throughout the State of Connecticut and then into Rhode Island, New York, Massachusetts and shortly thereafter into all of the Eastern States. The growth continued until the organization reached its record membership of over 1 million members during the past year. Today, the Knights of Columbus has in force $650 million insurance, has paid insurance benefits of $120 million, and during the calendar year 1956 showed a net increase of insurance in force of $88 million, a new annual record.

Shortly after the institution of the organization its primary purpose of providing insurance protection for Catholic families was expanded by activities sponsored by local, State and supreme councils in the fields of social welfare, aid to religion, patriotic endeavor, civic activities, aid to education and similar projects.

While the original founders did not envision or contemplate the tremendous expansion of the program of the order, it is interesting to note that in the charter granted by the State of Connecticut that after the first principle of "rendering pecuniary aid to its members and beneficiaries of members" there was included the provision of promoting social and intellectual intercourse among its members and of promoting and conducting educational, charitable, religious, social welfare, war relief, and welfare and public relief work.

As a result of those provisions the Knights of Columbus has been able over the years to conduct such major projects as the establishment of graduate scholarships at the Catholic University of America, led the fight in the various Oregon and Michigan school cases resulting in Supreme Court decisions protecting the right of Catholic parents to educate their children in parochial schools, its outstanding work for the allied soldiers in World War I, the establishment of graduate courses for the training of professional boys' workers at the University of Notre Dame, the organization of youth-activity programs including a leisure-time program for Catholic boys of high-school age known as the Columbian Squires. These and hundreds of similar projects at the supreme-council level were supplemented by outstanding program work by State councils.

In more recent years the order established in 1944 a $1 million trust fund to provide a Catholic college education for sons and daughters of Knights of Columbus killed or permanently disabled in World War II. The benefits of this fund were further extended to the children of veterans killed or permanently disabled in the Korean war. It is interesting to note that long before the GI bill was ever dreamed of that the Knights of Columbus, following World War I, made available college scholarships to veterans of that war regardless of creed. Probably no single activity has attracted so much attention as has the Catholic advertising program organized on an orderwide level in 1948. Over 2,500,000 persons have written to the Knights of Columbus Religious Information Bureau asking for pamphlets explaining various points of Catholic teachings and over 250,000 persons have enrolled in religious instructions as a result of the advertisements published by the Knights of Columbus in magazines with a circulation of over 56 million persons and in hundreds of local newspapers where the advertisements have been sponsored by State and local councils. This program has drawn enthusiastic endorsement from members of the hierarchy, clergy, and from interested persons of many beliefs. In 1954 the basic program of the order was expanded to provide for youth-activity committees at the State and local council level. Presently, there are over 3,300 such committees in operation providing leadership, facilities, and services to youth on a positive basis, emphasizing the promotion of juvenile decency rather than the prevention of juvenile delinquency.

For centuries the scholars of Europe have had great depositories of manuscripts relatively close at hand but such facilities were not readily available to American researchers and scholars. The Knights of Columbus in 1951 established the Knights of Columbus Foundation for the preservation of historic documents at the Vatican Library and the Pius XII Memorial Library is being erected at St. Louis University to house the microfilms of these documents. Already some 800,000 feet of film containing nearly 10 million handwritten pages of these historic documents have been prepared and are available to American scholars through the depository at St. Louis. The printed books at the Vatican Library are also being microfilmed.

At the request of Pope Benedict XV and extended under Pope Pius XI and Pope Pius XII the Knights of Columbus have provided and operated playgrounds in Rome serving the youth of that city for more than 30 years.

The tremendous accomplishments for country, church, community, and fellowman throughout these 75 years is due to the unselfish service of the volunteer leaders, committee workers, and members in the 3,900 councils of the order. Such service goes on year in and year out, in unspectacular fashion, and the total of the benefits rendered is beyond computation.

Demonstrations of the order's devotion to the welfare of the country are reflected in such projects as the sponsorship of the adding of the words "under God" to the pledge of allegiance, its record of militant opposition to atheistic communism long before such opposition was popular, its present organized campaign on behalf of the Hungarian refugees and against the invitation to Marshal Tito of Yugoslavia to visit the United States.

Operating under the principles of charity, unity, fraternity, and patriotism, the Knights of Columbus has achieved a most commendable record during the 75 years of its existence. Every Knight of Columbus everywhere is dedicated to the objective that these accomplishments will be but the cornerstone of a much expanded program for the future. Pleasant as it may be to reflect on the record of these 75 years the leaders and members of the Knights of Columbus are working forward and upward to new peaks of achievement.

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# SENATE

## MONDAY, APRIL 1, 1957

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

O Thou with whom one day is as a thousand years and a thousand years as one day, in Thy sight may we hallow this new gift of sunny hours in which to love and labor. Save us from giving to the tasks that await us anything less than our truest and best. Save us from allowing our minds to harbor defiling thoughts. Save us from any failure of self-control and from words spoken in haste or in passion.

With clear eyes may we see Thee as our Father, our fellows near and far away as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of divine fatherhood and of human brotherhood may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world, until this shadowed earth which is our home rolls out of the darkness into the light, and it is daybreak everywhere. Amen.

### THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 29, 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. Miller, one of his secretaries.

### PROPOSED EXTENSION OF PERIOD FOR TRANSMITTING REORGANIZATION PLANS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Government Operations:

*To the Congress of the United States:*

The Reorganization Act of 1949, as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for

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transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of Congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954, the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and it was signed by the Vice President.

## ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, under rule VIII, the calendar is to be called. I ask unanimous consent that the call be dispensed with.

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

## TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the transaction of bills and the submission of petitions and memorials. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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:

REPORT ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Administrator, Veterans' Administration, Washington, D. C., reporting, pursuant to law, on the overobligation of two appropriations in that Administration; to the Committee on Appropriations.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the National Industrial Reserve, dated April 1, 1957 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the Universal Military Training and Service Act, as amended (with an accompanying paper); to the Committee on Armed Services.

STATISTICAL SUPPLEMENTAL STOCKPILE REPORT

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a confidential statistical supplemental stockpile report, for the period January–June 1956 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Small Business Act of 1953 (with an accompanying paper); to the Committee on Banking and Currency.

COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

A letter from the Attorney General, transmitting a draft of proposed legislation to establish a Commission and Advisory Committee on International Rules of Judicial Procedure (with accompanying papers); to the Committee on the Judiciary.

REPORT ON AWARD OF CERTAIN MEDALS

A letter from the Attorney General, reporting, pursuant to law, that awards had been made of the Young American Medal for Bravery and the Young American Medal for Service, for the calendar year 1955; to the Committee on the Judiciary.

REPORT OF PROCEEDINGS OF JUDICIAL CONFERENCE OF THE UNITED STATES

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, a report of the proceedings of the Judicial Conference of the United States, for the fiscal year 1956 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Michael Angelo Valentine from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on May 15, 1956 (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Maria Dimitrius Vlavianos nee Spyliotopoulos and Fee Pun Chan or Wing Chan or Chan Fee Ping, from reports transmitted to the Senate on January 16, 1956, and January 15, 1957, respectively, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Appropriations:

"House Joint Memorial 1

*"To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:*

"We, your memorialists, the Senate and the House of Representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the Federal Government, through its construction of multiple-purpose projects, has become a major supplier of electric power to the Pacific Northwest; and

"Whereas the present and continued growth of the region, including Oregon, requires the further and immediate development of its low-cost power potential in order to provide the energy base for industries, job opportunities, and the needs of its people; and

"Whereas the John Day project on the Columbia River between Oregon and Washington is one of the major integral units in the overall plan of comprehensive development of the Columbia River and has already been authorized and approved as such by the Congress of the United States (81st Cong., 2d sess., H. Doc. No. 531); and

"Whereas its construction will complete slack water navigation from the mouth of the Columbia River to Pasco, Wash., a distance of some 328 miles; and

"Whereas it will provide approximately 500,000 acre-feet of storage for flood-control purposes and will also provide irrigation and recreational benefits; and

"Whereas such project will produce in excess of 1,100,000 kilowatts of low-cost power, fully integrated with the Federal grid and the Northwest power pool and close to Oregon loan centers; and

"Whereas the growth of the region requires over 500,000 kilowatts of new power capacity annually and such multipurpose projects as John Day must be started immediately in order to be completed and to avoid a serious power shortage by the early 1960's: Now, therefore, be it

*"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein)*, That the Congress of the United States be and it hereby is memorialized to appropriate immediately the funds necessary so that, upon completion of the preliminary planning, construction of the John Day project by the Federal Government can be initiated immediately; and be it further

*"Resolved*, That the secretary of state of the State of Oregon be and hereby is directed to send a copy of this memorial to the President of the United States, to the Honorable Fred A. Seaton, Secretary of the Interior of the United States, to the President and

Chief Clerk of the United States Senate, to the Speaker and the Chief Clerk of the House of Representatives of the United States, and to all members of the Oregon Congressional delegation in the Congress of the United States.

"Adopted by house February 1, 1957.

"Adopted by senate March 18, 1957.

"EDITH BYNON LOW,
*"Chief Clerk.*

"PAT DOOLEY,
*"Speaker of House.*

"BOYD R. OVERHULSE,
*"President of Senate."*

A joint resolution of the Legislature of the State of Washington; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 16

*"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas for the purpose of meeting wartime emergency necessity, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10 percent levy on the transportation of persons and a 3 percent levy on the transportation of property; and

"Whereas it is the opinion of the legislature of the State of Washington that excise taxes should not impose an unfair burden on the long distance shipper and the long distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of Washington as it adds what is in effect an additional tariff on the goods shipped from Washington to the eastern market; and

"Whereas the development and preservation of open markets leads to the efficient development and stimulation of the agricultural resources of the Nation; and

"Whereas the State of Washington is particularly interested in preserving the eastern market as an open market in which the agricultural products of Washington may compete freely without the hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of Washington is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury, but is a vital necessity, and there is, therefore, sound reason for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislature of the State of Washington that the best interest of the country, and, particularly, the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of persons: Now, therefore, be it

*"Resolved,* That the Legislature of the State of Washington respectfully memorializes the Congress of the United States to enact into law such legislation, or any other bill or bills, which would accomplish the same purpose; and be it further

*"Resolved,* That the secretary of the senate be hereby directed to transmit copies of this memorial to the President and Vice President of the United States and to each Senator and Representative from Washington in the Congress of the United States.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of memorial passed on February 23, 1957.

"WARD BOWDEN,
*"Secretary of the Senate."*

A joint resolution of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"Senate Joint Memorial 24

*"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent as follows:

"Whereas the need for a substantial salary increase for the rank and file of post office personnel has in recent years been generally recognized; and

"Whereas recent studies, such as set forth in the August 3, 1956, issue of U. S. News & World Report, indicate that in the past decade or more such personnel have made comparatively the lowest buying power-income gains notwithstanding that consumer price indexes have steadily risen in the same period; and

"Whereas the honorable the President of the United States, in a recent budget message indicated that the volume of post office business has increased 11 percent during the fiscal years of 1954 through 1957, and in his last state of the Union message stated that wage increases 'must be reasonably related to improvements in productivity'; and

"Whereas Post Office Department records show that the volume of mail handled from 1950 to 1955 increased 22 percent while personnel increased approximately only 10 percent; and

"Whereas in order to maintain a decent and respectable standard of living the great bulk of postal employees have been obliged to supplement their regular income for full-time work by additional employment, thereby extending their per-hour, per-week labor beyond what the times call for in virtually every other line of employment; and

"Whereas the general imbalance between services rendered and income earnable has caused most undesirable resignations from the service and has precluded the recruitment of desirable additions to the service:

"Now, therefore, your memorialists respectfully pray that the Congress and the President of the United States initiate and successfully complete such action as may be necessary to bring about a fair, reasonable, and equitable solution of the economic problem of postal employees generally; be it

*"Resolved,* That copies of this memorial be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States, and to each member of the Congressional delegation from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 24, passed on March 5, 1957.

"WARD BOWDEN,
*"Secretary of the Senate."*

Two joint resolutions of the Legislature of the State of Washington; to the Committee on Public Works:

"Senate Joint Memorial 14

*"To the Honorable Senate and House of Representatives of the United States in Congress assembled:*

"We, your memorialists, the members of the Senate and House of Representatives of the State of Washington, in legislative session assembled, do respectfully represent and petition as follows:

"Whereas the State of Idaho, adjoining the easterly border of the State of Washington, is approximately 550 miles in length from north to south and there are only 3 highways across the State of Idaho in an easterly and westerly direction; namely, United States Highways No. 2 and No. 10 in the north and United States Highway No. 30 in the south, the 2 highways last mentioned being at least 400 miles apart at the points where they cross the mountainous easterly borders of the State of Idaho; and

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities from the State of Washington in an easterly direction toward the Middle West would be of paramount and vital importance both from the standpoint of military defense and for the evacuation of civilians; and

"Whereas the Lewis and Clark Highway, when completed, will join the State of Washington, Idaho, and Montana, by a direct, water-grade route, and thus provide a fourth means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the State of Idaho; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark expedition, which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers: Now, therefore, be it

*"Resolved,* That we, the Senate and House of Representatives of the Legislature of the State of Washington, now in its 35th session, do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; and be it further

*"Resolved,* That the secretary of state of the State of Washington be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"Passed the senate February 27, 1957.

"JOHN A. CHERBERG,
*"President of the Senate.*

"Passed the house March 11, 1957.

"JOHN L. O'BRIEN,
*"Speaker of the House."*

"Senate Joint Memorial 9

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled, and to the Secretary of Commerce of the United States:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

"Whereas Washington State Highway No. 5, being United States Route No. 410, known as the National Park Highway is ideal for this purpose: Now, therefore, be it

"*Resolved by the Senate and House of Representatives of the State of Washington in legislative session assembled,* That we respectfully memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State highway No. 5, being United States Route No. 410, into the National Interstate and Defense Highway System; and be it further

"*Resolved,* That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 9 passed February 19, 1957.

"WARD BOWDEN,
"*Secretary of the Senate.*"

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 9

"Joint memorial memorializing the Department of the Interior and the Department of Agriculture to complete soil classification, thereby permitting immediate construction of the Paonia project, Colorado

"Whereas construction of the Paonia project in Colorado has been authorized for nearly 20 years, and more recently has been reauthorized as a participating project of the Colorado River storage project; and

"Whereas although said Paonia project has been designed and a contract for the construction thereof was entered into in 1948 by the North Fork Water Conservancy District and the United States, the Colorado River Storage Project Act requires that a new soil classification of lands within the said district be made; and

"Whereas said required soil classification has not been made, and there appears to be delay sufficient to jeopardize the beginning of construction on the Paonia project during the 1957–58 fiscal year, even though all other qualifications have been met for participation under the Colorado River Storage Project Act: Now, therefore, be it

"*Resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein),* That it respectfully memorializes the Department of the Interior and the Department of Agriculture of the United States to rush to completion formal soil classification reports so that the Paonia project, long authorized in the center of arid lands requiring additional and supplemental water for irrigation, may be constructed during 1957 and 1958 as an initial phase of the development of the Colorado River watershed; be it further

"*Resolved,* That copies of this memorial be transmitted to the Secretary of Agriculture, the Secretary of the Interior, the Commissioner of Reclamation, and to the President of the Senate and the Speaker of the House of Representatives of the United States, and to the Members of the Congress from the State of Colorado.

"FRANK L. HAYS,
"*President of the Senate.*
"MILDRED H. CRESSWELL,
"*Secretary of the Senate.*
"CHARLES R. CONKLIN,
"*Speaker of the House of Representatives.*
"LEE MATTIES,
"*Chief Clerk of the House of Representatives.*"

A concurrent resolution of the Legislature of the State of Idaho; to the Committee on the Judiciary:

"House Concurrent Resolution 6

"Concurrent resolution making an application to the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States

"*Resolved by the house of representatives (the senate concurring),* That the Legislature of the State of Idaho, pursuant to article V of the Constitution of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following article as an amendment to the Constitution of the United States in lieu of article V:

"'ARTICLE —

"'SECTION 1. The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments; or the legislature of any State, whenever two-thirds of each House shall deem it necessary, may propose amendments to this Constitution by transmitting to the Secretary of State of the United States and to the secretary of state of each of the several States a certified copy of the resolution proposing the amendment, which shall be deemed submitted to the several States for ratification when certified copies of resolutions of the legislatures of any 12 of the several States by two-thirds of each House shall have been so transmitted concurring in the proposal of such amendment; which, in any case, shall be valid to all intents and purposes as part of this Constitution when ratified by the legislatures of three-fourths of the several States: *Provided,* That no State, without its consent, shall be deprived of its equal suffrage in the Senate.

"'SEC. 2. The act of proposal, concurrence in a proposal, or ratification of an amendment, shall not be revocable.

"'SEC. 3. A proposal of an amendment by a State shall be inoperative unless it shall have been so concurred in within 7 years from the date of this proposal. A proposed amendment shall be inoperative unless it shall have been so ratified within 15 years from the date of its submission, or shorter period as may be prescribed in the resolution proposing the amendment.

"'SEC. 4. Controversies respecting the validity of an amendment shall be justiciable and shall be determined by the exercise of the judicial power of the United States'; and be it further

"*Resolved,* That such amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States; and be it further

"*Resolved,* That as the power of the sovereign States to propose amendments to the Constitution of the United States by convention under article V has never been exercised and no precedent exists for the calling or holding of such convention, the State of Idaho hereby declares the following basic principles with respect thereto: That the power of the sovereign States to amend the Constitution of the United States under article V is absolute; that the power of the sovereign States to propose amendments to the Constitution by convention under article V is absolute; that the power of the sovereign States extends over such convention and the scope and control thereof and that it is within their sovereign power to prescribe whether such convention shall be general or shall be limited to the proposal of a specified amendment or of amendments in a specified field; that the exercise by the sovereign States of their power to require the calling of such convention contemplates that the applications of the several States for such convention shall prescribe the scope thereof and the essential provisions for holding the same; that the scope of such convention and the provisions for holding the same are established in and by the applications therefor by the legislatures of the two-thirds majority of the several States required by article V to call the same, and that it is the duty of the Congress to call such convention in conformity therewith; that such convention is without power to transcend, and the delegates to such convention are without power to act except within the limitations and provisions so prescribed; and be it further

"*Resolved,* That such convention shall be called and held in conformity with the following limitations and provisions, and that the Congress, in the call for such convention, hereby is requested to and shall prescribe:

"(1) That such convention shall be held in the city of Philadelphia, in the State of Pennsylvania on the first Monday of the first December following transmission to the Senate and the House of Representatives of the Congress of the United States of application for such convention by the legislatures of two-thirds of the several States and, in honor of the Nation's founders and for invocation, shall convene at Constitution Hall, at Independence Square, at the hour of 10 o'clock in the morning of such day, and thereupon adjourn to more commodious quarters within said city for session as the convention shall determine;

"(2) That the several States shall have equal suffrage at such convention; that each of the several States shall be entitled to 3 delegates thereat and that each of such delegates shall be entitled to 1 vote; that the delegates to such convention from the several States shall be the highest officer of the senate and the highest officer of the house of representatives of their respective legislatures at the time of such convention, except that in States where the lieutenant governor is president of the senate, the president of the senate pro tempore or other highest officer from the membership of the senate shall be such delegate from the senate and in States having a unicameral legislature the 2 highest officers of its legislature shall be such delegates, which 2 delegates in each of the several States shall jointly designate a citizen of such State at large who shall be the third delegate from such State to such convention; that in case of a vacancy in the office of any delegate during such convention, not otherwise filled pursuant to law or by legislative act or as herein provided, such vacancy shall be filled by the governor of such State from the senate or house of its legislature or the State at large, respectively, as the case may be; that during

such vacancy and during the absence of a delegate from the floor of the convention the delegates present from such State shall be empowered to exercise the vote of the absent delegate or delegates from such State; that the legislature of any State may choose its delegates to such convention, other than hereinabove designated, in which case the delegates so chosen shall be certified to the convention by the secretary of state of such State and shall constitute the delegates of such State at such convention in lieu of the delegates otherwise hereinabove designated;

"(3) That such convention shall be limited and restricted specifically to the consideration and proposal of such amendment to article V, the choosing of officers and adoption of rules of procedure for the conduct of such convention and the maintenance of order thereat, the determination of any issue respecting the seating of delegates, adjournment from day to day and to a day certain and from place to place within said city as may be convenient, and adjournment sine die; and such convention shall not be held for any other purpose nor have any other power, and the delegates thereto shall have no power other than within the limitations herein prescribed;

"(4) That a permanent record shall be made of the proceedings of such convention, which shall be certified by the secretary of the convention, the original of which shall be placed in the Library of Congress and printed copies of which shall be transmitted to the Senate and the House of Representatives of the Congress, to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States;

"(5) That the powers of such convention shall be exercisable by the States, represented at such convention by duly constituted delegates thereat, by majority vote of the States present and voting on such proposal, and not otherwise; and be it further

*"Resolved,* That this application shall constitute a continuing application for such convention under article V of the Constitution of the United States until the legislatures of two-thirds of the several States shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself propose such amendment within the time and the manner herein provided; and be it further

*"Resolved,* That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several States in the form of the article hereinabove specifically set forth, at any time prior to 60 days after the legislatures of two-thirds of the several States shall have made application for such convention, shall render such convention unnecessary and the same shall not be held; otherwise such convention shall be called and held in conformity with such applications; and be it further

*"Resolved,* That as this application under article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign States under the Constitution of the United States, it is requested that receipt of this application by the Senate and House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and House of Representatives of the Congress; and be it further

*"Resolved,* That the Secretary of State of the State of Idaho prepare and certify copies of this resolution and transmit copies of this resolution forthwith to the Senate and House of Representatives of the Congress of the United States, to each Senator and Representative in the Congress from this State, and to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States, attesting the adoption of this resolution by the legislature of this State."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Memorial 11

*"To the Honorable Dwight D. Eisenhower, President of the United States; the Congress of the United States; the Secretary of the Interior; the Attorney General of the United States; and the Delegate to Congress from Alaska:*

"Your memorialist, the House of Representatives of the Territory of Alaska, in 23d session assembled, respectively represents that—

"Whereas approximately $250,000 per year in fines and forfeitures is collected in the United States commissioner's courts and United States district courts in Alaska, from Alaska citizens, for violations of Territorial laws and regulations; and

"Whereas these fines are presently paid into the Federal Treasury; and

"Whereas the Territory of Alaska has assumed the obligation and responsibility for providing law-enforcement protection in the rural areas of the Territory of Alaska by the organization and financial support of a Territorial police organization; and

"Whereas, the majority of the fines and forfeitures collected in the United States commissioner's court and the United States district courts in Alaska are for violations of Territorial laws for which prosecution was brought by officer of the Territory:

"Now, therefore, your memorialist, the House of Representatives of the Territory of Alaska, respectively prays that the 85th Congress of the United States adopt legislation permitting part of these funds to be covered into the general fund of the Territorial treasury for the purpose of meeting the expenses of the Territory in providing for the administration of justice in Alaska.

"And your memorialist will ever pray.

"Passed by the house March 22, 1957.

"RICHARD J. GREUEL,
*"Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
*"Chief Clerk of the House.*

"Certified true, full and correct.

"DOLORES D. GOAD,
*"Chief Clerk of the House.*

"I certify that the above is a true, full and correct copy of House Memorial 11.

"WAINO E. HENDRICKSON,
*"Secretary of Alaska."*

A resolution adopted at a meeting of American Patriots, at Boston, Mass., relating to the censure of Senator MCCARTHY; to the Committee on the Judiciary.

A paper in the nature of a petition from Emmett B. Cocke, of San Antonio, Tex., relating to the general welfare; to the Committee on Labor and Public Welfare.

A resolution adopted by postal employees of Wood River, Ill., favoring the enactment of legislation to increase the salaries of postal employees; to the Committee on Post Office and Civil Service.

## JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial 3, memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

The joint memorial was passed by the New Mexico Legislature and signed by the Governor.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

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

House Joint Memorial 3

Joint memorial memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

Whereas the people of New Mexico recognize that the United States of America owns over 45 percent of all the lands within the borders of New Mexico; and

Whereas the people of New Mexico recognize that the United States of America owns a large proportion of the Western States as tabulated below:

| | *Percent* |
|---|---|
| Arizona | 69 |
| California | 45 |
| Colorado | 37 |
| Idaho | 64 |
| Montana | 36 |
| Nevada | 84 |
| New Mexico | 45 |
| North Dakota | 6 |
| Oklahoma | 8 |
| Oregon | 52 |
| South Dakota | 17 |
| Utah | 71 |
| Washington | 35 |
| Wyoming | 51 |

Whereas the people of New Mexico have long been aware of the inequitable lack of sovereignty and loss of revenue from the lands aforesaid and minerals contained therein; and

Whereas the Taylor Grazing Act of 1934 in its preamble states that its purpose is "to promote the highest use of the public lands pending its final disposal"; and

Whereas by the several acts of admission of the Western States enumerated above each State was admitted into the Union on an equal footing with the original States in all respects whatever, which is not the case in fact when the Federal Government owns the majority of the lands within the said Western States and the minerals contained therein; and

Whereas the Government of the United States has from time to time taken and continues to take more of the lands and minerals in addition to those already owned by it within the Western States, and thus deprives New Mexico and its citizens, and deprives the other Western States and their citizens further from the benefits of such lands and minerals: Now, therefore, be it

*Resolved by the Legislature of the State of New Mexico,* That the Congress of the United States of America be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to grant to New Mexico and its citizens, and to the other Western States and their citizens, title to all of the lands and minerals presently owned by the Government of the United States within the

borders of New Mexico and of the other Western States, with the exception of lands in use, or needed in the immediate future for use, in the discharge of governmental functions, and of lands and minerals in national parks, national monuments, national forests, and of lands for national defense and for promotion of aviation and agriculture; and be it further

*Resolved*, That copies of this memorial be transmitted to the President and to the Vice President of the United States, to the Speaker of the House of Representatives of said Congress, and to each Senator and Representative from New Mexico in the Congress of the United States.

DONALD D. HALLAM,
*Speaker, House of Representatives.*
FLOYD CROSS,
*Chief Clerk, House of Representatives.*
JOE M. MONTOYA,
*President, Senate.*
GRACE MCAFEE,
*Chief Clerk, Senate.*

Approved by me this 22d day of March 1957.

EDWIN L. MECHEM,
*Governor, State of New Mexico.*

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial No. 17, memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

The joint memorial was passed by the New Mexico State Legislature.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

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

House Joint Memorial 17

Joint memorial memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

Whereas the establishment and construction of a flood-control and irrigation dam at the Frisco Dam site on the San Francisco River in southwestern New Mexico would serve a multifold purpose; and

Whereas the establishment and construction of the proposed dam would prevent the recurrence of floods such as those of 1941 and 1949 that seriously damaged areas of Reserve, Alma, Glenwood, and Pleasonton in New Mexico and Clifton in Arizona, and many acres of valuable farmland along the banks of the Frisco and Gila Rivers; and

Whereas the controlled irrigation of such areas would be of untold benefit as the Frisco River in such areas practically dries up during the late summer months when the water is needed the most; and

Whereas if the dam is constructed at the proposed site on the Frisco River, known as the Frisco Dam site, the costs would be relatively small due to the height of the rock walls bounding the river and the narrowness of the river canyon at this point; and

Whereas if the dam is constructed at the proposed site, the people of the State of Arizona will cooperate with and welcome such construction as it will be of untold value to many of their citizens: Now, therefore, be it

*Resolved by the Legislature of the State of New Mexico*, That the congressional delegation of New Mexico and Arizona be hereby memorialized earnestly to exert their efforts on behalf of the establishment and construction of a flood-control dam at the Frisco Dam site on the San Francisco River at Reserve, N. Mex.; and be it further

*Resolved*, That copies of this memorial be transmitted to each member of the congressional delegation of New Mexico and Arizona.

DONALD D. HALLAM,
*Speaker, House of Representatives.*
FLOYD CROSS,
*Chief Clerk, House of Representatives.*
JOE M. MONTOYA,
*President, Senate.*
GRACE MCAFEE,
*Chief Clerk, Senate.*

Approved by me this — day of — 1957.

EDWIN L. MECHEM,
*Governor, State of New Mexico.*

## STATEHOOD FOR ALASKA AND HAWAII—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the New York State Junior Chamber of Commerce, favoring the enactment of legislation to admit Alaska and Hawaii into the Union.

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

NEW YORK STATE
JUNIOR CHAMBER OF COMMERCE,
*March 18, 1957.*

To: Senator JAVITS.

From: Thomas D. Milligan, executive secretary.

Subject: Alaska and Hawaii—statehood.

