POLITICAL SCIENCE ASSOCIATION ANNOUNCES CONGRESSIONAL FELLOWSHIPS FOR POLITICAL SCIENTISTS AND JOURNALISTS

Stipend: Approximately $4,500 for 9-month period.

Qualifications: Preference will be given to applicants in the age group 25 to 32. The following types of experience and training are suggestive rather than binding: (1) Completion of 2 years' graduate work in political science plus 1 year of experience in politics, teaching or public administration or (2) A. B. degree (honor graduate) in political science or journalism with 2 years of full-time practical experience in newspaper, radio or television work.

Program: One-month orientation period.

Four months as a staff member in the office of a House Member or House committee.

Four months as a staff member of a United States Senator or Senate committee.

Applications must be submitted prior to February 15.

Appointments will be for a 9-month period in Washington, D. C., November 18–August 18. Awards will be announced early in May. Preference will be given to candidates, without extensive experience in Washington, D. C. Further information may be obtained from the American Political Science Association, 1726 Massachusetts Avenue NW., Washington, D. C.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an announcement issued by the American Political Science Association.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legis-

lative program and any special orders heretofore entered, was granted to:

Mr. BOLLING for 15 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. WILLIS.

Mr. CELLER.

Mr. HULL and to include an address by Senator STUART SYMINGTON.

Mr. LONG and to include an article appearing in the Shreveport Journal on January 7 and to include other related material.

Mr. CRETELLA and to include his own remarks.

Mr. BENTLEY and to include extraneous matter.

Mr. WAINWRIGHT (at the request of Mr. RHODES of Arizona), and include extraneous matter.

Mr. BURDICK.

Mr. LIPSCOMB and include extraneous matter.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 2. Joint resolution to extend the time for transmitting the economic report of the President for the 1st regular session of the 85th Congress.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 51 minutes p. m.), pursuant to an order heretofore entered, the House adjourned until Monday, January 21, 1957, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

321. A letter from the Chairman, National Advisory Council on International Monetary and Financial Problems, transmitting a report on its activities during the period January 1 to June 30, 1956, pursuant to section 4 (b) (5) of the Bretton Woods Agreements Act (H. Doc. No. 54); to the Committee on Foreign Affairs and ordered to be printed.

322. A letter from the Chairman, National Advisory Council on International Monetary and Financial Problems, transmitting the fifth special report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development for the 2-year period April 1, 1954, to March 31, 1956, pursuant to section 4 (b) (6) of the Bretton Woods Agreements Act (H. Doc. No. 55); to the Committee on Foreign Affairs and ordered to be printed.

323. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Virgin Islands Corporation for the fiscal year ended June 30, 1956 (H. Doc. No. 56); to the Committee on Government Operations and ordered to be printed.

324. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a draft of proposed legislation entitled "A bill to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research"; to the Committee on Armed Services.

325. A letter from the Secretary of State, transmitting the ninth annual report of Federal tort claims paid by the Department of State during the calendar year 1956, pursuant to section 404 of the Federal Tort Claims Act, as amended (28 U. S. C. 2673); to the Committee on the Judiciary.

326. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

327. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

328. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

329. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

330. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 3204. A bill adopting and authorizing a project for the improvement of the Tombigbee River and tributaries, Alabama and Mississippi, for flood control; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 3205. A bill making grants of land in Alaska to the Territory of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. BENTLEY:

H. R. 3206. A bill to provide hospital and other care for certain veterans residing in the Philippine Islands; to the Committee on Veterans' Affairs.

By Mr. BERRY:

H. R. 3207. A bill to amend the Tariff Act of 1930 to provide that the duty imposed on the importation of wool shall be payable in all cases, regardless of the purpose for which the wool is to be used; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 3208. A bill to amend the Dependents' Medical Care Act to entitle certain retired members of the uniformed services to the same benefits as certain dependents of members of the uniformed services; to the Committee on Armed Services.

H. R. 3209. A bill to amend the Tariff Act of 1930 to provide for the free importation of wire which is to be used in automatic baling machines for baling hay and other farm products; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 3210. A bill to amend section 510 (a) (1) of the Merchant Marine Act, 1936, as amended, to accelerate the trade-in of old vessels with replacement by modern vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. BOSCH:

H. R. 3211. A bill to amend the Internal Revenue Code of 1954 to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

H. R. 3212. A bill to amend the Labor-Management Relations Act, 1947, to require that unfair labor practice cases be tried in Federal district courts, and for other purposes; to the Committee on Education and Labor.

By Mr. CHELF:

H. R. 3213. A bill to provide for separate and distinct schools and classes for boys and girls in the grades from 6 through 12, inclusive, and for other purposes; to the Committee on Education and Labor.

By Mr. DAVIS of Georgia:

H. R. 3214. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. DENTON:

H. R. 3215. A bill to provide that certain findings of disability made for the purposes of the Civil Service Retirement Act of May 29, 1930, shall be binding upon the Veterans' Administration; to the Committee on Veterans' Affairs.

H. R. 3216. A bill to provide for the payment of pensions to veterans of World War I and their widows and children at the same rates as apply in the case of veterans of the Spanish-American War, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 3217. A bill to increase the annual income limitations governing the payment of pensions for permanently and totally disabled wartime veterans, and for the widows and children of veterans of World War I, World War II, and the Korean conflict; to the Committee on Veterans' Affairs.

H. R. 3218. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Education and Labor.

By Mr. DINGELL:

H. R. 3219. A bill to amend section 6 (a) (1) of the Fair Labor Standards Act of 1938 to increase the national minimum wage to $1.25 an hour; to the Committee on Education and Labor.

By Mr. LOSER:

H. R. 3220. A bill to name the Veterans' Administration hospital to be constructed in or near Nashville, Tenn., the Percy Priest Memorial Veterans Hospital; to the Committee on Veterans' Affairs.

By Mr. DOLLINGER:

H. R. 3221. A bill to amend the Fair Labor Standards Act of 1938 so as to increase from $1 to $1.25 the minimum hourly wage prescribed by section 6 (a) (1) of that act; to the Committee on Education and Labor.

By Mr. FEIGHAN:

H. R. 3222. A bill to authorize the appropriation of funds for the construction of a breakwater for the protection of the Cleveland, Lakewood, Rocky River, and Bay Village, Ohio, shore of Lake Erie; to the Committee on Public Works.

By Mr. FINO:

H. R. 3223. A bill to amend title II of the Social Security Act to eliminate the provisions which reduce the old-age or wife's insurance benefits of a woman becoming entitled to such benefits before she attains age 65; to the Committee on Ways and Means.

H. R. 3224. A bill to amend title II of the Social Security Act to provide that a wife or widow, or a dependent husband or widower, may be entitled to benefits thereunder even though not actually living with the insured individual at the time required for entitlement to such benefits if found to have been abandoned or deserted by such individual; to the Committee on Ways and Means.

H. R. 3225. A bill relating to the computation of income for purposes of non-service-connected pension benefits payable to certain veterans; to the Committee on Veterans' Affairs.

H. R. 3226. A bill to extend benefits under the Federal Employees' Compensation Act to persons injured while engaged in civil-defense activities during World War II; to the Committee on Education and Labor.

By Mr. FORAND:

H. R. 3227. A bill to amend paragraph 1530 of the Tariff Act of 1930 with respect to the classification and rate of duty on certain footwear; to the Committee on Ways and Means.

H. R. 3228. A bill to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior tranfers in the case of decedents dying after December 31, 1947; to the Committee on Ways and Means.

By Mr. FRAZIER:

H. R. 3229. A bill to increase from $600 to $800 the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. GREEN of Pennsylvania:

H. R. 3230. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage of $1 to $1.50; to the Committee on Education and Labor.

By Mr. HALE:

H. R. 3231. A bill to provide a method for regulating and fixing wage rates for employees of Navy yards; to the Committee on Armed Services.

By Mr. HARRIS:

H. R. 3232. A bill to encourage aviation education and training for cadet members of the Civil Air Patrol; to the Committee on Armed Services.

H. R. 3233. A bill to amend section 22 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Arkansas:

H. R. 3234. A bill relating to the information required from certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. HÉBERT:

H. R. 3235. A bill to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps; to the Committee on Armed Services.

By Mr. JONES of Alabama:

H. R. 3236. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

By Mr. KEENEY:

H. R. 3237. A bill to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army, to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes; to the Committee on Public Works.

H. R. 3238. A bill to provide for extension of terms of patents where the use, exploitation, or promotion thereof was prevented, impaired, or delayed by causes due to war, national emergency, or other causes; to the Committee on the Judiciary.

By Mr. McINTOSH:

H. R. 3239. A bill to authorize a project for flood control and wildlife conservation in the Saginaw River Basin, Mich.; to the Committee on Public Works.

By Mr. McVEY:

H. R. 3240. A bill for the establishment of the National Monetary Commission; to the Committee on Banking and Currency.

By Mr. MADDEN:

H. R. 3241. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 3242. A bill to amend Public Law 815, 81st Congress, relating to school construction in federally impacted areas, to provide a more equitable method of determining the average per pupil costs of construction; to the Committee on Education and Labor.

H. R. 3243. A bill to amend section 412 (b) of the Civil Aeronautics Act of 1938, with respect to contracts relating to the selection or appointment, or the utilization of the services, of travel or ticket agents, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H. R. 3244. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H. R. 3245. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H. R. 3246. A bill to authorize the exchange of lands at the United States Naval Station, San Juan, P. R., between the Commonwealth of Puerto Rico and the United States of America; to the Committee on Armed Services.

By Mr. RHODES of Arizona:

H. R. 3247. A bill to amend section 1 of the act of June 25, 1948 (62 Stat. 915; 28 U. S. C. 631), as amended, to provide for appointment of a United States commissioner for Grand Canyon National Park; to the Committee on the Judiciary.

H. R. 3248. A bill to amend the National School Lunch Act to permit junior colleges to participate therein, and for other purposes; to the Committee on Education and Labor.

By Mr. SADLAK:

H. R. 3249. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

H. R. 3250. A bill to amend the Tariff Act of 1930 to place certain handmade and moldmade paper on the free list; to the Committee on Ways and Means.

By Mr. SCUDDER:

H. R. 3251. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SHEEHAN:

H. R. 3252. A bill to amend section 17 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H. R. 3253. A bill relating to the information required from certain tax-exempt organizations; to the Committee on Ways and Means.

H. R. 3254. A bill to remove inequities in the allowances for interest on overpayments attributable to final determinations on applications for relief under section 722 of the Internal Revenue Code of 1939 for taxable years beginning after December 31, 1941; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H. R. 3255. A bill to provide direct aid to States and Territories for educational purposes only; to the Committee on Ways and Means.

H. R. 3256. A bill to provide direct aid to States and Territories for educational purposes only; to the Committee on Education and Labor.

By Mr. THOMPSON of New Jersey:

H. R. 3257. 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; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON of Texas:

H. R. 3258. A bill to create the Interoceanic Canals Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. UDALL:

H. R. 3259. A bill to amend sections 5 and 6 of the act of April 19, 1950 (64 Stat. 44, 25 U. S. C. 635, 636), so as to permit the Navaho Indian Tribe, to lease tribal lands for residential and other purposes for a term of not to exceed 99 years, to transfer trust property of the tribe to any corporation owned by the Navaho Tribe or to municipal corporations within the boundaries of the Navaho Indian Reservation, to adopt a tribal constitution, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H. R. 3260. A bill to amend the Servicemen's and Veterans' Survivor Benefits Act to provide that all retired members of the uniformed services who served not less than 25 years on active duty and who thereafter die shall be considered to have died service-connected deaths; to the Committee on Veterans' Affairs.

H. R. 3261. A bill for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.; to the Committee on the Judiciary.

By Mr. WHITTEN:

H. R. 3262. A bill to provide a 1-year period during which certain veterans may be granted United States Government life (converted) insurance or national service life insurance, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 3263. A bill to authorize the construction of highways and other facilities within the boundaries of Government-owned lands for recreational or other use; to the Committee on Public Works.

H. R. 3264. A bill to provide that pensions shall be extended to the widows and children of deceased World War II veterans on the same conditions as they are now extended to the widows and children of deceased World War I veterans; to the Committee on Veterans' Affairs.

H. R. 3265. A bill to provide for the waiver of premiums on the national service life insurance and United States Government (converted) insurance issued to certain former servicemen who are disabled; to the Committee on Veterans' Affairs.

H. R. 3266. A bill to amend the Commodity Credit Corporation Charter Act of 1948 in order to constitute the Administrator of the Foreign Agricultural Service an ex officio member of the Board of Directors of the Corporation; to the Committee on Banking and Currency.

H. R. 3267. A bill to increase the personal tax exemptions of a single taxpayer or head of household from $600 to $1,200; to the Committee on Ways and Means.

H. R. 3268. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses

which may be deducted, to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H. R. 3269. A bill providing for construction of a highway, and appurtenances thereto, traversing the Mississippi Valley; to the Committee on Public Works.

H. R. 3270. A bill to amend the Social Security Act to provide that the Federal payment for old-age assistance, aid to the blind, and aid to the permanently and totally disabled shall be $30 per recipient per month; to the Committee on Ways and Means.

H. R. 3271. A bill to provide that the Secretary of Agriculture be included as a member of the Advisory Board of the Export-Import Bank of Washington and as a member of the National Advisory Council of the International Bank for Reconstruction and Development; to the Committee on Banking and Currency.