The New York State Junior Chamber of Commerce convened in its quarterly board of directors' meeting at Syracuse, March 15–17, adopted the resolution presented below; 275 delegates representing 6,500 Jaycees attended:

"Whereas our national heritage has developed upon the principle of the people having a duly elected voice in the affairs of government; and

"Whereas administration of Alaska and Hawaiian Territorial affairs from the Nation's Capital is less than adequate for the needs of the citizens in the upbuilding of the Territories; and

"Whereas Alaskans and Hawaiians share the same standard of living to which we in the States are accustomed; and

"Whereas the methods and forms of governments for villages, municipalities, and the Territories are already functioning and are comparable to ours in the States; and

"Whereas the people of Alaska and Hawaii are United States citizens paying Federal taxes, subject to military service, and generally subject to the same Federal statutes as the citizens in the 48 States, but do not have representation in Congress: Now be it hereby

"*Resolved*, That the New York State Junior Chamber of Commerce, Inc., urge that our Representatives to Congress from New York State vote for pending House and Senate bills endowing statehood upon the Territory of Alaska and the Territory of Hawaii."

## AMENDMENT OF THE CONSTITUTION RELATING TO THE TREATY-MAKING POWER—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, of Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power. I ask unanimous consent that the resolution be printed in the RECORD.

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

The following resolution was unanimously adopted by the members of the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Kings County, Brooklyn, N. Y., at their meeting on February 23, 1957:

"*Resolved*, That the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Brooklyn, N. Y., reaffirms its 1955 and 1956 support of the principles of the proposed Bricker amendment to our Federal Constitution, the objective of which is to further secure the individual American citizen's God-given rights and to prevent the undermining of our domestic law by treaty or other international agreement; therefore again petition the Congress of the United States to submit such an amendment to the States for ratification during the present session."

Sincerely yours,

JAMES F. MORGAN,
*Faithful Navigator.*

## FEDERAL AID TO EDUCATION—RESOLUTION

Mr. THURMOND. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the chamber of commerce, of Spartanburg, S. C., protesting against the enactment of any legislation providing Federal aid to education. I ask unanimous consent that the resolution be printed in the RECORD.

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

Whereas in the first session of the 85th Congress at least two bills have been introduced (H. R. 1 and H. R. 3986) which would seek to establish a broad program of Federal aid to education; and

Whereas the American public school system is traditionally and distinctively a community affair in which the States and local school districts are charged with the responsibility for the financing and direction of their public schools, according to their respective needs; and

Whereas the discharge of these responsibilities is being ably and effectively carried out by the States and local school districts: Be is now, therefore,

*Resolved by the board of directors of the Spartanburg Chamber of Commerce*, That this organization be unalterably opposed to the passage of any Federal legislation which would permit the encroachment upon the rights of the States and local school districts through Federal aid to education; and be it further

*Resolved*, That the Spartanburg Chamber of Commerce give its wholehearted endorsement to the policy expressed by the Chamber of Commerce of the United States opposing Federal aid to education.

## RESOLUTION OF BOARD OF DIRECTORS, WEST CENTRAL TELEPHONE ASSOCIATION, WADENA, MINN.

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the West Central Telephone Association, at Wadena, Minn., relating to the delivery of central office equipment scheduled for the towns of Sebeka, Menahga, Wolf Lake, and Verndale, Minn. The resolution calls upon Congress to investigate the delay in the matter of the Rural Electrification Administration in granting approval of certain loans for the improvement of telephone service. This resolution comes from a telephone association which serves a large area of western Minnesota. I ask unanimous consent that the resolution may be printed in the RECORD.

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

Whereas on November 15, 1955, West Central Telephone Asociation accepted bids on central office equipment for the villages of Verndale, Sebeka, Menahga, and Wolf Lake, in the presence of an REA field representative; and

Whereas Kellogg Switchboard & Supply Co. was the low bidder resulting in a contract for the central office equipment for the above-named towns; and

Whereas this contract was approved by the Administrator of the Rural Electrification Administration on February 2, 1956; and

Whereas the contract between West Central Telephone Association and Kellogg Switchboard & Supply Co. specifies that delivery of this equipment would be made within 240 days from the date of approval; and

Whereas representatives of Kellogg Switchboard & Supply Co. and representatives of the Federal Radio & Telephone Corporation, of Clifton, N. J., the manufacturers of the equipment sold by Kellogg Switchboard & Supply Co., have repeatedly, by letters, telegrams, and telephone conversations, as well as in personal conferences with representatives of West Central Telephone Association, assured the telephone association that delivery would be made within the specified time, and also after the specified time had elapsed, that delivery would be made in March 1957; and

Whereas delivery of the equipment has not been made in accordance with promises given by both the supplier and the manufacturer: Now, therefore, be it

*Resolved*, That the Administrator of the Rural Electrification Administration be requested to investigate this matter to determine the cause of the delay and also to do everything possible to expedite at the earliest possible date the delivery of the central office equipment covered by this contract; be it further

*Resolved*, That if satisfactory delivery is not forthcoming that the Administrator of the Rural Electrification Administration be requested to withhold approval of any and all contracts which may be written in the future between REA financed systems and Kellogg Switchboard & Supply Co. and/or Federal Radio & Telephone Co.; be it further

*Resolved*, That copies of this resolution be sent to the Administrator, and to Senators HUMPHREY and THYE, Congresswoman KNUTSON, and Representative FRED MARSHALL.

CERTIFICATE OF SECRETARY

I, Paul Richter, do hereby certify that: I am the secretary of the West Central Telephone Association (hereinafter called the "Cooperative"), that the attached is a correct copy of the original resolution adopted by the board of directors of said association at the special meeting held in the village of Wadena, March 25, 1957. A quorum of the board was present and acted throughout; the attached resolution has not been rescinded or modified.

In witness whereof I have hereunto set my hand and affixed the seal of the Cooperative this 25th day of March 1957.

[SEAL] PAUL RICHTER,
*Secretary.*

## EXTENSION OF FAIR LABOR STANDARDS ACT—COMPULSORY INSPECTION OF POULTRY—LETTERS AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received two letters from the St. Paul Trades and Labor Assembly.

The first of these endorses an extension of coverage under the Fair Labor Standards Act.

The second supports S. 1128, my poultry inspection bill.

I ask unanimous consent that the communications and the attached resolution on S. 1128 be printed in the RECORD and appropriately referred.

There being no objection, the letters and resolution were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

ST. PAUL TRADES AND LABOR ASSEMBLY,
*St. Paul, Minn., March 26, 1957.*

Senator HUBERT H. HUMPHREY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly has been advised that there is legislation pending before Congress that would provide extension of coverage of the Fair Labor Standards Act. I believe this legislation is known as the Morse-Kelley bills S. 1267 and H. R. 4575.

The assembly is in favor of extending coverage to all wage earners under the Fair Labor Standards Act and the assembly has requested me to write and urge your support of this measure.

Very truly yours,
E. D. MCKINNON,
*Secretary, St. Paul Trades and Labor Assembly.*

To the Committee on Agriculture and Forestry:

ST. PAUL TRADES AND LABOR ASSEMBLY,
*St. Paul, Minn., March 26, 1957.*

Hon. HUBERT H. HUMPHREY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly went on record at their meeting on March 22, in favor of S. 1128 which we understand has for its purpose the improving of conditions in the processing of poultry.

A copy of the resolution adopted by the assembly is attached hereto.

Very truly yours,
E. D. MCKINNON,
*Secretary, St. Paul Trades and Labor Assembly.*

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Whereas because of the deplorable conditions existing in some poultry plants throughout the country, the Amalgamated Meat Cutters has for some time been endeavoring to have proper inspection in the poultry industry by the passage of legislation requiring this industry to correct existing conditions; and

Whereas in many plants diseased and sick poultry is being processed and sold to the consumers with parts missing, and in cut-up form even though these parts have been exposed to disease, and in most cases this poultry has not been inspected; and

Whereas there is now pending in Congress, legislation which will provide proper inspection in the poultry industry and such legislation is being opposed by large poultry growers and associations without regard to the consumers; and

Whereas the Amalgamated Meat Cutters is keenly interested in providing clean, wholesome products to the public: Therefore be it

*Resolved*, That the St. Paul Trades and Labor Assembly lend its support to the passage of this legislation known as S. 1128 and to Senator HUMPHREY who, as a member of the subcommittee handling this bill, is doing an outstanding job in an effort to have the bill passed, even though being pressed by large groups in the industry to withdraw same; and further

That a copy of this resolution be sent to Senators THYE and HUMPHREY.

## CITIZENS COMMITTEE TO STUDY FEDERAL AID TO EDUCATION—LETTER AND REPORT

Mr. HUMPHREY. Mr. President, I present, and ask unanimous consent to have printed in the RECORD, a letter I have received from Rufus A. Putnam, superintendent of schools of Minneapolis, Minn., and a report of the special committee to study Federal aid to education, which Mr. Putnam enclosed with his letter. I ask that the letter and report be appropriately referred.

There being no objection, the letter and report were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS PUBLIC SCHOOLS,
*Minneapolis, Minn., March 29, 1957.*

The Honorable HUBERT H. HUMPHREY,
*The United States Senate,*
*Washington, D. C.*

DEAR SENATOR HUMPHREY: On January 15, 1957, the board of education authorized the president of the board to appoint a citizens' committee to study Federal aid to education and to submit findings and recommendations to the board of education to be forwarded to the Congress of the United States for action.

At the meeting of the board of education which was held on March 26, 1957, the board voted to endorse and support the report which the citizens' committee presented to the board and to send copies of the report to the Minneapolis delegation in the Congress of the United States.

A copy of the report of the citizens' committee is enclosed.

Yours very truly,
RUFUS A. PUTNAM,
*Superintendent of Schools.*

REPORT OF THE SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION, APPOINTED BY MINNEAPOLIS BOARD OF EDUCATION, MARCH 25, 1957

*To the Members of the Board of Education:*

The members of your committee, appointed in accordance with your resolution of January 15, 1957, have considered the many facets of the problem of Federal support for the public schools.

This committee realizes and believes in the necessity and inevitability of Federal aid for publicly controlled and tax supported schools, and recommends:

1. Federal support for the public schools should be distributed solely on the basis of

the number of children of school age within each State.

2. Control of the public schools should remain the complete responsibility of the States and local school districts; and any funds derived from Federal sources should be channeled to the several States through the United States Office of Education and the respective State departments of education.

3. The basic responsibility for the financial support of the public schools should remain with the States and local communities; but it is in the national interest and entirely appropriate for the Federal Government to give continuing and extended partial support.

4. In addition to providing partial current support of education, and filling other educational needs, Federal funds should be used to construct and equip public school buildings.

5. The offshore oil and gas resources beyond the limits of State jurisdictions belong to all the people; and the proceeds from such resources should be dedicated to the use of publicly controlled and tax supported schools.

Respectfully submitted.

SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION,
JAMES B. LUND, *Chairman.*
Mrs. HOWARD S. KAHN, *Secretary.*

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The recommendations of this committee have been established upon certain basic considerations which may be summarized as follows:

Proposals for Federal aid to schools now being considered by the Congress generally emphasize aid for school construction. These proposals are based on the premise that many school districts are unable to meet the classroom shortage through their own resources; consequently, these districts should be helped through Federal grants. Even though some of the proposals would distribute Federal funds among the States on the basis of the number of school children, each State would determine how the funds would be apportioned among the school districts. In most States, need and the ability to pay would be major factors in determining the amount allotted to each district.

Because Minneapolis has more taxable wealth per pupil than the average community in Minnesota or in the Nation, the Minneapolis schools would probably not benefit directly from any plan of Federal aid which was based upon equalization of need. The proposals now before Congress would be of indirect benefit perhaps, by providing some aid to other Minnesota communities whose needs might otherwise have to be financed from State taxes, a substantial part of which are paid by Minneapolis citizens.

In America, schools have been kept close to the people and there is general agreement that it is in the interest of democracy to keep them thus. Financial support is closely related to control over expenditures. There is general concern that Federal support should not by synonymous with Federal control. In a Federal program based on need, or equalization, there is a danger of Federal control. In order to preserve the fundamental principle of local control of public schools, therefore, any program of Federal support should be distributed on a purely objective, pupil population basis.

The Federal Government creates no wealth. It has no resources which are not available to States and local communities. However, with the growth of nationwide industries whose wealth-generating powers stretch across State lines, and with the corresponding growth of tax collecting powers and the increasing concentration of tax collections at the Federal level, greater equity is secured by assessing a part of the cost of education through taxing powers at the Federal level. These is also real justification for using the income from certain natural resources which belong to all the people, such as the offshore oil lands, for the benefit of all the people by using such income to improve the quality of schools throughout the Nation.

Because in a democracy all have equal votes in determining the affairs of government; because education is the foundation of high living standards; and because of the mobility of population within and between the States, it is in the interest of all communities and of all citizens that there should be no educational slums. Because good education for children in all parts of the country is a national concern, the Federal Government may properly be called upon to provide some support for the educational program. Because local control of schools is also important, the control and expenditure of such funds should be determined by the local district.

MEMBERSHIP, SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION

Lund, James B., chairman, 4854 Russell Avenue South; Kahn, Mrs. Howard S., secretary, 5133 Oliver Avenue South; Adams, Frank, 200 Court House; Drake, Benjamin, 543 Plymouth Building; Dunshee, Mrs. Donald, 5300 Bloomington Avenue; Granger, Shelton, 510 Northwestern Federal Building; Heggerston, A. I., 807 Northeast Broadway; Hill, Dr. Frederick W., 807 Northeast Broadway; Huebner, John, 3515 Fifth Street NE.; Langton, York, 7500 Excelsior Boulevard; McNulty, Kenneth F., 119 Fourth Avenue NE.; Mansfield, Mrs. M. L., 408 East 33d Street; Smaby, Mrs. A. J., 1531 East River Road; Watson, Dr. Wm. E., 704 Physicians and Surgeons Building, Wishart, Robert, CIO Hall, 724 Fourth Avenue South.

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## REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1771. A bill to provide for a 1957 corn base acreage of 51 million acres, and for other purposes (Rept. No. 198).

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

S. 253. A bill for the relief of Josef Michael Adolf (Rept. No. 200).

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

S. 249. A bill for the relief of Theodora Hegeman (Rept. No. 201);

S. 257. A bill for the relief of Petronella Elisabeth Deimbeck Major (Rept. No. 202);

S. 368. A bill for the relief of Jose Medina-Chavez (Joe Medina) (Rept. No. 203); and

S. 570. A bill for the relief of Jeannine Therriaud Grantham (Rept. No. 204).

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

S. 126. A bill for the relief of Ljubischa Nikolich (Rept. No. 205).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. 560. A bill for the relief of Alec Ernest Sales (Rept. No. 199).

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## BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MURRAY:

S. 1767. A bill for the relief of Eileen Sheila Dhanda; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 1768. A bill to incorporate the National Association of Colored Women's Clubs; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for Mr. SMATHERS):

S. 1769. A bill to require common carriers to give passenger service information in daylight-saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. BIBLE (for himself, Mr. BEALL, Mr. FREAR, Mr. MANSFIELD, Mr. NEELY, and Mr. MCCARTHY):

S. 1770. A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes; to the Committee on the District of Columbia.

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

By Mr. HUMPHREY (for himself, Mr. HICKENLOOPER, Mr. MUNDT, Mr. SYMINGTON, and Mr. THYE):

S. 1771. A bill to provide for a 1957 corn-base acreage of 51 million acres, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. IVES:

S. 1772. A bill to amend the Labor Management Relations Act, 1947, as amended, so as to clarify the authority of the States and Territories with respect to certain cases within the purview of such act; to the Committee on Labor and Public Welfare.

By Mr. BIBLE:

S. 1773. A bill to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to the State of Nevada, involving certain portions of right-of-way in the city of Reno, county of Washoe, State of Nevada, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); to the Committee on Interior and Insular Affairs.

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

S. 1774. A bill for the relief of Yee Suey Nong; to the Committee on the Judiciary.

By Mr. MALONE:

S. 1775. A bill to authorize private transactions involving the sale, acquisition, or holding of gold within the United States; to the Committee on Banking and Currency.

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

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

S. J. Res. 79. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Heart Mountain division, Shoshone Federal reclamation project, Wyoming; to the Committee on Interior and Insular Affairs.

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## PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 139, ENTITLED "TECHNICAL ASSISTANCE"

Mr. GREEN submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Rules and Administration:

*Resolved by the Senate (the House of Representatives concurring)*, That there be printed for the use of the Committee on Foreign Relations 2,500 additional copies of Senate Report 139, current Congress, entitled "Technical Assistance."

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## RETIREMENT OF CERTAIN DISTRICT OF COLUMBIA POLICEMEN AND FIREMEN

Mr. BIBLE. Mr. President, on behalf of myself, the Senator from Maryland

[Mr. BEALL], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MANSFIELD], and the Senator from West Virginia [Mr. NEELY], I introduce, for appropriate reference, a bill to provide for the retirement of officers and members of the Metropolitan Police Force, Fire Department, and District of Columbia United States Park Police, White House Police, and certain officers and members of the United States Secret Service.

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

The bill (S. 1770) to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes, introduced by Mr. BIBLE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. BIBLE. The bill contemplates a complete overhaul of the Police and Fire Pension system, which has long been overdue. The present retirement system was enacted and is still predicated upon 1916 legislation. Since that time revolutionary changes in thinking relative to retirement systems are evident throughout both private industry and Government. However, police and fire pensions have remained constant, and this has resulted in their being surpassed in many factors. From a position once held—that of the leader in this field—police and fire pensions now compare unfavorably with the liberalized features of the Civil Service Retirement Act. This has resulted in a police and fire career no longer being attractive to many young men of the caliber desired for recruitment. For example, of the men now seeking positions in the police and fire departments, only 1 in 7 possesses the qualifications necessary to pass the elementary entrance examination. Resignations have been numerous, and recruitment is difficult. The proposed legislation would be a long step toward correcting the condition existent today.

The proposed legislation offers as an attraction to the younger man a 20-year retirement option with a reduced annuity. That is followed by the offer of an incentive to the experienced man to remain with his department after he is qualified to retire—thereby giving his respective department the advantage of his knowledge and years of experience. It also gives them the privilege of computing previous military and Government service toward retirement provided civil service employees. Furthermore, it extends to the men on the forces the similar disability provisions enjoyed under civil service retirement. Due to the increase in deductions from 5 percent to 6½ percent there will be no immediate cost. In fact, the first 5 years of operation will result in a saving to the Government. There is a cost thereafter.

Because of the hazardous nature of their occupations it has long been held that police and fire pensions should be among the best. The enactment of the proposed legislation will accomplish this and at no immediate cost to the Government.

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

Mr. BIBLE. I am happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. I am delighted to join as a cosponsor of this proposed legislation. I wish to assure the Senator from Nevada that I hope under his leadership we shall be able to do something for the policemen and firemen of this city.

As the Senator so ably pointed out, the value of a career as a firemen or a policeman is receding more and more into the background, as compared with the many benefits which are the attributes of civil service employment. All of us are aware of the magnificent work done by the Police Department during the bus strike a year or so ago. We know some action was taken then to rectify the situation.

I sincerely hope this retirement and disability bill, introduced by the Senator from Nevada, will pass, and I hope it will not be too long before we will be able to introduce and consider seriously legislation seeking to raise the salary schedules for policemen and firemen in the District of Columbia. I think it is a shame that in this, of all cities, the policemen are being treated so shabbily as they are at the present time.

Mr. BIBLE. I thank the Senator from Montana. I appreciate his interest in the bill, and I share his views.

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

Mr. BIBLE. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I ask the Senator to yield for this purpose: While I normally do not add my name to a bill as a cosponsor, I heartily approve of the bill introduced by the Senator from Nevada. I think it should go further. I should like to be listed as a cosponsor of the bill.

Mr. BIBLE. I am very happy to have the cosponsorship of the Senator from Wisconsin.

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## PRIVATE TRANSACTION RELATING TO SALE OF GOLD

Mr. MALONE. Mr. President, in the years 1933 and 1934 two momentous occurrences took place in the United States Congress which opened the door to international socialism and an everspiraling inflation.

In 1933 we followed England off of the hard-money standard and in the following year Congress passed the 1934 Trade Agreements Act. Either one of these two events would have been enough singly to shake the very foundation of our economy which had been so carefully and wisely planned by the framers of the American Constitution in article I, section 8. We in Congress should from time to time reorientate our thinking around the basic tenets of our representative form of government by restudying this document.

### EXCERPTS FROM ARTICLE I, SECTION 8, OF THE UNITED STATES CONSTITUTION

Mr. President, I should like to take a moment of the time of the Senate to read a brief portion of this document to my colleagues. Article I, section 8, of the Constitution states:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the departments and provide for the common defense and general welfare of the United States; * * *
>
> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes; * * *
>
> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

### THE NEVADA STATE REPUBLICAN CENTRAL COMMITTEE TAKES STAND FOR HARD MONEY

Senators on both sides of the aisle are familiar with my long and impassioned fight to return to the Congress of the United States its authority and responsibility on the hard money and free-trade issues. The citizens of the United States are demanding that we again resume this responsibility.

On December 15, 1956, the Republican State Central Committee met in Fallon, Nev., and passed the following resolution reaffirming the three basic principles of government embodied in the Constitution of the United States:

> The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.
>
> We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.
>
> We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imports, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.
>
> We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern.

Mr. President, gold is a commodity and, like any other commodity, the owners of it should have the right to possess and sell it as do owners of any other industry or economic group that produces commodities.

### NOT THE CASE WITH GOLD

This is certainly not the case. Gold is the only commodity the marketing of which has been completely and totally taken over by the Government as a monopoly. The gold producers in the United States can only sell their gold to the Government or to parties licensed by the Government. They must sell their product at a fixed price established by the Government. This price is $35 per fine ounce, and it has remained unchanged since 1934.

Mr. President, in accordance with these beliefs and statements I introduce for appropriate reference, a bill to au-

thorize private transactions involving the sale, acquisition, or holding of gold within the United States. It is in accordance with the resolution passed by the Nevada State Republican Central Committee for the protection of our American economy. I ask that a copy of the bill be printed in the RECORD.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CASE of South Dakota. Does the Senator's bill establish a free market for gold in this country?

Mr. MALONE. It does.

Mr. CASE of South Dakota. I want to commend the Senator for the introduction of the bill.

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

The bill (S. 1775) to authorize private transactions involving the sale, acquisition, or holding of gold within the United States, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That notwithstanding any other provision of law gold in any form, mined subsequent to the enactment of this act, within the United States, its Territories, and possessions may be melted, smelted, concentrated, or otherwise treated so as to prepare it to be sold, or held and stored as is, or has been customary with gold and it may be bought, held, sold, or traded upon the open market within the United States, its Territories and possessions for any purpose whatsoever without the requirement of licenses and it may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.

SEC. 2. Gold imported into the United States after the date of enactment of this act may be held, bought, sold, or traded upon the open market within the United States, its Territories, and possessions, for any purpose whatsoever and may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.

SEC. 3. All gold held or bought by the United States Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and such gold shall not hereafter be sold by the Treasury or by the Federal Reserve banks (or for the account of either), directly or indirectly, in any free gold market in the United States, its Territories or possessions, for the purpose of depressing such market and thereby lessening the price and value of gold: *Provided*, That the United States Treasury shall purchase as monetary gold any gold mined after the date of enactment of this act in the United States, its Territories or possessions, which is offered to it for sale at the rate of $35 an ounce.

## HUMANE SLAUGHTER OF LIVESTOCK AND POULTRY—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from Maine [Mrs. SMTHH] be added as a consponsor of the bill (S. 1497) to require the use of humane methods in the slaughter of livestock and poultry in interstate and foreign commerce, and for other purposes. I wish the RECORD to note that it was an error on my part that her name was not included as one of the cosponsors at the time I introduced the bill on March 5, 1957. I deeply regret the mistake I made, and I ask that the RECORD indicate that the Senator from Maine [Mrs. SMITH] is a cosponsor and one of the vigorous supporters of the proposed legislation.

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

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

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

By Mr. BUTLER:

Statement prepared by him on the 12th anniversary of the Soviet enslavement of Rumania.

By Mr. KUCHEL:

Statement by the Secretary of the Interior on statehood for Alaska.

By Mr. HUMPHREY:

Address delivered by him to a group of New Jersey gasoline dealers, at Haddon Heights, N. J., on December 13, 1956.

## THE MILITARY BUDGET, WASTE, AND THE LACK OF AN ADEQUATE STRATEGIC DOCTRINE

Mr. SYMINGTON. Mr. President, in a short time the Congress will be asked to approve force levels in the military services, along with the money necessary to implement them, as recommended by the executive branch of the Government. To this end, if one includes foreign military aid, atomic developments and strategic stockpiling, more than $43 billion of new obligational authority and more than $43 billion in expenditures, are being requested of the Congress.

The theory of Field Marshal Montgomery that the free world will go broke unless it starts building its defenses on the basis of progress, instead of tradition, was never more clearly illustrated than by these new budget requests; because in them are requests for vast sums of money which involve unnecessary duplication, and even triplication, always at the taxpayers' expense. In fact, Mr. President, we are now being requested to approve sums, substantial portions of which are predetermined as waste.

The primary reason for this sad condition is the continuing failure on the part of the excutive branch to decide how best to defend this country in case it is ever attacked.

As a brilliant article said recently:

An adequate strategic doctrine is therefore the basic requirement of American security.

More and more of our people are beginning to realize the basic fact that we have no such strategic doctrine.

In this connection, Mr. President, I ask unanimous consent that a part of a recent, brilliant article entitled "Strategy and Organization," written by Mr. Henry Kissinger, and published in Foreign Affairs for April 1957, be inserted at this point in the body of the RECORD. Never has the problem some of us have been presenting for years been so well and clearly presented.

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

STRATEGY AND ORGANIZATION

(By Henry A. Kissinger)

Whatever the problem, whether it concerns our military strategy, our system of alliances, or our relations with the Soviet bloc, the nuclear age demands above all a clarification of doctrine.

At a moment when technology has put within our grasp a command of nature never before imagined, we are driven to realize that everything depends on our ability to use power with subtlety and discrimination.

In the absence of concepts that define the nature of power, its purpose, and its relation to policy, the possession of it may serve merely to paralyze the will. All the difficult choices of the nuclear period, the nature of its weapons systems, the risks diplomacy can run, the issues for which to contend, presuppose a doctrinal answer before they can find a technical one.

This is particularly true of military strategy. Because we have won two world wars by outproducing our opponent, we have tended to equate military superiority with superiority in resources and technology. Yet history demonstrates that superiority in strategic doctrine has, at least as often, been the cause of victory as has superiority in resources.

Superior doctrine enabled the Germans in 1940 to defeat an allied army superior in numbers and, at least, equal in equipment but wedded to an outmoded concept of warfare. Superior mobility and the use of artillery, a better relationship between fire and movement, furnished the basis of Napoleon's victories. Similar examples were the victories of the Roman legions over the Macedonian phalanx, of the English archers against the medieval knights. All these were victories not of resources but of strategic doctrine: The ability to break the framework which had come to be taken for granted and to present the antagonist with contingencies which he had never even considered.

Strategic doctrine translates power into policy. Whether the goals of a state are offensive or defensive, whether it seeks to achieve or prevent a change, its strategic doctrine must be able to define what objectives are worth contending for and to develop the appropriate force for achieving them.

By establishing a pattern of response in advance of crisis situations, strategic doctrine permits a power to act purposefully in the face of challenges. In its absence a power will constantly be surprised by events. An adequate strategic doctrine is therefore the basic requirement of American security.

It may be argued, of course, that we do possess a strategic doctrine expressed in the decisions of the Joint Chiefs of Staff and of the National Security Council on the basis of which the force levels of our Armed Forces are determined by Congress. But the decisions of the Joint Chiefs and of the National Security Council give a misleading impression of unity of purpose.

The officials comprising these bodies are either service chiefs in the case of the Joint Chiefs of Staff or heads of executive departments in the case of the National Security Council. As administrators of complicated organizations, they must give most of their attention to reducing the friction of the administrative machine both within their department and in the relation of their department to other agencies.

The heads of departments do not stand above the battle of the bureaucracy; they are spokesmen for it. In fact, the departmental

viewpoint is sometimes purposely exaggerated in order to facilitate compromise.

As a result, the conclusions of both the Joint Chiefs of Staff and the National Security Council reflect more the attainable consensus among sovereign departments than a sense of direction.

Because agreement is frequently unattainable except by framing conclusions in very general language, decisions by the Joint Chiefs of Staff or the National Security Council do not end interdepartmental disputes. Instead they shift them to an interpretation of the meaning of directives. And departments or services whose disagreements prevented the development of doctrine in the first place will choose the exegesis closest to their original point of view.

The seeming unanimity of our policy-making bodies only defers the doctrinal dilemma until some crisis or the budgetary process forces a reconsideration under the pressure of events.

Mr. SYMINGTON. Mr. President, I plan at another time to insert in the RECORD additional parts of this article, so that, prior to this year's decision by the Senate with respect to the military budget, everyone will realize just how, and where, and to what degree, we shall be voting for waste.

Some people now believe that those who are formulating the policies of this country are, in effect, taxing us out of the free-enterprise system.

That may or may not be true; but every citizen will agree that the high cost of our Military Establishment, in the face of the growing strength of communism, demands maximum defense for each dollar spent.

From the standpoint of a sound economy, therefore, as well as from the standpoint of the Nation's security, it is increasingly necessary for America to have an "adequate strategic doctrine."

Inasmuch as more than 4 million citizens of the United States are now in the Defense Establishment, and inasmuch as several hundred thousand more foreign nationals are being paid by the American taxpayer through the Pentagon, I hope every Member of Congress who plans to vote on the new defense budget will first read the article by Mr. Kissinger.

Mr. President, I turn now to another subject.

The VICE PRESIDENT. The Senator from Missouri has the floor.

## QUESTION OF SUPPLY OF SUPERSONIC BALLISTIC MISSILES

Mr. SYMINGTON. Mr. President, as a result of a colloquy on a recent telecast between the distinguished junior Senator from Florida [Mr. SMATHERS] and myself, a news story yesterday quoted me as saying, "this country now has a limited supply of supersonic missiles in operational use but not enough to give away." This quotation, without the entire context of the broadcast, might be misleading.

Mr. President, there are four main categories of missiles, namely, air-to air, air-to-ground, ground-to-air, and ground-to-ground.

In yesterday's New York Times, in an article entitled "Missiles for Britain: Where United States Program Stands Now," Mr. Hanson Baldwin said in part:

The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.

Mr. President, I ask unanimous consent to have certain additional portions of the article by Mr. Baldwin printed at this point in the RECORD.

There being no objection, these portions of the article were ordered to be printed in the RECORD, as follows:

The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.

* * * * *

Because these missiles and their larger brother—the intercontinental ballistic missile, with a range of 5,500 miles—are the world's least stoppable weapons and because they can carry hydrogen warheads capable of devastating any city on earth, they are viewed as the ultimate in rocketry.

* * * * *

The Russians seem, therefore, to have a development lead in the IRBM category. Even though the range of the weapon they are testing is only 800 miles this is sufficient to put virtually all of the allied bases and positions in Europe, including Britain, within range of positions now occupied by Soviet troops.

These facts and the threat of rocket bombardment of Great Britain and France voiced by Moscow at the height of the Suez crisis last fall explain the reasoning behind the Bermuda decision. The British want a counterdeterrent to rocket bombardment in the form of rockets capable of reaching Moscow from British bases. This country's IRBM when perfected will have the range to do this.

Mr. SYMINGTON. To the threats against Britain and France can now be added the more recent threat against Norway, and the even more recent threat against Denmark.

Presumably in the minds of the British—just as primarily in our own minds—is a ground-to-ground ballistic missile, one which flies faster than modern planes, and has a range in excess of the Nazi V-2, originally fired in 1942—15 years ago. If that is the missile under consideration, Mr. President, at this time we not only do not have any such missile for the British or French, but we have not any for ourselves; and we shall not have any in operational quantities for a long time.

The fact that, as Mr. Baldwin points out, the Communists appear well ahead of us in at least a part of this field, is a major reason why we must be sure of the strength of the planes, the personnel, and the bases of our Strategic Air Command. As the head of that command, General LeMay, said recently:

Peace in these times cannot be successfully waged unless this Nation continues to maintain an effective deterrent force—and that means a force in being everlastingly combat ready and clearly capable of winning the air battle.

To the extent Bulganin knows this to be true, to that extent also he will tend to refrain from carrying out his recent threats against such countries as Britain, France, Norway, and Denmark.

Mr. President, we compromised our wishes when we agreed to the Korean armistice, the terms of which we know the Communists are now violating every day. Later on, at least to some extent, we compromised our position in Formosa; and also we compromised it heavily in Indochina.

Now that the United States is apparently bowing to the wishes of Nasser in the Suez controversy, it would appear more important than ever to maintain our deterrent capacity, not only in case we decide to live up to our foreign commitments, but also in order to defend this country in case we are attacked.

## J. CHESTER WILFONG

Mr. MANSFIELD. Mr. President, I should like to join the distinguished majority leader and the distinguished minority leader, as well as my other colleagues, in expressing regret at the retirement of Chester Wilfong, one of the Official Reporters of Debates of the Senate, and in wishing him the best of luck in the years ahead.

In the Washington Star of March 29 appeared an article, under the heading "The Rambler," in which a statement was made and a story was told relative to the value and the worth of Chester Wilfong. One of his favorite quotations seems to be that from Gray's Elegy, "The short and simple annals of the poor."

Mr. President, I think the last paragraph of this worthwhile story is worth repeating, and I now repeat it:

Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

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

THE WASHINGTON STAR RAMBLER—FOR 53 YEARS HE GOT IT ALL

Visitors in the Senate gallery often are as impressed by the shorthand reporters as by the Senators. Sightseers watch the reporter, notebook in hand, walk behind a Senator as he strides about the Chamber loosing a torrent of words.

One of the reporters is putting in his last day today, 53 years after he started to work for Uncle Sam.

He is Chester Wilfong. He will be 74 in May. He can catch it as fast as they can pitch, but he is getting to be a little hard of hearing and he thinks it's about time to retire.

The way he learned his reporting skill sounds Lincolnesque—doing the Pitman exercises under an oil lamp at his father's truck farm near Tuxedo, Md.

As to his life and work, he quoted Gray's elegy, "Just 'the short and simple annals of the poor.'"

Like most Maryland farm boys of his generation, he did not go beyond seventh grade, but he has never stopped reading.

He started at Interstate Commerce Commission during Teddy Roosevelt's first administration. His early big workout was on hearings on the Terra Cotta wreck, when 44 persons were killed on the B. & O. on December 30, 1906.

He became a court reporter and did the trial of Edward L. Doheny which followed the Teapot Dome investigation. In the summer of 1942 he was called to the Justice Department and sworn to maintain lifelong secrecy on the trial he was about to report. It was the courtmartial of the eight Nazi saboteurs landed by submarine. He has never talked about it to this day.

Back in the twenties he did the hearings held in cities across Canada to the Pacific coast on the proposed St. Lawrence Seaway. Near the end of the war he reported the hearings of the Senate Foreign Relations Committee that led to formation of the United Nations.

A lifelong Republican, he did not realize that there were many good Democrats until he became a floor reporter in the Senate 10 years ago. Among those he admires on the left side of the aisle is Senator FULBRIGHT, of Arkansas, although "he does talk very fast."

"Just the short and simple annals of the poor," he said again.

Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. NEUBERGER subsequently said: Mr. President, I came to the Senate floor today likewise prepared to request the printing in the RECORD of the excellent article from the Washington Evening Star about the outstanding career of Chester Wilfong.

It is a pleasure to join the distinguished Senator from Montana in congratulating Mr. Wilfong upon his deserved retirement, and in wishing him much success, happiness, and good fortune in the years ahead.

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## HISTORY OF UNITED STATES-CROW TRIBE TREATIES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my remarks, a newspaper article entitled "History, United States-Crow Tribe Treaties Just Sorry Tale of Expediency, Bad Faith." This article appeared in the Park County News, published in Livingston, Mont., by Fred Martin. He is a former executive secretary to the Honorable Hugo Aronson, Governor of Montana, who has joined my colleague, the junior Senator from Montana [Mr. MANSFIELD], Representative METCALF, and myself in advocating a $5 million payment to the Crow Tribe for land and right-of-way which would permit construction of the long-delayed Yellowtail Dam and Reservoir on the Big Horn River in Montana.

The article is based upon a report entitled "The Laws and Treaties Affecting the Crow Indians," by Howard M. Gullickson, one-time Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. Additional research was done by Joe Montgomery, of Lewistown, a student of Montana history.

The Park County News reports that "an examination of the facts" concerning the history of relations between the Crow Tribe and the Federal Government "turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs."

The Treaty of Fort Laramie was negotiated in 1851. It was considered by officers of the United States at that time not to have been ratified. Subsequently discovered memoranda and court cases showed that the treaty was ratified, and held to be binding.

However, in 1868 another treaty was signed at Fort Laramie with the Crows, who were forced to relinquish "more than three-fourths of the land granted them by the treaty of 1851." Consideration to the Crows for this vast expanse of land "was apparently not thought of by the officers of the Government; there is no suggestion of any consideration to be paid."

In 1875 a 20-mile strip of land adjoining the reservation was set over by executive order to the Crows. The language of the order would seem to convey a vested right. Yet, reports the Park County News:

> On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order; then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper compensation to the Indians.

The Park County News, quoting from the Indian Bureau report, states that in 1882 the Crows agreed to sell to the United States a portion of land for which—

> The Crows were to receive $30,000 a year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

There followed another sale by the Crows, in 1882, for railroad right-of-way, "for which they were to be paid the sum of $25,000." In 1891 an agreement with the Crows was enacted by Congress and the Crows were to get $946,000. And what happened to this money?

According to the Indian Bureau report, "whether it was subsequently paid or whether it was held on deposit in the Treasury Department" was apparently undetermined.

Mr. President, on February 27, 1956, the Secretary of the Interior gave me his views on the resolution of my colleague and myself to provide for the $5 million payment to the Crows in connection with the Yellowtail Dam site. Concerning the factors to be taken into consideration in establishing a fair and just price for the Crows, the Secretary wrote, as follows:

> In considering a matter of this kind, each case is, to a very considerable degree, sui generis. No single measure of what is reasonable, applicable to all cases, can be devised. The objective in all cases should be to strike a balance between the rights and interests of the general public in the achievement of the purposes of the project and the acquisition of land necessary therefor at a reasonable cost, on the one hand, and the rights and interests of the Indian tribe on the other. * * * Whatever method of valuation is utilized, it, in itself, can be no more than an aid in reaching a conclusion as to reasonable compensation which is premised largely on broad concepts of fairness and equity in dealing with the Nation's Indian wards.

Mr. President, the Senate has already approved the resolution which would give the Crows $5 million in payment. That is a modest enough sum. If the total amount were distributed as a per capita payment among the approximately 3,500 Crow Indians each would receive approximately $1,400. I would hope that all the $5 million would not be distributed as a per capita payment, but that at least a portion would be set aside by the tribe for education and community purposes.

I should like to emphasize to my colleagues in the Senate, and most particularly the Members of the other House, which has not yet considered this resolution, that the history of relations between the Crow Tribe and the Federal Government is indeed a history on the part of the Federal Government of expediency, bad faith, subterfuge, doubletalk, and broken promises. Certainly, by those "broad concepts of fairness and equity in dealing with the Nation's Indian wards," which the Secretary of the Interior mentioned, the $5 million payment is more than justified.

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

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

HISTORY UNITED STATES-CROW TRIBE TREATIES JUST SORRY TALE OF EXPEDIENCY, BAD FAITH

News dispatches today and in recent weeks make this review of Crow treaty history timely in view of the discussion regarding the Crow demand for $5 million for permitting construction of Yellowtail Dam on the reservation.

History has been written for the ruler, not the people.

The legend of The Great White Father in Washington, the kind, understanding, fatherly, old gentleman who is the friend of Indians everywhere has come to be taken for granted, but an examination of the fact turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs. (See Clark's story this issue.)

Since Park County once was a part of Indian territory this will be limited to Crow treaties with the basic information quoted taken primarily from a report, The Laws and Treaties Affecting the Crow Indians, by Howard M. Gullickson, onetime Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. This report was graciously loaned the News by M. A. Johnson, acting area director. Other basic preliminary research can be credited to Joe Montgomery of Lewistown.

The first treaty entered into between the Crow Tribe and the United States of America

was dated August 4, 1825, at the Mandan village with Brig. Gen. Henry Atkinson and Maj. Benjamin O'Fallon, aides of General Clark, as United States negotiators. "The treaty is declared to be for the purpose of perpetuating the friendship which has heretofore existed between the Crow Tribe of Indians and the United States. This treaty makes no reservation of any lands and there is no mention of lands except that the Crows admit that they live within the territory of the limits of the United States and acknowledge their (the United States) supremacy and claim their protection (7 Stat. 266; II Kappler 244)."

Then apparently came the start of subterfuge, expediency, doubletalk, as indicated by the Treaty of Fort Laramie, Indian Territory, negotiated by D. D. Mitchell and Thomas Fitzpatrick, September 17, 1851, which, "though never proclaimed," just about split up the area west of the Mississippi, certainly west of the Missouri. "The treaty of 1851 was considered by officers of the United States at that time not to have been ratified and was not believed to be binding either on the Indians or the Government. Consideration, therefore, to the Indians for this relinquishment (in the next treaty on May 7, 1868, at Fort Laramie, then in Dakota Territory and signed by Lt. Gen. William T. Sherman, the same general who marched to the sea in the South during the Civil War) "of more than three-fourths of the land granted them by the treaty of 1851, was apparently not thought of by the officers of the Government * * * there is no suggestion of any consideration to be paid."

However, "in IV Kappler, 1867, there is a copy of an Indian Office memorandum relative to the treaty of September 17, 1851, at Fort Laramie, by the chief law clerk of the Indian Bureau, William R. Layne, and shows the full proceedings of the ratification of this treaty, which had been considered an unratified treaty and not binding on either party. The questions concerning this treaty were considered by the Court of Claims in the case of the *Fort Berthold Indians* v. *The United States* and was in that case held to be binding on all parties."

But General Sherman's treaty of 1868 put hobbles on the white folks, just as it defined the borders of the Indian reservationists, because it included the clause that this (Crow) territory:

"Shall be, and the same is, set apart for the absolute and undisturbed use and occupation of the Indians herein named, and for such other friendly tribes or individual Indians as from time to time they may be willing, with the consent of the United States, to admit amongst them; and the United States now solemnly agrees that no persons, except those designated and authorized so to do, and except such officers, agents, and employees of the Government as may be authorized to enter upon Indian reservations in discharge of duties enjoined by law, shall ever be permitted to pass over, settle upon, or reside in the territory described in this article for the use of said Indians, and henceforth they will, and do hereby relinquish all title, claim, or rights in and to any portion of the territory of the United States, except such as is embraced within the limits aforesaid."—Quoted from History of the Yellowstone Valley.

This was adopted after the discovery of gold in Emigrant Gulch, after many families had settled in the area, the discovery of minerals in the Cooke City area, and the area included in the reservation was bisected by the Jim Bridger and John Boseman Trails—it actually was a roadblock to the east to settlement.

Then, to add to the ridiculousness of the situation was this: On October 20, 1875, a 20-mile strip of land adjoining the reservation on the north (of the Yellowstone River extending perhaps from Shields River on the west to the present eastern boundary of the Crow Reservation) was set over by Executive order to the Crows * * *. The language of this order would seem to convey a vested right. On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order, then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper consideration to the Indians (I Kappler 857).

But (and this is not included in the Indian Bureau's report) on January 31, 1874, President Grant issued an order establishing the Crow Reserve, setting off the territory, roughly the area south and east of Fort Benton and extending beyond Lewistown, drained by the Judith, Arrow, and Dog Rivers and extending to the Missouri River, the northern boundary. This set off the Montana Legislature, but to no avail from 1874 to 1882. Leeson's (1885) History of Montana declares:

"Such opinions, however, had no weight with the general government, when a course opposed to the interests of the people, and even the Indians, might tend to enrich a clique, and the reservations were allowed to stand an obstruction to peace and progress until 1883, when the Mountain Crows were removed to a new reserve. General Sheridan, in his report in 1882, pointed out the absurdity of holding 6 million acres of valuable land for a whole Crow Nation of 3,470 souls and recommended its sale.

"During this year (1882) Congressman Maginnis (Montana) placed the matter before Congress in such practical form as to gain attention from that body. * * * In May 1883, the Secretary of the Interior directed a recognition of mining claims of settlers upon the public lands in Montana ceded by the Crow Indians under agreement made June 12, 1880, and ratified by Congress April 12, 1882."—End Leeson quote.

"By the act of Congress on April 1, 1882," the Indian Bureau report states, "the Crows agreed to sell to the United States the tract of land (all that portion of Park County east and south of the Yellowstone River). * * * For this tract, the Crows were to receive $30,000 per year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

"The next act affecting the Crows is that of July 10, 1882, by which the Crows agreed to the sale of 4,384 acres for railroad right-of-way for which they were to be paid the sum of $25,000.

"On March 3, 1891, an agreement with the Crows was enacted by Congress in which the Crows ceded the tract of land (extending from the Stillwater River to the present western boundaries of the Crow Reservations—portions of Stillwater, Carbon, and Yellowstone Counties south of the Yellowstone River) for which they were to receive the consideration of $946,000. Whether it was subsequently paid or whether it was held on deposit in the Treasury Department after the 20 years time is not disclosed either by the act of Congress or any subsequent legislation. It will be noted that the payment of $12 a year to each member of the Crow Tribe would amount to approximately the interest at 4 percent on the $522,000.

"The act of April 27, 1904, ratified an agreement formerly made with the Crow Indians. The lands ceded * * * (the area of Huntley project between the present northern boundary of the reservation and the Yellowstone River) * * *. Article 2 of this act provides for the payment to the Indians of $1,150,000 * * * to bear interest at the rate of 4 percent per annum; and interest to be added annually to the principal, and an annual payment of $12 per capita shall be paid in cash to every man, woman, and child, having rights upon the reservation * * *. From a computation of the various sums, it would appear that there was in the neighborhood of $400,000 to be set up as an annuity fund as above set forth."

Then, there is the act of April 15, 1930, which "provides compensation to the Crow Indians for the Custer Battlefield National Cemetery."

With the amounts still due on the principal, the piling up of back interest, the claims on the entire territory which might be valid, there may be something to that saying: "Let's give the country back to the Indians," not because of the Indians but because of the bungling and the failure to heed the policy of William Clark.

(EDITOR'S NOTE.—Authorities, helpers, and prodders on this story include Joe Montgomery, of Lewistown; Wallis Huidekoper, of Big Timber; Dudley White, of Columbus; Sam Strickland, of Wilsall, the editor's wife, and her pioneer relatives and heritage, lots of other folks and just plain curiosity.)

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## USE OF FIFTH AMENDMENT BY LABOR LEADERS

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I sent to Walter Reuther. I sent a copy of it to the vice president of the AFL-CIO, to presidents of the various unions, and also to Mr. Meany, president of the AFL-CIO. By some unfortunate oversight, Western Union omitted the first line of the message, which makes it a rather insulting telegram to those who received it. Western Union has very kindly consented to correct the message and send the true copy, but, in the meantime, so that there can be no doubt in the minds of those who received the telegram, I shall insert it in the RECORD in its entirety.

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

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

MARCH 29, 1957.

Following is copy of wire this day sent to Walter Reuther:

"Having listened to hundreds of witnesses before Congressional committees investigating communism who have had something to hide I can say that your wire of March 29 reflects a debating technique all too familiar to me. You have attempted to conceal in a torrent of personal abuse leveled against me the factual issue I have raised with you—namely, the obvious discrepancy in your attitude toward use of the fifth amendment by a labor leader whom you would like to destroy, and the use of the fifth amendment by persons suspected of Communist activities.

"I have two comments in connection with your wire. First, your statement that my candidacy for the United States Senate was supported by Communists is a falsification of facts that are of course well known to you. This charge is completely fabricated, and has been disproved hundreds of times: but this has not prevented its being used, over and over again, by those who want to discredit attempts to expose the Communist conspiracy. You mention one name, Mr. Christoffel. The fact, which I assume you must know, is that Mr. Christoffel vigorously opposed my candidacy for the Senate.

"Second, would you kindly enumerate the instances in which you have publicly criticized reliance on the fifth amendment by persons who are under suspicion of Communist activities. I will be glad to pay for your stenographic expenses in preparing the list

since I assume you will have nothing to prepare. The record is clear that you and your ideological colleagues have strongly sympathized with attempts via the fifth amendment technique to frustrate Congressional investigations of communism and treason.

"While I strongly disapprove of Dave Beck's use of the fifth amendment, I think the country is entitled to an explanation as to why you trumpet, with righteous indignation, your horror at Beck invoking the fifth amendment when you have never before given the slightest hint of a similar revulsion to fifth amendment-Communists. I repeat that this double standard of morality is something you must have picked up during your school days in Moscow. In my opinion, you have long been a disgrace to the workingmen whom you claim to represent. Your conduct in this matter only confirms that judgment.

"JOE MCCARTHY,
*"United States Senator."*

## CANDIDATES FOR OFFICE SHOULD BE RELIEVED OF NEED TO RAISE LARGE CAMPAIGN FUNDS

Mr. NEUBERGER. Mr. President, at the end of the last meeting of the Senate, on last Friday afternoon, the senior Senator from Kansas [Mr. SCHOEPPEL] presented a lengthy analysis of the recent report on 1956 election expenses prepared by the Subcommittee on Privileges and Elections. The Senator's analysis was designed to show various inaccuracies in the statistical compilations which form the basis for this report, so as to throw doubt upon the overall conclusions and implications which inevitably arose from the facts shown by the subcommittee's report. The distinguished Senator from Kansas, who is also the chairman of the Senate Republican Campaign Committee, was joined in his discussion of the allegedly misleading nature of the so-called Gore report by the junior Senator from Nebraska [Mr. CURTIS] and the junior Senator from Arizona [Mr. GOLDWATER].

I read with care the speech of the Senator from Kansas, and his discussion with the other Senators, as they appeared in the CONGRESSIONAL RECORD last Saturday morning. I very much regret that I was not on the floor to hear this discussion in person and to participate in it. I might say that, insofar as any slight element of partisanship might be said to have entered into the presentation of the issues in that discussion, the interests of Senators on this side of the aisle were well protected by the presence of the eloquent junior Senator from Minnesota [Mr. HUMPHREY], who also participated in the discussion; and any such possible implications of partisanship have no bearing on my purpose in speaking briefly on this subject today.

That purpose is only to remind the Senators, who last Friday showed such concern about the important problem of reform in election financing, that there is available to us one method of reform which I believe to be the only one that will reach the fundamental cause of the present unsatisfactory, undemocratic, and sometimes scandalous state of political financing. That fundamental reform which alone goes to the root of the problem is to eliminate any excuse for the present reliance of campaigns on large funds collected from private contributions, by substituting some public funds for private funds in meeting the heaviest expenses of modern political campaigns.

Mr. President, the Senator from Kansas and the Senator from Nebraska and the Senator from Arizona have all expressed particular horror and indignation at the participation of trade-union organizations in political campaigns. Not only do they claim union dues have been illegally channeled into election campaigns for Federal office in large amounts, but they are even more dismayed at the specter of hundreds of union members devoting their time and energy to active participation in election drives on behalf of candidates for office whose views on issues and policies they share. They point out that the manhours of organized effort thus devoted to political action in their own self interest by working people may be far more valuable to the candidate in whose behalf they are used than any calculable amount in campaign funds, and yet this sort of contribution has not been included in the report of the elections subcommittee.

Mr. President, any number of answers may be offered to this concern over the election activities of trade union political committees. For example, the fact indisputably remains that the election campaigns of those who are so critical of union political activities nevertheless are uniformly far more heavily financed than are campaigns of their opponents. Or, as the junior Senator from Minnesota ably pointed out, that these activities are the actual, political actions of American men and women—not the donations of money—and that it now appears that one party in this country is not satisfied to have the overwhelming bulk of all the election financing, they now begrudge the rest of us the fact that we might have the majority of the people. Finally, I doubt that the election-time activities of many executives and other personnel of industrial, financial, and business corporations will stand equally close analysis, as far as strict and rigid adherence to the rules against the use of corporate funds in political campaigns is concerned. The report of the elections subcommittee describes a revealing example of one such situation from my own State of Oregon last year.

### DEPENDENCE ON LARGE CAMPAIGN FUNDS IS BASIC EVIL

It is not my intention today to debate the detailed conclusions of the Gore report and the question of the participation in our democratic process of working people who belong to trade unions or of the executives and managers of business corporations. Whatever their own proper role in that democratic process may be, I have consistently argued that the fundamental evil in our political campaigns is the dependence of the candidates' campaign itself on having to collect large campaign funds from private sources to be able to reach the electorate at all.

Mr. President, I believe that dependence on campaign funds raised from labor organizations is bad. I believe that dependence on campaign funds raised from wealthy owners of business and industry and corporations is bad. I believe that, in our democracy, the public is entitled to access to the views, record, and personality of any candidate for public office, on terms of at least a minimum of equality, without that candidate's first having to find a group or organization of backers who are willing to raise the very substantial funds necessary for even the most modest election campaign in our modern day.

I brought specific proposals for reform before the Senate last year. I have presented them this year to the Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, on which the Senator from Arizona serves. I intend to introduce them again in the 85th Congress.

Mr. President, I renew my invitation to the Senators who last Friday expressed their concern over flaws in our present campaign spending methods and laws to join me in sponsoring this legislation, which alone can furnish the essential basis for a thoroughgoing reform of our entire method of financing our elections. I think the public will be interested to see whether those people who have consistently enjoyed the advantages of vast financial superiority, in carrying on their campaigns for election to public office, are really interested in any measure which will tend toward more nearly equalizing the funds available to the opposing candidates in our political campaigns; and which will thus give the public a fairer chance of judging, on more nearly equal terms, the merits of the candidates, their views and the issues at stake in our democratic elections.

## CAPITOL CLOAKROOM RADIO PROGRAM

Mr. SALTONSTALL. Mr. President, I am informed that the radio program Capitol Cloakroom is in its 10th year as a public service presentation of important news and questions of the day. As one who has been on this program once or twice, and who has seen how it is conducted and the fairness and the thoroughness of the questions that are asked, I feel the program has rendered a fine service to the public by its contribution to the effort to keep the American people better informed.

## ANTITRUST LEGISLATION

Mr. DIRKSEN. Mr. President, for several weeks the Senate Antitrust and Monopoly Subcommittee, under the able chairmanship of the Senator from Tennessee [Mr. KEFAUVER], has been conducting hearings on Senate bill 11 and Senate bill 1211. During the course of these hearings we have heard testimony from many witnesses, both for and against these two bills. At the appropriate time excerpts from the testimony of witnesses for and against these bills will be inserted in the CONGRESSIONAL RECORD for the information of the Members of the Congress.

At this time I wish to ask permission to have printed in the RECORD prepared statements by representatives of the executive branch of the Government who have appeared as witnesses before the subcommittee on these bills. I should like to point out that the Commissioners of the Federal Trade Commission, in a letter to the subcommittee, asked for the approval of Senate bill 11. However, when appearing before the subcommittee, Commissioner Sigurd Anderson stated that there is both good and bad in Senate bill 11.

Commissioner William Kern, when submitting his remarks to the subcommittee, stated that this bill may lead to price rigidity.

Commissioner Edward Tait abstained from voting, and Chairman John W. Gwynne submitted a vigorous statement in opposition to Senate bill 11. Assistant Attorney General Victor Hansen submitted a paper against Senate bill 11. Mr. Frederick C. Nash, General Counsel, Department of Commerce, submitted a statement in opposition to Senate bill 11.

Mr. President, I ask unanimous consent that the statements of the views of the majority and the minority from the Federal Trade Commission; the statement of Mr. Frederick C. Nash, general counsel of the Department of Commerce; and the statement of Mr. Victor Hansen, Assistant Attorney General, Department of Justice, be printed in full at this point in the RECORD.

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

FEDERAL TRADE COMMISSION,
*Washington.*

Hon. ESTES KEFAUVER,
*Chairman, Antitrust and Monopoly Subcommittee, Committee on the Judiciary, United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: This is in reply to your letter of March 2, 1957, requesting the Commission's views regarding S. 11, 85th Congress, 1st session.

Section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act, in part, declares certain price discriminations to be unlawful "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. Sections 2 (d) and (e) of the act make it unlawful to discriminate in the payment for services or facilities furnished by customers or in the furnishing of services or facilities to customers.

Section 2 (b) of that act, as construed by the Supreme Court in *Standard Oil Company* v. *Federal Trade Commission* (340 U. S. 231 (1951)), provides as an absolute defense to a price discrimination otherwise violative of section 2 (a), the showing that the lower price was made in good faith to meet an equally low price of a competitor.

The subject bill would amend section 2 (b) of the Clayton Act so as to deny to a seller the defense of a good faith meeting of an equally low price of a competitor (or the services or facilities furnished by a competitor) to a charge of discrimination made under that act, when the effect of the discrimination "may be substantially to lessen competition or tend to create a monopoly in any line of commerce." The defense would be retained, however, with respect to discriminations which may have only the other effects prescribed in section 2 (a). In addition, a proviso would be added to section 2 (b) to the effect that nothing contained in that section should be construed to alter the law applicable to freight absorption.

Aside from the question of whether the Supreme Court's Standard Oil decision correctly reflects the intention of Congress in enacting section 2 (b), it would appear that the current construction of that section is inconsistent with the basic principles of the Clayton Act, as amended, and the Sherman Act. The underscored portion of the provision of section 2 (a) quoted in the second paragraph of this letter appeared in the original Clayton Act and reflects the basic purpose of the antitrust laws—to prevent monopoly and substantial lessening of competition, which is tantamount to bringing about monopoly. Whereas the Sherman Act outlaws monopoly without regard to the practices whereby that situation has been effected, the Clayton Act supplements the Sherman Act and prohibits discriminations in price as the prohibition of a particular practice where that practice may bring about monopoly.