By Mr. WRIGHT:

H. R. 3272. A bill to authorize purchase of certain bonds issued by States and local units of government to finance the development by such States and local units of government of facilities to transport water for domestic, municipal, industrial, and other purposes; to the Committee on Public Works.

By Mr. BONNER:

H. J. Res. 169. Joint resolution designating National Defense Transportation Day; to the Committee on the Judiciary.

By Mr. DENTON:

H. J. Res. 170. Joint resolution placing certain individuals who served in the Armed Forces of the United States in the Moro Province, including Mindanao, and in the islands of Leyte and Samar after July 4, 1902, and their survivors, in the same status as those who served in the Armed Forces during the Philippine Insurrection and their survivors; to the Committee on Veterans' Affairs.

By Mr. KEENEY:

H. J. Res. 171. Joint resolution proposing an amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H. J. Res. 172. Joint resolution relating to the stockpile of extra long staple cotton under the Strategic and Critical Materials Stockpiling Act; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey:

H. J. Res. 173. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the 1st conference of State governors for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. WHITTEN:

H. J. Res. 174. Joint resolution providing that the United States shall not participate in any civil action except as a party to such civil action; to the Committee on the Judiciary.

H. J. Res. 175. Joint resolution to restore to the States certain rights affected by recent Supreme Court decisions; to the Committee on the Judiciary.

By Mr. WIER:

H. J. Res. 176. Joint resolution to establish a national policy for the production and utilization of food and fiber, so as to make full ecnomic use of the productive capacity of United States farms to improve domestic nutrition and clothing standards and buttress the foreign policy of the United States and to restate explicity the longstanding national policy to preserve and strengthen the family-farm pattern of American agricultural production; to the Committee on Agriculture.

By Mr. BOSCH:

H. Con. Res. 74. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. LATHAM:

H. Con. Res. 75. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. SELDEN:

H. Con. Res. 76. Concurrent resolution relative to inviting Spain to become a member of the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. SHEEHAN:

H. Con. Res. 77. Concurrent resolution to establish a Joint Committee on Central Intelligence; to the Committee on Rules.

By Mr. BOSCH:

H. Res. 111. Resolution creating a select committee to conduct an investigation and study of the forced repatriation program carried out by our military and civilian authorities in the years 1945–47; to the Committee on Rules.

H. Res. 112. Resolution creating a select committee to conduct an investigation and study of the advisability and feasibility of a governmental lottery; to the Committee on Rules.

By Mr. BUCKLEY:

H. Res. 113. Resolution authorizing the Committee on Public Works to conduct studies and investigations within the jurisdiction of such committee; to the Committee on Rules.

H. Res. 114. Resolution to provide funds for the expenses of the studies, investigations, and inquiries by House Resolution 113; to the Committee on House Administration.

By Mr. HILL:

H. Res. 115. Resolution creating a select committee to conduct a study and investigation of the problems of small business; to the Committee on Rules.

By Mr. VANIK:

H. Res. 116. Resolution directing the Committee on Banking and Currency to study the advisability of establishing standby oil price controls to eliminate oil and gasoline profiteering in the current Suez crisis; to the Committee on Rules.

By Mr. WALTER:

H. Res. 117. Resolution to authorize the expenditure of certain funds for the expenses of the Committee on Un-American Activities; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H.R. 3273. A bill for the relief of Raffaele Camastra; to the Committee on the Judiciary.

By Mr. BAKER:

H. R. 3274. A bill for the relief of Fuad Jacob Salah; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 3275. A bill for the relief of Harry A. Brereton; to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H. R. 3276. A bill for the relief of Edwin K. Fernandez; to the Committee on the Judiciary.

By Mr. BYRD:

H. R. 3277. A bill for the relief of Konstantinos Zaferatos; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 3278. A bill for the relief of Servando Lopez-Broges; to the Committee on the Judiciary.

By Mr. DEVEREUX:

H. R. 3279. A bill for the relief of Mrs. Josefine Augustine Jones; to the Committee on the Judiciary.

H. R. 3280. A bill for the relief of Mrs. Grace C. Hill; to the Committee on the Judiciary.

By Mrs. DWYER:

H. R. 3281. A bill for the relief of Howard S. Gay; to the Committee on the Judiciary.

H. R. 3282. A bill for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 3283. A bill for the relief of William Badinelli; to the Committee on the Judiciary.

H. R. 3284. A bill for the relief of Joseph Colonna; to the Committee on the Judiciary.

H. R. 3285. A bill for the relief of Connie Maria Fennessey; to the Committee on the Judiciary.

H. R. 3286. A bill for the relief of Giovanni Di Prima; to the Committee on the Judiciary.

H. R. 3287. A bill for the relief of Hildegard Guth; to the Committee on the Judiciary.

H. R. 3288. A bill for the relief of Dr. Frederic S. Schleger; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 3289. A bill for the relief of Daisy Cecile Lewis; to the Committee on the Judiciary.

By Mr. FRAZIER:

H. R. 3290. A bill for the relief of Evelyne J. Norris, nee Guerin; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 3291. A bill for the relief of Juan Blas-Nunez; to the Committee on the Judiciary.

H. R. 3292. A bill for the relief of Mrs. Socorro Raquel Mendez-Cacho and her four minor daughters, Alicia Mendez, Imelda Mendez, Mariana Marta Mena, and Marta Lurdez Mena; to the Committee on the Judiciary.

H. R. 3293. A bill for the relief of Manuel Rios-Souza; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 3294. A bill for the relief of Hene (Genia) Wasser and Michael Wasser; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 3295. A bill for the relief of Mrs. Inge Johnson; to the Committee on the Judiciary.

H. R. 3296. A bill for the relief of Carlos Quecedo Garcia and his wife, Josefa Moya Quecedo; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 3297. A bill for the relief of Arie Cornelis DeVos; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 3298. A bill for the relief of Ingrid and Joerg Baxter; to the Committee on the Judiciary.

H. R. 3299. A bill for the relief of Mrs. Tama Moriyama; to the Committee on the Judiciary.

By Mr. LOSER:

H. R. 3300. A bill for the relief of Cale P. Haun and Julia Fay Haun; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 3301. A bill for the relief of Eleonore Maria Elizabeth Rambo (Mrs. Charles B. Rambo); to the Committee on the Judiciary.

By Mr. MAY:

H. R. 3302. A bill for the relief of Marika E. Demos; to the Committee on the Judiciary.

By Mr. MATTHEWS:

H. R. 3303. A bill for the relief of Samuel Fox Stapleton; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 3304. A bill for the relief of George Petrolekas; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 3305. A bill for the relief of Mrs. Tsui Ying Leung; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 3306. A bill for the relief of Margaret Bronner; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 3307. A bill for the relief of Marion L. Barstow; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 3308. A bill to provide for the reconveyance of certain real property heretofore acquired by the United States for the Texarkana Dam and Reservoir project, to Ed Rabb, Atlanta, Tex.; to the Committee on Public Works.

By Mr. ROOSEVELT:

H. R. 3309. A bill for the relief of Harry Gold; to the Committee on the Judiciary.

By Mr. SCHERER:

H. R. 3310. A bill for the relief of Dr. Chun-Juan Kao Wang; to the Committee on the Judiciary.

By Mr. SCOTT of Pennsylvania:

H. R. 3311. A bill for the relief of Pauline and Angelica Semensky; to the Committee on the Judiciary.

By Mr. SHEEHAN:

H. R. 3312. A bill for the relief of Rosario Pollina; to the Committee on the Judiciary.

H. R. 3313. A bill for the relief of Eugenia Dlugopolska; to the Committee on the Judiciary.

H. R. 3314. A bill for the relief of Herman Shin Gee Chiu; to the Committee on the Judiciary.

H. R. 3315. A bill for the relief of Tadeusz and Elzbieta Faliszewski; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 3316. A bill for the relief of Mrs. Chu Buoy Ngow Lee; to the Committee on the Judiciary.

H. R. 3317. A bill for the relief of Antonio Quijano, Lilia Quijano, and Aurora Quijano; to the Committee on the Judiciary.

H. R. 3318. A bill for the relief of Alejo T. Tano, Ignacio Martal Romano, Marcos Sabuloan Jampas, Paulino Josue Elizalde, Jose Gracia, and Alberto Jesus Martinez (Jesus E. Martinez); to the Committee on the Judiciary.

H. R. 3319. A bill for the relief of Magtangol C. Polintan, Modesto Erispe Tanoja, Emiliano Jesmundo Magellanes, Eriberto Chavez Abella (Henry Chavez Abella), Federico Tamayo Dagdagan, Rodrigo Corope Alaura, Marcial Mariano Yamio, Carlos Odac Magahiz, Laudelino Tejada Avelino, Gaudioso Trumata Macias (Joe Macias), Godofredo Matados de la Cruz, and Jesus Monzon Martinez; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 3320. A bill for the relief of Elgin Manor, Inc.; to the Committee on the Judiciary.

H. R. 3321. A bill for the relief of Roland W. McQuagge; to the Committee on the Judiciary.

H. R. 3322. A bill for the relief of James L. Bostwick; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H. R. 3323. A bill to authorize former Maj. John R. Brown, Jr., United States Air Force, to accept the Air Force Wings and supporting documents conferred upon him by the Government of Pakistan; to the Committee on Armed Services.

By Mr. SMITH of California:

H. R. 3324. A bill for the relief of Nena Ethline Strickland; to the Committee on the Judiciary.

By Mr. PROUTY:

H. R. 3325. A bill for the relief of Sok Nam Ko; to the Committee on the Judiciary.

By Mr. REECE of Tennessee:

H. R. 3326. A bill for the relief of Rahmi Tugrul; to the Committee on the Judiciary.

By Mr. UDALL:

H. R. 3327. A bill directing the Secretary of the Interior to cancel certain obligations arising out of a contract relating to the reimbursement to the United States of certain costs incurred by it in the construction of irrigation facilities at Ganado, Ariz.; to the Committee on the Judiciary.

By Mr. VANIK:

H. R. 3328. A bill for the relief of Mr. Giacomo DiGangi; to the Committee on the Judiciary.

H. R. 3329. A bill for the relief of Kurt Grossman and Mrs. Theresa Grossman; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 3330. A bill for the relief of Atsuko Kiyota Szekeres; to the Committee on the Judiciary.

H. R. 3331. A bill for the relief of Marie Vinogradoff; to the Committee on the Judiciary.

By Mr. WHITTEN:

H. R. 3332. A bill for the relief under national service life insurance contract of George A. Whitaker; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 3333. A bill for the relief of Dr. John W. Gruen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

43. By Mr. THOMPSON of New Jersey: Petition of Township Committee of Ewing Township, Mercer County, N. J., adopted January 3, 1957, urging assistance to Hungarian refugees; to the Committee on Foreign Affairs.

44. By the SPEAKER: Petition of Sophia Asbury, Montgomery, Ala.; requesting an investigation relative to charges against her honesty in fulfillment of a contract, etc.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Veterans' Day Address by Senator Martin of Pennsylvania at Greensburg, Pa.

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 17, 1957

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a release concerning an address I made at a Veterans' Day celebration at Greensburg, Pa., on November 12, 1956.

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

Addressing a Veterans' Day celebration at Greensburg, Pa., today United States Senator EDWARD MARTIN said, in part:

"It is proper on this Veterans' Day to ask whether we can look forward to the day when we will no longer live under the dark tragedy of armed conflict.

"It is proper to ask how we can free ourselves from the shadow of another and more terrible world war.

"It is my humble opinion there is one answer—one course upon which we can place firm reliance. The answer that I would suggest is embraced in one word—strength—strength for victory—strength for peace.

"How can we attain the unity and spiritual strength we require in order to carry out our world mission?

"I believe that the best way to attain military preparedness is through the maintenance of a comparatively small but highly trained professional military establishment, supported by a large body of trained citizen-soldiers in reserve status.

"We should proceed at once to create a system of universal military training, without exemption except for physical or mental reasons and sincere conscientious objections. Universal military training would be fair. It would divide equally the responsibility for national defense. All would have a part in it. It would encourage further service in the Regular Army, National Guard, Reserves, and in technical and professional work. It would teach all of us the real meaning of America and our way of life.

"As loyal Americans, what should our program be? Humbly, I would suggest the following:

"First. We need great production in the United States. Our economy of plenty has made us a rich country with the highest of living standards. Great production will be accomplished by a better know-how, improved tools, and more work.

"Second. While minorities have a right to be heard, they must not be permitted to destroy. America must be governed by majority rule and in no other way. Political parties are a safeguard against minority rule. A strong minority has an important mission, but it is not able to perform that mission unless there is party solidarity. Too many weak political parties were partly the cause of the downfall of France. The United States needs two strong, virile, and clean political parties and no more.

"Third. Every true American must take a part in politics and government. A political slacker is just as dangerous as a military slacker. It is shameful that in many primary and general elections, less than one-third vote. One million American boys and girls have made the supreme sacrifice to insure free elections.

"Fourth. We must retain our know-how in the United States. That means the industrial crafts of America must be protected against the cheap labor of the world. It is the only way we can retain our skill for a national emergency and sustain our high living standards.

"Fifth. We must conserve our natural resources. The world can help replenish our stockpile of deficit items in return for our financial help.

"Sixth. Our national security must be protected by a strong Army, Navy, and Air Force, backed up by well-trained civilian components and an organized industrial group to properly supply the services. Each must take a part in the defense of the Nation. It is not a job for the few but for all.