Section 2 (b), construed as a complete defense to all discriminations otherwise violative of section 2 (a), places the interest of an individual seller of meeting the price of a competitor by discriminating in price without cost justification, over the obviously more important public interest that such a discrimination which may have the effect of substantially lessening competition or tending to create a monopoly should not be allowed. The proposed amendment does no more than to make it clear that where the effect of the price discrimination may be so serious as to substantially lessen competition or tend to create a monopoly, the right of the public not to suffer such consequences shall prevail over the business interests of the individual seller. On the other hand, where the price discrimination would have only the less serious effect of injuring competition with the grantor or recipient of such discrimination or with customers of either of them, the right of the seller to meet the equally low price of a competitor is clearly stated.

The Supreme Court's decision in the Standard Oil case, followed by the opinions of the Court of Appeals (7th circuit) in the same matter, 233 F. 2d 649 (1956), and the courts of appeals in *Balian Ice Cream Co.* v. *Arden Farms* (231 F. 2d 356 (C. A. 9, 1955)) and *Brown* v. *Standard Oil Co.* (238 F. 2d 54 (C. A. 5, 1956)), make it clear that section 2 (b) provides an absolute defense to all price discriminations regardless of the seriousness of the probable effect. The Commission is of the opinion that the objectives of H. R. 11 and H. R. 398 are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case by case development under section 2 (b) as presently worded.

The Commission does not view the proposed change in the "meeting an equally low price" defense of section 2 (b) as altering the law applicable to freight absorption. At the same time, no objection is interposed to the inclusion of the additional proviso appearing at page 3, lines 3–5, of the bill in order to preclude the possibility of a contrary interpretation.

Chairman Gwynne does not join in this statement and will submit separate views.

Commissioner Tait did not participate herein for the reason that he has not been a member of the Commission for a sufficient length of time to have an informed judgment on the merits of the proposed bill.

This report has not been cleared with the Bureau of the Budget.

By direction of the Commission:

ROBERT M. PARRISH,
*Secretary.*

STATEMENT OF THE INDIVIDUAL VIEWS OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, ON S. 11, ANTIMONOPOLY SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, MARCH 11, 1957

I am unable to agree with the views of the majority of the Commission on S. 11 and hereby submit my individual views.

In summary, section 2 (a) of the Clayton Act relating to discriminations now provides:

"It shall be unlawful * * * to discriminate in price between different purchasers * * * where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them."

Then follows a list of matters which a respondent may show by way of justification, the burden being on a respondent to so prove. The last sentence of 2 (b) is:

"*Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

It is to the modification of this sentence that S. 11 is directed. In substance it establishes the right to prove meeting of competition in good faith as a defense, unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country.

There is still dispute as to what Congress intended when it originally adopted amended section 2 of the Clayton Act. To me the legislative history on that point is inconclusive. In any event, that is not particularly important, because there have developed two conflicting views on what the law should be and we are faced with the necessity of choosing between them.

In *Standard Oil Company* v. *FTC* ((1951) 340 U. S. 231), the Commission held that the matter of good faith was not material and did not "constitute a defense in the face of affirmative proof that the effect of the discrimination was to injure, destroy, and prevent competition with the retail stations operated by the said named dealers and with stations operated by their retailer-customers." On appeal the Supreme Court reversed the Commission and asserted that the fact of meeting competition in good faith in the existing situation was a complete defense. Other cases have been decided by various courts. While there still exist some questions as to the proper interpretation and application of the meeting competition defense provided in section 2 (b), nevertheless certain propositions have been reasonably well established.

(1) The defense covers only situations where the prima facie proof of a discrimination as defined in 2 (a) has already been met. It is the second chapter in a lawsuit, the first chapter of which has to deal with the all-important feature of establishing a discrimination in the first place. It is not concerned with a situation where a seller, in order to meet a lower price, reduces his price to all competing customers. Nor is it concerned with price differences which may be cost justified, or which are permissible under other provisions of 2 (a).

(2) The defense is an affirmative one and the burden of establishing it is upon the person claiming it. See *Corn Products Refining Company* v. *FTC* (324 U. S. 726).

(3) The defense is good only where the reduction in price is to meet the lower price of a competitor. It cannot be used to justify a price below that of a competitor. The

defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. See *Moore* v. *Mead's Fine Bread Company* ((1954) 348 U. S. 115).

(4) The defense is good only in meeting individual competitive situations. It cannot be used to justify discriminatory pricing systems based on some vague theory of meeting competition generally.

In *FTC* v. *Staley Manufacturing Co.* (324 U. S. 746, 752 (1945)), the Supreme Court stated:

"Prior to the Robinson-Patman amendments, section 2 of the Clayton Act provided that nothing contained in it 'shall prevent' discriminations in price made in good faith to meet competition.' The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination."

In *FTC* v. *Cement Institute* (333 U. S. 683 (1948)), the Supreme Court held:

"Section 2 (b) permits a single company to sell one customer at a lower price than it sells to another if the price is 'made in good faith to meet an equally low price of a competitor.' * * *

"This does not mean that section 2 (b) permits a seller to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others. * * *

"We held to the contrary in the Staley case. There we said that the act 'speaks only of the seller's "lower price" ' and of that only to the extent that it is made 'in good faith to meet an equally low price of a competitor.' The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."

Again, this was recently stated by the Court of Appeals for the Seventh Circuit in the case of *C. E. Niehoff & Co.* v. *FTC*, decided on January 9, 1957, when it said:

"The Commission found that Niehoff did not establish any price or prices as a response to a particular competitor, and that, once the base price structure was established with reference to general competitive conditions, Niehoff did not deviate to meet the prices of particular competitors. It also found that the net prices accorded by Niehoff were a reflection of its nationwide pricing system formulated to meet competition generally and not designed to meet any particular competitor's prices. On the basis of this finding the Commission rejected the claim that Niehoff's price discriminations were justified under the good faith (meeting of an equally low price of a competitor) proviso of section 2 (b)."

The Court upheld this finding.

(5) The defense can be used only in defensive situations, that is, to retain a customer and not to gain a new one. While there is an area of disagreement surrounding this premise, I believe that careful examination of the statutory intent plus adjudication will bear this out.

Before the Clayton Act, a seller could seek to attract new customers by offering a lower price than a competitor. He could do this even if it resulted in discriminations against some of his own customers. The Clayton Act, then the Robinson-Patman Act, sought to put an end to discrimination. Thus, the absolute right to discriminate was taken away. It must be interpreted to mean that he can reduce the price to new customers only if he does not violate section 2 (a). The only way section 2 (b) can have any meaning is to limit this right to self-defense; otherwise, you have entirely nullified section 2 of the Robinson-Patman Act.

The Standard Oil case, while confronted only with the situation of retaining customers, apparently limited the proviso to defensive competition, that is, to retain an old customer rather than to obtain a new one. It is stated at page 242: "* * * the actual core of the defense * * * still consists of the provision that wherever a lawful lower price of a competitor threatens to deprive a seller of a customer, the seller, to retain that customer, may in good faith meet that lower price. Actual competition, at least in this elemental form, is thus preserved."

In a footnote on page 247, the Court quoted a statement by a former assistant chief counsel of the Commission, Walter B. Wooden: "* * * the right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

On page 249, the Supreme Court stated: "* * * Congress did not seek by the Robinson-Patman Act either to abolish competition or so radically to curtail it that a seller would have no substantial right of self-defense against a price raid by a competitor. For example, if a large customer requests a seller to meet a tempting lower price offered to him by one of his sellers' competitors, the seller may well find it essential, as a matter of business survival, to meet that price rather than to lose the customer."

Finally, on page 250, the Court stated: "There is,* * * plain language and established practice which permits a seller, through section 2 (b), to retain a customer by realistically meeting in good faith the price offered to that customer, without necessarily changing the seller's price to its other customers."

Some student of the subject has pointed out that this thought "is spread out 17 times in this decision."

(6) The competitor's price which the respondent was meeting must be a lawful price—or at least the seller as a reasonable and prudent man must believe it to be lawful.

Here, there is a real area of disagreement, with cases pointing in two directions. In *FTC* v. *Staley Manufacturing Co.* (224 U. S. 746), the word "lawful" is not used. The holding of the court seems to be that "where the seller sought to justify using an illegal basing point pricing system because its competitors did this, there was ample factual basis for the Federal Trade Commission finding that this was not a lower price 'made in good faith' to meet an equally low price of a competitor."

In Standard Oil, the word "lawful" is used part of the time and omitted part of the time. The court there apparently concluded that the prices being met were lawful. Therefore, it is difficult to say whether the word "lawful" was used as a mere descriptive term to describe the situation in that case, or as a positive requirement which must appear in all cases before the defense becomes available.

In the recent opinion of the seventh circuit in the Standard Oil case, the court commented on the Supreme Court's decision in the following language:

"It is interesting and highly significant that the statute employs the language, 'made in good faith to meet an equally low price of a competitor,' but that the Supreme Court in the instant case adds the word 'lawful,' so that it reads, 'made in good faith to meet a lawful and equally low price of competitor' (pgs. 238 and 246). We do not know, of course, why the Supreme Court added the word 'lawful,' but we strongly suspect that it was for the purpose of giving emphasis to its previous decisions that a 'good faith' defense was not available to a seller who had met an unlawful price."

In *Enterprise Industries* v. *Texas Co.* (136 Fed. Supp. 420), the court evidently concluded that the price being met must be a lawful one.

There are, however, court opinions indicating a contrary view. For example, in *Bahan Ice Cream Co.* v. *Arden Farms Co.* (1955) (231 F. 2 (d) 256), the circuit court held in substance as follows:

"In an action based on price discrimination under the Robinson-Patman Act, the defendant, who claimed it had cut prices in the Los Angeles area to meet competition, was not required under the circumstances to establish the lawfulness of the prices it claimed to meet."

I doubt, however, if that statement is anything more than dictum because the final conclusion of the circuit court seems to be indicated by the following:

"There is absolutely no evidence in the record that the differentials as to sales in commerce or in any other areas had any relation to any injury or damages which plaintiff may have sustained."

In like manner, I think the seventh circuit court in the recent Standard Oil decision was passing on a purely factual matter and neither added to nor subtracted from the law laid down by the Supreme Court in 340 U. S. 231. In that case, the Supreme Court disagreed with the views of the Commission as to the meaning of section 2 (b) and remanded the case with instructions to make findings with conformity to the opinion of the Court. The Commission did not direct the taking of additional evidence but, instead, made new findings and issued a modified order to cease and desist, based on the old record. On a second appeal, the circuit court of appeals set aside the order of the Commission and held that "petitioner's good faith defense was firmly established, and the Commission's ruling by which it reached a contrary conclusion was untenable and must be rejected."

In *Standard Oil Co.* v. *Brown* (1956) (238 F. 2d 54 at p. 58), the court, speaking of 2 (b), said:

"There is nowhere a suggestion that the seller must carry the burden of proving the actual legality of the sales of its competitors in order to come within the protection of the proviso."

The court's view was expressed as follows:

"If the seller discriminates in price to meet prices that he knows to be illegal or that are of such a nature as are inherently illegal, as was the basing-point pricing system in the Staley case, supra, there is a failure to prove the 'good faith' requirement in section 2 (b)."

(7) The defense is good only when the lower price is given in good faith to attain the limited objective prescribed by law. The defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. This, in effect, is the holding of the Supreme Court in *Moore* v. *Mead's Fine Bread Co.* (348 U. S. 115).

Turning now to S. 11, it appears that bill would permit the good-faith defense as a complete defense, "unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country." This language differs from that in section 2 (a) where two competitive situations are described as follows:

(1) Lessening of competition or tending to create a monopoly in any line of commerce, or

(2) Injury, destruction, or prevention of competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

Concerning S. 11, I have several questions and suggestions.

(1) What does it mean?

A prima facie case under section 2 (a) is made by proof of either (1) or (2) above. The defense, however, is limited to situations where (1) does not exist. Although (1) and (2) describe different competitive

effects, the decisions of the Commission and the courts have not spelled out the dividing line between them. In fact, we can almost conclude that each shades into the other to such an extent that such a line cannot for practical purposes be drawn. The net result then is that a businessman (be he small or large), before meeting a price to retain a customer, must determine at his peril a question that often baffles the experts.

It has been pointed out that the use of the defense is conditioned on the same test laid down in other sections of the Clayton Act. For examples, sections 3 and 7 prohibit, respectively, exclusive dealing contracts and acquisitions of other corporations, where the effect may be substantially to lessen competition or to tend to create a monopoly.

While this statement is true, it overlooks the realities of the market place. Both under sections 3 and 7, the problems involved are ones of company policy—actions which are taken only after a considerable amount of time and thought have been devoted to them. Time is not necessarily of the essence. Possibilities are explored. Attorneys may be consulted. Market studies can be made. It is only after these considerations are made that a company decision is made and policy announced. But these considerations are not possible in the course of the average sale of commodities. There must be immediate action or the sale would be lost.

A seller confronted with the offer to his customer of a lower price by a competitor, may do 1 of 3 things: (1) he may give up the customer, (2) he may reduce his price to all competing customers, or (3) he may reduce his price to the customer being tempted. If he follows the latter course, he must, under the present law, make some factual determinations, such as the lawfulness or apparent lawfulness of the competitor's price. I submit, however, that those factual determinations are easier to make than one involving the probability of a substantial lessening of competition or tendency to creating monopoly, which, after all, involves considerations of both fact and law.

(2) What would be the effect of S. 11 on the limitations now placed on the defense by the courts and which have been previously enumerated? In other words, would the making of the availability of the defense dependent on a single condition, to wit, the absence of the defined competitive results, be taken by the courts as a congressional intention to rule out all other limitations except those expressed in the bill?

(3) Who has the burden of proof as to the various elements involved?

A prima facie case under section 2 (a) is made out by showing that the probable effect of the price differences is to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. That proof alone would not authorize the meeting of competition as a complete defense. If the respondent asserts such a defense, who has the burden of proving the fact of probable lessening of competition or tending to create monopoly? Is it upon the respondent or the prosecutor?

No doubt many of these matters could be clarified in the committee report. Nevertheless, the bill would introduce many uncertainties which could only be resolved after years of litigation. The thought I have in mind was well expressed by Secretary of Commerce Sawyer, who, when testifying before a Senate committee in 1949, stated:

"I do not favor any regulation of business practices which is not necessary, but I find even more disturbing a regulation which is so uncertain that businessmen do not know how to comply with it. We recognize that the antitrust and unfair competition laws by their very nature must be general in wording and that it is difficult to anticipate by precise language all arrangements which must be avoided by the businessman. I do believe, however, that uncertainty should be kept to a minimum."

(4) Would the proposed amendment aid in the enforcement of the law against discriminatory practices?

The subparagraph we are now discussing is not a weapon in the arsenal for the attack on illegal discrimination. On the contrary, it is concerned with a possible defense to that attack. Therefore, it becomes important to know whether in actual practice, this defense has often prevented the issuance of an order in cases where the necessary preliminary proof had already been made.

The record on that in Federal Trade Commission cases is as follows: Since the Standard Oil decision in 1951, the meeting competition defense has been raised in 27 contested cases. In six of these cases, cease and desist orders have been issued, and in each of these cases, the defense was rejected. In two cases, the defense was raised by the defendant in his answer, who later elected not to contest the charges, and a consent order to cease and desist was entered. In another case, the hearing examiner dismissed the complaint as to the section 2 (a) count, for failure of proof, on motion of counsel supporting the complaint. In six other cases, complaints were dismissed on the ground there was no showing of injury to competition in the first instance. There are 12 formal cases now pending before the Commission in which the good faith defense is involved.

In other words, with the possible exception of the Standard Oil case, not yet finally decided, the meeting competition defense has not been successful in any Commission case.

(5) Turning now from consideration of abstract problems of law or economics, what would be the actual effect of this amendment on small business? Some segments of small business insist that it would be beneficial to them. Others are equally convinced that to them it would be injurious. For my part, however, I know of no evidence on which a satisfactory conclusion can be based.

After all, why should a law be passed that might be unduly beneficial to one group or unduly harmful to another. Our objective is the preservation of competition for everyone. How better can we preserve competition than by the preservation of competitors—or rather by giving them the opportunity to preserve themselves.

Much as our economy and even our liberty depends upon competition, we have long since passed the point where we thought competition should be unregulated. Our laws regulating wages and conditions of employment, dangerous products, advertising, and so forth, are, in a sense, limitations on competition. The same may be said of our antitrust laws. These laws are to business what the Marquis of Queensbury rules are to boxing and what modern football rules are to football. But they approach the problem from the standpoint of regulating the methods of competing rather than discouraging or making difficult, actual competition itself.

I feel that the uncertainties and risks of this amendment are so great that many businessmen, even though desiring in good faith to retain a customer by reducing the price, might be tempted to throw in the towel. Thus the number of individual and independent competitors might be reduced, with the inevitable result that we take a step nearer to what I regard as undesirable in our individualistic economy, to wit, uniformity of pricing.

(6) I would like to make the following suggestions for your consideration.

First, that S. 11 in its present form be not adopted. Second, I have already pointed out that the courts have placed certain definite and practical limitations on the good faith defense. It is true there still remain some areas of disagreement. If further legislation be thought necessary, it might be well to consider an amendment which would positively resolve these disagreements. Consideration might also be given to adding further limitations designed to eliminate predatory practices from the protection of the meeting of competition defense.

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STATEMENT OF HON. FREDERICK C. NASH, GENERAL COUNSEL, DEPARTMENT OF COMMERCE, BEFORE THE ANTITRUST SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE, TUESDAY, MARCH 26, 1957

I appreciate the opportunity of appearing before this committee to discuss the question of the good-faith defense to a charge of price discrimination under the Robinson-Patman Act.

The bills to amend the Robinson-Patman Act now under consideration by this committee deal with a situation when a seller of a commodity—let's call it the Jones Co.—learns that a competitor of his, the Smith Co., has offered to sell the same commodity to one of Jones Co.'s customers, at a lesser price than Jones Co. has been getting.

To eliminate questions in this situation which might be involved under the Robinson-Patman Act but which are not involved in this immediate discussion, I assume that both companies are engaged in interstate commerce, that the Smith Co.'s lower price is a lawful one, and that it was genuinely made so that the merchandise would be sold to the customer if the customer accepted the offer.

The question involved here is: under what circumstances, if at all, can the Jones Co. in good faith lower its price to this customer to meet the price of the Smith Co. without lowering its prices across the board?

As we all know, the Standard Oil—or so-called Detroit—case has held that the lowering of the price in good faith to meet the competitor's price is a complete defense to a charge of unlawful price discrimination.

Let us suppose that the customer in our Jones Co. case is engaged in reselling the commodities in question and is in competition in these resales with other customers of the Jones Co. who have not received any similar offer of a price reduction from either the Jones Co. or the Smith Co. If the Jones Co. meets the price offered by the Smith Co. without likewise reducing its price to all its customers in competition with each other, the customer receiving the price reduction will have a competitive advantage over the other customers. This is what happened in the Standard Oil case.

S. 11, one of the bills before this committee, would try to prevent this situation by limiting the defense of the good faith meeting of an equally low price of a competitor to situations where the effect of meeting the price may not be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country.

To understand the effect of this proposal, it is necessary to consider the definition of unlawful price discrimination in section 2 (a) of the Robinson-Patman Act.

Section 2 (a) defines unlawful price discrimination as discrimination which has the effect of substantially lessening competition or tending to create a monopoly in any line of commerce or injuring, destroying, or preventing competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them. If we lay the definition of price discrimination alongside the statement of when the defense may be used, it is seen that with one exception, the defense may be used only when there has been no price discrimination. To put it another way, with the one exception, the defense need not be pleaded to win the suit.

Now, as to that exception—the circumstances when the defense will succeed—this

occurs when meeting a lower price will injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them.

The difference between the situations where the defense will be complete and where it will be no defense at all lies in the word "substantial." For it seems quite clear that if meeting the lower price will substantially injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them its effect "may be substantially to lessen competition" as that phrase is used in S. 11.

This would confront the Jones Co. with a major problem in deciding whether or not to meet the Smith Co. price: would the injury it inflicts on the other customers of Jones Co. be substantial?

This is a decision which the Jones Co. would have to make at its peril for if it erred it might be liable in a triple damage suit. Since the word "substantial" is not capable of exact definition, the Jones Co. would be running a considerable risk if in any case it decided to meet its competitor's equally low price. It might also be very true that the larger the customer's business the more dangerous it would be for the Jones Co. to meet the price. At the same time, if the Jones Co. does not meet the price and as a result it loses the customer's trade, the Jones Co. itself may be substantially injured. It, therefore, would be on the horns of a dilemma.

If the Jones Co. decides not to meet the competitive price it has lost the business to its competitor and its other customers in the area have suffered exactly the same competitive injury they would have suffered had it met the price. The only difference is that Jones Co. has lost the business.

In the Standard Oil case, "Ned's," a large store on a key corner, then served by Standard, was offered gasoline at a lower price. Halfway down the block was a smaller Standard Oil station which was not the beneficiary of a similar decrease. This situation is typical of others involved in that case. Whether Standard sold to Ned's at the lower price or complacently allowed the competitor to do so, the station down the block would have to meet the same price competition from Ned's and would lose the same customers.

There may be some sympathy with the position of the smaller Standard station which suffered as a result of this transaction. However, I do not believe that S. 11 would be of much assistance in solving that station's problems. The most that it would do would be to deter Standard from selling to Ned's and permit Standard's competitor to take over, leaving the small Standard station to face the same competition from another make of gasoline.

We cannot see much point in legislation which would injure Standard's or the Jones Co.'s ability to compete without any corresponding benefit to competition in the market occupied by its customers.

Also, we do not believe that S. 11 should be considered solely on the basis that all sellers are as large as Standard and that all customers are of the same relative size as Ned's and the neighboring gasoline stations. There might be an inclination not to have too much sympathy for a company the size of Standard. However, this proposed bill if enacted would create a similar dilemma for many smaller struggling companies who were trying to stay in the market. The dilemma they might face might be between having the danger of a ruinous triple damage action or losing an important customer necessary to their very existence.

We think that in the great majority of cases S. 11 would greatly handicap competition at the sellers' level without any corresponding benefit to competition at the customers' level. For this reason, we urge against favorable action on this measure.

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STATEMENT BY VICTOR R. HANSEN, ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE ANTITRUST DIVISION, BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE SENATE JUDICIARY COMMITTEE RE S. 11, MARCH 28, 1957

I appear this morning, at your chairman's request, to present Justice Department views on S. 11. That bill would amend Robinson-Patman section 2 (b) to provide that a businessman may in good faith meet the equally low price of his competitor unless—and this qualifying clause is crucial—"the effect * * * may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country." By so qualifying Robinson-Patman's good-faith defense, the bill would modify the Supreme Court decision in *Standard Oil Co. v. Federal Trade Commission*.[1]

We oppose this modification. To explain why, my plan is, first, to explain what Standard of Indiana holds; second, to explain why this holding best promotes antitrust's traditional goal of free competition; and, thirdly, I shall attempt to dispel certain misapprehensions that exist about that case and its effects.

I

First, what did the Supreme Court hold in Standard of Indiana? The Federal Trade Commission had contended that meeting a competitor's equally low price only rebutted a prima facie case made by a showing of sales at different prices, but was nullified by any affirmative proof of competitive injury caused by the challenged differential. A divided Supreme Court, however, rejected this contention, and construed the meeting-competition proviso as affording an absolute defense, incidental injury notwithstanding. In the Court's view, Congress had in 1936 contracted the scope of the original proviso by confining it to price differentials occurring in actual competition, and by excluding reductions which undercut the lower price of a competitor.[2] But these revisions had not cut into the actual core of the defense. Actual competition, at least in this elemental form [was] thus preserved.[3]

From this it seems clear that the Court did no more than to hold that a seller can reduce his price in good faith to meet a lower price in an individual competitive context. As the Court put it in *Staley*, and relied upon in *Standard Oil*, "2 (b) does not concern itself with pricing systems or even with all the seller's discriminatory prices to buyers. It speaks only of the seller's lower price and of that only to the extent that it is made in good faith to meet an equally low price of a competitor. The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."[4] And *Standard Oil* made clear that the burden of showing good faith—that is, proof that the seller as a reasonable and prudent man believed that he was in fact meeting a competitor's price—was on the seller, and not on the Commission.

II

Second, *Standard Oil* seems consonant with the Nation's antitrust policy. A seller's right to meet a competitor's prices by granting price differentials to some customers without reducing his prices to all must remain an essential qualification to any antiprice discrimination law. For a seller constrained by law to reduce prices to some only at the cost of reducing prices to all may well end by reducing them to none. As the Federal Trade Commission in 1953 recommended to Congress, "the right to meet a lower price which a competitor is offering to a customer, when this is done in good faith, is the essence of competition and must be permitted in a free competitive economy."

Anything less, I think, would move the price discrimination statute into irreconcilable conflict with the Sherman Act. As the late Mr. Justice Jackson, a former Attorney General and a former head of the antitrust division, observed during the oral argument of that case:

"The whole philosophy of the Sherman Act is go out and compete, get business, fight for it. Now the whole philosophy we are asked to enforce here is that you really must not; you should let this business go and not meet the competition. I have difficulty in knowing where we are with this."

Thus, Standard Oil goes far to harmonize the Robinson-Patman Act with the basic tenor of antitrust policy. As one witness before your committee recently explained the 2 (b) defense (Tr. p. 688):

"It is purely a defensive procedure to retain the business that we have on our books.

"It has also been our experience that where such a situation does take place and we or others meet a competitor's lower price, and at that point there might be some disadvantage to other buyers who do not have that price, that somehow that is a very temporary situation, and if the forces of free and open competition, at least in our industry, are allowed to operate, that that gets straightened out, and that this disadvantage soon disappears."

III

Finally, it may be helpful to clear up possible misunderstandings about the effect of Standard of Indiana. A good beginning point is the testimony of numerous small

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[1] *Standard Oil Co. (Indiana) v. Federal Trade Commission* (340 U. S. 231, 246, 247 (1951)). In point of fact, S. 11 would practically nullify the 2 (b) defense. Section 2 (a) of the Clayton Act declares illegal a discrimination in price between different purchasers of commodities of like grade and quality where the effect of such discrimination "may be (1) substantially to lessen competition or (2) tend to create a monopoly in any line of commerce, or (3) to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them." Since the proposed amendment to 2 (b) would provide that the defense is not available where either of the first two effects is probable, it would seem that the defense would be made practically meaningless unless there is a difference between the first two and the third effect clauses.

We have been unable to find any case or Federal Trade Commission decision wherein the third test has been considered separate or distinct from the other two effect tests of section 2 (a) of the Clayton Act. (In the proceeding against C. E. Niehoff & Co., docket 5768, May 17, 1955, the Commission apparentaly affirmed a hearing examiner's decision on the basis of the third effect clause. However, it appears that the hearing examiner found a violation of the first and third clauses and that the court of appeals affirmed on the basis of both clauses.) Neither the courts nor the Federal Trade Commission appears to have made any distinction between the various types of competitive injury. In the cases decided, whenever there has been a finding of an injury to competition within the meaning of the third clause, there has been also a finding of a substantial lessening of competition within the meaning of the first clause.

[2] Ibid., p. 242.

[3] Ibid., p. 242.

[4] *Federal Trade Commission v. A. E. Staley Manufacturing Co.* (324 U. S. 746, 753 (1945)).

gasoline dealers before your committee last week. They spoke of gasoline price wars throughout the country and the effect of these wars on small independent gas dealers. According to their testimony, some of these price wars were initiated by the major oil companies in order to obtain a larger share of the market. They said that an oil company would grant lower prices provided its dealers would meet the cut prices of dealers of other oil companies. The dealers testified that the major oil companies would claim the section 2 (b) good faith defense as a justification for their granting these lower prices to dealers who would agree to cut their prices, while at the same time not granting such lower prices to other dealers.

Initially, an agreement to grant a price cut to a dealer who, in turn, would cut his price to a specified level, we believe, violates the Sherman Act. We have indicted oil companies for that very thing.[5]

Beyond the Sherman Act, neither Standard of Indiana nor present 2 (b) condones such conduct under Robinson-Patman. A case involving this very problem has recently been decided by the courts.[6] There, because of a "price war" at the dealer level, the Texas Company granted price allowances on the condition that its dealers lower their retail prices to a level competitive with nearby rivals. The Texas Company sought to justify these allowances to dealers who agreed to lower their prices on the basis of a § 2 (b) good faith defense. Rejecting this defense, the District Court reasoned: [7]

"Texas could justify discrimination only by a showing that it dropped its prices to the other stations to meet an equally low price made available to those other stations by a competing oil company. * * * That is the competitive level at which the justification is provided for defendant in the act. * * * The act does not go so far as to allow discriminatory price cutting to enable a buyer to meet price competition, but only to enable the seller to meet a lawful price of the seller's competitor.

The position of the court in the Texas case that the good faith meeting of competition is limited to meeting a competitor's lower price is consistent with my understanding of the law. This same view, incidentally, was apparently adopted before this committee by counsel for some of the very dealers who complained.[8]

Beyond this dealer testimony, fears have been engendered by the Seventh Circuit's recent reversal of the Commission's holding that Standard of Indiana had failed to make out its "good-faith" defense. That Seventh Circuit reversal this Department has petitioned the Supreme Court to review. To our view, the Seventh Circuit has misconstrued the "good-faith" defense. As our position in support of certiorari put it: [9]

"The court below sought to distinguish Staley and Cement by comparison of the pricing system involved in those cases—the so-called basing point system—with Standard's pricing formula. This attempted distinction is without basis in principle. Standard's pricing policy represented a general method of competition used not only by Standard but also by major competitors (R. 5388). Standard's "tank-car" prices were granted pursuant to, and were not variations from, Standard's established pricing policy. Whether prices are determined by a basing point system, or by a system of classifying customers for pricing purposes, is immaterial; for, as this court emphasized in Staley and Cement, section 2 (b) "does not concern itself with pricing systems" (Staley, p. 753; Cement, p. 725), does not permit a seller "to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others" (Cement, p. 725), and relates only to "individual competitive situations" (Staley, p. 753; Cement, p. 725). This rationale is equally applicable here.

Summing up our position, as the Supreme Court reiterated by way of dictum only last month in National Lead ( CCH Tr. Cases Par. 68, 629 (1957)):

"This is not to say that a seller may plead this section in defense of the use of an entire pricing system. This section is designed to protect competitors in individual transactions."

Finally, Standard has not, as its critics predicted, adversely affected enforcement of section 2 (a). Since standard, the "good faith meeting competition defense has been raised in 28 contested cases. In six of these, cease-and-desist orders have been issued.[10] In each of these six cases the defense was rejected. In another two cases, respondent raised the defense in his answer, later elected not to contest the charges, and a consent order to cease and desist was entred.[11] In another case, the hearing examiner dismissed the complaint's section 2 (a) count for complete failure of proof on motion of counsel supporting the complaint.[12] In six other cases, complaints were dismissed on the ground that there was no showing of substantial injury to competition.[13] There are 13 formal cases now pending within or before the Commission in which the good faith defense is involved.[14] In two more cases, complaints have been issued, but answers have not been filed.[15] The Standard Oil case itself is, of course, still pending in the courts.

In sum, then, Standard of Indiana merely restated what most people thought the law already was. Thus, as early as 1941, the staff of the Federal Trade Commission wrote in a TNEC Monograph (No. 42):

"While certainly no prejudgment of the issues is indicated, it is perhaps significant that the Commission on April 19, 1955, issued a complaint against Anheuser-Busch, Inc., alleging that this firm has violated section 2 (a) of the Robinson-Patman Act by reducing its established premium price on Budweiser beer to match exactly the lower established price charged for beer by its local competitors in the St. Louis area. It is further alleged that in "all other areas of the United States Anheuser-Busch, in accordance with its customer practice, maintained the so-called differential in price between premium-priced Budweiser and the normally lower priced regional or local beers." (Dkt. 6331.) The hearing examiner in his initial decision, issued October 23, 1956, rejected the good faith meeting-competition defense in this case for lack of "good faith" where the discrimination was for "aggressive rather than defensive purposes."

"The amended (Robinson-Patman) act now safeguards the right of a seller to discriminate in price in good faith to meet an equally low price of a competitor, but he has the burden of proof on that question. This right is guaranteed by statute and could not be curtailed by any mandate or order of the Commission. * * * The right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

And the Department of Justice wrote the chairman of the House Judiciary Committee on July 10, 1951, that "* * * the Department has always interpreted subsection 2 (b) as permitting a seller to defend conclusively against a charge of price discrimination by affirmatively showing that such discrimination was made in good faith to meet the equally low price of a competitor" (Rept. No. 2438, 82d Cong., p. 6).

Against this background, I urge that Standard of Indiana's holding (that proof of "good faith" meeting of a competitor's lawful price constitutes an absolute defense to a 2 (a) charge) should stand. And hence S. 11, I believe, should not be enacted.

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[5] *United States* v. *Shell Oil Company*, CCH Tr. Reg. Rep. Par. 66, 230; Cf. *United States* v. *Socony-Mobil Oil Co., Inc.* (five cases), CCH Tr. Reg. Rep. Par. 66, 224, (see Opinion of Sweeney, Chief Judge, dated March 20, 1957).

[6] *Enterprise Industries, Inc.* v. *Texas Company*), 136 F. Supp. 420 (D. Conn. (1955)), reversed on other grounds, 240 F. 2d 457 (C. A. 2, 1957).

[7] Ibid., p. 421.

[8] Verbatim hearings before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, March 14, 1957, pp. 554, 556.

[9] *Federal Trade Commission* v. *Standard Oil Co.*, O. T. 1956, No. 465, petition for certiorari, pp. 12–13.

[10] E. Edelmann & Co., 3 CCH Trade Reg. Rep., par. 25, 445 (FTC 1955); Moog Industries, Inc., 3 CCH Trade Reg. Rep., par. 25, 444 (FTC 1955); C. E. Niehoff & Co., 3 CCH Trade Reg. Rep., par. 25, 467 (FTC 1955); Whitaker Cable Corp., 3 CCH Trade Reg. Rep., par. 25, 443 (FTC 1955); Champion Sparkplug Co. docket 3977; and General Motors Corp., docket 5620.

[11] Frank F. Taylor Co., 3 CCH Trade Reg. Rep., par. 25, 116 (FTC 1954); Whitman Candy Co., docket 6560.

[12] Warren Petroleum Corp., docket 6227.

[13] Yale and Towne Manufacturing Co., docket 6232; Elwell Park Electric Co., docket 6329; Hyster Co., docket 6330; Lewis-Shepard Co., docket 6340; Clark Equipment Co., docket 6347; Otis Elevator Co., docket 6350.

[14] Standard Motor Products, docket 5721; Anheuser-Busch, Inc., docket 6331; American Motor Specialties, Inc., docket 5724; Borden-Aicklen Auto Supply, Inc., docket 5766; D. & N. Auto Parts Co., Inc., docket 5767; Federal Mogul Corp., docket 5769; Thompson Products, Inc., docket 5872, Arkansas City Cooperative Milk Association, Inc., docket 6639; Pure Oil Co., docket 6640; Sun Oil Co., docket 6641; Sealed Power Corp., docket 6654; Shell Oil Co., docket 6698; and Black Manufacturing Co., docket 6710.

[15] Libby-Owens-Ford Glass Co., docket 6700; and Sperry Rand Corp., docket 6701.

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## HISTORY OF THE GRAND LODGE OF MASONS OF DELAWARE—POEM BY CHARLES E. GREEN

Mr. FREAR. Mr. President, the year 1956 marked the sesquicentennial of the formation of the Grand Lodge of Masons of Delaware.

The grand lodge celebrated its achievements of the past 150 years, which was a glorious record and worthy of solemnization.

Delaware Masonry is fortunate in having among its members Charles E. Green, who has devoted many years in research into both Delaware and Masonic history.

By official decree, Mr. Green was appointed historian and assigned the task of putting into printed form the history of the Grand Lodge of Delaware, as a permanent memorial.

In reading this fine book of Delaware Masonic history, I was impressed with Mr. Green's great humility, as expressed in a prayer found in a foreword to the book.

Mr. President, I ask unanimous consent that this prayer be printed in the RECORD.

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

A PRAYER

Grand Architect, to Thee I bring
This ashlar as an offering.
The imperfections, I'm aware,
Will show upon Thy faultless square.
Thou knowest well the joys I've found
In brilliant hours with thoughts profound.
So bless this work and may it be
Of use to them who worship Thee.

I've dreamed in many ancient lands
And dwelt on Egypt's burning sands.
With pyramid and sphinx I've sought
To learn the secrets that they taught.
From Mount Moriah to the sea,
Across to Greece and Italy,
Through France and Spain to English shores,
I've sought for truth in mystic lores.

Thy guiding light has steered my mind
Through time, through space and lore to find
The Mason's word shall always be
The mystery of mystery.
O Master, may Thy loving hand
Reach out across our glorious land,
To touch our sacred soil so fair
And bless the craft of Delaware.

—CHARLES E. GREEN.

MAY 7, 1956.

## LEGISLATIVE PROGRAM—EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, it had been my intention to ask the Senate to proceed to consider Calendar No. 160, Senate bill 1585, the Budget Joint Committee bill. I am informed that some of my colleagues who are very much interested in that measure will not be available to discuss it today. Therefore I give notice the bill will be brought up at a later date.

The same situation is true with respect to Calendar No. 119, Senate 1423, the bill to amend the Civil Aeronautics Act. Interested Senators are not available to discuss that bill today, so it will not be brought up.

Mr. President, it is our plan to proceed to consideration of Calendar No. 183, S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, following the executive session.

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

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

## EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

## EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

Scovel Richardson, of Missouri, to be judge of the United States Customs Court, vice William A. Ekwall, deceased.

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

Clement F. Haynsworth, Jr., of South Carolina, to be United States circuit judge, fourth circuit, vice Armistead M. Dobie, retired.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Frear | Monroney |
| Allott | Fulbright | Morton |
| Anderson | Green | Mundt |
| Barrett | Hayden | Murray |
| Beall | Hennings | Neuberger |
| Bible | Hickenlooper | O'Mahoney |
| Bricker | Hill | Pastore |
| Bush | Holland | Payne |
| Butler | Hruska | Potter |
| Byrd | Humphrey | Purtell |
| Capehart | Ives | Revercomb |
| Carlson | Jackson | Robertson |
| Carroll | Javits | Russell |
| Case, N. J. | Jenner | Saltonstall |
| Case, S. Dak. | Johnson, Tex. | Schoeppel |
| Chavez | Johnston, S. C. | Smith, Maine |
| Church | Kefauver | Sparkman |
| Clark | Knowland | Stennis |
| Cooper | Kuchel | Symington |
| Cotton | Magnuson | Thurmond |
| Curtis | Malone | Thye |
| Dirksen | Mansfield | Watkins |
| Douglas | Martin, Iowa | Wiley |
| Dworshak | Martin, Pa. | Williams |
| Eastland | McCarthy | Young |
| Ellender | McClellan | |
| Ervin | McNamara | |

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The PRESIDING OFFICER (Mr. CARROLL in the chair). A quorum is present.

The clerk will state the nomination on the Executive Calendar.

## IN THE ARMY

The legislative clerk read the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States; and the nomination of Brig. Gen. Ralph Wise Zwicker to be a major general for temporary appointment in the Army of the United States.

The PRESIDING OFFICER. Without objection, the two nominations will be considered together.

Mr. McCARTHY. By the two nominations, I understand the Chair to mean the permanent and the temporary commissions of the same general. Is that correct?

The PRESIDING OFFICER. The Chair is advised that there is before the Senate a permanent nomination for brigadier general and a temporary nomination for major general of the same general officer.

Mr. McCARTHY. Mr. President, I ask for the yeas and nays on the Zwicker nomination.

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were not ordered.

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

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Wisconsin will withhold his request. I ask Senators to join in seconding the Senator's request, so as to save some time.

The PRESIDING OFFICER. The Chair will put the question again. Is the demand for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. McCARTHY. I very much thank the Senator from Texas.

Mr. President, it has been a little more than 3 years now since public controversy swirled around the head of Brig. Gen. Ralph Zwicker. In February of 1954 the name of General Zwicker came into the news in connection with efforts by the Senate Investigations Subcommittee to expose Communists and security risks in the Army. General Zwicker was then the commanding officer of one such Communist suspect, Maj. Irving Peress, a name well known to all of us. In this capacity, he was instrumental in getting Peress honorably discharged from the Army before court-martial proceedings could be brought against him.

I do not propose today to discuss General Zwicker's role in that affair, or his appearance, several days later, before the investigations subcommittee which gave rise to a rather considerable public furor. Suffice it to say that the general consensus of those connected with the incident was that General Zwicker failed to cooperate with a committee of the United States Senate in its efforts to expose the Communist conspiracy. I believe it is a fair comment that very few Members of this body who have read the transcript of General Zwicker's testimony before the investigations subcommittee in February of 1954 hold any brief for the General's conduct on that occasion. In fact, all the Democrats and all the Republicans on the investigations committee voted to send Zwicker's testimony to the Justice Department for perjury action.

Now, 3 years later, it is proposed by the administration that Zwicker be promoted to the permanent rank of brigadier general and the temporary rank of major general. What has Zwicker done during those 3 years? The only thing worthy of note that I have been able to discover is that in March 1955 he perjured himself. I repeat, he perjured himself.

The single question I am asking today is whether it is entirely fitting and proper that we should reward an Army officer who has lied under oath before a congressional committee by granting him a promotion in rank.

I shall not try to conceal the deep sense of outrage I feel in this matter, Mr. President. Many nominations have come before the Senate which have caused me to wonder whether those in control of the executive branch are in full possession of their wits. But none, I think, has so clearly flouted the minimum standards of justice or propriety as this one. I had hoped, after the Peress incident, that General Zwicker would be quietly retired. When he subsequently committed perjury, I was sure we had seen the last of him as an Army officer—that his next appearance would probably be in a criminal court. Little did I dream that he would, in effect, be honored for the crime by being promoted to major general.

Let me briefly describe the occasion on which General Zwicker lied to a Congressional committee. In March, 1955, Zwicker was called before the Investigations Subcommittee, then presided over by the senior Senator from Arkansas [Mr. McCLELLAN] as chairman, to explain his role in the Peress case. During the course of the interrogation, Zwicker was asked about a telephone conversation he had had with Mr. George Anastos on January 22, 1954. Mr. Anastos, at the time of the phone conversation, was employed as counsel for the subcommittee.

General Zwicker admitted that he had talked to Mr. Anastos by phone. He said that Anastos had called him at Camp Kilmer, N. J., to inquire as to whether he had information concerning a card-carrying Communist in the Medical Corps at Camp Kilmer. Wishing to confirm the fact that Anastos was connected with the subcommittee, Zwicker told Anastos he would return the call at the subcommittee offices in the Senate Office Building. He did so within the hour. During that second conversation, according to Zwicker, he informed Anastos that he knew about the man Anastos had referred to, that he was in the Dental Corps rather than the Medical Corps, and that his name was Irving Peress. Zwicker maintained, however, that that was the extent of the security information which he passed on to Anastos either then or at any other time. In this connection, Zwicker was asked the following specific questions, and I now quote from the transcript of the subcommittee hearing.

Mr. President, I interrupt myself at this point to suggest that the Senator from South Dakota [Mr. CASE] and the Senator from Maine [Mrs. SMITH]—I observe that the Senator from Connecticut [Mr. BUSH] is on the floor—be present during the discussion, because they took rather a major part in the case. I ask also that the Senator from North Carolina [Mr. ERVIN], whom I consider to be a good friend of mine now, although we were not always thus, be present.

I ask that the pages call those three Senators and tell them that their names will come up during the discussion, in case they wish to be present. Will the pages please call the Senator from South Dakota [Mr. CASE], the Senator from Maine [Mrs. SMITH], and the Senator from North Carolina [Mr. ERVIN]?

I now quote from the hearing:

Mr. KENNEDY. You did not give him any information regarding any Communist affiliations that Irving Peress might have?

General ZWICKER. I did not.

Mr. KENNEDY. You did not tell him that Irving Peress' wife, Elaine, was a Communist Party member?

General ZWICKER. I did not.

Mr. KENNEDY. Did you tell him that Irving Peress was a card-carrying Communist member from 1948 to 1952?

General ZWICKER. I did not.

Mr. KENNEDY. That in 1951 he was a Communist Party organizer?

General ZWICKER. I did not.

Mr. KENNEDY. And that from 1943 through 1952 he was registered in New York City with the American Labor Party and had been an official of the American Labor Party?

I digress to say that that was after the American Labor Party attempted to clean house, and this was the group which was kicked out of the American Labor Party because of Communist activities. I continue to read:

General ZWICKER. I did not.

Mr. KENNEDY. That from 1949 to 1951 he subscribed to the Daily Worker?

General ZWICKER. I did not.

Mr. KENNEDY. And he attended a fund-raising party for the 11 Communists who were being tried?

General ZWICKER. I did not.

Mr. KENNEDY. And his mother, Sarah, registered with the American Labor Party from 1942 to 1949?

General ZWICKER. I did not.

Mr. KENNEDY. And his wife, Elaine, was a member of the Communist Party in 1944?

General ZWICKER. I did not.

Mr. KENNEDY. And in 1951–52 his wife, Elaine, attended Communist Party meetings and held Communist Party meetings in her home?

General ZWICKER. I did not.

Mr. President, this testimony by General Zwicker was completely contrary to evidence then in the subcommittee files concerning the content of the phone conversation between Mr. Anastos and General Zwicker. Knowing that to be the case, the McClellan committee called Mr. Anastos—who, I am sure, all members of the subcommittee will agree is a highly estimable young man—and interrogated Anastos concerning the telephone conversation. With reference to his second telephone conversation with General Zwicker, Mr. Anastos was asked the following questions, and I now quote, once again, from the transcript of the committee hearings. There is nothing secret about this, Mr. President. It is all a matter of record, and it is about a man whom the Senate is asked to promote as of today.

Mr. KENNEDY. At that time did General Zwicker go into the background of Irving Peress?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Did he first tell you that the person whom you were looking for was Irving Peress?

Mr. ANASTOS. He did.

Mr. KENNEDY. Did he say he was in the Dental Corps rather than in the Medical Corps?

Mr. ANASTOS. He indicated he was in the Dental Corps.

Mr. KENNEDY. Then did he go on to give you information as to his background?

Mr. ANASTOS. He did.

Mr. KENNEDY. I am going to ask you about that information in just a minute, but I want to find out what you did after the conversation was over. You hung up the phone, and then did you tell Mary Morrill to write up her notes?

Mr. ANASTOS. I did.

If I may interject here, Mr. President, Miss Morrill was one of the employees of the subcommittee at that time and had been asked by Mr. Anastos to monitor the telephone call with General Zwicker and to take notes on the conversation. Continuing now with the testimony of Mr. Anastos:

Mr. KENNEDY. Then she furnished them to you?

Mr. ANASTOS. She did.

Mr. KENNEDY. Then did you dictate a memorandum to her incorporating the notes that you had made as well as the notes she had made?

Mr. ANASTOS. That is right.

Mr. KENNEDY. That was on the same day?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Then did you take the memorandum in to Frank Carr who was the staff director at that time?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Would you identify this document, please?

Mr. ANASTOS. Yes. This is a memorandum which I dictated and which Miss Morrill typed up.

The CHAIRMAN. Is this the original memorandum?

Mr. ANASTOS. Yes, sir.

Mr. President, let me say that I was shocked beyond words when I found that the Armed Services Committee did not call either Mr. Anastos or Miss Morrill, to get their testimony. My good friend, the Senator from North Carolina [Mr. ERVIN], was quoted as saying, "This would be plowing over old ground." Well, Mr. President, if trying to determine whether or not there was perjury on the part of an Army general, when testifying before a Congressional committee which was seeking to dig out and expose the Communists in the Army, is plowing over old ground, that should be plowed over again and again and again.

I read further from the hearing:

Mr. KENNEDY. All the information contained in this memorandum was given to you by General Zwicker in that second telephone call?

Mr. ANASTOS. Absolutely.

Mr. KENNEDY. Did he give you the serial number of Irving Peress—O1893643? Do you remember if he gave you the serial number?

Mr. ANASTOS. I distinctly remember his giving me Peress' serial number.

Mr. KENNEDY. And that Peress was a student officer at the medical school at Fort Sam Houston, Tex.?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember that?

Mr. ANASTOS. I do.

Mr. KENNEDY. Do you remember that he also gave the information that in August 1953 Peress refused to answer interrogatories, claiming his Federal constitutional privilege?

Mr. ANASTOS. Yes; he gave me that information.

In that connection, Mr. President, let me say that when a man gives false information on a military interrogatory, he can be court-martialed and receive a sentence up to 5 years. About January 24, Zwicker called the committee and

advised that he had received orders directing that Peress be given an honorable discharge at a date not to exceed 90 days from the date of the order—roughly the end of March. Peress elected to be discharged in 60 days. On January 30, Peress was called before the committee, at which time he was a major still on active duty at Camp Kilmer. To all questions he took the fifth amendment. On February 1, I wrote a letter to the Secretary of the Army requesting that his discharge not be granted and that court-martial proceedings be conducted against him. This letter was received by the Secretary of the Army on the same day and Zwicker admitted that he knew I had made this request. On February 2, 1 day after my request, Peress was given an honorable discharge by Zwicker. This made impossible any court-martial proceedings.

Mr. KENNEDY. And that Irving Peress had attended CCNY from 1933 to 1936?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And attended NYU from 1936 to 1940?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And was a card-carrying Communist member from 1948 to 1952?

Mr. ANASTOS. Of course, I can't remember the exact dates as I sit here now——

Mr. KENNEDY. But you can remember that he mentioned——

Mr. ANASTOS. I remember he gave me information concerning everything that you have mentioned.

Mr. KENNEDY. Something about his being a Communist Party member?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And information that he was a Communist Party organizer?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And he was registered in New York City from 1943 to 1952 with the American Labor Party and had been an official in the American Labor Party?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And that for a couple of years he had subscribed to the Daily Worker?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember his mentioning the fact that he subscribed to the Daily Worker?

Mr. ANASTOS. Yes; I do.

Mr. KENNEDY. And that he attended a fund-raising party for the 11 Communists who were being tried?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And the information regarding his mother, Sarah, and the fact she was registered in the Labor Party from 1942 to 1949?

Mr. ANASTOS. Yes.

Mr. KENNEDY. You remember his giving information regarding his mother, Sarah?

Mr. ANASTOS. That is right.

Mr. KENNEDY. And his wife, Elaine; do you remember him mentioning his wife, Elaine?

Mr. ANASTOS. I distinctly remember that General Zwicker gave me information that his wife, Elaine——

That is to say, not Zwicker's wife, Elaine, but Peress' wife, Elaine—

was a member of the Communist Party and that she held Communist Party meetings at her home.

Mr. KENNEDY. Did he also give you certain home addresses of Irving Peress?

Mr. ANASTOS. Yes; he did. I remember that.

Mr. KENNEDY. Now you testified before the Watkins committee; is that true?

Mr. ANASTOS. That is true.

Mr. KENNEDY. The information you gave that committee is accurate and the truth?

Mr. ANASTOS. It is absolutely accurate, and I want to stand on it.

Later on, Mr. President, the McClellan committee called Miss Mary Morrill, a young lady of extremely high repute, and asked her about her role in the incident. Miss Morrill confirmed that she had been asked to monitor the call by Mr. Anastos; that Mr. Anastos had dictated a memorandum of the conversation with General Zwicker, on the basis of his notes and hers; and that nothing appeared in the memorandum contrary to her recollection of the telephone conversation. The memorandum of that telephone conversation, dictated by Mr. Anastos with the aid of Miss Morrill, was immediately put into the committee's files. It is there today, as part of the committee's records.

If I may recapitulate this testimony, it shows that in the files of the investigations subcommittee is a memorandum to the effect that General Zwicker gave to Mr. Anastos, over the telephone, detailed security information concerning Major Peress. Mr. Anastos, who had participated in that telephone conversation; and Miss Morrill, who had monitored it, both testified under oath as to the accuracy of that memorandum. I may add that prior to the time of this telephone conversation, the subcommittee had no specific information whatsoever concerning Major Peress; it did not even know his name—although we knew there was a Communist at that base.

There was no other way for the committee to have obtained this information except by consulting Peress' security file, which was in the custody of General Zwicker, at Camp Kilmer. Notwithstanding those facts, General Zwicker denied under oath before the McClellan committee that he had given to Mr. Anastos the security information in question.

On the basis of this testimony, on April 12, 1955, the Senator from Arkansas [Mr. MCCLELLAN], as chairman of the subcommittee, wrote the Justice Department—with the approval of the entire committee—and suggested an inquiry as to whether General Zwicker's testimony involved a violation of the perjury statute. For more than 19 months, Mr. President, the Justice Department sat on the case, and refused, despite numerous proddings by the McClellan committee, to indicate how it was going to dispose of the matter. Finally, on December 11, 1956, the Justice Department sent to Chairman MCCLELLAN a letter which I shall now read. Mr. President, I hope that you and all Members of the Senate will listen to this gobbledygook:

DECEMBER 11, 1956.

Hon. JOHN L. MCCLELLAN,
*Chairman, Senate Permanent Subcommittee on Investigations, Committee on Government Operations, United States Senate, Washington, D. C.*

DEAR SENATOR: This is to advise you concerning the disposition of the case involving Brig. Gen. Ralph W. Zwicker of the United States Army.

The complex legal and factual problems involved in this matter have been carefully considered and all the evidence developed has been examined in the light of the technical requirements necessary to establish an offense under the existing law. As a result of this study, it has been concluded that a criminal prosecution will not be undertaken. The case is being closed in the Criminal Division.

The Secretary of the Army is also being advised of this decision.

Sincerely,

WARREN OLNEY III,
*Assistant Attorney General.*

Mr. President, while two colonels worked full time for a year in checking the case of Zwicker, they never once contacted either Miss Morrill or Mr. Anastos. I wish to say to the able members of the Armed Services Committee that I cannot conceive—I simply cannot get it through my mind—why, when they were asked to conduct an investigation of this matter, the case of a man accused of perjury, whom we are apparently about to promote today, they did not call Olney and ask him why he sat on this case for 19 months and what the technical difficulties were that prevented a prosecution for perjury after he had 2 witnesses—and 2 are all that are needed in a perjury case. I should very much like to get an answer from one of the members of the Armed Services Committee as to why those witnesses were not called.

Thus, after 19 months of doing nothing, the Justice Department decided that for technical reasons General Zwicker should not be prosecuted for perjury. As I read it, the clear implication of this letter is that even the Justice Department felt that General Zwicker had lied, and that only technical difficulties stood in the way of a successful perjury action against him.

In spite of these events, the administration had the temerity to send Zwicker's name to the Senate for promotion.

Let me add that during the past 2 years, Army investigators have been hard at work, attempting to vindicate General Zwicker. Two colonels, I understand, have been on the job full time or almost full time. However, Secretary of the Army Brucker admitted to the Armed Services Committee that the Army investigators, whatever else they have been doing, never once approached either Mr. Anastos or Miss Morrill in order to obtain their version of the affair.

All of these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month.

I am very happy there are so many members of the Armed Services Committee present here today. It indicates a healthy interest in this case. I am extremely disappointed, however, to see so few of the other Senators, who must vote upon the promotion of a man guilty of perjury.

All these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month. It was the general consensus of that committee, I believe, and if I am wrong I hope I will be corrected, that General Zwicker had lied to the McClellan committee. I cite one passage from the transcript that I think

is illustrative of the sentiments of the committee members:

Senator SALTONSTALL. Mr. Chairman, one more question. Mr. Kennedy, boiled right down, what you have said in answer to my inquiry, boiled right down, it is your opinion that Zwicker answered these questions: "I did not," to protect himself from having violated a Government security regulation the year before; isn't that about it?

Do the Senators understand the unusual character of that question, which is to the effect that a man perjured himself so as to protect himself from a violation of a security regulation? If he wanted to protect himself from a violation of security regulations, all he had to do was cite the regulations and refuse to answer, and not perjure himself.

Mr. Kennedy's answer was:

Mr. KENNEDY. And putting himself in great personal difficulty with the Department of the Army.

Senator SALTONSTALL. Yes. That was his motive in answering those questions that way.

I ask the Senator from Massachusetts [Mr. SALTONSTALL] if he appreciates upon hindsight, the unusual character of that question? He was saying to Mr. Kennedy the reason General Zwicker perjured himself was to protect himself from a violation of security regulations, when all he had to do was say, "I cannot answer because of security regulations."

Mr. Kennedy said:

That is what I believe, Senator SALTONSTALL.

Senator BRIDGES. Certainly the testimony read by Senator CASE confirms the telephone conversation wihout any question of doubt.

The Senator from New Hampshire [Mr. BRIDGES] was referring to the telephone conversation with Anastos.

Senator CASE. I think that General Zwicker after he was assured he was talking with Anastos too, he just opened up.

Senator BRIDGES. I think a general conclusion can be drawn from that all right.

After the hearing, the Armed Services Committee ordered a special investigation of the case to be conducted by two of the outstanding Senators on the committee, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD]. What happened during the course of that investigation, I do not know. If I am wrong I hope I will be corrected, but there was a bobtail investigation by the Armed Services Committee as a whole, at which it was decided not to call Mr. Anastos, Miss Morrill, or Mr. Olney. What happened during the course of that investigation? Again, I do not know.

Why the committee voted, ultimately, to confirm, I do not know. I do know that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] both refused to recommend that the Senate confirm the promotion. I do know that the White House, and the Pentagon, brought tremendous pressure to bear on the members of the committee, urging them to support the nomination. I do know that two of the Senators on the committee, other than the Senator from New Hampshire and the Senator from Virginia, said in executive session that while they realized Zwicker had lied, they did not feel that this affected his bravery, and that therefore he should be promoted. I know also that one of the Senators—a third Senator—received word from the White House that a failure to confirm Zwicker would mean dishonoring West Point, if you please, and therefore that Zwicker should be promoted. I will not name the Senators who voiced these sentiments. They know who they are, and can identify themselves if they choose.