"Seventh. We must all know our Government and the ideals under which it was formed. A great danger in our form of government is the political demagog who promises to give us things. It is always dangerous to vote to contribute to ourselves from the Treasury. High taxes and governmental debt have destroyed more nations than invading armies.

"Eighth. We must become a law-abiding, self-sustaining and God-fearing people. The tabernacles, synagogues, and churches must be the armories of great battalions of righteous men and women, going forth to preserve peace and good will on earth.

"If this is done, it will be the finest and most permanent monument that can be erected to the fine men and women whose heroism and sacrifice we honor today."

A Protest Against the Egyptian Expulsion of Jewry

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, January 17, 1957

Mr. HUMPHREY. Mr. President, on Monday night, January 7, the distinguished senior Senator from Wyoming [Mr. O'MAHONEY], spoke at a public meeting af the Jewish Community Council of Greater Washington at the Statler Hotel. His address was entitled "A Protest in the Name of Liberty Against the Egyptian Expulsion of Jewry." With his customary incisiveness, Senator O'MAHONEY has clearly described the current tragedy which is facing Egyptian Jewry, and which makes it a matter of more than regional concern. I ask unanimous consent that the text of our colleague's remarks be printed in the CONGRESSIONAL RECORD.

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

A PROTEST IN THE NAME OF LIBERTY AGAINST THE EGYPTIAN EXPULSION OF JEWRY

(By Hon. JOSEPH C. O'MAHONEY, of Wyoming)

This is the sixth decade of the 20th century. Religion, science, and philosophy through numberless generations have proved the folly of war and have taught the God-given dignity of every human soul. Yet the world is not now at peace, and millions of people all over the earth are refugees from the tyranny and oppression of totalitarian dictators who consistently deny the moral principles upon which the Government of the United States was founded.

LIBERTY BELL PROCLAIMS SAME PRINCIPLE OF FREEDOM AS DID MOSES

On the face of the Liberty Bell, which on July 4, 1776, pealed out the tidings that the American Declaration of Independence had been signed, there appear words from the Old Testament which signify the common devotion of the ancient Jew and the modern American to the principles of human freedom.

The Old Testament tells us in chapter 25 of Leviticus that the Lord spake unto Moses on Mt. Sinai and that in the obedience to the divine command Moses, speaking to the children of Israel, adjured them in the words which long ages afterwards were implanted upon the historic bell in Independence Hall. Philadelphia: "Proclaim liberty throughout all the land unto all the inhabitants thereof."

FREEDOM IS INALIENABLE RIGHT OF ALL

I am not a linguist competent to translate the Hebrew words into the English language, but I note that both upon the Liberty Bell in Philadelphia and in the 10th verse of chapter 25 of Leviticus that the word is not "people," nor "citizens," but "inhabitants." Nasser's order of expulsion directed against the Jews was an obvious violation of the faith in liberty which Moses preached from Mt. Sinai and the founders of the United States Government pledged to the world when they wrote the Declaration of Independence and the Constitution. The divine injunction recorded in the Old Testament and accepted without reservation by the authors of the American Government was that freedom should know no limitation of citizenship, of religious faith, of race, or any other classification that men may adopt, but is the inalienable right of all the inhabitants of the land. In our day when science has eliminated all geographic boundaries and made the whole world one land, we of this Nation mean the inhabitants of the whole world when we think of liberty and what it means. As Thomas Jefferson wrote it into the Declaration of Independence it is the heritage which all men receive from their Creator.

Our Government, therefore, should have no hesitation in announcing in simple words its condemnation of the inhuman order of expulsion announced by dictator Nasser without reason or cause against the Jewish inhabitants of Egypt. I make this declaration now for myself, and I know that all Americans will join with me, ordinary people as well as those in Government.

Nor are there any facts in the record which the modern world now lays before us which should deter us from such a declaration. Indeed, the facts would all move us to take this action. The Jewish refugees from Egypt are only the last of a long list of refugees whose hopeless subjugation by totalitarian tyranny all over the world make it clear that the fight for liberty is a global fight which can never be successful until the inhabitants of every land enjoy freedom and peace.

MILLIONS ARE REFUGEES OF TYRANNY TODAY

We know, of ccurse, of the terrible concentration camps of the Hitler era. We know the ruthless defiance of principles of human liberty in Communist Russia. We know that millions of people even now, long after the shooting of World War II came to an end, are refugees from tyranny of one kind or another. The Chinese and the North Koreans who have fled from Chinese communism are still without secure haven. When north Vietnam fell to the Communists, hundreds of thousands of Catholic refugees fled across the boarder to south Vietnam. There are refugees in Pakistan who nave fled from India, and refugees in India who have fled from Pakistan. Tens of thousands of liberty-loving Hungarians are now fleeing to this and other countries as refugees from the tyrannical oppression of Soviet Russia. And in the Middle East there is the problem of the Arab refugee from Israel, and now of the Jewish refugee from Egypt.

Let no one fail, however, to understand the difference between the Arab refugee from Palestine and the Jews who have now been expelled from Egypt. The Arab refugee, the record shows, left voluntarily—the Jew was driven out against his will. The Government of Israeli has announced its willingness to reimburse the Arab refugees, but the Government of Egypt confiscates without reimbursement the property of its Jewish victims.

PALESTINE HOME FOR JEWS BEGUN 40 YEARS AGO

It must be remembered that 40 years ago on November 2, 1917, the Government of Great Britain through the then Foreign Secretary, Arthur Balfour, announced that it viewed "with favor the establishment in Palestine of a national home for the Jewish people." He went further and declared it would be the purpose of the British Government "to facilitate the achievement of that objective." Then he added that it was understood "that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by the Jews in any other country." The record shows that the Jews have followed the agreement. The Arabs have not.

The principal allied powers, including the United States, endorsed this declaration.

At the time it was made, Palestine was subject to the Ottoman Empire. It was not under the jurisdiction of any independent Arab state. None of its people, Arabs or Jews, enjoyed the liberty, civil or political, which is now the objective of the free nations of the world to attain for all peoples. Therefore, when this declaration was made, nothing was taken from the Arabs. Turkey had conquered this area as long ago as 1520. When World War I was over, the League of Nations gave its mandate to Great Britain in 1923 to administer Palestine as the trustee of that first League to win peace with moral obligations toward the inhabitants.

ARABS HAVE FORCIBLY OPPOSED JEWISH STATE

Then when at the end of the Second World War the United Nations organization was formed, the Assembly of the United Nations in 1947 adopted its resolution calling for the partition of Palestine into two independent states, one was to be an Arab state, and the other a Jewish state. The Jews accepted the decision of the United Nations, the Arabs did not; and in 1948 they began a war the express purpose of which was to destroy the free government of Israel, and the language of Arab leaders left little doubt that they hoped to destroy the Jews as well.

It was then that Arab leaders urged all the Arab inhabitants of Israel to depart. They were called upon to flee to surrounding Arabian areas in order that they might escape death and injury from the guns of the invading Arabs, not from the persecution of Jews. The invasion was initiated, but it was not successful; and we are justified in accepting the report of Dr. Bunche, of the United States, who as a representative of the United Nations reported to that organization in December 1948 that "the Arab States had forcibly opposed the existence of a Jewish state in Palestine in direct opposition to the wishes of two-thirds of the Assembly. Nevertheless that armed intervention had proved useless." Liberty prevailed. Humanitarianism prevailed. The State of Israel prevailed.

Confirming the view thus expressed that the Jews were not responsible, Emile Ghoury, who in 1948 was secretary of the Arab higher committee, declared it to be a fact that the reason "there are these refugees is the direct consequence of the action of the Arab States in opposing partition and the Jewish state." That is the testimony of a high Arab official that the Arab governments were responsible for the Arab refugees.

ARABS CAN LIVE IN PEACE IN ISRAEL, BUT JEWS CANNOT IN ARAB STATES

Arabs can live in peace and security under the jurisdiction of the Israeli Government. Reports to the United Nations indicate that thousands of them live in Israel and pursue the normal activities of any inhabitant, but in that part of Palestine which at the time of the partition became an Arab state no Jew lives with liberty.

FORCE CANNOT SAVE US

This then is the situation with which the liberty-loving people of the world are confronted. The solution is not easy. For 40 years the Jews, after the flight from Egypt, wandered in the desert before they were able to enter the Promised Land. It is now almost 40 years since the United States entered the First World War "to make the world safe for democracy," in the words of President Wilson. But the Land of Promise, the land of milk and honey, the land of peace and security, is still beyond our reach. There can be no peace as long as one area or one group is

under tyranny. Like the Israelites of old, we are still wandering in the desert. We are still worshiping the golden calf. Greed and hate and personal ambition close our ears to the words that Moses brought down from Mount Sinai. We still hope that force in the end may save us, even with the ill-gotten gains with which we stuff our pockets. This we do although the wars of this century have proved beyond challenge that the instruments of war have now become so expensive, so destructive of every sound principle of economy, that no man's savings, let alone his property or his life, can survive another world conflict. We must take the blinders from our eyes and boldly confront the facts which science has proved, which religion has taught, that no nation, no race, can survive the terrors and totally destructive quality of nuclear weapons.

We have no recourse as a Nation but to acknowledge frankly that moral suasion and example alone are the instruments by which to win peace. Every nation and every people who want peace and liberty must forgo all hateful emotions, sacrifice all purely material and selfish objectives in order to contribute the courage and the free will with which the Almighty has endowed them so that they may be willing to make the personal sacrifices without which freedom cannot be won or preserved. If we are to see the Year of Jubilee, when Moses told his people to proclaim liberty throughout the land, both men and governments must be ready to show the patience, good will, and courage which are the only real substitutes for force; not force, but faith in the spiritual, humanitarian principles we have been taught. In this struggle our country must take the lead, not by the resort to force, but by the unequivocal and continuous condemnation of oppression wherever it appears, and the clear declaration that never shall we be deceived into any appeasement of tyranny or tyrants.

Anniversary of Ukrainian Independence

EXTENSION OF REMARKS

OF

HON. ALVIN M. BENTLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. BENTLEY. Mr. Speaker, Tuesday, January 22, marks the 39th anniversary of the independence of the Ukrainian national people. It is, therefore, appropriate to call the attention of the Members to this significant fact and to remind them that the people of Ukraine, no less than other enslaved peoples behind the Iron Curtain, are still passionately longing for their freedom and independence from Soviet communism. It is an interesting fact that, when the Hungarian revolt broke out last October, many of the Soviet occupation troops stationed in Hungary at that time were of Ukrainian origin. A substantial number of them are believed to have defected and gone over to the side of the revolutionaries with their guns and ammunition.

This one example shows that the people of Ukraine can still be counted on the side of freedom's cause. When the day of liberation comes, as come it surely will, the movement for self-determination will spread to the Ukraine whose people have not forgotten their historic traditions or their glorious moment of independence in 1918–20. It is well for all of us to recognize the significance of this date and to again express our conviction that freedom will one day return to the Ukrainian people as well as their enslaved neighbors.

Abbeville, La., High School Band To Participate in the Inaugural Parade

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. WILLIS. Mr. Speaker, I wish to refer to the very high honor that has been paid the Abbeville, La., High School Band, from my congressional district, which has been selected to participate in the Presidential inaugural parade next Monday.

This capable and popular 87-piece band will come to Washington at the invitation of Hon. Harold E. Stassen, special assistant to the President, who heard the band when he attended the eighth annual Louisiana Dairy Festival and Fair in Abbeville last October and told Mayor Roy R. Theriot of that city that the group should play for the inaugural. In due course of time arrangements were made for the band to represent Louisiana in the inaugural parade.

To finance this memorable trip, the justly proud citizens of Abbeville staged a successful campaign for the raising of the $8,000 necessary. A series of benefit projects followed, featured by a $10 a plate testimonial banquet honoring the band, with Louisiana Republican National Committeeman John Minor Wisdom as principal speaker.

The young musicians will arrive here early Sunday and after attendance at church services will begin a busy round of activities including sightseeing and other events, preceding the inaugural. A tour of the Capitol is planned for Tuesday before the members of the party leave at noon. Some stops en route to and from Washington are scheduled for the presentation of concerts.

Those making the trip to Washington with the band and Director Anthony Fontana will include, Mayor Theriot; Mr. W. G. Bazar, music supervisor of Vermilion Parish—County; Mr. L. J. Berry, principal of Abbeville High School; Mr. Joe Choate, of the Abbeville Meridional, representing the press; and the band chaperones who are Mrs. Howard Hollier, Mrs. Alpheus Sellers, Mrs. Charles Piazza, Jr., Mrs. E. M. Stokes, Miss Mazie Gisclair, Mrs. Abel Landry, Mrs. Clemile Thibodeaux, nurse, Mrs. Walter Bertrand, Mr. Howard Hollier, Mr. Vic Schriefer, and Mr. Dudley Dubois.

The roster of band members follows:

Larry J. Baudoin, Michael Bazar, Edna Bertrand, Virgie Bertrand, Dionise Boudreaux, Jackie Britt, Cludette Broussard, Donavon Broussard, Eugene Broussard, Rosa Nel Broussard, Ruby Broussard, Wayne Broussard, Wesley Broussard, Willie Broussard, Rosalie Cain, Nettie Campbell, Donald Chauvin, John Daspit, Patricia d'Augereau, Henry Delino, Inez Detraz, Patrick Dore, Glenn Dubois, Judy Fleming, Daniel Frederick, Katherine Fusilier, Frances Gisclair, Jeffrey Guidry, Gordon Haseman, Clifford Hebert, Elaine Hebert, Gene Hebert, Steve Hebert, Carol Henry, Glenda Hollier, Kent Hungerford, Robert Jones, Dorothy Kelly, James Kitchell, Paul LaBauve, John Emery Landry, Judy Landry, Phyllis Landry, Dorothy LeBlanc, E. Kent LeBlanc, Leewood LeBlanc, Leonard LeBlanc, Nedley Leger, Kenneth LeMaire, Bobby Meaux, Roy Miguez, Audrey Montet, John Morin, Calvin Mouton, Harold Mouton, Lorena Mouton, Mary Musumeche, Claudette Nugier, Jerry Olds, Jackie O'Neil, Donne Lee Piazza, Carrol Pontiff, Lionel Primeaux, Jr., Verna Primeaux, Glenn Richardson, Douglas Romero, Eugene Romero, Jr., Weston Romero, Brenda Roy, Karen Russo, Judy Schexnaider, Margaret Schriefer, Russel Sellers, Krabben Sellers, Ruth Sellers, Donn Stansbury, Elizabeth Stokes, Gary Theall, Clemile Thibodeaux, Joseph Thibodeaux, Jane Touchet, Donald Toups, Denery Trahan, Waynoka West.

A National Pension To Protect Aged American Citizens

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. LANE. Mr. Speaker, it requires no great gift of prophecy to predict that, not only is social security here to stay, but that its coverage and benefits will come closer to matching the promise implicit in its title, as time goes on.

At this opening session of the 85th Congress, I am reintroducing the bill that I presented on January 5, 1955, calling for the payment of a $100-a-month pension to all American citizens who shall attain the age of 65, who have been citizens for at least 10 years.

Due to the increase in the minimum cost of living, it is necessary to raise the benefits. The precedent for reducing the qualifying age requirements is found in recent amendments to the social-security law that now make women eligible at 62.

Our Nation was tardy in recognizing the need for an adequate program of social security. As we were late in starting one, we have not succeeded as yet, in bringing it up-to-date.

This timelag has resulted in threadbare respectability for many of our older citizens who cannot make both ends meet under the present formula for benefits.

For them, the present social security program provides little sustenance, and less comfort.

That is why a strong and persistent movement is under way to amend the Social Security Act to provide a pension

sufficient in amount to meet the minimum cost of living. A direct national pension, based on qualifying age and citizenship; easy to administer, and adequate in its benefits.

And providing for $150 a month for each pensioner, which is the irreducible minimum under today's high cost of living.

The time has long since passed since we based our appeals for this type of legislation on humanitarian grounds alone.

Even orthodox economists claim it to be one of the built-in cushions that will prevent any repetition of our crippling experience during the depression of the 1930's.

We have learned that the widespread distribution of purchasing power is essential to our progress as a Nation.

Of one thing I am certain; that the American people are determined, through their Representatives in the Federal Government, to build a social security program that will protect them against the economic vicissitudes of old age.

The Nation is prospering.

It is in a far better position to improve its protection for the aged, than at any previous time in its history.

The next step forward should be the legislation of a direct national pension to provide better security for all qualified American citizens at the age of 62.

Comments by Senator Wiley on Danger of Pearl Harbor Type of Attack Against the United States

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, January 17, 1957

Mr. CARLSON. Mr. President, there has been called to my attention a most interesting article published in the January 4, 1957, issue of a daily newspaper in Montana called the Glendive Daily Ranger.

The article is the result of an interview with our distinguished colleague, the senior Senator from Wisconsin [Mr. WILEY].

I ask unanimous consent that the text of the interview be printed in the RECORD.

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

SENATOR WILEY, FOREIGN RELATIONS LEADER, WARNS OF DANGER OF RUSSIAN PEARL HARBOR ATTACK ON UNITED STATES IN A DAILY RANGER EXCLUSIVE

(By Ken Byerly)

The gray-haired, distinguished-looking man of the day-coach seat behind me looked familiar. It was at Wyeville, Wis. I had just boarded the North Western Railway's streamliner, the 400.

"Pardon me," I said. "Aren't you Senator WILEY?"

He was, and he introduced me to his attractive young wife.

The veteran Wisconsin legislator was en route from his home at Chippewa Falls, Wis., to the Nation's Capital, and the present session of Congress. I was traveling from from Rochester, Minn., to Milwaukee and Racine.

"A lot of us out in Montana were glad to see you get reelected," I told the 18-year Senate veteran who is a past chairman of the Senate Foreign Relations Committee, and is an active and effective supporter of the Eisenhower foreign policy. WILEY is a Republican. "We figured some of the old guard in your party gave you a bum deal."

Wisconsin has a primary law for nominating candidates. Some of the GOP leaders in that State backed a movement last summer at a convention to oust Senator WILEY as Republican candidate for the United States Senate, despite his almost two decades of service.

BY 260,000 VOTES

WILEY ran anyway, beating his opponent in the primary, and winning 6 more years in the Senate by the overwhelming margin of more than 260,000 votes in the November general election.

"What about the rebellions in Hungary and Poland against the Kremlin?" I asked the long-time expert on foreign affairs. "Is this the beginning of the end for the Communists?"

The Wisconsin Senator preferred not to be quoted on the subject, but he did have a word of warning for all of us.

"You newspapermen have a job to do," he said. "You must keep the people of the United States alert. Tell them the changed facts of life in this changing world where every nation is in every other nation's backyard.

"Few people seem concerned about the Communists and the dangers of war. Farmers talk about prices, schoolmen want more schools, small businessmen worry about profits. Everyone wants taxes cut.

"All these things are important," the 72-year-old solon said, "but the big thing right now is the danger of a sneak attack on us by the Russians, and our being asleep as we were at Pearl Harbor."

NOT A DRILL

"I have been reading in Life Magazine about the attack on Pearl Harbor. You remember how an American soldier picked up the approaching Japanese planes on radar when they were a hundred miles out. He reported them, but nobody paid any attention, thinking an enemy plane was impossible.

"When the Jap planes attacked shortly after, American soldiers, sailors and marines had to be told over loudspeakers, 'This is not a drill.'

"Thousands of American lives were lost on December 7, 1941, because we weren't alert. And the damage done our ships and other equipment probably added as much as 2 years to the war and $100-billion to the war costs.

"The big danger is that this could very well happen again. Now we would not have the time to get ready and pick up the pieces that we had after Pearl Harbor. Then we had 2 years because the world was large and the Pacific was a barrier. Now we won't have 2 hours. Time and distance have been annihilated by man's ingenuity.

OLD STUNT

"If the Kremlin is having trouble with its own people, and there are signs that it is, they might pull the old stunt of staring a foreign war as the only way of rallying the people around them.

"It was a big world in 1941, yet the Japs were able to attack us successfully at Pearl Harbor and do tremendous damage.

"Now it is a little world and any place in the United States is only a few hours from Russia.

"There are atom and hydrogen bombs now, and it has been said by military experts that in case of another war Americans killed may total 70 million people.

"This is our danger, and it is a terrible one," Senator WILEY told me. "Only alertness and military adequacy can avert a catastrophe. The Kremlin understands force.

"We were complacent in 1941, and we are complacent again now. It could happen again, only this time it would be far, far worse.

"Yes, you newspapermen have a job to do. You must keep the people of the United States constantly alert to the dangers," Senator WILEY concluded.

Does the veteran Wisconsin Senator speak with authority? After all, in the old days some insisted on branding him "an isolationist."

TEN MONTHS BEFORE

Yet in February 1941, 10 months before the treacherous and sneaky Jap attack on Pearl Harbor Senator WILEY introduced a resolution in the Senate asking about the state of our defenses at Pearl Harbor and across the Pacific. And in March 1941 he made a speech on the Senate floor repeating the same question: "Will our fleet be caught as the Russian fleet was caught in the Russian-Japanese war?" No heed was paid to the Senator's remarks and 9 months later Pearl Harbor came upon us while we slumbered. All this can be found in the CONGRESSIONAL RECORD.

No on paid any attention. If they had, Pearl Harbor would never have happened. Thousands of American lives would have been saved. And World War II might have been shortened by as much as 2 years.

This time a sneak attack would be infinitely more horrible, with the chance that 70 million Americans might die, and the Communists would take over the world.

Senator WILEY's warning is a timely one. It should be heeded by all of us, here in Montana, across the United States, and everywhere in the free world.

"It is a time for greatness," the Senator said, "in you newspapermen. The citizens of this country must get an understanding of the changed and changing world so they will recognize that the law of national preservation calls for alertness and adequacy with all that those terms imply."

The Russians Are and Will Continue To Be on the Inside of Any Military Action Taken by the Security Council of the United Nations

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. BURDICK. Mr. Speaker, there is a situation inherent in the Charter of the United Nations of which I believe very few citizens of the United States are aware. It is highly dangerous to the security and welfare of our Nation and, I believe, should be called to their attention.

The Secretary of the Security Council Affairs is now a Russian, and the 3 men who have held that position since the Security Council was organized are: A.

A. Sobolev, 1946–49; Constantin E. Zinchenko, 1950–53; Ilya S. Tchernychev, 1953–.

This means that since the Security Council was organized the Russians, through the secretary, have had close touch will all military plans. The directives to MacArthur and the reports coming from him passed through the hands of this secretary. Now can you realize what MacArthur was up against in trying to win the Korean war? Can you imagine what the commander of the United Nations' troops in the Suez zone is up against?

In article 47, paragraph 3, the United Nations Charter states:

> The Military Staff Committee shall be responsible through the Security Council for the strategic direction of any Armed Forces placed at the disposal of the Security Council.

On January 10, 1957, the State Department informed me that—

> The Military Staff Committee is made up of the Chiefs of Staff of the Security Council, five in number. Its chairman rotates every month in alphabetical order, and therefore once every 5 months there is a Russian in charge of the Military Staff Committee.

I have repeatedly said that the United Nations can get nowhere with Russia as a member. It is powerless to do anything without troops, and as soon as troops are called the Secretary of the Security Council Affairs gets all the information going out to commanders and coming back from them. How do you like this arrangement?

This situation of having a Russian on the receiving end of all information as Secretary of the Security Council Affairs was brought about by an agreement made between Alger Hiss and Molotov in London in 1945–46. The agreement has been kept, as a Russian is there today as secretary, and has been since the organization of the United Nations.

If all the other reasons I have given for the ouster of the Russians from the United Nations are swept aside, this last reason is unanswerable. If we continue the practice, we can win no war that might start if it is to be checked by the Security Council. What is the use of declaring war or engaging in another Korean catastrophe? Haven't we commonsense, or are we playing ball with the Russians, and at the same time talking about stopping the spread of communism? What will happen to our troops under this setup if we give the President the power to send them into war without the consent of Congress?

If we have the least glimmering hope of bringing about world peace, let us oust the Russians and get down to patriotic business. We are in a situation where we are engaged in a cold war against Russia, with a Russian at the helm, getting all the information about troops and supplies, ammunition, and the size of our forces, where they intend to attack, and when.

I don't suppose I can awaken the sleeping guards of this country to a situation that is steeped in betrayal. Are we men or mice?

Bill Introduced To Prohibit Use of Outdoor Advertising Display

EXTENSION OF REMARKS

OF

HON. STUYVESANT WAINWRIGHT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. WAINWRIGHT. Mr. Speaker, legislation has been introduced in the Senate to prohibit the use of billboards and other outdoor advertising displays along our National System of Highways. My good friends, Mr. HALE, of Maine, and Mr. REUSS, of Wisconsin, have introduced companion measures in this body. I feel privileged to join them by submitting my own measure today.

The area I represent constitutes approximately a thousand square miles due east of New York City. This is Long Island, a narrow strip of land 140 miles long, projected out into the Atlantic Ocean. Twenty-five years ago this area—Suffolk and Nassau Counties—was "real country." Today this area is fast being developed. Along with this incredible rate of development has come the evil of the signboard, the display, and the general unpleasantness of what is commonly called outdoor advertising. Someone once said that it was impossible to see the forest for the trees. On Long Island it is impossible to see the woods because of the billboards. An almost solid line of advertising greets the motorist once he has left any major parkway. In fact, he finds a far more countryfied atmosphere on the Long Island parkway system than he does along the main highway a few miles from my own home, located 70 miles beyond the last parkway exit.

There are three principal reasons why I feel this blight should be eliminated. The first I have already mentioned. Billboards and signs have destroyed the native beauty of the American countryside. This factor is of no importance to the directors of the major oil companies and beer concerns. The admen on their payrolls are only interested in one thing—selling their particular brand of gasoline or their brand of beer. What care they if a little fish pond is obliterated from the motorist's view? A beautiful and historic 18th century house will have a flashing neon sign in its front yard advertising some sickly soft drink. "Sell more bottles," say the admen. "Who cares about antiquity?" The motorist drives along what used to be a bound set of dunes, with waving beach grass and small beach plum bushes, can no longer find these dunes or beach plum bushes. They are hidden behind a vast array of motel advertisements: "Stop at Cozy Corners," or "We have the best little weekend nest on Long Island" reads another spread. What do they care about the out of doors? It is he that gets the most tourists that really counts. One good friend of mine who has a number of discreet billboards advertising his concern bemoaned the fact that he had to resort to this type of advertising. "My competitor did, so I had to keep up with the Joneses."