Let me digress here, Mr. President, to say that I know, as is usual when I oppose a nomination of the President, or when I oppose him on some issue, the story goes forth that "McCARTHY is fighting President Eisenhower." I never have indulged in any personalities with Eisenhower, nor will I ever be provoked to do so. Regardless of who may be in the White House, I shall stand up and fight the issues as I see them.

As the Chair knows, as a Senator he stands up, raises his right hand, as I do, and takes practically the same oath of office the President takes.

I believe the Chair will recall that I fought my great and good friend, Robert Taft, on issues. One very important issue had to do with housing. I redrafted the entire housing bill in the session of 1948. It was against Bob Taft's wishes originally. He finally voted for it and supported it wholeheartedly. There never was any feeling that there was a fight between Bob Taft and me. We remained good friends right down to the date of his death.

I merely emphasize this to show that my opposition to Zwicker has nothing to do whatsoever with my feeling toward President Eisenhower, any respect which I might have for him, or any lack of respect which I might entertain for the palace guard.

I have no wish to impugn the motives or the competence of the Armed Services Committee in general. For many members of that committee I have a great deal of respect. I hope that today they will be able to give the Senate some plausible reason for having supported this nomination.

You will recall, Mr. President, the slogan that swept the country a couple of years ago. That slogan was "Who promoted Peress?" If the present nomination should be confirmed, the people of the United States will be entitled to raise the cry with equal vigor, "Who promoted Zwicker?" I sincerely hope that the Senate will forestall that development by refusing to confirm.

I know there are those who feel that Senators who are members of a committee should not be criticized, but I frankly think that if the Senate confirms the promotion of Zwicker it will not only be a disgrace to the Senate, it will be a disgrace to the entire Army.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is, Will the Senate advise and consent to these two nominations en bloc? The yeas and nays have been ordered.

Mr. STENNIS. Mr. President, the yeas and nays have been ordered, as the Chair states. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is, Shall the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States, and also the nomination of the same officer to be a major general in the Army of the United States, be confirmed? Under a previous order these nominations are being considered en bloc.

Mr. STENNIS. Mr. President, as chairman of the subcommittee of the Committee on Armed Services which considers nominations for promotion, I filed a report in this case recommending confirmation by the Senate of the promotion of General Zwicker.

These nominations came to the Senate with a group of other nominations, and were referred to our subcommittee. Objection was filed by the junior Senator from Wisconsin to the approval of the nominations. They were therefore taken off the regular list and placed before the full committee. The full Committee on Armed Services heard testimony in the case.

We had before the committee the sworn testimony of the witnesses to whom reference has been made, Mr. Anastos and Miss Morrill, given under oath in previous proceedings. That testimony was presented to the committee at the beginning of the hearings. It was furnished in special excerpt form by the Committee on Government Operations. I remember being furnished with a copy, which I took to my office and read.

There was a recess until some time later, and further testimony was taken. We had before us the testimony which was given by Miss Morrill and Mr. Anastos. We had the testimony of General Zwicker, as given in prior hearings before Senate committees. We had before us at this hearing also General Zwicker himself. After a most thorough examination of the General in connection with all the allegations, in the light of the sworn testimony which we had in the RECORD I reached the conclusion that he was not guilty of perjury, and that his record as an officer was outstanding. Therefore it was my position that the nominations should be recommended for approval.

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

Mr. STENNIS. I shall be glad to yield in a moment.

I would not undertake to speak for any other Senator. However, as has already been brought out, every vote that was recorded was in favor of the promotion of General Zwicker. At that time the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] withheld their votes.

In answer to the suggestion about calling other witnesses, I was fully convinced that all the facts had been covered in the sworn testimony. We had the testimony before us in printed form for our study. I did study it.

There was one point that had some bearing on the charges and countercharges, and that was that all the way through it was shown that General Zwicker from the beginning took a lead in trying to find out and expose Peress.

However, to go back to the very merits of the case, the sworn testimony not only failed to convince me that General Zwicker was guilty of any perjury, but I was convinced that he was not guilty of any perjury, and that therefore he was certainly entitled to have that charge dismissed and to stand on his military record.

I am glad now to yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, may I ask the Senator this question? Would the fact that the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES], two of the outstanding Members of the Senate, were appointed to investigate this matter, and refused to vote for confirmation have any significance in the Senator's mind? Can he explain that? Can he also explain why that investigation was never conducted, and why the Senator from New Hampshire and the Senator from Virginia were called off?

Mr. STENNIS. The Senator from Mississippi can speak only for himself, although he will agree with the Senator from Wisconsin that the Senator from New Hampshire and the Senator from Virginia are outstanding Senators. I do not believe that either one of them was called off, so far as that was concerned, but I know nothing about it, of course. So far as the question of bringing any other witnesses before the subcommittee is concerned, I did not hear any recommendation that any witnesses be brought before it or not be brought before it. I do remember that the Senator from Virginia wanted to abstain from voting at that time because he had not read all the testimony, or had not heard all the testimony, I believe he said, that had been given.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. STENNIS. As I recall, he reserved his right to vote as he might see fit later. I am not attempting to answer for anyone except myself. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I believe the Senator said he did not hear the suggestion that any other witnesses be brought before the subcommittee or not be brought before it. During the hearings before the subcommittee, unless I am badly misinformed, the suggestion was made that certain witnesses be called. I do not like to bandy the name of any Senator in the Chamber, but one of the Senators who is present on the floor objected to such a course being followed, and made the remark that it would be going over an old field again, or something like that.

Mr. STENNIS. I do not remember anything like that happening. If it did happen, it was not in my hearing.

Mr. McCARTHY. Can the Senator tell me this? I was present when the able Senator from Georgia [Mr. RUSSELL]—I believe I was present, and if I was not present, I read it in the newspaper immediately afterward—appointed the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES] to investigate the matter and report to the committee. I am wondering why that was not done. It is significant to me that neither of those Senators would vote to confirm the nomination of Zwicker. I wonder if I am correct when I say that both Senators were appointed to conduct an investigation. The Senator from Georgia is present.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. I did not understand that the Senator from Virginia or the Senator from New Hampshire were appointed to conduct any particular kind of investigation. The Chair did, as is often done in such cases, appoint those Senators to determine the names of any additional witnesses the committee should hear with respect to this matter. Prior to the time when that appointment was made, the full committee had voted to call General Zwicker before it. Those two Senators were appointed, as is often done in such cases, so that a smaller group could suggest to the committee the names of additional witnesses who should be heard, if those Senators felt that additional witnesses should be heard. Neither Senator insisted on the committee hearing any other witnesses, and did not suggest the names of any additional witnesses that the committee should hear.

Although I hesitate to speak for the Senator from Virginia, I did hear him say that he had been engaged daily in the hearings on the tax bill, and had been unable to attend any of the hearings. He said he desired to withhold his vote, without prejudice, until he had had an opportunity to read the record. I have no information as to the conclusion the Senator reached. He will be able to speak for himself.

Mr. McCARTHY. Mr. President, will the Senator from Mississippi yield so that I may ask a question of the Senator from Georgia?

Mr. STENNIS. I am glad to yield.

Mr. McCARTHY. I am extremely curious to know why only witnesses favorable to Zwicker were called, and why no other witnesses were called. The committee called Zwicker, but it did not call Olney, Anastos, or Miss Morrill. I simply cannot follow that reasoning at all. I assume there must be a good explanation for it.

Mr. RUSSELL. I can understand how the Senator from Wisconsin might have conducted the inquiry had it been in his hands. Some witnesses might have been examined and others not. However, the only witness the committee summoned was the man involved, General Zwicker. Here was a man who had given 30 years of his life to the Army and had had a distinguished career. Without regard to any precedent that may have been set in any other hearing before any other committee, we felt as a simple matter of decency and propriety we should hear him. The committee voted unanimously to call him before it. He was accompanied by the Secretary of the Army, who made a statement at the conclusion of General Zwicker's testimony.

The committee did not summon the Secretary of the Army, although we are always glad to have the Secretary of the Army appear before the committee on any important matter that relates to the Department of the Army. There is certainly nothing unusual to have him show some interest in a case which affects the Department of the Army. We heard the Senator from Wisconsin and we permitted him to bring before the committee Mr. Kennedy, who, as I recall, was not on the staff of the committee at the time of the original hearings. We permitted the very fullest of expression on the part of those witnesses, regardless of whether they expressed views or opinions or conclusions which were not predicated upon any first-hand knowledge of the instances involved. The committee feels—certainly the chairman of the committee feels, and no other member of the committee desired to hear any other witnesses—that after we had devoted 3 days to the hearing we had discharged our responsibility and we are perfectly willing to stand on it now on the floor of the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. McCARTHY. The Senator did have before him the fact that there was a telephone conversation which had been monitored and written down immediately after the monitoring, which showed perjury, and he had the testimony of Zwicker before the Watkins committee, in which he admitted the perjury. I wonder by what wild stretch of the imagination——

Mr. RUSSELL. The Senator from Wisconsin may have concluded that it showed perjury. The committee went into it as thoroughly as it knew how, and the committee voted 12 to 0 to report the nomination. So there was a slight difference of opinion on the part of the majority of the committee and the Senator from Wisconsin. We had before us testimony on this matter which had been gone over on at least 3 other occasions—I am not sure whether it was 4, but certainly at least 3 occasions—and we permitted the Senator from Wisconsin to bring Mr. Kennedy before the committee, to read into the record the testimony of Mr. Anastos, to whom he refers, and of the young lady, to whom he refers. They had testified on this matter at least twice before. We had all that testimony before us. I, as one member of the committee, read all that testimony. The other members of the committee read it and concluded that there was not sufficient substance in the matter to warrant a charge of perjury against General Zwicker. This was a

very confused picture, I may say to the Senator.

A number of investigations were then in progress. The committee presided over by the Senator from Wisconsin was investigating, and it was a very active committee. It had a number of staff members. There was ample room for a mistake to have been made in this matter on the part of Mr. Anastos, Miss Morrill, or, indeed, of General Zwicker, without attributing any willful perjury to anyone. In my judgment, there is absolutely nothing in the record which would have justified the conclusion that General Zwicker was guilty of perjury, or which would warrant the Senate in destroying the life and reputation of a man who has contributed immeasurably to the Armed Forces of the United States in the wars in which this country has been engaged.

Mr. McCARTHY. Mr. President, before the Senator yields the floor, I wonder if I may ask him one more question.

Mr. RUSSELL. Certainly.

Mr. McCARTHY. As I understood the Senator from Georgia, he stated that the vote in the committee was 12 to 0 that Zwicker did not commit perjury. Am I correct in my understanding—if I am not, I should certainly like to be corrected—that two of the Senators present and voting, while they voted to confirm the nomination, expressed the opinion that Zwicker was guilty of lying before the committee, but that they felt other facts outweighed that consideration?

Mr. RUSSELL. The Senator from Wisconsin will have to ask questions of those Senators themselves. I shall not undertake to stand upon the floor of the Senate and explain their statements made in the committee.

I will say for myself that if I had been convinced that Zwicker had been guilty of perjury in this matter, and if I thought pressures might have been put on him, I would have voted against the confirmation of his nomination.

I was deeply concerned about the matter when it first arose. I went into it and came to the inescapable conclusion that there was nothing in the record which would have stood for 2 minutes in a court of law to indicate that there was evidence of perjury on the part of Zwicker. Indeed, the committee would have been subject to very severe criticism if it had taken any action other than that which it did take.

Mr. McCARTHY. Mr. President, will the Senator from Georgia yield once more?

Mr. RUSSELL. Yes, although the Senator from Mississippi [Mr. STENNIS] has the floor.

Mr. McCARTHY. I think this matter is extremely important. The Senator from Georgia is the chairman of the committee. He has told the Senate that the vote was 12 to 0 that Zwicker was not guilty of perjury. I think the Senator from Georgia owes it to the Senate to state whether or not it is true that at least 2, and I am informed perhaps 3, Senators who voted for the confirmation of Zwicker's nomination said that Zwicker was guilty of perjury.

If I may ask two questions, I shall ask the Senator why Olney, in the Criminal Division, held the matter for 19 months, and then did not write to say that Zwicker was guilty of perjury, but said that for technical reasons it was felt the Government could not prosecute. Could the Senator state why Olney was not called before the committee to state what the technical reasons were?

I myself think it is a tremendous reflection upon the Army, when there was a clear-cut case of perjury. It could not be anything else. There was the monitored telephone conversation. There was a United States attorney, who sat on the case for 19 months, and then said, "I am giving it up only for technical reasons."

Here we have Senators who have voted in committee to confirm the nomination but who have said they thought Zwicker was lying. I believe it is in the nature of a reflection upon the Senate. I think the able Senator from Georgia might comment on that.

Mr. RUSSELL. No; I have no desire whatever to comment on the remarks of the Senator from Wisconsin, Mr. President. The committee went into the matter with the idea and hope of being able to establish some general facts, and not with the idea of either creating or confirming mere suspicion.

Mr. ERVIN. Mr. President, as the Senator from Wisconsin has said, I did make a statement when the matter was heard before the Committee on Armed Services that, so far as I was concerned, we were plowing old ground.

I had heard the evidence before, because I sat with the Senator from Wisconsin on the Permanent Subcommittee on Investigation when it investigated the Peress matter. Indeed, I have heard General Zwicker testify three times, counting the hearing before the Armed Services Committee.

The Senator from Wisconsin stated very accurately and very forcefully the testimony which was given at the hearing before the Permanent Subcommittee on Investigations and also before the Committee on Armed Services.

I have spent much time listening to witnesses. I have learned that there is often great inaccuracy in the recollection of witnesses. As the Senator from Wisconsin has made plain, there was a direct conflict between the testimony given by Mr. Anastos and Miss Morrill, and that given by General Zwicker. If I had drawn the inference which the Senator from Wisconsin drew from that conflict of testimony, I would have voted against the promotion of General Zwicker. However, I made an appraisal of the evidence, and reached the abiding conviction that the testimony of General Zwicker in denial of the testimony of the other two witnesses is true. In saying that, I do not reflect in any way upon the other two witnesses.

I think this is, in all probability, a case of honest mistake arising out of the fallible recollections of witnesses. The testimony showed beyond all doubt that before Mr. Anastos called General Zwicker, he had received information concerning Major Peress, although he did not know Major Peress' name. Mr. Anastos called General Zwicker and stated to General Zwicker, so General Zwicker testified, certain of the information he, Anastos, had received. The information was so accurate that it enabled General Zwicker to identify the person to whom Mr. Anastos was referring as Major Peress.

I think that in all probability when Mr. Anastos dictated the memorandum to Miss Morrill, he inserted in the memorandum both the information he had acquired before he called General Zwicker and the information he received from General Zwicker. General Zwicker, as I recall, testified that in that conversation he did give information from the personnel file to Mr. Anastos.

As I say, there was a conflict in evidence. Several conclusions can be drawn from the testimony. One can draw the inference that one witness or another had testified untruthfully. One could also draw the inference from the testimony that the discrepancy in the testimony of the witnesses was due to the fallibility of human recollection. There are many good persons who disagree in their testimony.

I call attention to the substantial disagreements among the writers of the Four Gospels. I wish to read from the King James version of the Bible the accounts which the writers of the Synoptic Gospels gave concerning the legend which was written over the cross on which the Savior was crucified. If Senators will follow my reading, they will see that each one of the four Evangelists gave different testimony on that point.

I read first from the 27th chapter of St. Matthew's Gospel, the 37th verse:

> And set up over His and His accusation written, This is Jesus the King of the Jews.

In the Gospel according to St. Mark, chapter 15, the 26th verse reads as follows:

> And the superscription of His accusation was written over, The King of the Jews.

I now turn to the Gospel according to St. Luke, and find these words in chapter 23, the 38th verse:

> And a superscription also was written over Him in letters of Greek, and Latin, and Hebrew, This is the King of the Jews.

The Gospel according to St. John, chapter 19, verse 19, contains this account relating to the same fact:

> And Pilate wrote a title, and put it on the cross. And the writing was, Jesus of Nazareth the King of the Jews.

Mr. President, we observe that all four accounts on that point, as contained in the four Gospels, differ. If such great and good men as the writers of the Gospels can honestly disagree in their testimony concerning the same fact, then it is quite possible that Mr. Anastos, Miss Morrill, and General Zwicker could quite honestly disagree. That is the conclusion I reached.

As I have said, I was convinced that General Zwicker was telling the truth about the matter; and that the testimony of the other witnesses was in error, due to a confusion of the information which Mr. Anastos already had with

the information he got from General Zwicker. That being true, I came to the conclusion that no perjury was committed by anyone; and that in view of the distinguished career General Zwicker had had in the service of his country, he was entitled to this promotion.

Mr. McCARTHY. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. Yes, Mr. President; I am delighted to yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from North Carolina is a very able lawyer. After the committee voted unanimously to send that record to the Department of Justice, because of perjury, and after the criminal division—after constant, week after week, urging by the Senator from Arkansas [Mr. McCLELLAN] that they do something about it, one way or the other—had sat on it for 19 months, and when they did not say Zwicker was guilty of perjury, but said, "Because of technical difficulties, we feel it not wise to prosecute," does not the Senator from North Carolina, as a lawyer, believe that before this body is asked to act one way or the other on the nominations, it should know what the technical difficulties are, and whether those in the Department felt Zwicker was guilty of perjury? They had 2 Army colonels working for approximately 2 years on the case. They must have had some information.

Does not the Senator from North Carolina believe that we should call him before the committee, and have him give an accounting, before we vote on these nominations?

Mr. ERVIN. Mr. President, I reply to the distinguished Senator from Wisconsin by stating that I do not think so, because the responsibility for passing on this matter rested upon the members of the Senate Armed Services Committee, rather than upon Mr. Olney. I had to pass on it according to my own judgment as to what the testimony showed. On that point, I do not believe the opinion of the Assistant Attorney General, Mr. Olney, would have been of any assistance to me.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent en bloc to these nominations?

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Douglas | Malone |
| Allott | Ervin | Mansfield |
| Anderson | Frear | Martin, Iowa |
| Barrett | Green | Martin, Pa. |
| Beall | Hayden | McCarthy |
| Bible | Hennings | McNamara |
| Bush | Hickenlooper | Monroney |
| Butler | Hill | Morton |
| Capehart | Holland | Mundt |
| Carlson | Hruska | Murray |
| Carroll | Humphrey | Neuberger |
| Case, N. J. | Ives | O'Mahoney |
| Case, S. Dak. | Jackson | Pastore |
| Chavez | Javits | Payne |
| Church | Johnson, Tex. | Potter |
| Clark | Johnston, S. C. | Purtell |
| Cooper | Kefauver | Robertson |
| Cotton | Knowland | Russell |
| Curtis | Kuchel | Saltonstall |
| Dirksen | Magnuson | Smith, Maine |
| Sparkman | Thurmond | Wiley |
| Stennis | Thye | Williams |
| Symington | Watkins | Young |

The PRESIDING OFFICER. A quorum is present.

Under the previous order, the pending nominations are to be voted on en bloc.

The question is, Will the Senate advise and consent to the nominations?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida, [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that if present and voting the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "Yea."

The result was announced—yeas 70, nays 2, as follows:

YEAS—70

| | | |
|---|---|---|
| Aiken | Cooper | Hruska |
| Allott | Cotton | Humphrey |
| Anderson | Curtis | Ives |
| Barrett | Dirksen | Jackson |
| Beall | Douglas | Javits |
| Bible | Dworshak | Johnson, Tex. |
| Bush | Eastland | Johnston, S. C. |
| Butler | Ellender | Kefauver |
| Capehart | Ervin | Knowland |
| Carlson | Frear | Kuchel |
| Carroll | Green | Magnuson |
| Case, N. J. | Hayden | Mansfield |
| Case, S. Dak. | Hennings | Martin, Iowa |
| Chavez | Hickenlooper | Martin, Pa. |
| Church | Hill | McNamara |
| Clark | Holland | Monroney |
| Morton | Purtell | Thurmond |
| Mundt | Robertson | Thye |
| Murray | Russell | Watkins |
| Neuberger | Saltonstall | Wiley |
| O'Mahoney | Smith, Maine | Williams |
| Pastore | Sparkman | Young |
| Payne | Stennis | |
| Potter | Symington | |

NAYS—2

Malone McCarthy

NOT VOTING—24

| | | |
|---|---|---|
| Bennett | Gore | Morse |
| Blakley | Jenner | Neely |
| Bricker | Kennedy | Revercomb |
| Bridges | Kerr | Schoeppel |
| Byrd | Langer | Scott |
| Flanders | Lausche | Smathers |
| Fulbright | Long | Smith, N. J. |
| Goldwater | McClellan | Talmadge |

So the nominations were confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

## LEGISLATIVE SESSION

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

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

## AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, I offer the amendment which I have sent to the desk and ask that it be made the pending amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, strike out all of line 4.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Senator from California.

Mr. KNOWLAND. Mr. President, the only controversy, so far as I know, on the bill will be this amendment which I am offering, to strike out the last line in the bill, which line would delete section 304 of the act.

On this amendment I ask for the yeas and nays, so that all Senators will be on notice.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, I should like to ask for the yeas and nays on this amendment again.

The PRESIDING OFFICER. The yeas and nays have been asked for again. There is a sufficient second, and the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, this amendment merely strikes out line 4, on page 2, of Senate bill 1314, which reads:

(4) Section 304 of such act is deleted.

From a simple statement of its language, the amendment perhaps would not appear to be particularly important. I realize there is an honest difference of opinion as to the public policy involved, but I wish to invite attention to the fact that section 304, which it is proposed to delete but which would remain in the law if my amendment should be agreed to, reads as follows:

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

That is the language which it is proposed to delete. I shall debate the amendment at a later date, but I wished to put all Senators on notice concerning the purport of the amendment.

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## ANALYSIS OF REPORT OF SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. MANSFIELD. Mr. President, in the daily CONGRESSIONAL RECORD for Thursday, March 28, 1957, on pages A2533–A2534 of the Appendix, there appears under the extension of remarks of the Honorable RICHARD M. SIMPSON, of Pennsylvania, reference to three articles written by Raymond Moley. These articles were published by the Waterbury Republican, February 22, 1957, and by Newsweek magazine on March 4 and again on March 11, 1957.

In the CONGRESSIONAL RECORD of March 29, 1957, appearing on pages 4773–4796, are alleged analyses of the report of the Subcommittee on Privileges and Elections relating to campaign contributions and expenditures in the 1956 general election, and remarks pertaining thereto by the distinguished senior Senator from Kansas [Mr. SCHOEPPEL], the distinguished junior Senator from Nebraska [Mr. CURTIS], the distinguished junior Senator from Arizona [Mr. GOLDWATER] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Mr. President, I might add at this time that the offices of all these Senators have been notified of my intention to make these remarks this afternoon.

The article which appeared in the Waterbury Republican and Newsweek magazine by Mr. Moley and the statement in the CONGRESSIONAL RECORD, by Senator SCHOEPPEL, chairman of the National Republican Senatorial Campaign Committee, and which fills some 16 pages of the CONGRESSIONAL RECORD, all relate to the subcommittee's report on campaign contributions and expenditures during the 1956 general election campaigns, and purport to point out glaring flaws, omissions, misrepresentations, and other errors tending, according to the authors of these writings and statements, to mislead the American public concerning the source of campaign contributions and the manner in which expenditures were made, and to bring discredit upon the Republican Party.

The distinguished senior Senator from Kansas has submitted a statement after weeks of study of the subcommittee report, and he has charged that errors which appear in the report render it of very doubtful value. Mr. Moley, likewise, prepared his articles after a private study of the subcommittee report.

In neither case was information obtained to refute the findings of the subcommittee from any source except the report itself.

Shortly after the March 4 edition of the Newsweek magazine was distributed, I received a letter from Mr. and Mrs. F. W. Laverty of Fort Worth, Tex., who referred to the article by Mr. Moley, and asked for my views concerning Mr. Moley's criticism. The text of that letter is as follows:

FORT WORTH, TEX., *March 4, 1957.*

Hon. MIKE MANSFIELD,
*Washington, D. C.*

DEAR SENATOR: My husband and I have long been an admirer of yours; we felt that you were honest and courageous. Enclosed is an article from Newsweek written by Raymond Moley, who, I understand, is an authority in his field. In this article, he questions your judgment, as well as your integrity.

We would be interested in your views on this article.

Yours very truly,
Mr. and Mrs. F. W. LAVERTY.

On March 12, 1957, I mailed an answering letter to the Lavertys and answered not only the article which appeared in the Newsweek magazine of March 4, 1957, but also a subsequent one which appeared on March 11, 1957. The text of my letter is as follows:

MARCH 12, 1957.

Mr. and Mrs. F. W. LAVERTY,
*Fort Worth, Tex.*

DEAR MR. AND. MRS. LAVERTY: I have read the article by Mr. Raymond Moley which appeared in the March 4 edition of Newsweek magazine and which you enclosed with your letter of the same date. A subsequent article by the same author appears in Newsweek magazine of March 11, dealing with the same subject—the report of the Subcommittee on Privileges and Elections on the 1956 general election.

I will not comment on the editorial policy of Mr. Moley, but a thorough review of the activities of the subcommittee during the 1956 campaign, and a study of its report should reveal to any interested and impartial observer that the work of the subcommittee was completely bipartisan and objective in all of its functions. Further, all of the actions of the subcommittee were performed with the unanimous consent of its members. Not until the report was finally published was there a dissenting opinion voiced.

Toward the end of August 1956, the subcommittee unanimously agreed to conduct a thorough investigation into campaign finances on the Federal level, and, as far as practicable, on the State level. Subcommittee questionnaires were prepared and after approval by the committee, were mailed to all senatorial candidates, political committees, labor unions, and other political organizations whose names and addresses were capable of being ascertained through all possible sources. The subcommittee requested all of these individuals and groups to report concerning cash on hand, contributions received, expenditures made, of whatever nature, during the 1956 campaign. Reports received from national committees and other national organizations covered the entire year. Reports from State and local organizations were for a lesser period of time because it was not possible to canvass the entire field during the limited time available to the subcommittee.

The reports which were received from all sources were signed and duly sworn to, or affirmed by the candidates themselves or by responsible officers of the committees or other organizations. From these sworn reports which were received by the subcommittee and from the sworn reports received by the Clerk of the House of Representatives and by the Secretary of the United States Senate, the subcommittee obtained the information which is disclosed in its report on the 1956 general election.

There are no allegations or insinuations anywhere in the report of the subcommittee to the effect that any person, corporation, labor union, or other organization or association gave contributions or made expenditures or attempted in any way to influence the result of an election or elections, unless the person, corporation, labor union, or other organization did in fact do so as reported in the sworn statements so filed.

The report selected certain groups and disclosed contributions and expenditures by persons associated with such groups, and where persons were known to be associated with more than one group or corporation or labor union, such persons were named and their contributions or expenditures listed. In almost every case, the total of contributions or expenditures was properly noted, so that the overall total of contributions and/or expenditures does not include duplications or repetitions in any manner. Because of the mass of material and figures gathered during this initial inquiry, it was not possible to avoid some errors, but these were inadvertent, and not due to any willful or deliberate attempt to mislead.

Contributions and expenditures to or by the Democratic Party, the Republican Party, and other miscellaneous parties are all faithfully reproduced in the report with the sole intent of disclosing the picture of campaign financing accurately and objectively without intent to focus improper attention on any party, person, or other organization.

The study which was conducted by the subcommittee during the 1956 campaign was the first effort of any Senate body to obtain as fully as possible information on the activities and finances of all candidates, all committees, and all other organizations or associations during a general election. Because of the magnitude of this undertaking and the limited time during which the investigation was conducted, as well as the fact that it was the first of its kind, the subcommittee readily admits that its report is not infallible. The report states that not every person, committee, or other organization or association which was active during the 1956 campaign was contacted by the subcommittee, or filed a report, and the total figures for contributions and expenditures, as reported, are not necessarily the complete totals for the year 1956.

However, within the power and jurisdiction of the subcommittee, the very best job possible was accomplished, and it is the sincere wish of the subcommittee that its efforts will lead to improvements in existing legislation, and a more complete and detailed disclosure of campaign finances in the future.

Thank you for your interest in this matter and for calling my attention to the ar-

ticle which you forwarded. I hope that I have been able to answer your questions to your satisfaction.

Sincerely yours,

MIKE MANSFIELD,
*Chairman, Subcommittee on Privileges and Elections.*

On page 4790 of the CONGRESSIONAL RECORD of Friday, March 29, 1957, the distinguished junior Senator from Nebraska [Mr. CURTIS] pointed out that he had received a letter from the president of the American Bar Association commenting on the listing in the subcommittee report of contributions by individuals belonging to selected special groups, including the American Bar Association.

Mr. President, the president of the American Bar Association, Mr. David F. Maxwell, on March 19, 1957, wrote to me as chairman of the Subcommittee on Privileges and Elections with respect to the listing of individuals identified with business and professional groups who contributed $5,000 or more during the 1956 campaigns. A copy of Mr. Maxwell's letter was sent to the Senator from Nebraska [Mr. CURTIS], and I assume it was this letter to which the Senator referred in his remarks.