The second cogent reason for eliminating this blight is road safety. With death on the highway increasing at an incredible rate, who is to say that it is not important for the driver to keep his mind on the road? If his entire attention is devoted to flashing red and yellow lights promoting a new toothpowder or a fancy, tricky blinker to catch the driver's eye in behalf of an insipid lipstick, how can he keep his eyes on the big trailer truck approaching around the curve? How many holidays have ended up in death because the driver was absorbed with a whisky ad—or a motor-court ad?

The third factor regards the value of real property itself. Outdoor advertising, despite what the professionals will tell you, has done more to destroy the value of property adjacent to the billboards than any other factor. Who wants to buy a home in the shadow of a 100-by-30-foot placard whether it promotes a brand of beer, toothpaste, lipstick, gasoline, or any other product.

It is my earnest hope that this Congress will have the opportunity to act upon this measure and that the action will be favorable.

Strength for Peace

EXTENSION OF REMARKS

OF

HON. W. R. HULL, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. HULL. Mr. Speaker, pursuant to permission granted, I am submitting for inclusion in the CONGRESSIONAL RECORD a timely and pertinent speech entitled "Strength for Peace" which Missouri's Senator, STUART SYMINGTON, delivered before the National Aeronautical Association in Kansas City, Mo., on December 5, 1956.

Senator SYMINGTON's long experience and devotion to the American people particularly qualify him to speak on this subject. So poignantly expressed is his warning that Russia's educational program and technological development is geared to build power, while our educational program in the basic sciences and use of technological experts in defense continue to lag, that I sincerely feel the views of this great American should be made available to the public.

STRENGTH FOR PEACE

Thank you for the honor of my being with you today.

I understand that this, the 51st annual convention of the National Aeronautical Association is concerning itself primarily with how aviation, education, and science might join their best efforts for the peaceful future of the United States.

I understand also that in this regard there are present at this convention a number of educators from all over the country who are here primarily to learn how they might work to that end in their chosen field.

All good citizens agree with your association's premise that in these troubled times

the national interest includes not only the steady economic and social improvement of our country—but also the consideration of what each of us, as individuals, must do to insure the survival of our way of life.

With Hungary and the Middle East in mind, every citizen can now almost feel the increasing pressure being posed against the United States by the leaders of the Kremlin.

It is on the subject of this threat, and the current and planned strength of the United States to defend against it, that I speak today.

The present keystone of the free world's power to defend itself against Soviet aggression lies in the quality and quantity of modern weapons systems in the defense forces of the United States; and also in the Soviet Union's conviction that we are not afraid to use that power in retaliation against possible aggression.

Since the end of World War II, the Soviets have maintained a steady campaign of economic, psychological, and political combat against the free world. But they have been deterred from all-out aggression because of the atomic superiority of the United States; and their belief we would use it if attacked.

Even the economic deterrents we have underwritten, starting with the Marshall plan, have succeeded only because they have been backstopped by American military strength.

This same strength has been the keystone of the North Atlantic Treaty Organization.

NATO in itself is a force of arms obviously inferior in conventional strength to the Soviet power poised opposite it across Europe. But it is backed by American air-atomic power.

In March of 1949 Winston Churchill stated that the only reason the Soviets were not on the English Channel at that time was possession by the United States of nuclear weapons, plus the power to deliver them.

Nearly 8 years later the retiring commander of NATO, Gen. Alfred Gruenther, in effect reiterated Churchill's position, when he said only last month:

"Probably the outstanding element in our deterrent force today, as of November 1956, is the fact we have air units with an overwhelming capacity which could retaliate very significantly."

General Gruenther observed that if the Soviets were to launch an attack with the new rocket missiles, as Bulganin recently threatened to do against France and England, it would "follow as the night the day" that the full weight of American atomic power would be used against Russia.

This open brandishing of America's air arm as a political method for deterring the Soviets from actually using some of their modern weapons was welcomed by all on the side of freedom.

There was one element of General Gruenther's remarks, however, which failed to get the attention it should have had, particularly in the United States.

The general said he was speaking of our retaliatory capability as of now. He took care to point out that he "was not saying we would have the same capacity 5 years from now, or that we would have overwhelming capacity to deter at that time."

It is on the implication of General Gruenther's phrase "as of now" that I would like to dwell briefly—using that thought as the basis for an evaluation of where we stand today; and also for raising the question as to where we may stand 5 years from now, in terms of a military force in being, still modern enough to discourage the Soviets from aggression.

To assess where we do stand vis-a-vis the Communists, let's first take a brief look at the immediate past; more specifically, the last decade.

Ten years ago the United States enjoyed supremacy in modern airpower.

Ten years ago we had atomic weapons. The Soviets had yet to explode their first atomic bomb.

Ten years ago to the best of our knowledge, the Soviets had no jet aircraft in operation.

So far as the free world knew 10 years ago Soviet air power was comprised of relatively primitive ground support fighters and bombers, plus a number of carbon copies of our piston-driven B-29 bombers. Also there were some missiles taken over from the Nazis, along with their inventors.

What is the picture today? In barely a decade, Communist Russia has risen to the position of a modern military power comparable, if not equal, to the United States.

We know they have 175 divisions to our 19. So they are supreme on the ground.

We know that they now have the second largest navy in the world, including hundreds more submarines than we have—so they are also superior under the sea.

But today what we are talking about is air-atomic power.

Seven years ago, in September 1949, the Soviets exploded their first atomic weapon—a number of years earlier than our leading scientific advisers were saying they could.

Over 3 years ago, in August 1953, the Soviets tested their first hydrogen bomb, within weeks of the United States first effective experiment with that same weapon.

A month ago, during the same week of their latest proposal for disarmament, Russia tested its 33d nuclear weapon.

In 1950, at the outset of the fighting in Korea, the Soviets surprised the world by possessing hundreds of MIG-15 jet fighters in the Far East. We had no fighters of equal capability in the area at the time.

Three years later, in 1953, the Soviets had thousands of MIG-15 jet fighters in Korea. At that time out there the United States had less than 200 jet fighters of comparable performance.

It took us nearly 10 years, from predesign to operational stage, to develop and produce the B-52.

As best we can determine, it took the Soviets about half that time to develop and produce their long-range jet bomber, the Bison—and simultaneously they developed and produced their very long range bomber, the turbo-prop Bear, which, because of previous limitation in our funds for research and development, we have no counterpart.

About 18 months ago the Communists showed the world more long-range jet Bisons over Moscow in one formation than this country had in operation a year later.

Yes, the Soviets have come with a rush over the past 10 years, to the point where this administration now admits the Soviets have in operation thousands more jet fighters, thousands more jet bombers, and hundreds more submarines than does the United States.

And there is more. During this past year, Soviet political leaders have stepped down the ramps of many commercial airports from jet transports developed in Russia. The engine of this transport has many thousands pounds more thrust than any engine on any plane in this country.

American leaders still fly in piston-powered planes. We have no jet transports.

In the scientific fraternity, Russian research is now universally respected. At the 1955 World Atomic Conference in Geneva and also at subsequent meetings our scientists have observed that, whereas the Communists lag behind us in some scientific areas, they may well lead in such fields as metallurgy, and may be on a par with us in many others, including the study of physics.

You will be addressed this evening by a very great American, Dr. Edward Teller, whom I particularly respect because, as much as any man, he was responsible for pushing through—over serious objection—our successful development of the hydrogen bomb.

The Russians now have it. Where would we be today without it?

Dr. Teller's authority on this particular subject far exceeds mine, so I won't go into it further except to express my conviction, and this after listening to many thousand words of testimony that the Soviet system, in an overall comparison, today enjoys comparable scientific standing with the free world.

Never forget that, whatever is their industrial complex, built with their technological development, they are using it primarily to build power; whereas we are using our industrial complex primarily to build comfort and a better standard of living.

Under present educational plans and programs, the future looks even darker.

Today Russia has approximately the same number of engineers, and almost as many scientists, as do we.

Recently, Allen Dulles, Director of our Central Intelligence Agency, warned that by 1960 the Soviet Union will have graduated during the past decade 1,200,000 university students in the basic sciences; whereas we, during that period, will have graduated about 900,000.

It is now known that the current long-range program of the Soviet Union for the education of its people in engineering and the sciences is by far the most extensive educational program ever undertaken by any government in the history of the world.

Over here, almost the reverse is true. Less than 25 percent of our high school students are studying algebra, the gateway to advanced mathematics, in turn the basis of science and engineering.

Less than 12 percent of our high school graduates are studying sciences—in fact a large proportion of our secondary schools do not have science courses of any kind.

Most of us in this room know of these discouraging trends, but millions of our fellow Americans either do not, or do realize their implications in terms of future security.

Unless this trend is halted, in the not-too-distant future the United States will become second to the Soviet Union in engineering and sciences.

Do we realize what this could mean?

Do we want to assist Mr. Khrushchev, who recently announced publicly that the Kremlin leaders intended to "bury" all those who stood in their way?

Burial might be better than some other fates. Would we like our children to be in the sealed boxcars now moving across Russia to Siberia, loaded with young men and women from Hungary?

Those are the facts; and let it never be said that our people have grown so rich and complacent they will no longer face up to the facts.

Tomorrow in St. Louis I discuss in more detail before the American Vocational Association what we must do in this field of technical training if we want to protect both our security and our prosperity.

Today, I want to talk about how urgent it is for us to do more with the scientific and technical talents and dollars we plan to expend in the future.

Our interest is underscored and heightened by what has transpired recently in Egypt, in Syria, and of course in Hungary. These latter developments but underline the pattern of what has gone on since World War II, starting with the sad business of Czechoslovakia in 1948, then Korea, then Indochina and Formosa—as Russia continues her efforts toward the world conquest her leaders have stated publicly for so long that they intend to achieve.

Mr. Bulganin's threat of the use of rockets against Europe cannot be dismissed as cocktail chatter when it is voiced, as it was, amid the Soviet shipment of large numbers of modern jet aircraft and other arms to Egypt and Syria. This rocket blackmail apparently worked exactly as General Spaatz predicted;

because the British and French, left alone to face the Bear, promptly accepted a cease-fire agreement.

Every fact presented here is known to the Kremlin. Those men ruling the Communist world may not yet be sure of their strength. But by every indication, they feel growing confidence in it.

From our own point of view, any fair analysis of America's military power relative to that of the Communists can only conclude with honest doubt as to just where we stand today; and, under present policies, grave apprehension about where we will stand 3 to 5 years from now.

Leaders in this administration acknowledge that the Soviets far outnumber us in the quantity of their modern weapons, in the air, on the land, and under the sea. But we are told that, despite this numerical inferiority, America retains its leadership in military strength because the aircraft and missiles and other weapons systems presently in our Armed Forces will outperform the weapons the Soviets are using as of today.

In other words, because of our qualitative superiority, and in order to balance our budget, we can afford to pass over to the Communists quantitative superiority.

Only recently, however, in sworn testimony before the United States Senate, our leaders in the engineering and production of airpower asserted upon their return from Moscow last June that it was their conviction the Soviets had already closed five-sixths of any qualitative gap the United States had at the end of World War II. In some fields, the testimony shows, it is their considered opinion the Russians are ahead.

Now the quality of our military force today was determined 5 to 10 years ago, in the research and development dollars, and the talents, we expended during that period.

In other words, there is nothing one can do to improve the quality of our forces today, should we have to use them this week, this month, or even next year.

My hope for appropriate action has to do, therefore, with the force of tomorrow—about which something can be done now.

The quality of our defense 5 years from now will reflect the emphasis in dollars and scientific and engineering talent we apply to research and development this coming year.

It is the general impression that we are doing very well in our research and development for national defense. Responsible people state we are reducing the number of divisions in our Army and the number of wings in our Air Force because of the improving quality of the weapons those services now have available.

This should mean we will find in our next and succeeding defense budgets a substantial increase in funds available for research and development, across the spectrum of both basic research and applied research and development.

If such an increase is proposed, it will reverse the trend of the past 3 years; because those years have found research and development funds reduced each succeeding year.

There would appear to be some contradiction here. We steadily reduce research and development funds at the same time we voluntarily pass over quantitative superiority to the Soviets on the grounds we are superior in quality.

If we are to retain the retaliatory edge in modern weapons systems which we are told we have "as of now," there must be more efficient use of all aspects of technological research and development.

In this regard, you educators and we citizens must call to the attention of students and all other Americans the facts of life in the deadly competition now being waged against us by the Communists—in a field where all too many people still consider the United States unchallenged.

You cannot blame the public, because there are still some in high places who are inclined to publicly deride the Communists for their lack of modern plumbing, rather than respect them as an able and formidable foe, dedicated to our national destruction first, the comfortable life later.

How many Americans pause to consider that in less than 40 years the Communist leaders have organized and led the Russian people to where today they are a serious threat to the free world?

It has happened so quickly most Americans do not realize it yet.

Since their organization as a government, the Communists have had a clear objective—world domination. Toward this objective they have had a plan, or a series of plans, one growing from the other.

No one who believes in freedom could stomach the Soviet totalitarian system, a system which demands that the individual become the slave of the state. But they do have some short-term advantages over our more deliberate democratic system. Among these is a facility for quick decisions. In turn this means more rapid development and production cycles in the obtaining of modern weapons.

As example, it took America some 8 years to progress from test firing the atomic bomb to test firing the hydrogen bomb. It took the Soviets 4 years to cover the same time span.

A major reason for our taking 8 years to the Soviets 4 was because of the delays in policy decisions as to whether or not we should proceed with the hydrogen bomb. Comparable delays incident to decisions about other weapons developments is one of the chief reasons the Soviets have been developing their systems much faster than have we.

Another important advantage possessed by the Communists is the immoral one of initiative. That initiative allows them the element of surprise, an even greater military advantage in the nuclear age.

We have as many engineers, probably more scientists, than they do at present. For over 30 years, however, they have been using the cream and most of the milk of that science and engineering talent to develop their military machine.

In our democratic society, where the individual is free to work where he pleases, far less than a majority of our scientists and engineers are employed in the defense effort.

In summary, the Communists have been making maximum use of their system and their talents toward the development of their war machine; and as a result, their machine today is larger than our own, on the ground, under the sea, and in the air.

We now know also that their long and careful planning, especially in the field of education, has already closed most of the qualitative gap previously held by the free world in weapons and weapons systems.

Unless present policies are reversed, therefore, the current Soviet quantitative lead will soon be augmented by a lead in quality.

If we are to remain free, this trend must be reversed. We must create policies which will enable us to win the cold war now being waged.

Policies must be established which will create events. No longer can we afford to have events create our policies.

If our engineers and scientists and citizens would realize that the fight to maintain freedom is actually going on at this moment, we would soon have a majority rather than a minority of technological experts working in the defense effort.

If the American people were only told frankly that we are actually being hard pressed to stay ahead of the enemy in the quality of our defense (the administration now admits it has given up in the race for quantity) the people would demand, and they would receive, far more efficient use of the technologists already working in defense.

If the people knew the form and character of the growing threat, they would also demand decision as to which among the many costly weapons systems now being proposed and built by the several services are the ones really required in case of future attacks.

Everyone connected with the defense effort knows that with the establishment of proper priority, there could be a far more efficient application of available engineers and scientists, and that in turn would result in more rapid development of the needed defense programs.

Putting it another way, in this air-atomic age, our greatest aim, permanent world peace, can only come through mutually agreed upon, inspection-proof disarmament.

But we have no chance to succeed in that aim if we conduct negotiations from a position of relative weakness—whereas we have every chance of success if they are conducted from a position of relative strength.

A Misleading Statement

EXTENSION OF REMARKS

OF

HON. GEORGE S. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. LONG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article and letters:

[From the Shreveport (La.) Journal of January 7, 1957]

NEGRO INSPECTOR KEEPS VIGIL ON VA INTEGRATION

A member of the American Legion's special State committee studying integration in Veterans Administration hospitals in Louisiana said today he was amazed to learn that a Negro is employed by the VA to oversee integration practices in its facilities.

L. R. Anderson, of Homer, said the committee, which inspected facilities at the VA hospital in Shreveport Sunday, learned from William K. Hinds, local manager, that the VA has an "administrative co-ordinator of minority groups" at its regional office in New Orleans.

Sole duty of the co-ordinator, a Negro, Anderson said, appears to be to check on treatment accorded Negro patients in the Government hospitals and to make sure that the VA's integration directions are enforced.

"That's a farce in my opinion," Anderson declared. "If we need him, we need a co-ordinator for majority groups, too."

Anderson charged that the special State committee is getting far afield of its purpose and that a "weak-kneed" stand on the matter by the Louisiana Legion is likely to result.

He said the committee is gathering statistics which have no bearing on integration.

ATTORNEY OUTSPOKEN ON TOUR

John Reynolds, a Homer attorney and member of the Legion post there, who accompanied the committee on its tour of the hospital in an effort to determine just what the committee is doing, was even more outspoken about the minority groups coordinator.

"That's the most ridiculous thing I ever heard of in the whole area of segregation and integration," Reynolds asserted. Both he and Anderson said they had never known before that the Negro made periodic checks

of conditions at the hospital, or that such a position existed.

"It's sort of terrifying to me to realize that we have this kind of thing on the payroll," Reynolds continued.

The visitors said he went along on the tour because he wanted to find out what the committee, appointed by Department Commander M. C. Gehr, is trying to do. "They say they're investigating integration in the VA hosptial. I don't know what they expect to find. There's no question about the hospital's being integrated. If there's not but one Negro in the entire hospital and he's served on an integrated basis, that's too much."

"It doesn't matter about the number which they stress is four whites to one Negro at Shreveport," Reynolds went on.

He said he suspects the State Department of the Legion will "try to soft-pedal the whole thing and stay on the outside" when the committee report is submitted at the midwinter conference at Lafayette January 26 and 27.

PLAYS COMPLACENCY

He complained that there is too much worry about what the national Legion will think, "when the big problem is integration. There's too complacent an attitude and we are too late getting the thing started."

Reynolds said two things have particularly amazed him about public apathy.

One was Hinds' report that before the VA directive for integration was placed in effect, the three area Congressmen, OVERTON BROOKS of the 4th District, Dr. GEORGE S. LONG of the 8th and OTTO PASSMAN of the 5th, were invited to a meeting and notified of the order. Reynolds said it was his understanding that they made no objection at that time although they were appraised of the situation. "At any rate, I found nothing about it in the newspapers," he remarked.

The other shocking thing to Reynolds was the report yesterday by Kirk Morley, service officer for the Legion at the Shreveport hospital, that he has never received an official complaint about integration. The patients may have grumbled to him about it, but have never done anything more, he said.

Reynolds said the committee Sunday talked with many patients who said plainly that they were unhappy about being quartered next to Negros but had never voiced any protest.

"Maybe they did not understand the situation; maybe they were awed by the large building but none of the people ever objected and never did until the Broughton case," he said.

Reynolds referred to C. D. Broughton, Homer Legionnaire, who brought the conditions into public focus when he complained he was denied treatment at the hospital in November because he refused to share quarters with a Negro.

"It boils down to the fact that our representatives in Congress did not object, nor did the patients," he said in summary.

DECLINES TO KEEP SILENT

While Gehr said after last Sunday's inspection at the Alexandria hospital that nothing would be made public until the recommendations were sent to the executive committee, Anderson told the committee yesterday he had not promised the State commander to maintain silence. Unless the committee would release an official report after each meeting, Anderson said, he could not be silent because that "denoted secrecy and secrecy denoted something to hide."

His position was disputed by other members.

Anderson reported that Hinds prefaced the 2-hour conference the committee held with him by a discussion of the difference between desegregation and integration. Anderson said he cannot see the difference.

"If a Negro is beside a white, we call it integration," Anderson said.

The Homer Legionnaire reported on the questions asked of Hinds which had been placed to the Alexandria hospital manager last Sunday after being drafted by the committee.

QUESTIONS AND ANSWERS

In brief, Anderson said, questions and answers by Hinds were:

Are any Negroes admitted in whom social diseases subsequently are detected? Very few and they are always isolated when found.

How many patients' complaints have you received about integration? Since Hinds took over in February 1955, there have been two.

How many patients refused to enter because of integration? None.

How many ill patients left because of integration? Broughton was the only one.

Any complaints about discrimination? None, personally.

Any complaints of Negro patients unnecessarily exposing themselves in front of white visitors? No.

IDENTIFIED ON RECORDS

Do you identify Negroes as such on the hospital records? They are identified by race except on the P-10 admittance form. Hinds said the forms have been in use 25 years and as far as he knows none but the P-10 are new. He said he has never had any directive from the VA saying anything about not listing race on the forms except the P-10, which followed the September 1953 integration directive.

Asked whether the VA approved designating the race of patients on all forms except the P-10, Hinds said the inspector had been there several times and had not censured use of the other forms.

According to Hinds' figures, 2,581 Negroes or 29.1 percent of the patientload were in the hospital from its opening in October 1950, and September 30, 1953, when integration began. In that period there were 6,295 whites, or 78.9 percent.

From October 1, 1953, through December 1956, the Negro load was 19.2 percent (2,678) with 80.8 percent (11,260) whites. For the entire period, there were 5,259 Negroes (23.1 percent) and 17,565 whites (76.9 percent).

Anderson said he did not plan to attend the meeting at the New Orleans VA hospital Sunday week.

JANUARY 10, 1957.

Hon. JOHN REYNOLDS,
Attorney, Homer, La.

DEAR MR. REYNOLDS: We, the undersigned Members of Congress from Louisiana, have just read in the January 7, 1957, Shreveport Journal an article entitled "Negro Inspector Keeps Vigil on VA Integration." In the course of this article, after saying that two things have particularly amazed you about public apathy, you are quoted as follows:

"One was Hinds' report that before the VA directive for the integration was placed in effect, the three area Congressmen, OVERTON BROOKS of the Fourth District, Dr. GEORGE S. LONG of the Eighth, and OTTO PASSMAN of the Fifth, were invited to a meeting and notified of the order (integration order). The article further states that Reynolds further states it was his understanding that they made no objection at that time although they were appraised of the situation—'at any rate I found nothing about it in the newspapers,' he remarked."

We, the undersigned, jointly wish to state that none of us has any recollection of being notified of the Executive order of the President of March 1953 under which all VA hospitals of the United States were integrated and that we, at no time, have gotten together in a joint meeting in Louisiana or elsewhere to be formally notified of such order or to discuss the effect of this order. Since there was no meeting and no notice, no quotation as to what occurred or was said at the meeting has any validity or truth, and we, as Members of Congress, are asking you, in the proper way and at the proper time, to make corrections of what is now a very misleading statement in the Shreveport Journal of that date attributed to you.

Respectfully yours,

GEORGE S. LONG,
Member of Congress.
OVERTON BROOKS,
Member of Congress.
OTTO PASSMAN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 15, 1957.

Hon. JOHN REYNOLDS,
Attorney at Law,
Homer, La.

DEAR MR. REYNOLDS: I have read closely the article entitled "Negro Inspector Keeps Vigil on VA Integration," which appeared in the Shreveport Journal, January 7, 1957.

"One was Hinds' report that before the VA directive for integration was placed in effect, the three area Congressmen, OVERTON BROOKS of the Fourth District, Dr. GEORGE S. LONG of the Eighth and OTTO PASSMAN of the Fifth, were invited to a meeting and notified of the order. Reynolds said it was his understanding that they made no objection at that time although they were appraised of the situation. 'At any rate, I found nothing about it in the newspapers,' he remarked."

I have always taken a strong stand on segregation and have so indicated my vigorous disapproval by signing the manifesto against integration along with 100 other Members of Congress. I am for segregation in the schools, hospitals, and other places.

I did not receive information or attend any meetings either here in Washington or Louisiana regarding the Executive order of the President of March 1953.

The quoted portion from the article in the Shreveport Journal is most misleading, and I consider an apology to me is in order for having made such a false and unwarranted statement without any foundation whatsoever.

Sincerely,

GEO. S. LONG,
Member of Congress.

Joint Committee To Evaluate Fiscal Requirements of Executive Agencies of United States Government

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1957

Mr. LIPSCOMB. Mr. Speaker, the usual furor, concern, and dismay that annually surrounds the creating and adoption of a new budget is upon us again following the submission of the proposed budget for fiscal 1958 to the Congress by President Eisenhower.

The job of determining what will be the final form and size of the budget now rests solely in the hands of Congress. We can adopt a good budget or we can adopt an ill-advised budget. Many of us believe that the budget as proposed is too high and needs to be trimmed or reduced if we are ever to make progress in the way of tax reductions. Few would or could, for that matter venture to say

with certainty exactly how or in what way the budget should be cut.

The making of a budget and the planning of Federal expenditures is an extremely complicated process and is becoming more so. Not only does it involve the expenditure of vast amounts of the taxpayers money with myriads of items to be considered, but more and more the decisions to spend money involve considerations of a complex technical nature, or involve complicated and far-reaching social, economic, and foreign policy considerations, to name but a few.

Though the Appropriations Committees as presently constituted and organized, perform their difficult tasks ably and commendably, it is becoming increasingly clear that these committees, and the Congress in general, should be equipped with additional machinery to cope adequately with the complicated job of planning and evaluating Federal expenditures.

On January 3, 1957, I introduced H. R. 1169, the purpose of which is to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Federal Government. This bill would create a Joint Committee on the Budget, composed of 24 members, to be drawn from both the House and Senate Appropriations Committees and from the House Ways and Means Committee and the Senate Finance Committee.

It would be the duty of the joint committee to make a detailed study of the annual budget of all the Federal agencies and furnish the Appropriations Committees of both Houses with information on items contained in such budgets as may be necessary for the committees to give adequate consideration thereto.

The joint committee would also study the President's messages on the state of the Union and economic report, all information relating to estimated revenue, essential programs, and the general economy, and would report to the House and Senate Appropriations Committee its findings concerning budget estimates and revisions in appropriations required to hold Government expenditures at a minimum consistent with the requirements of Government operations and national security. It would also report its findings on revenue matters to the House Ways and Means Committee and the Senate Finance Committee.

In addition it would report to appropriate standing committees of the House and Senate with respect to existing laws and their effect on the efficiency and economy of the Government, and would make reports and recommendations to standing committees of either House on matters relating to deviations from basic legislative authority, matters relating to appropriations approved by Congress which are not consistent with basic legislative authority, and matters relating to cutbacks in previously authorized programs which require appropriations.

The joint committee would employ a staff and be authorized to utilize the services of experts from business, industry and commerce, and in addition it would have subpena powers. Staff members would have the right upon authority from the chairman or vice chairman, to examine fiscal records of any Government agency.