I ask unanimous consent that the text of the letter received from Mr. Maxwell be printed in the RECORD at this point as a part of my remarks.

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

AMERICAN BAR ASSOCIATION,
*March 19, 1957.*

Hon. MIKE MANSFIELD,
*Chairman, Subcommittee on Privileges and Elections, United States Senate, Washington, D. C.*

DEAR SENATOR MANSFIELD: In the February 15, 1957, issue of the news magazine U. S. News & World Report there appeared an article on 1956 election-campaign contributions based upon information in the report of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration.

One of the categories of contributions was headed in large type "Contributions to the two political parties by business and professional people" and in smaller type "Individuals identified with business and professional groups who contributed $500 or more each in the 1956 campaign are listed in the Senate Elections Subcommittee report. The contributions." Under this heading the name of the American Bar Association appeared followed by figures indicating contributions of $5000 to the Republican and $2500 to the Democratic National Committees.

Actually these were purely individual gifts of six men who happen to be members of the American Bar Association. But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received. This misunderstanding is unfortunate because the American Bar Association is of course a voluntary service organization of the legal profession which not only is strictly nonpartisan in all its operations but makes no political contributions whatever.

Our board of governors was naturally distressed by the implications contained in the report, and directed me to write you with respect to it. We realize there was no intent, on the part of the subcommittee or of the U. S. News & World Report, to cause embarrassment to this association or any other. But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way to identify them with the association, leads inevitably to misinterpretations and is unjustified.

That the particular contributions referred to were personal and completely unrelated to the American Bar Association is attested by the individuals who made them. Since all of these gentlemen have various other organizational affiliations, we are at a loss to understand why this association was singled out as the organization with which their personal gifts should be identified in the subcommittee's report, rather than any one of the other organizations to which they belong. For instance, Joseph W. Henderson, of Philadelphia, one of the individuals listed as an American Bar Association contributor, happens to be president of the Union League of Philadelphia which, as you know, is a Republican club, and I am certain that his contribution was intended to be credited to that source, rather than to the American Bar Association. On the other side of the aisle, Richard Bentley, of Chicago, is a member of Governor Stevenson's former law firm. His contribution to the Stevenson campaign was sent on his law-firm stationery and was intended to be credited to the Volunteers for Stevenson. Neither of these gentlemen had the slightest idea that their contribution would be attributed to their membership in the American Bar Association, nor did they wish it to be.

The American Bar Association membership of 90,000 includes men and women of both political parties. You can, therefore, understand why there was such widespread protest from members of both parties following the publication of the article in the U. S. News & World Report. Our association has existed to serve the legal profession and the public for 80 years. Its activities are conducted on a strictly nonpartisan basis; the legislative questions on which it takes positions are those affecting the administration of justice and the public interest within the scope of the association's objectives.

It is our hope that your subcommitte will take whatever steps are necessary to prevent a recurrence of similar incidents in the future. We hope that you will particularly give consideration to the manner of listing the contributions of individuals in such manner that it will be clearly indicated that they are personal contributions without connecting them up in any way with organizations having no part in political activities. In order that I may make a report to the board of governors of this association, I will appreciate hearing from you with respect to this matter at your earliest convenience.

Thanking you and your colleagues for your consideration of this request, I am,

Sincerely yours,

DAVID F. MAXWELL,
*President.*

Mr. MANSFIELD. On March 25, 1957, I sent a reply to Mr. Maxwell, and I ask unanimous consent that the text of that letter be printed in the RECORD at this point as a part of my remarks.

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

MARCH 25, 1957.

Hon. DAVID F. MAXWELL,
*President, American Bar Association, Philadelphia, Pa.*

DEAR MR. MAXWELL: This will acknowledge receipt of your letter of March 19, pertaining to the report of the Subcommittee on Privileges and Elections, entitled "1956 General Election Campaigns."

When the broad investigation into campaign finances was conducted by the subcommittee during 1956, it was the announced intention of the subcommittee to inquire into all sources from which contributions were received and the manner in which expenditures were made. Majority and minority representation on the subcommittee were in accord that the investigation should be as complete and objective as time and resources would permit. Not only were candidates and political committees requested to report to the subcommittee concerning contributions and expenditures, but also an attempt was made to determine what impact, if any, was made on Federal elections by certain other groups or associations throughout the United States.

The reports which were received by the subcommittee were sworn to or affirmed by candidates or by officers of committees, groups, or associations, and in no case did the subcommittee report a contribution or expenditure by a person, committee, or other group which was not substantiated by reports filed with the subcommittee. And, in no case did the subcommittee report a contribution or expenditure by a group, organization, or other association, if in fact the contribution or expenditure was given or made by an individual.

In many instances, the name of an individual contributor appears in more than one place in the report, i. e., as a director, delegate, or other official of a group or association, as a contributor to a Democratic and Republican National Committee, as a contributor to a State Democratic or Republican committee, or for other purposes listed in the report.

You have referred in your letter to Joseph W. Henderson of Philadelphia and to Richard Bentley of Chicago, who are both members of the House of Delegates of the American Bar Association. Each of those men is listed as having contributed to the Republican or Democratic parties. They have also been listed by the subcommittee in other portions of the report, as follows:

1. Exhibit No. 26: "Consolidated alphabetical list of contributors of $500 or over to Democratic and Republican committees and candidates for the period January 1, 1956–November 30, 1956:

"Richard Bentley, $2,500 (Democrats)" (page 26–5).

"Joseph W. Henderson, $1,500 (Republicans)" (page 26–106).

2. Exhibit No. 27: "Contributors of $500 and over to political committees and candidates for the period January 1, 1956–November 30, 1956, by States:

"Richard Bentley, Illinois, $2,500 (Democrats)" (page 27–11).

"Joseph W. Henderson, Pennsylvania, $1,500 (Republicans)" (page 27–171).

3. Exhibit No. 28: "Alphabetical list of contributors of $500 and over, arranged by party and by recipient committee or candidate for period January 1, 1956–November 30, 1956:

"Richard Bentley, National Volunteers for Stevenson, $2,500 (Democratic)" (page 28–12).

"Joseph W. Henderson, Republican National Committee, $500 (Republican)" (page 28–71).

"Joseph W. Henderson, Pennsylvania Republican Finance Committee, $1,000" (page 28–195).

Therefore, it may readily be ascertained by a reading of the full report of the Subcommittee that Messrs. Bentley and Henderson are listed as contributors to the Democratic and Republican Parties respectively, as individuals. And further, that they are listed not only as contributors of $500 or more or as contributors to National committees, but also that their contributions were further broken down to State committees.

In like manner, Messrs. Herbert Brownell, Jr., Arthur H. Dean, W. T. Gossett, and

Whitney North Seymour are shown as individual contributors to Republican organizations in exhibits 26, 27 and 28.

The subcommittee had no intention to intimate that an individual contribution or expenditure was actually made by a particular group, organization or other association per se.

Exhibit 22 specifically states that the contributions listed were "1956 political contributions of $500 and over by persons belonging to selected special groups," and you have been frank to admit this fact in your letter. The subcommittee regrets any misinterpretation which has been drawn by readers of the report. And, of course, the subcommittee cannot be responsible for any material allegedly reproduced in either the U. S. News & World Report or any other magazine or newspaper.

I hope that this information will prove of value to you in preparing your report to the board of governors of the American Bar Association, but if there should be any additional facts desired, please let me hear from you again.

Sincerely,

MIKE MANSFIELD,
*Chairman, Subcommittee on Privileges and Elections.*

Mr. MANSFIELD. On August 31, 1956, the Subcommittee on Privileges and Elections, which at that time was under the chairmanship of the distinguished junior Senator from Tennessee [Mr. GORE], and on which I had the pleasure of serving together with the distinguished junior Senator from Nebraska [Mr. CURTIS], met in executive session, and unanimously agreed to conduct a thorough, impartial, and objective study of campaign contributions and expenditures during the 1956 general-election campaign on the broadest scale possible, in consideration of time and resources available to the subcommittee.

Acting under the jurisdiction conferred upon it by the United States Senate, the Subcommittee on Privileges and Elections increased its staff and began the immediate preparation of questionnaires and reporting forms which were to be sent out to as many candidates for Federal office, political committees, labor unions, radio and television stations, other media of written or oral communication, and other individuals, organizations, or associations, whose names and addresses the subcommittee was capable of ascertaining. Hearings were conducted by the subcommittee on September 10 and 11, and again on October 8, 9, and 10, 1956, during which time testimony was received from political scientists, members of political committees, officers of various branches of the Government, labor-union representatives, corporation officials, and many others who personally requested or were asked by the subcommittee to appear and testify. Notices were sent to each Member of the Senate announcing the dates of the hearings and inviting all those interested to attend and participate in the hearings.

On Tuesday, October 9, 1956, the distinguished junior Senator from Arizona [Mr. GOLDWATER] availed himself of the opportunity to participate in the hearings of that day, and he examined Messrs. Joseph McDevitt and Jack Kroll, codirectors of the AFL-CIO Committee on Political Education, and Mr. Walter P. Reuther, president of the international union, UAW-CIO, and at that time he stated that he would submit a letter to the chairman, the distinguished junior Senator from Tennessee [Mr. GORE], requesting that the subcommittee obtain certain information from various unions. The text of the letter of the Senator from Arizona [Mr. GOLDWATER] appears on page 456 of part II of the hearings which were published in 1956.

Every opportunity was afforded to representatives of both major political parties to present facts and request action on all matters pending before the subcommittee relating in any manner to campaign finances and political activities. No action was taken at any time by any of the members of the subcommittee to forestall, delay, or camouflage inquiry into any field of political activity or financing upon which attention was focused.

Following recommendations by the Senator from Nebraska and the Senator from Arizona, an investigation was conducted in Flint, Mich., concerning alleged violations of Federal election laws by the Greater Flint Industrial Union Council, and, specifically, local No. 599 of the United Auto Workers. As the subcommittee report states, that investigation was somewhat hampered by the facts that the campaign was then at its height, and that an investigation in progress was known to the press. The subcommittee investigator reported back to the subcommittee that he was unable to obtain all of the information for which he was sent, and that his conclusions were necessarily incomplete.

The subcommittee, meeting in executive session, all members being present, unanimously agreed not to pursue the investigation further at that time, but to refer the matter to the Department of Justice for such action as should be deemed necessary.

The statement by the distinguished chairman of the National Republican Senatorial Campaign Committee omits any reference to the fact that the case above-described was transmitted to the Department of Justice. The remarks, by Senators GOLDWATER and CURTIS, which appear in the RECORD of March 29, 1957, likewise fail to acknowledge that such action was taken.

Section 610 of the Federal Corrupt Practices Act—title 18, United States Code, section 610—prohibits contributions or expenditures by national banks or federally organized corporations, and also contributions or expenditures by any corporation or labor union in connection with Federal elections. Members of both major political parties have long complained that direct contributions and/or expenditures and other means calculated to influence the result of elections have been employed by corporations and labor unions. Some charges of this nature have resulted in court action to enforce the provisions of Federal election laws.

The subcommittee received testimony from Warren Olney, III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice, with reference to the enforcement of section 610, title 18, United States Code. In a statistical report of complaints received by the Department of Justice concerning alleged violations of this section from 1950–56, Mr. Olney pointed out that during that period there had been received 54 complaints, of which 49 were considered by the Department to be worthy of investigation. Of these complaints and investigations, 14 cases were presented to the grand jury. Only 2 indictments were obtained, and only 1 case was brought to trial, which resulted in an acquital. One further case, the United States against International Union, United Automobile, and so forth, Workers, was heard in the Federal District Court for the Eastern District of Michigan. An appeal from a decision of that court adverse to the complainant, was taken to the Supreme Court of the United States. That august body remanded the case to the district court for the eastern district of Michigan for trial. Thus, there is no clear decision concerning political activities by labor unions, corporations, or national banks.

The subcommittee sent no questionnaires or other forms to corporations, but relied solely for information on such legal entities upon reports filed by candidates and political committees with the Clerk of the House of Representatives and the Secretary of the Senate.

Every phase of the enormous task of compiling statistics of campaign contributions and expenditures, both on the Federal and State levels, was done only after conference with all members of the subcommittee, and, in every instance, with the concurrence of both majority and minority members. Time and time again was the maxim reiterated that the intent of the subcommittee was to disclose to the best of its ability, time and resources permitting, as much of the financing for all campaigns throughout the United States as was humanly possible, and that the aim of the subcommittee was to produce a statistical report free from bias or political partisanship.

An interim report, compiled by the subcommittee, was submitted to each of the Members, and an opportunity was given for the submission of corrections and any criticisms which might be brought to the attention of the subcommittee. No objection to the printing of the subcommittee's interim report was officially voiced by any member of the subcommittee at any of its meetings, with the exception that the distinguished Junior Senator from Nebraska [Mr. CURTIS] expressed his opinion that donors who made contributions within the letter of the law ought not to be subjected to embarrassment or humiliation.

Mr. President, if any embarrassment or humiliation was suffered by individuals who made political contributions, then such embarrassment or humiliation is due, not to the efforts of the subcommittee, but to the provisions of the Federal election laws which require that contributions and expenditures be reported to the Clerk of the House or the Secretary of the Senate.

Except for this one objection, the functioning of the subcommittee was absolutely without discord. Not until the subcommittee report was printed in final form did the minority member, Senator CURTIS, provide his minority views.

Indeed, Mr. President, a reading of the minority views, which appear on pages 25 to 28 of the subcommittee report, reveals that the distinguished junior Senator from Nebraska [Mr. CURTIS] appreciated the very difficult and complex problems which confronted the subcommittee in its attempt to perform its duty on such an enormous scale.

On page 26 of the report, the junior Senator from Nebraska stated:

> It must be stated without reflection on the staff of the committee or necessarily on the witnesses, that no full disclosure of the conduct of the campaign has been made. The difficulties appear to be in some degree procedural. There has been lacking an adequate definition of terms as to what constitutes a political expenditure and adequate accounting procedures which would make mandatory the full reporting of all such expenditures. The present hearings have again demonstrated that neither through legislation nor through committee action has the Congress made adequate specifications.

The Subcommittee on Privileges and Elections fully recognizes that there are areas in the law which permit campaign contributions and expenditures and other activities which tend to influence the result of elections to go undisclosed and unreported. Reporting techniques and the attendant responsibilities of political committees, candidates, labor unions, corporations, and other organizations or associations have not yet been defined in detail by law, or interpretations of pertinent sections of the law have lost their meaning through accepted construction, so that political finances are either unreported or the reports are incomplete, ambiguous, or otherwise vague and uncertain.

Some contributions and expenditures, faithfully reported by the original source, have lost their meaning through transfers of funds, subsequent reports by other committees which have picked up the same information, and errors in names, addresses, and amounts.

Taking all of these problems into consideration, as well as the limitation of time and resources, the subcommittee under the distinguished and very capable Senator from Tennessee [Mr. GORE] did its very best, objectively and honestly, to inform the Senate and the people of the United States concerning campaign finances during 1956. Its information was obtained only from reports filed with the subcommittee or with the Clerk of the House of Representatives or the secretary of the Senate. Every effort was made to discover and correct duplications in reporting, errors in names, addresses and amounts, and other defects which members of the staff were capable of discerning. The subcommittee readily admits that its report is not infallible. The subcommittee wishes to thank the senior Senator from the State of Kansas [Mr. SCHOEPPEL] for calling to the attention of the subcommittee any errors or omissions which exist in the report. In the event there should be a reprint of the subcommittee's report, every effort will be made to correct such errors or omissions and to make the reprint as nearly perfect as possible.

A substantial portion of the criticism in the statement by the distinguished senior Senator from Kansas, is concerned with the absence from some exhibits of the names of some individual contributors who gave more than $500 or more than $5,000.

The subcommittee report specifically recites at the beginning of exhibit 26 that "Lists of contributions from several hundred people totaling approximately one-half million dollars were received in time to be included in exhibits 26, 27, and 28, but too late to be included in other exhibits which show individual contributions."

Exhibits 26, 27, and 28 were the last to be run through the IBM machines and time permitted more detailed and last-minute corrections and additions to those exhibits.

Mr. President, I wish to reiterate that the task of the subcommittee was very difficult and very complex; that no prior study of such magnitude had ever been undertaken on this subject by any Senate committee, and the subcommittee has every reason to be proud of its accomplishment without embarrassment because some errors may appear in its work. The overall picture of campaign contributions and expenditures would still remain the same if the errors referred to by the distinguished senior Senator from Kansas were taken into account and the subcommittee stands ready and willing to defend its report on the floor of the Senate, or elsewhere.

I conclude, Mr. President, by stating that the Senate and the Nation owes a debt of gratitude and appreciation to the chairman of the subcommittee, the Senator from Tennessee [Mr. GORE]. He performed a difficult task ably, vigorously and impartially.

## TRIBUTE TO DEMOCRATIC PAGES

Mr. ELLENDER. Mr. President, before proceeding with a discussion of the pending measure and the amendment offered by the Senator from California, I wish to take occasion to thank my fine young friends, the Democratic pages. These boys serve us very faithfully and they are very observant. Some time ago they noticed that I had occasion to borrow a nail file from Bobby Baker and others of the staff, and they proceeded to purchase one for me. To the box was attached a card with these words:

> Now when you are on the floor
> You'll have to borrow nevermore.
> (Signed) THE DEMOCRATIC PAGES.

Democratic pages of the Senate, I appreciate your thoughtfulness very much.

## EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. ELLENDER. Mr. President, the bill has been discussed at length by the distinguished junior Senator from Minnesota [Mr. HUMPHREY]. He has given to the Senate and to the people of the country a very clear-cut picture of the effectiveness of Public Law 480 in disposing of some of our surplus commodities.

The bill now under consideration simply extends the present law for another year. It would extend title I until June 30, 1958, and would increase the authorization of title I by $1 billion, so as to make the authorization $4 billion.

If Senators will look at page 1 of the report, they will note how the surplus commodities are disposed of under title I of Public Law 480.

The President, under that title, is authorized to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for foreign assistance, payment of United States obligations abroad, and for certain other purposes. Under existing legislation, new agreements cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter-of-credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

The foreign currencies so deposited are then used in furtherance of the foreign aid program, United States foreign policy interests, and other purposes.

Only 1.6 percent of the purposes for which such foreign currencies can be used can be considered agricultural purposes. A table showing the planned uses of foreign currency, other than agricultural uses, is shown on page 3 of the report.

Mr. President, I ask unanimous consent that that table be printed at this point in the RECORD.

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

| | Millions of dollars | Percent |
|---|---|---|
| Purchase of strategic material | 7.2 | .4 |
| Military procurement | 241.0 | 12.1 |
| Purchase of goods for other countries | 23.5 | 1.2 |
| Grants for multilateral trade and economic development | 61.5 | 3.1 |
| Payment of United States obligations abroad | 478.38 | 24.1 |
| Loans for multilateral trade and economic development | 1,114.9 | 56.2 |
| International education exchange | 17.15 | .9 |
| Translation and publication | 1.75 | .1 |
| Information and education | 7.4 | .1 |

Mr. ELLENDER. Mr. President, the table shows that for the purchase of strategic material, $7.2 million, or 0.4 percent of the entire amount, was used.

For military procurement, $241 million, or 12.1 percent of the entire amount, was used.

For the purchase of goods for other countries, $23.5 million, or 1.2 percent of the entire amount, was used.

For grants for multilateral trade and emonomic development, $61.5 million, or 3.1 percent of the entire amount, was used.

For the payment of United States obligations abroad, $478.38 million, or 24.1 percent of the entire amount, was used.

For loans for multilateral trade and economic development, $1,114.9 million, or 56.2 percent of the entire amount, was used.

For international education exchange, $17.15 million, or 0.9 percent of the entire amount, was used.

For translation and publication, $1.75 million, or 0.1 percent of the entire amount, was used.

For information and education, $7.4 million, or 0.1 percent of the entire amount, was used.

The greatest portion of these currencies, derived from surplus sales, is used almost in the same manner as economic aid funds are used.

I shall show in a few moments with greater particularity how these currencies are being used to benefit the recipient countries. As I said, they are used to rehabilitate these countries and are really or virtually used in lieu of foreign aid.

It is my sincere hope that when the Committee on Foreign Relations supports the foreign aid authorization bill this year, the Senate will take this program into consideration.

Up to the present, Congress has authorized an expenditure of $3 billion for the sale of surplus commodities to foreign countries. The export market value of all the surplus products sold under title I of the act aggregates $1,900,000,000, in round figures, although the Commodity Credit Corporation's investment in, and costs in connection with, those commodities was almost $3 billion.

Mr. President, we have remaining approximately $100 million, which has not yet been obligated. We were informed by the Department that if the Senate provides the additional $1 billion, now being requested, it will be possible to continue the program at the same rate as it has been conducted during the past 2 years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement regarding the various uses to which the money is being put. For instance, the first category listed is agricultural market development; the next is purchase of strategic materials; the next is common defense; and so forth.

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

FROM FIFTH SEMIANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS, AS AMENDED (DOC. NO. 50, 85TH CONG., 1ST SESS.)

Agricultural market development: Section 104 (a): A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products.

Market development projects are initiated and carried out in close cooperation with United States and foreign-trade groups in a manner designed to be beneficial to both groups. In most cases the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade group carries out the project and provides for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It insures that projects are beneficial to both the United States and the foreign country.

During the period July–December 1956 over 20 projects were approved providing for commitment of about $2 million equivalent in foreign currencies. This brings total commitments to about $4.1 million equivalent as of December 31, 1956. The United States farm commodities to be promoted abroad under these projects are cotton, wheat, and flour, beef cattle, dairy cattle, soybeans, tobacco, fruit, tallow, dairy products, poultry, and eggs.

Types of activities included in these projects are visits by foreign-trade representatives, consumer preference surveys, advertising and public-relations programs, market surveys, exhibitions, and demonstrations, merchandising, and other specialized training in marketing. Arrangements were made for these activities to take place in 20 countries.

Three new types of projects undertaken during the reporting period follow:

1. A team of German food-inspection experts was brought to the United States to acquaint them with accepted American pure-food standards and methods of food preservation. A basis for a better understanding was sought so that more United States processed agricultural products may be admitted into Germany.

2. A worldwide survey of prices of agricultural commodities at producer, wholesale, and retail levels was started. The study should permit simultaneous price comparisons of specific commodities at particular stages of marketing. It is expected to show where there are price advantages to the United States in international trade for particular commodities and to indicate the countries in which market development activities would be most fruitful. A private research firm with worldwide branches has been employed to make the study.

3. Arrangements were made whereby the United States fruit export trade contributed pictorial material for an illustrated catalog to be printed in Austria for distribution there and in other countries. The 48-page booklet in color should serve to introduce various United States fruit items to foreign importers.

Trade fairs: Market-development projects are also conducted through participation in international trade and food fairs. During calendar year 1956 United States agricultural exhibits under Public Law 480 were shown at trade and food fairs, with a total attendance of nearly 7,500,000. Exhibits in prospect for the early part of 1957 include Verona, Italy; Barcelona, Spain; and Tokyo, Japan.

United States exhibits in these fairs are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by the trade groups. The Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary materials and commodities; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Trade fairs serve to acquaint large numbers of people with the quality and availability of United States agricultural products. It permits many prospective customers to see, taste, and feel these products for the first time.

The largest agricultural exhibit during the July–December 1956 period was at the British Food Fair in London, August 28–September 15. At this major fair, with a total attendance of more than 500,000, the United States featured meat, lard, frozen poultry, dairy products, grain products, rice, and frozen foods. Samples distributed included frankfurters, cheese, milk solids, doughnuts, and orange juice made from frozen concentrate. Five representatives of United States agricultural trade associations assisted with the exhibit and used the occasion to establish contacts with British trade leaders.

Smaller agricultural displays held during the period were in connection with Department of Commerce exhibits at Vienna, Austria; Salonica, Greece; Zagreb, Yugoslavia; Bangkok, Thailand; and, for the second successive year, Bogotá, Colombia. The Bogotá exhibit of wheat and flour and the Bangkok exhibit of recombined milk were arranged in direct support of the work of United States market development teams operating in those countries.

Purchase of strategic materials: Section 104 (b): No local currency was earmarked for this purpose under title I agreements entered into during the reporting period. The total amount of local currency earmarked to date for the purchase of strategic materials is $7.2 million.

Common defense: Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment, materials, facilities, and services for the common defense. During the reporting period, $55.3 million equivalent was earmarked for this purpose. This brings the total amount planned for common defense to $221.3 million for agreements signed with Brazil, the Republic of China (Taiwan), Iran, Korea, Pakistan, and Yugoslavia. The use of $20.5 million equivalent has been authorized so far, including about $14.5 million worth of rupees to Pakistan and $6 million worth of won to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchases of goods for other friendly countries: Section 104 (d): This section provides that the United States may use local currency proceeds of surplus commodity sales to purchase goods and services for other friendly countries. Sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for United States uses may be used

for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to CCC if local currency is used to procure goods or services which will be furnished on a grant basis.

There is usually no advance commitment by the United States to use these funds either to procure specific goods or services or to authorize purchases for a particular country. Certain standards conforming closely with commercial practices have been established for the use of these funds. These are designed to avoid undue disruption of normal trade patterns and to assure that purchases are made at competitive prices.

Use of about $12 million equivalent of these funds has been authorized, including $3.3 million worth of yen during the last 6 months. The equivalent of $1.3 million of yen will be used to buy Japanese cement needed in Taiwan. In addition, $2 million of yen were used to furnish some of the immediate needs for civilian relief in the Ryukyu Islands following Typhoon Emma.

Grants for economic development: Section 104 (e): About $60 million of local currency has been earmarked for grants for economic development. These are made only in special circumstances and comprise about 3 percent of the total sales proceeds expected to accrue.

Payment of United States obligations: Section 104 (f): Agreements signed during the period July-December 1956 tentatively earmarked $182.1 million, or 20.5 percent of sales proceeds, for the payment of United States obligations. Not all of these funds will be used for the payment of United States obligations because a number of agreements signed during the period of this report include a combined total for several United States purposes, such as market development, purchases of goods for other countries, and international education exchange, as well as for the payment of United States obligations. Since dollar reimbursement is required for nearly all of the funds used under section 104 (f), eventual dollar recovery may be considerably more than the 10 percent minimum stipulated in the act.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation. Reimbursement to CCC will be spread over a number of years and is likely to be considerably less than the total earmarked under this section. This is because (1) repayments for military family housing will extend over many years; (2) currencies available for Treasury sale accumulate in some countries where United States agency expenditures are low; and (3) losses are sustained in some cases due to exchange rate differentials.

The Treasury Department sells foreign currencies to the Government for appropriated dollars at the rate of exchange at which they could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to CCC consequently is often less than the dollar market value of the commodities sold.

In countries such as Turkey and Spain most sales are to defense agencies for use in meeting the costs of military-base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency, which have continuing needs for funds to meet administrative and operating expenses.

A small portion of these currencies has been made available for Congressional travel expenses, a use exempted from the requirement for dollar disbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing: Public Law 765, 83d Congress, Public Law 161, and Public Law 968, 84th Congress, authorize the use of up to $250 million worth of foreign currencies generated by title I sales for construction, rent, or procurement of United States military family housing and related community facilities in foreign countries. This legislation further provides that CCC shall be reimbursed from appropriations available for the payment of quarters allowances to the extent the housing is occupied.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of $98.4 million equivalent in agreements with the following countries:

| | *Million dollar equivalent* |
|---|---|
| Austria | 6.4 |
| Finland | 7.0 |
| Greece | 2.0 |
| Italy | 13.0 |
| Japan | 25.1 |
| Portugal | 1.5 |
| Spain | 16.0 |
| United Kingdom | 27.4 |
| Total | 98.4 |

During the reporting period, Greece and Portugal were added to the list of countries in which military family housing programs were being developed.

The amount allocated in Italy was raised from $3.5 million in Italian lire to $13 million. The program now provides for a total of 616 units, including 45 units for the Air Force, 415 for the Army, and 156 for the Navy.

In the United Kingdom, a substantial number of units for the Air Force and the Navy has been completed under the 1955 agreement ($15.2 million). Approximately 1,000 additional units, together with related community facilities, will be constructed with the $12.2 million equivalent available from the second sales agreement signed in June 1956.

Loans for multilateral trade and economic development: Section 104 (g): Over $1 billion of local currencies—just over half of the total proceeds expected from sales made to date—will be lent by the United States to purchasing countries to promote economic development and international trade. Over half of these loan funds will be available to countries in the Near East and Asia. This includes the large loan components of the multiyear programs for Indonesia and India; funds which will accrue for loan purposes as a result of sales to Japan; and substantial amounts earmarked for seven other countries in this area. Almost $300 million equivalent will be set aside for loans to five Western European countries, including Italy, Spain, and Yugoslavia. About $225 million in local currencies will be available for loans to Brazil, Chile, and five other Latin American countries to which United States surplus farm products have been sold under this program.