Mr. Speaker, in connection with this proposed legislation, I would like to bring to the attention of the Members a very interesting and informative editorial by Mr. David Lawrence which appeared in the February 8, 1957, issue of the U. S. News & World Report entitled "The Budget That's Too High."

In this editorial Mr. Lawrence presents a searching analysis of the budget-making process of the Federal Government and concludes:

> Someday Congress should set up large enough committees with proper staffs—perhaps a joint committee of both houses—to study continuously throughout each year the workings of the budget system and gather the necessary information to guide Congress.

Because of the pertinence of the editorial to this proposed legislation, and also because it is material at this time when Congress is deeply involved in budgetary and fiscal matters, I submit the entire article for inclusion in the RECORD.

The editorial follows:

THE BUDGET THAT'S TOO HIGH
(By David Lawrence)

Seventy-two billions of dollars is a big sum of money for a Federal budget. It is an amount difficult, even for Members of Congress, to evaluate. They cannot possibly familiarize themselves with the wide variety of items in a budget.

Someday the American people will demand that the system of budget making be reformed. Today's methods are absolete and inadequate. The Government is too big to be run as it was 36 years ago when the present budget law was passed.

For the truth is Congress created a Bureau of the Budget but made it a subdivision of the Office of the President. It gave no power to the Budget Director himself to change the estimates furnished by heads of departments and other governmental agencies. It made the Budget Director only a sort of information gatherer for the President. It did not even require the Budget Director to be confirmed by the Senate.

No member of the Cabinet—not even the Secretary of the Treasury—has the official duty of reviewing the whole budget to determine what items should be included or eliminated.

The President receives estimates from each department or agency and depends on the Director of the Budget for explanatory data. But the decision in the last analysis as to how much shall be included must, by law, be made by the President himself.

Does anybody believe for a moment that any President can make a detailed examination or review of a present-day budget of the Government of the United States and do anything else?

There are, of course, items that do not change from year to year—obligations that grow out of existing laws or previous commitments. The President cannot, for instance, assume that certain laws will be repealed even though he may dislike them, yet they involve recurrent expenditures of many billions every year.

A President, to be sure, is the head of the Government and represents the national interest. He cannot be biased in favor of this or that special interest or locality. He must weigh judicially the demands of pressure groups. He must be sensitive to public opinion—for the continuance of his party in power depends on whether he has in general satisfied the wishes of the electorate.

When the budget law was passed in 1921, it was recognized that officials of the various departments might not be satisfied with the sums allotted to them in the budget and might complain to Congress. Strict regulations—which are still in force—were, therefore, issued by the President forbidding executive department employees from going to Congress to obtain higher appropriations than those set forth in the budget. This has been ingeniously circumvented by Congress itself. Officials are usually invited to testify at congressional hearings, and from them is elicited the information on which champions of particular causes base their demands for enlarged appropriations.

The voting of about a billion dollars more than the President and the armed services themselves asked for at the last session of Congress was so transparently the result of political demagogery and collusion with overzealous advocates of larger spending within the executive departments that the incident makes one wonder whether strong laws rather than mere regulation should not hereafter govern the behavior of executive employees who connive with Members of Congress to lobby for increases in the budget.

In all fairness, however, it must be said that the armament-spending group doubtless felt it was as much entitled to the taxpayers' money as the groups pressing for some of the so-called welfare items in the budget.

But who is to weigh all the facts and say for what the taxpayers' money shall be spent? The budget recently presented by the President was, according to his own admission, very high. He said he hoped it could be cut.

Congress has the sole duty of deciding what the final budget shall be. Under the British and Canadian system, the budget is submitted by the Prime Minister and then the Parliament must accept or reject it as it is, for both the executive and the legislative branch are controlled by the same political party. In America, where divided Government prevails, today, the people pay a high price for their failure to fix responsibility in a single party.

Some day Congress should set up large enough committees with proper staffs—perhaps a joint committee of both houses—to study continuously throughout each year the workings of the budget system and gather the necessary information to guide Congress.

Nobody likes the size of the new budget—neither the President nor the Congress. Certainly the taxpayers don't like it. For they see the Federal budget going higher and higher, with no relief in sight from heavy taxes on the incomes of individuals and businesses.

How much longer will taxpayers tolerate such a haphazard system of budget-making as we have today?

Control Over Interstate Shipment of Firearms

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 17, 1957

Mr. CRETELLA. Mr. Speaker, I have today introduced a bill which I feel would greatly strengthen control over the interstate shipment of firearms to those

who may use them for illegal and wanton purposes.

My bill would amend the Federal Firearms Act of 1938 to prohibit any licensed person, a mail-order house, manufacturer, or dealer from shipping or transporting a firearm across State lines to another person in a State which requires a permit for the purchase or possession of a gun, unless such shipment is made to a licensed manufacturer or dealer or the shipper receives proof positive of the buyer's permission to own a gun in compliance with the law of his State.

This bill specifies that the permit of the purchaser can either be shown to the licensed seller or the seller may receive proof through certification by the licensing authorities in the person's State that he has a permit.

This legislation, Mr. Speaker, is directed mostly at the transportation of pistols, revolvers, and other small concealable firearms. There is no doubt that firearms of this nature are the ones which figure predominantly in crimes throughout the country involving murder, armed robbery, and so forth.

My own State of Connecticut is one with stringent laws for firearms transactions within its boundaries. Connecticut requires permits to sell, records of sale, proven identity of the person, delayed delivery after filing for a permit to possess and other precautionary requirements. In spite of all this, five Connecticut residents have been brutally murdered by the whims of seasoned thugs and gunmen within the last 2 months.

I am of the opinion that a great many of the crimes and murders which we have witnessed in Connecticut are being committed with weapons indiscriminately shipped in interstate traffic and it is for that reason that I am submitting this bill.

As the jurisdiction of the Federal Government over firearms transactions within the State is questionable, likewise neither Connecticut nor any other State has control over interstate shipment of guns. This is specifically the obligation of the Federal Government in its power to regulate interstate commerce.

Although the Federal Firearms Act contains certain prohibitions against interstate shipment of guns it has proven to be an inadequate law, full of loopholes through which its intent can be gracefully circumscribed.

The language in the bill I proposed was designed to include all organizations which are engaged in the transportation of guns across State lines. While mail-order companies are supposedly licensed and required to keep records of sale, descriptions of guns, name of buyer, and so forth, there is nothing in the present law providing law enforcement agencies in the buyer's area or the State with copies of such information.

It is entirely possible that a person with a record as long as his arm could now write away for a .32-caliber pistol he saw advertised in a sporting magazine. Although the mail-order house requires certain affidavits, the prospective buyer could easily lie in swearing he is over 21 years of age, not an alien, never been convicted of a crime or violence and is not a fugitive from justice, for he knows the local or State police do not even realize he will receive the pistol and the mail-order house will not go to the inconvenience and expense of testing the veracity of his statements.

It is also possible that some such mail-order houses do not even have licenses to ship or bother to keep records of sales since the licensing and records provision in the Federal Firearms Act now applies only specifically to manufacturers or dealers. If a mail-order house considered itself merely as an agent of a licensed manufacturer or dealer, it could conceivably be within the law by not being licensed nor requiring affidavits from the prospective purchaser.

In addition to bringing mail-order businesses and all other companies shipping guns through interstate traffic under the same control by which licensed manufacturers and dealers are now governed, my bill also requires that all licensed shippers, if shipping to another State, must send records of sales to the proper law or police officials of the city, town, or political subdivision in which the prospective purchaser resides. These records must contain the date of sale, caliber, make, model, and manufacturer's number of the gun, and the purchaser's name, age, address, and occupation and any other information required by the Secretary of the Treasury, who administers the Federal Firearms Act. This procedure will provide law enforcement or police officials with complete and important information on every single gun being sent into the States and, more important, to whom the gun is shipped.

Although I am familiar with the firearms laws in some of the States, I have not made an exhaustive study of the laws throughout the Nation.

I know that Connecticut has very good laws. In fact, recently the Connecticut Police Chiefs Association has requested legislation for a longer waiting period before an applicant can take possession of a firearm purchased within the State and I strongly support such a procedure by which the character and background of the prospective buyer can be carefully checked.

There are some States with painfully inadequate safeguards against illegal use and ownership of guns. The force of the act now applies more specifically to the shipment of guns to States where licenses to purchase and possess are necessary. It is my belief that for any State to be able to take advantage of the safeguards as spelled out in the Federal Firearms Act it must have adequate regulations of its own to govern against illegal intrastate transactions.

It is not my intention nor purpose that this legislation will curb the sale of firearms to persons using them for a hobby or other well intentioned reasons, as I know the use of firearms for such purposes is a healthy, wholesome, and popular form of recreation. This bill is purely a means to control against indiscriminate use of such dangerous weapons.

I hope that the Committee on Interstate and Foreign Commerce to which this bill will be referred gives this proposal its earnest and serious consideration and that the necessary reports will be obtained to enable the committee to present the bill to the floor for consideration by this body.

Testimony of Hon. Emanuel Celler, of New York, Before the House Committee on Foreign Affairs

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 17, 1957

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following testimony given by me before the Committee on Foreign Affairs, House of Representatives, Wednesday, January 16, 1957:

I wish to thank you for the opportunity this committee has given me to express my views on the so-called Eisenhower plan for the Middle East area. I have welcomed this opportunity because for years now I have had a special and active interest in the development of that region and it is my fear that the plan outlined by the President may and can be used as an oversimplification of one of the most complex problems that face us today.

I wish to start off by saying that it is well for the United States to place the Soviet Union, as well as the rest of the world, on notice that the Middle East area is of active and vital concern to its national security. This was a belated conclusion on the part of the administration. It was obvious to many of us when Soviet arms over a year ago started pouring into Egypt that we had failed to see the significance of Soviet penetration. With 1 step forward and 2 steps back, Secretary Dulles, in the handling of the Suez seizure by Egypt, succeeded only in convincing the American public and the world that the United States was not seriously interested in a region which, as President Eisenhower now has pointed out, bears directly upon the safety of Western survival.

I do not wish to belabor the points of nonfeasance on the part of our administration, but the public estimates made by both Mr. Eisenhower and Mr. Dulles on the Suez situation and the penetration of Soviet influence in that area have direct bearing on the resolution now before us. A year ago Mr. Dulles said, "The problem of the Suez has been successfully resolved." He listed the evacuation of the British among the events which, he said, made the Suez situation better and brighter. And in April the President detailed Suez as one place where we were winning the cold war.

Permit me also the luxury of quoting a few instances of the clouded crystal ball as Time magazine peered into it. On January 3, 1955: "Dulles is the man of 1954 because, in the decisive areas of international politics, he played the year's most effective role. * * * Regionally, 1954's greatest area of success for American diplomacy and the man who runs it was the Middle East. * * * After decades of dispute, the status of the Suez Canal area was settled more firmly than ever before."

And on August 6, 1955, Time reported: "The United States had speculated that Egypt's Nasser might seize the Suez Canal in retaliation but State Department did not rate the chances very high."

On July 30, 1956: "On the broad chessboard of international diplomacy, the United States moved decisively last week in a gambit

that took the breath of professionals for its daring and won the assent of kibitzers for its intrinsic rightness." Might I still quote from Time magazine, "John Foster Dulles advised Egypt's President Gamal Abdel Nasser that the United States is no longer interested in building the $1.3 billion Aswan High Dam. The risk of Soviet penetration was no greater than the risk of having Nasser go on with his fast-and-loose game in the precarious Middle East. It was highly possible that Chessmaster Dulles had his opponents in check."

Then, of course, it is difficult to forget the use of the peace theme in a recent campaign. Now we are faced with a delayed reaction on the part of the administration. But I fear that again we are not being asked to look at the whole picture and see it whole. Can we realistically divorce the problem of Soviet penetration, or the possibility of overt Soviet aggression in the Middle East, from the regional problems, which problems are being used by the Soviet Union as a lever for its entrance into that area? The division is made in the proposal before us between overt Soviet aggression and the problems of Suez and the Arab-Israeli dispute. No such division can be made.

Moreover, it has seemed to me—and I know that my viewpoint is shared by millions of our constituents—that the administration has never made clear what it means when it uses the term "aggression." History does not begin at any set hour of the day; it is a stream that flows around many bends. What was the provocation that led to the intervention of England and France in the Suez? What was the provocation that led to the Israeli intervention? Was not the seizure of the Suez by the Egyptian Government, without notice, in itself an act of aggression? Was not the failure of the Egyptian Government to guarantee free access to all nations an act of aggression? Were not the border raids by fadayeen, the ignoring by Egypt of the United Nations resolution demanding free access to Suez to Israel, acts of aggression? The United Nations has never clarified, nor has the administration lent its collective mind to an examination of what constitutes aggression.

The Suez and the Arab-Israeli dispute, we are told, are to be left to the United Nations. Until the United Nations has means of enforcing its resolutions, has means of acting to stem the defiance of these resolutions, the United Nations can play no greater role than moral persuasion permits it. The United Nations was able to prevent the extension of the war in Egypt only because England, France, and Israel voluntarily accepted its resolution; but it could not end the Soviet aggression against Hungary. It could not make Nasser live up to the terms of clearance of the canal, which was not to be dependent on the withdrawal of foreign troops, but upon the actual order of cease fire. It has been helpless to stop the fadayeen raids against Israel. It has been impotent in forcing the puppet government of Hungary to accept the presence of United Nations observers. When Egypt denied transit through the Suez Canal to Israeli ships, sent commando raids into Israel, and violated the Treaty of Constantinople, the United Nations could not act. Even now, it is impossible for the United Nations to negotiate with Nasser. It is Nasser who sets the terms and the United Nations police force is there on suffrance of the Egyptian dictator.

The United States cannot then leave the decision on these important matters (which must be United States responsibility) up to the United Nations. That is ducking responsibility. The United States will now have discharged its full responsibility by saying we "stand behind the United Nations" for the U. N. can only be as strong or weak as the United States chooses to make it. To say "Let the U. N. do it" is our policy, is, in a way, to avoid making hard and difficult decisions. It is passing the buck.

Viscount Cherwell, nuclear scientist, in the House of Lords recently sought to dispel exaggerated notions of the great power of the United Nations. He said: "In the Assembly, 5 percent of the world's population can carry the day against the other 95 percent and 10 percent could claim a two-thirds majority. * * * Half the population of the world is represented by 4 delegates, the other half by 75. Some are the most highly educated and civilized countries on the planet. The inhabitants of others can scarcely read or write. * * * The vote of 400 million (East) Indians or 160 million Americans is equated to the vote of 4 million Bolivians."

As for the U. N. police force in Egypt, "it * * * could be swept away by 1 brigade of Israelis and probably even by 2 or 3 divisions of Egyptians." To be of any use, a U. N. police force would have to be stronger than any nation or combination of nations. What sort of force would be required to turn Russia out of Hungary, of America out of Formosa, should the Afro-Asian bloc, voting with the Latin American or the Iron Curtain countries, secure an Assembly vote to this effect?

Small wonder the New Yorker calls the United Nations the "United Notions."

How, then, can these problems which affect the entire world—these problems of Suez and Arab-Israeli relationships—be left to the United Nations when they constitute the tinderbox from which world conflagration can start? The Arab-Israeli dispute is obstructed by a Soviet veto in the Security Council and in the General Assembly we have the Arab-Afro-Asia-Soviet bloc forming a coalition to frustrate the best of intentions. How far from simple this problem is when we consider that the United Nations presses Israel to withdraw from Sharn el Sheikh in the Sinai Peninsula. It was here that the Israelis stopped the batteries which shelled United States and British vessels in the Gulf of Aqaba. Can we stop communism from literally walking into the Middle East if, with Communist weapons, the Egyptians control the Gulf of Aqaba which becomes significant as an alternate route to the Suez?

True, the Soviet Union will be placed on notice by this resolution that the United States is determined to protect its national security in the area of the Middle East. But this constitutes only one step, and it is no more than that. This we must recognize lest smugness overtake us in the mistaken belief that we have devised a policy rather than having made just a beginning toward reaching a realistic coordinated policy which includes all these variants.

I call the Eisenhower plan only a beginning, and this the Congress will surely recognize. What part do we play in assuring that all nations shall have access to the canal and the straits of Aqaba? What role do we play in insuring that the Arab world will recognize and acknowledge the existence of the State of Israel? Let us not forget that in that region the Arab-Israeli dispute—if I can use so weak a word—is of greater immensity to them than any potential Soviet threat.

The plan is only a beginning toward a workable policy. But we realize that we are only to take actual notice, through the deployment of troops to the Middle East, when there are overt acts of aggression by the Soviet Union or a Soviet dominated country. It leaves out of consideration completely the problem attendant upon subverted governments. Once a government has been subverted, and there is the usual Soviet putsch, we can hardly expect that it will ask for our aid against Soviet domination.

How clearly this matter of oversimplification stands out when we consider the Middle East itself. We are dealing here with nations of diverse composition, economically, socially, culturally. Yemen and Jordan, for example, are hardly viable states, dependent as they are upon foreign government subsidies. Iraq and Saudi Arabia, despite the enormous oil royalties which they receive annually, are, as far as the people themselves are concerned, underdeveloped to a point of misery. In most of the Middle East area, frankly the enemies of the United States are ignorance, fear, corruption, poverty.

At this point I wish to direct the attention of the committee to some facts which I believe will have total relevance to the examination of the proposal before it.

The Arab countries receive a total of $83.8 million each month from the petroleum industries in the form of royalties, taxes, or other payments. Saudi Arabia, based on 1955 figures, will have received each month during 1956 the equivalent of about $24 million, in dollars, pounds, and francs, paid to it by Aramco which is owned by Standard of New Jersey, Standard of California, the Texas Co., and Socony-Mobil. In other words, American companies contributed totally to this figure.

Iraq will have received, in the year 1956, approximately $18 million per month from the petroleum industries, 23.75 percent of which is from American petroleum interests. Iran will have received about $13 million per month, 40 percent of which comes from the American oil industry.

Kuwait will have received $25 million each month of the year 1956 from the petroleum industry, 50 percent of which is American. Quatar will have received about $3 million per month, 23.75 percent coming from American petroleum interests.

Bahrein will have received approximately $800,000 each month during 1956 from the petroleum industry, all of it derived from American interests.

The total received by these four countries is almost a billion dollars a year.

Egypt has a degree of political maturity lacking in such countries as Saudi Arabia, Jordan, or Yemen. Again, it is only a beginning because it leaves out of account the various rivalries that exist among the Arab nations themselves. The one note of unity, and the only note of unity, exists in their attitude toward Israel. In the Middle East we find one country oriented toward the West, politically mature, a practicing democracy, with skilled technologists, a managerial class, and a background of science and experimentation—which is Israel.

I note that King Ibn Saud will visit with the President. In discussing the conditions of his country with him, he can determine how much of oil royalties are used for the betterment of Saudi Arabia economically. It is well, however, for the President to hear first-hand reports from the heads of these governments and it would not be amiss for the administration to invite the Prime Minister of Israel, David Ben-Gurion, likewise, to give firsthand reports of the fears and the tensions in the Middle East.

I should like to quote from U. S. News & World Report which, after all, cannot be said to be unfriendly to the administration. In discussing the Eisenhower plan, it says: "Does this increase the chance of war? The idea is that, by warning of American intent to resist aggression, the United States will restrain Soviet Russia. Will it mean American troops for the Mideast? No. This is just to be a warning to Russia to keep out. Will it mean bigger United States armed forces? No. United States already has powerful naval forces in the eastern Mediterranean and very powerful air force strength not far away in the western Mediterranean. Will it call for marines to patrol the area? There is no thought of that. Will United States be committed to move in on local wars? Not necessarily. That would be a

United Nations job. What's it all about, then? The latest United States move primarily is designed to warn Russia against new adventures."

It is not that this warning should not be given. It is only that we must recognize that, in and of itself, it cannot insure peace. The United States must make its position equally clear vis-a-vis Egypt. It must leave neither side guessing in the Arab-Israeli dispute, of the United States conviction that Israel is here to stay; that the United States is firm in its stand that the Suez must be held accessible for all nations, bar none; that it will insure the territorial integrity of the nations in the Middle East as against each other as well as against the Soviet Union; and to the end of promoting peace in that area, it will impose an embargo on all arms to the Middle East and demand all nations do so.

The question, too, must be asked: "Are we going it alone?" It cannot be gainsaid that the oil from the Middle East is the lifeblood of Europe; that European interest in that area is equally urgent. Must we not ask ourselves if this is not a further downgrade of England and France, whose stake in the continuance of civilization is certainly as great as ours?

Again we must take a close look at the program for economic aid as outlined in this resolution. Economic aid designed as a crisis program must fail, in and of itself. The tragic economic plight of the Middle East needs no recounting here. But must we not examine the dangers inherent in a blanket allotment which can be manipulated politically, which is withdrawn from standards placed upon its spending by the Congress? Must not the Congress assure itself that these moneys will be spent for the region as a whole, such as the Johnson irrigation plan, which has been rejected by the Arab nations because, while it will be of benefit to themselves, will also be of benefit to Israel?

The administration at times has appeared to adopt a philosophy of abstention, conciliation, and pacification—all virtues at times, but any of which, under certain circumstances, can be a vice. Peace at any price is fraught with evil. One may speculate whether the price the Nation will have to pay in the long run, even for its present domestic tranquillity, in terms of moral stagnation, intellectual sterility, issues unrecognized, and problems unsolved, may not be too costly and excessive in the end.

It has been the Dulles and Eisenhower policy to avoid problems—push them under the rug—in order to preserve a false front of uninterrupted tranquillity. But in the end the difficulty of solution becomes exacerbated. You cannot keep these difficulties under the rug.

The resolution does not come to grips, as I have tried to emphasize, with such agents of destruction and obstruction as Nasser; does not come to grips with the pouring of Communist arms into the Middle East; does not come to grips with our self-interest of maintaining a democracy like Israel in the Middle East; does not come to grips with the real economic woes of the whole region. And I wish to reemphasize in my conclusion that this resolution is not a program, but only the beginning of one; and while these problems cannot be met properly in the form of the resolution requested of Congress, most certainly the members of this distinguished committee can set this forth in the report accompanying the resolution so that there will be for all the world to read that the United States is not unmindful of the complexities, not unmindful of the mistakes heretofore made, not unmindful of what yet remains to be done.

My position is this: The military warning expressed by the President might have a restraining influence on any rash Russian action. In that sense the Eisenhower doctrine may be commended—but only in that sense.

The second part of the doctrine involves a blank check—blanket authority to spend $400 million within 2 years for economic aid. I hope the committee will separate the two proposals and treat them separately. I want the military warning to Russia to be given. But I don't wish to be stampeded or bludgeoned into granting this huge sum for so-called economic aid. Are we again yielding to the old business of blackmail without any assurance that our aid will be used for real social and economic reform in 10th-century feudal Arab bailiwicks? We have seen the evidence of vast sums siphoned off by Saudi Arabia, Iraq, Kuwait, and Bahrein. Kuwait is the only sheikdom which spends that money wisely for the social and economic betterment of the fellaheen. Senator KNOWLAND, Senate Republican leader, said yesterday that he was "greatly troubled" by the request to include economic aid in the measure.

It would be difficult to recite how President Eisenhower could spend an additional $200 million each year for 2 years in the Middle East—the angry Middle East.

Saudi Arabia is bursting at the seams with oil money at the rate of $288 million each year (figures for 1956). Iraq gets $216 million in oil royalties each year. The President, in addition, under the Baghdad Pact, has great sums to bolster the defenses of Iraq.

Syria is fast becoming a Soviet puppet if she is not such now. Already she has refused dollar aid at Russia's urging. Nasser in Egypt, is making great anti-American noises. Cairo radio and press daily denounce us and call the Eisenhower doctrine American imperialism. Jordan may go the way of Syria. Anyhow, Britain subsidizes Jordan with $35 million a year. Britain might resent our replacing her. Mr. Dulles admitted before the Senate Joint Foreign Relations and Armed Services Committees that we would not pick up the "tab" for Britain's subsidy of Jordan. Actually, Israel is the only nation left, plus Lebanon and Yemen. $400 million would not be spent on these three nations. Where, I ask, is this taxpayers' money to go?

Indeed, most intensive hearings should be used to inquire how, when, and why this money is to be spent. We dare not buy a pig in a poke. Mr. Dulles must be subjected to sharp questioning in this regard. In the absence thereof and in the absence of adequate answers I am extremely doubtful of this request for blanket, unqualified economic aid. Mr. Dulles has yet to outline the projects for which money will be spent. It is no answer to say that the whole area would be lost unless the money is forthcoming. That is nonsense. If true, where was Mr. Dulles the months before. Such a debacle must have been discernible and danger signals set over a year ago. He was derelict a year ago or is just indulging in sophistry and mere debate now. He should be compelled to spell out a well defined long range, short range economic aid program for the Middle East. He only has given this committee vague and vapid assumption. When he has been severely questioned he talks differently. The Senators closely interrogated him and he has offered in part to restrict the broad proposed language and use the money for such things as paying security forces in the Middle East nations, tiding them over budget deficits due to major impending cuts in their oil revenues because of the closed Suez and blown up pipelines.

It is incumbent upon you to recall him so that he unfold to you just how this money will be spent. Don't let him frighten you with his crash announcement that unless $400 million is forthcoming forthwith all will be lost.

SENATE

MONDAY, JANUARY 21, 1957

(Legislative day of Thursday, January 3, 1957)

The Senate met at 11:15 o'clock a. m., on the expiration of the recess.

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

Our Father God, who putteth down the mighty from their seat and exalteth the humble and the meek, Thou to whom a thousand years are but as one day, while lasts life's ebbing hours make us bold and swift to find and do Thy will for our times. In all the fever and fret of a confused day, may we never forget that he that is slow to anger is better than the mighty, and he that ruleth his own heart is better than he that taketh a city.

In this exalted chamber of governance, we beseech Thee, pour the riches of Thy grace upon those who here stand in the Nation's name, upon the President of the Republic, who this day upon the Holy Bible, the charter of our costly freedom, takes again the oath of his great office, upon the Vice President, and upon the Congress, pour for these momentous times a double portion of Thy spirit. Save us from lowering the shield of national unity and solidarity in a perilous hour when the poisonous arrows of tyranny are being aimed by determined foes at the very life of this dear land of our hope and prayer. To all who serve in the ministry of public affairs give fairness of appraisal, poise amid confusion, the kindly heart, nobility of goodness, and the simple faith in man that is more than coronets. We ask it in the Name that is above every name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., January 21, 1957.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. A. S. MIKE MONRONEY, a Senator from the State of Oklahoma, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

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

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, January 17, 1957, was approved, and its reading was dispensed with.