Plans for the productive use of these funds are gradually being developed by the foreign governments in cooperation with the United States. Special emphasis is being placed upon appropriate coordination of plans for the use of these substantial local currency resources with the overall development programs of the countries. Foreign governments are being encouraged to use some of these funds for relending to private enterprise. Loans will be made through established banking facilities of the country concerned to locally owned companies, as well as to those financed by United States investors and by investors from other friendly foreign countries. Some of the funds may also be used to cover a portion of the local costs of development projects for which foreign-exchange financing is being furnished by the International Bank for Reconstruction and Development and the Export-Import Bank. Loan funds may also be used to supplement planned governmental expenditures for roads, port and storage facilities, and other public improvements. Thus over the next several years these funds are expected to make an important contribution to the economic growth of many friendly foreign countries.

The agreements specify terms and conditions of repayment which have been developed in cooperation with the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans.

During the last 6 months, loan agreements have been concluded with six countries providing for local currency loans of $131 million equivalent. Since the beginning of the program, the equivalent of $236 million in loans has been negotiated with 11 countries. This includes (in million-dollar equivalents): Austria, $16.0; Brazil, $31.32; Chile, $4.0; Colombia, $10.0; Ecuador, $3.1; Greece, $4.2; Israel, $31.29; Japan, $108.85; Peru, $7.75; Spain, $10.5; and Yugoslavia, $9.0. A further acceleration in the rate at which loan agreements are concluded is expected. Negotiations are progressing and some of the problems which have occasioned delays in the past are nearing solution. In addition, it is anticipated that a much shorter time should be required to negotiate successive loan agreements with those countries with which more than one sales agreement has been entered into.

Most of the loan agreements concluded so far provide only that the funds will be used for economic development, without reference to specific projects. Countries may then formulate their plans for the use of these funds over a period of time. In some instances, however, virtual agreement on fund utilization is reached at the same time that the loan is negotiated. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed for the projects.

By December 31, 1956, economic development projects involving expenditures of up to $181 million equivalent have been approved for eight countries, including (in million-dollar equivalents): Austria, $1.5; Brazil, $31.32; Chile, $4.0; Ecuador, $3.1; Israel, $15.4; Japan, $108.85; Peru, $7.75; and Spain, $9.0. Of these amounts, expenditures of up to $84 million equivalent were approved during the last 6 months, including (in million-dollar equivalents): Peru, $3.35; Brazil, $31.32, and Japan, $49.35. Most of the Peruvian soles will be used in connection with the irrigation project approved some time ago. About $1.5 million equivalent may be used in the drought area in the southern part of the country for construction of farm-to-market roads, agricultural credit, and similar projects. Present plans contemplate the use of a substantial portion of the Brazilian cruzieros for improvement of rail- and river-transport facilities. Funds will also be used to finance storage construction, expansion of electric power, and for other industrial purposes. Japanese yen will also be used for electric-power development, as well as for reclamation of industrial land sites, forestry, food processing, and similar projects. About $13 million of these funds will be used to finance irrigation, drainage, and reclamation of agricultural land.

In general, the United States considers that it is unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in world surplus. However, in countries like Japan, which even at their present population levels must import a very large percentage of their food requirements, any small increases in production will readily be consumed at home and will not enter into world markets.

International educational exchange: Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Based upon the planned uses of foreign currency under agreements signed from the

beginning of the program through December 31, 1956, seven educational exchange programs are expected to be reactivated or extended (Public Law 584, 79th Cong., the Fulbright Act) for which the original sources of foreign currency have been exhausted.

In addition, the planned use for the foreign currency is providing a base for initiating 11 educational exchange programs under the Fulbright Act, including 7 in Latin America.

Negotiations for new or extended agreements to support educational exchange programs are under way as follows (values in dollar equivalent): Argentina, $600,000; Brazil, $980,000; Chile, $500,000; Colombia, $500,000; Ecuador, $300,000; Finland, $250,000; Japan, $750,000; Korea, $900,000; Pakistan, $1,050,000; Paraguay, $150,000; Peru, $500,000; Portugal, $300,000; Spain, $600,000; Thailand, $400,000; and Turkey, $750,000.

Additional programs in active preparation include Indonesia, $600,000; Iran, $750,000; Republic of China (Taiwan), $750,000; and India, $1,800,000.

Translation, publication, and distribution of books and periodicals: Section 104 (i): As indicated previously, subsection (i) was added to section 104 of the act by the Mutual Security Act of 1954. Not more than $5 million may be allocated for this purpose during any fiscal year.

It is planned that American textbook exhibits will be furnished to educators abroad for ultimate use in schools of their countries.

To facilitate the program, local currencies will be used to acquire rights to books, procure paper, translate textbook material, and furnish printing equipment.

Assistance to American-sponsored schools, libraries, and community centers: Section 104 (j): This subsection was added to section 104 of the act by Public Law 962, 84th Congress. Through December 31, 1956, the equivalent of $4.6 million was planned for this currency use. The currency will be used to aid American-sponsored schools abroad and binational organizations which promote United States interests and mutual understanding. Agreements entered into with Brazil, Italy, Pakistan, Spain, and Turkey provide for section 104 (j) uses.

American-sponsored schools will be aided through the purchase of land, buildings, and equipment. Buildings acquired will not only make more classrooms available but will result in more laboratories and dormitories. For example, it is planned that the American school in Rome will acquire a small tract of land for playground and other school purposes; it is further planned that the villa now used for classrooms will be remodeled to provide dormitory space not now available. Local currencies will also be used to offer scholarships (for children of the foreign country), to augment teachers' salaries, and for curriculum improvement.

Binational organizations will be aided through the purchase and lease of buildings and through furnishing books and other educational materials. In addition to binational center projects, this authority will be used to support such educational facilities as the Institute of American Studies in Rome.

Mr. ELLENDER. Mr. President, since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. They cover commodities involving a total cost to the Commodity Credit Corporation, as I have just indicated, of approximately $2,900,000,000 and with a total export market value of nearly $2 billion. The $2,900,000,000 of Commodity Credit Corporation cost includes approximately $225 million in ocean transportation costs financed by the Commodity Credit Corporation, as well as processing, handling, and other costs. These agreements, covering the $2,900,000,000, have practically exhausted the Commodity Credit Corporation's cost limitation of $3 billion. At the time the Department witnesses appeared before the committee, approximately $1 billion worth of commodities had been exported, and the Department expected shipments to total approximately $1,200,000,000 by June 30. Of course there is a lag between the dates when agreements are entered into and the time when the commodities are shipped. So the $3 billion authorization is practically exhausted, even though only approximately $1 billion worth of commodities has been shipped.

The market value, expressed in dollars, and the quantities, of the various commodities shipped to various countries under the program are set forth in tables I and II, on pages 9 and 10 of the report. A complete statement of the planned uses of foreign currencies under title I is set forth in table III, on page 11 of the report.

I ask unanimous consent to have the tables printed at this point in the RECORD, as a part of my remarks.

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

TABLE I.—*Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

[In millions of dollars]

| Country | Wheat | Feed grains | Rice | Cotton [1] | Tobacco | Dairy products | Fats and oils | Other | Market value | Ocean transportation | Market value including ocean transportation [2] | Estimated CCC cost including ocean transportation [3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Argentina | | | | | | | 30.4 | | 30.4 | 0.7 | 31.1 | 34.0 |
| Austria | 3.4 | 10.6 | | 6.1 | 3.5 | | 2.4 | [3] .3 | 26.3 | 2.3 | 28.6 | 41.8 |
| Brazil | [4] 144.7 | .9 | | | .2 | 2.2 | 8.3 | | 156.3 | 23.9 | 180.2 | 300.2 |
| Burma | | | | 17.5 | 1.1 | 2.0 | | [3] .2 | 20.8 | .9 | 21.7 | 31.2 |
| Chile | 12.1 | | | 5.3 | .2 | 1.0 | 16.0 | [5] 2.5 | 37.1 | 3.0 | 40.1 | 56.0 |
| China (Taiwan) | | | | 5.0 | 1.7 | 1.5 | 1.0 | | 9.2 | .6 | 9.8 | 12.5 |
| Colombia | 5.0 | | | 7.6 | | .7 | 2.5 | | 15.8 | 1.1 | 16.9 | 24.1 |
| Ecuador | 2.2 | .3 | | .8 | .7 | | 3.5 | | 7.5 | .6 | 8.1 | 10.3 |
| Egypt | 17.1 | | | | | | | | 17.1 | 2.5 | 19.6 | 38.7 |
| Finland | 6.3 | 2.3 | | 5.8 | 6.0 | .5 | | [3] 1.2 | 22.1 | 1.9 | 24.0 | 34.3 |
| France | | | | | 2.1 | | | | 2.1 | | 2.1 | 2.1 |
| Germany | | | | | | | | [6] 1.2 | 1.2 | | 1.2 | 1.2 |
| Greece | 14.7 | 5.4 | | | | 3.6 | 14.3 | | 38.0 | 4.0 | 42.0 | 57.2 |
| India [7] | 200.0 | | 26.4 | 70.0 | 6.0 | 3.5 | | | 305.9 | [8] 60.2 | 366.1 | 553.4 |
| Indonesia | 5.0 | | 35.8 | 36.0 | 15.0 | | | | 91.8 | 6.0 | 97.8 | 154.0 |
| Iran | 9.5 | | | | | .8 | | | 10.3 | 2.5 | 12.8 | 21.3 |
| Israel | 15.8 | 10.1 | .1 | 2.6 | .4 | 4.1 | 3.0 | [9] 10.3 | 46.4 | 5.2 | 51.6 | 76.6 |
| Italy | 1.6 | 10.0 | | 65.3 | 8.9 | | 30.0 | | 115.8 | 4.6 | 120.4 | 161.1 |
| Japan | 48.6 | 15.4 | 14.4 | 52.8 | 7.7 | | | | 138.9 | 12.6 | 151.5 | 208.1 |
| Korea | 8.5 | 15.3 | 22.5 | 9.8 | 6.6 | 1.0 | 1.5 | [10] 8.0 | 73.2 | 8.4 | 81.6 | 96.8 |
| Netherlands | | | | .27 | | | | | .27 | .01 | .28 | .4 |
| Pakistan | 26.6 | | 41.9 | 29.0 | 4.8 | 2.5 | 3.3 | | 108.1 | 12.6 | 120.7 | 195.7 |
| Paraguay | 1.7 | | | | | .4 | .5 | | 2.6 | .4 | 3.0 | 4.3 |
| Peru | 8.9 | | | | | .2 | 3.0 | | 12.1 | 1.4 | 13.5 | 20.2 |
| Portugal | 6.3 | | | | | | | | 6.3 | .8 | 7.1 | 13.7 |
| Spain [11] | 4.6 | 9.1 | | [1] 32.9 | 6.2 | | 89.6 | [12] 19.3 | 161.7 | 15.0 | 176.7 | 199.2 |
| Thailand | | | | | 1.9 | .46 | | | 2.36 | .14 | 2.5 | 2.8 |
| Turkey | 52.8 | 18.0 | 1.4 | | | .6 | 16.3 | [13] 4.9 | 94.0 | 16.2 | 110.2 | 163.7 |
| United Kingdom | | | | | 27.0 | | | | 27.0 | .4 | 27.4 | 27.4 |
| Yugoslavia | 132.2 | | | 30.9 | | | 26.0 | | 189.1 | 33.2 | 222.3 | 344.8 |
| Total agreements | 727.6 | 97.4 | 142.5 | 377.67 | 100.0 | 25.06 | 251.6 | 47.9 | 1,769.73 | 221.15 | 1,990.88 | 2,887.1 |

[1] Spanish program includes $0.3 million cotton linters.
[2] Includes only ocean transportation to be financed by CCC except as noted in footnote 8.
[3] Fruit.
[4] Includes $111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.
[5] Hay and pasture seeds, $2.5 million.
[6] Poultry.
[7] 3-year program except rice, which is a 1-year program.
[8] Includes $6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, $54.2 million, only, is reflected in the currency use table III.
[9] Dry edible beans, $0.3 million; chilled or frozen beef, $10 million.
[10] Canned pork.
[11] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[12] Hams, $1.6 million; salt pork, $0.8 million; potatoes, $1.4 million; frozen beef, $15.5 million.
[13] Canned and frozen beef.

TABLE II.—*Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

| Country | Wheat and flour | Feed grains [1] | Rice | Cotton [2] | Tobacco | Dairy products [3] | Fats and oils [4] | Poultry | Dry edible beans | Fruit and vegetables | Meat | Hay and pasture seeds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Thousand bushels* | *Thousand bushels* | *Thousand hundred-weight* | *Thousand bales* | *Thousand pounds* | *Thousand pounds* | *Thousand pounds* | *Thousand pounds* | *Thousand hundred-weight* | *Thousand pounds* | *Thousand pounds* | *Thousand hundred-weight* |
| Argentina | | | | | | | 220,000 | | | | | |
| Austria | 2,025 | 7,091 | | 42.5 | 5,900 | | [5] 16,552 | | | [6] 1,974 | | |
| Brazil | [7] 84,974 | 688 | | | 125 | 10,190 | [5] 55,092 | | | | | |
| Burma | | | | 125.2 | 1,467 | 9,682 | | | | [6] 1,579 | | |
| Chile | 7,316 | | | 37.6 | 300 | 9,900 | 94,019 | | | | | 55 |
| China (Taiwan) | | | | 35.6 | 2,000 | 5,062 | 10,811 | | | | | |
| Colombia | 2,612 | | | 48.3 | | 3,307 | 14,141 | | | | | |
| Ecuador | 1,148 | 189 | | 6.0 | 923 | | 27,959 | | | | | |
| Egypt | 10,329 | | | | | | | | | | | |
| Finland | 3,724 | 1,581 | | 36.1 | 9,990 | 1,163 | | | | [6] 10,720 | | |
| France | | | | | 3,216 | | | | | | | |
| Germany | | | | | | | | 3,000 | | | | |
| Greece | 8,571 | 5,073 | | | | 28,456 | [5] 83,288 | | | | | |
| India [8] | 128,600 | | 4,409 | 500.0 | 6,000 | 14,770 | | | | | | |
| Indonesia | 2,894 | | 5,629 | 248.7 | 23,000 | | | | | | | |
| Iran | 2,120 | | | | | 11,708 | 5,773 | | | | | |
| Israel | 9,251 | 8,463 | 7 | 15.5 | 550 | 14,197 | 19,450 | | 37 | | [9] 40,000 | |
| Italy | 948 | 6,410 | | 453.8 | 11,798 | | 196,815 | | | | | |
| Japan | 31,030 | 12,425 | 2,111 | 305.0 | 9,462 | | | | | | | |
| Korea | 5,408 | 13,115 | 3,214 | 50.0 | 12,667 | 2,751 | 9,677 | | | | [9] 19,842 | |
| Netherlands | | | | 1.8 | | | | | | | | |
| Pakistan | 16,019 | | 6,636 | 189.5 | 5,317 | 5,105 | 21,159 | | | | | |
| Paraguay | 994 | | | | | 933 | [5] 3,126 | | | | | |
| Peru | 5,014 | | | | | 621 | 22,000 | | | | | |
| Portugal | 3,751 | | | | | | | | | | | |
| Spain | [10] 2,446 | 6,369 | | [2] 221.9 | 11,388 | | 515,001 | | | [8] 66,667 | [9] 74,767 | |
| Thailand | | | | | 2,700 | 1,957 | | | | | | |
| Turkey | 30,547 | 14,424 | 220 | | | 3,042 | 113,723 | | | | [9] 17,155 | |
| United Kingdom | | | | | 38,625 | | | | | | | |
| Yugoslavia | 76,566 | | | 199.7 | | | [5] 193,916 | | | | | |
| Total | 436,287 | 75,828 | 22,226 | 2,517.2 | 145,428 | 122,844 | 1,622,502 | 3,000 | 37 | 80,940 | 151,764 | 55 |

[1] See the following:

| | *Thousand bushels* |
|---|---|
| Feed wheat | 1,813 |
| Corn | 29,442 |
| Oats | 5,843 |
| Barley | 32,935 |
| Grain sorghums | 5,795 |
| Total | 75,828 |

[2] Includes 15,400 bales cotton linters for Spain.

[3] See the following:

| | *Thousand pounds* |
|---|---|
| Condensed milk | 7,054 |
| Dry whole milk | 3,328 |
| Nonfat dry milk | 42,561 |
| Evaporated milk | 21,321 |
| Butter | 12,698 |
| Cheese | 11,521 |
| Butter oil | 2,835 |
| Butter oil and/or ghee | 15,276 |
| Ghee | 4,249 |
| Whey | 2,001 |
| Total | 122,844 |

[4] See the following:

| | |
|---|---|
| Cottonseed oil | 121,590 |
| Cottonseed oil and/or soybean oil | 773,118 |
| Cottonseed oil, soybean oil and/or lard | 320,151 |
| Linseed oil | 11,945 |
| Lard | 230,595 |
| Tallow and/or grease | 165,103 |
| Total | 1,622,502 |

[5] Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

| | *Thousand pounds* |
|---|---|
| Brazil | 44,069 |
| Chile | 3,241 |
| Greece | 3,571 |
| Paraguay | 1,300 |
| Yugoslavia | 161,862 |

[6] See the following:

| | |
|---|---|
| Austria: | |
| Canned fruit and fruit juices | 47 |
| Dried fruit | 1,927 |
| Burma: | |
| Canned fruit and fruit juices | 769 |
| Dried fruit | 810 |
| Finland: | |
| Dried fruit | 9,800 |
| Fresh pears | 920 |

Spain, potatoes.

[7] Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.

[8] 3-year program except rice which is a 1-year program.

[9] Israel, frozen beef; Korea, canned pork; Spain, canned hams 2,571, salt pork 4,267, frozen beef 67,929; Turkey.

[10] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]

[In millions of dollars]

| Country | Total amount programed (market value including ocean transportation) | Market development (104a) | Purchase of strategic material (104b) | Military procurement (104c) | Purchase of goods for other countries [2] (104d) | Grants for multilateral trade and economic development (104e) | Payment of United States obligations [3] (104f) | Loans for multilateral trade and economic development (104g) | International education exchange (104h) | Translation and publication (104i) | Information and education (104j) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Argentina | 31.1 | 0.6 | | | (2) | | 9.8 | 20.0 | 0.7 | | |
| Austria | 28.6 | .7 | | | 2.0 | | 9.9 | 16.0 | | | |
| Brazil | 180.2 | 2.7 | 3.2 | 2.0 | | | 19.6 | 149.2 | 2.1 | 0.5 | 0.9 |
| Burma | 21.7 | .5 | | | (2) | | 3.9 | 17.3 | | | |
| Chile | 40.1 | .8 | | | | | 7.0 | 31.7 | .6 | | |
| China (Taiwan) | 9.8 | .7 | | 4.9 | | | 3.4 | | .8 | | |
| Colombia | 16.9 | .8 | | | (2) | | 5.5 | 10.0 | .6 | | |
| Ecuador | 8.1 | .4 | | | | | .8 | 6.3 | .4 | | .2 |
| Egypt | 19.6 | .5 | | | | | 4.7 | 13.6 | .8 | | |
| Finland | 24.0 | .5 | | | (2) | | 23.2 | | .3 | .05 | |
| France | 2.1 | 1.2 | | | .6 | | .3 | | | | |
| Germany | 1.2 | 1.1 | | | | | .1 | | | | |
| Greece | 42.0 | 1.3 | | | | 7.5 | 9.2 | 23.5 | | | .5 |
| India, 3-year program | [4] 360.1 | 4.0 | | | (2) | 54.0 | 66.2 | 234.1 | 1.8 | | |

See footnotes at end of table.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]—Continued

[In millions of dollars]

| Country | Total amount programed (market value including ocean transportation) | Market development (104a) | Purchase of strategic material (104b) | Military procurement (104c) | Purchase of goods for other countries [2] (104d) | Grants for multilateral trade and economic development (104e) | Payment of United States obligations [3] (104f) | Loans for multilateral trade and economic development (104g) | International education exchange (104h) | Translation and publication (104i) | Information and education (104j) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Indonesia | 97.8 | 1.0 | 2.0 | | | | 17.1 | 77.4 | .3 | | |
| Iran | 12.8 | .2 | | 5.9 | | | 3.3 | 2.5 | .7 | | .2 |
| Israel | 51.6 | .4 | | | (2) | | 14.4 | 36.8 | | | |
| Italy | 120.4 | 2.7 | 1.0 | | [2] 10.0 | | 23.3 | 82.4 | | | 1.0 |
| Japan | 151.5 | 3.3 | | (2) | 10.9 | | [5] 26.3 | 108.9 | 2.1 | | |
| Korea | 81.6 | .5 | | 65.1 | | | 14.5 | | .9 | | .6 |
| Netherlands | .28 | .25 | | | | | .03 | | | | |
| Pakistan | 120.7 | 1.7 | | 74.3 | | | 18.8 | 23.6 | 1.0 | .3 | 1.0 |
| Paraguay | 3.0 | .2 | | | | | .5 | 2.2 | .1 | | |
| Peru | 13.5 | .7 | | | | | 2.6 | 9.7 | .5 | | |
| Portugal | 7.1 | .3 | | | | | 3.1 | 3.4 | .3 | | |
| Spain | 176.7 | 3.0 | 1.0 | | | | 62.9 | 107.7 | 1.1 | .5 | .5 |
| Thailand | 2.5 | .4 | | | | | .65 | 1.0 | .45 | | |
| Turkey | 110.2 | .7 | | | | | 50.4 | 54.9 | 1.6 | .1 | 2.5 |
| United Kingdom | 27.4 | | | (3) | | | [5] 27.4 | | | | |
| Yugoslavia | 222.3 | 1.0 | | 88.8 | | | 49.5 | 82.7 | | .3 | |
| Total agreements | [4] [6] 1,984.88 | 32.15 | 7.2 | 241.0 | 23.5 | 61.5 | 478.38 | 1,114.9 | 17.15 | 1.75 | 7.4 |
| Uses as percent of total | 100.0 | 1.6 | .4 | 12.1 | 1.2 | 3.1 | 24.1 | 56.2 | .9 | .1 | .3 |

[1] Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

[2] Amounts shown in this column indicate a specfied amount in the agreement for this use. Footnote 2 only shows an unspecfied amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specfied and unspecfied amounts.

[3] In order to provide flexibility in the use of funds, many agreements provide that a specfied amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[4] Total market value in table III differs from total in table I by the $6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

[5] The Japanese agreement for the July–June year 1955–56 provides for the use of $8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

[6] In some instances column totals do not add to total amount programed because of slight differences in rounding.

Mr. ELLENDER. Mr. President, the tables show that, percentagewise, 56.2 percent was used for loans. In other words, we sold the commodities to the various countries, and we accepted from them their own currencies. Aside from the amounts we used for the purchase of goods from other countries, for military procurement, and for similar things, we loaned to the various countries 56.2 percent of the entire amount of the proceeds of the sales made to these countries; and those countries, in turn, proceeded to utilize the funds in the same manner as that in which they used funds obtained from us through our economic-aid programs.

Mr. President, I am very much disappointed that so little of these commodities has been used for barter purposes. It seems to me that greater efforts should be made and greater stress should be laid by the Commodity Credit Corporation upon obtaining something of value for these goods. Certainly, I would much prefer to have in our own backyard large quantities of either iron ore or other strategic materials than to have the agricultural commodities stored in our bins all over the country, or to have debts due us from purchasing countries.

Some of the proceeds derived from Public Law 480 sales are used for assistance in financing International Educational Exchange. That program is a good one; but it seems to me we are simply trying to do too much in that field—that is to say, in the field of education abroad. It will be recalled that when the so-called Fulbright program was first placed on the statute books, we intended to use for the purpose of that program the proceeds from the sale of surplus goods we had abroad, such as material of war. We intended to make good use of the proceeds of those sales in the countries which owed the money to us. Our intention was to use the greater portion of the money to help educate the people of the countries which had purchased the goods from us. But now we are using the proceeds from the sale of surplus commodities in order to assist colleges abroad, which have been both built and supported by means of private funds furnished by philanthropists from all over the United States.

Mr. THYE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Louisiana has referred to the Fulbright student exchange program. Will not the Senator from Louisiana agree with me that that program has been an excellent one?

Mr. ELLENDER. Oh, yes; I do not doubt it. I merely intended to show that this program developed from the fact that we had abroad large amounts of funds which could be used for the purpose of educating students abroad. But, as in the case of all such programs, this one mushroomed. Today, in addition to the amount of money we are spending on the so-called Fulbright program, we are spending large amounts under the Smith-Mundt program, and it is continuing to increase.

As I have stated, we have added a second program to the first one; we have done so in order to assist private constructed colleges abroad. There is no telling the extent to which this program will mushroom, unless we watch it very carefully.

Mr. THYE. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. THYE. Under the Fulbright student exchange program, by means of the funds devoted to that program I believe the United States has gained greater acceptance in foreign countries—both as a result of having students from those countries come to the United States and learn about our country and about our free enterprise system of government and about the economy and way of life of the United States and the opportunities in the United States, which far excel anything existing in the other countries of the world. I believe the money going into that program will accomplish more than the money we have spent on other programs, in terms of winning us friends and better understanding and greater acceptance by the other countries of the world. Therefore, I believe that any part of the funds which is used for the student exchange program will result in a greater return and in greater security to our country, by way of increasing the understanding of the United States by foreign countries, than could be obtained by means of any expenditures we could make on national defense or by any other means we might undertake, through the expenditure of funds, to secure a better understanding of the United States among the other nations of the world.

Mr. ELLENDER. Mr. President, I am in general agreement with what my friend, the Senator from Minnesota, has said.

I am merely trying to demonstrate how these programs grow and mushroom. If

it had not been for the existence of this United States program abroad, I do not think anyone would have thought of giving any of the funds of our country to a privately endowed college in a foreign land. However, since such programs have begun, after we exhaust the funds resulting from the sale of our surplus commodities abroad—and I hope that our surplus stores will be sold soon—such countries will desire to have the programs continued. In short, Mr. President, once a man puts his foot in the door, he cannot remove it; his foot is stuck there. That is what I am complaining about.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. THYE. In the column that is itemized, there is a provision for international educational exchange, $17.15 million.

Mr. ELLENDER. That is the one I am talking about.

Mr. THYE. That is for student exchange or educational opportunities for youth in foreign countries. Of all of the items listed, I believe that one will buy as much understanding of, and as much friendship for this country, as will any dollar we have spent. The greatest portion of the huge amount of $71 billion-plus in the budget is for military expenditures, or for paying interest on the national debt incurred as a result of previous military actions, or for veterans' care. If we are confronted with such huge appropriations because of the fact that there were wars and misunderstandings between nations, would it not be better for us today to endeavor to bring about understanding between the other nations of the world and the United States? Through such general understandings as may be brought about through student exchange, we may be able to spare future generations the sacrifices that generations in the past, both in World War I and World War II, were obliged to make, in addition to which the United States incurred obligations on which we are paying more than $7 billion a year in interest alone.

Therefore, Mr. President, I think there is some wisdom in the use of our blessed surpluses in this way. I use the word "blessed" advisedly, for we are blessed as a nation when we have such surpluses, although the greatest problem with which we are confronted is control of the production of the Nation so as not to have further surpluses. When we are so blessed, is it not better to take a part of the surpluses and use them so as to make it possible for other nations to understand what makes free enterprise work so successfully and produce so abundantly. Only through student exchange will we be able to bring about such knowledge, or a reinterpretation of it, since many persons do not understand what it is that makes our free enterprise "click" in the manner it does. So I think we are doing a pretty good job when we use surpluses in this manner.

Mr. ELLENDER. I am not arguing with that statement, but suppose 2 years from now we have no commodities to ship under this program. We have been spending in those countries 17 or 18 million dollars. Does the Senator not think they will expect us to continue it? That is what I am talking about. If a father today does not have sufficient funds to send his boy to college, the boy does not go to college. What will happen when our surplus is disposed of? We are spending so much abroad for various endeavors. If we had the money to spare, I would say, "Good. Let us go to it." But what I am thinking about is the near future. I am for the Fulbright program. I am for the Smith-Mundt program. I voted for them. But it seems that when we start programs of that kind, there is no end to them.

As I pointed out in my recent report on overseas operations, Finland is an example of what so frequently happens. Finland owed us quite a bit of money as the result of loans made during World War I. Finland was paying us every year in dollars, but some Members of the House of Representatives introduced and Congress enacted a bill whereby, instead of letting Finland continue to pay its debt off as she had in the past, we now spend the proceeds of that debt to educate the Finns. That is all right. But, in addition to and over and above that amount, we are spending money from the Fulbright program money from the Smith-Mundt program, and money from this program of selling surpluses for foreign currency. We have in one country at least 4 or 5 different programs. I happen to think we are overdoing it. That is all I am complaining about. I agree that these programs may be good. They are all good, but I am thinking of the taxpayers of the United States and our ability to continue to support all these programs.

Today these programs are taking root in various countries. When these surplus commodity sales come to an end, my guess is that some effort will be made to continue such programs and take the money from the Treasury. That is what I am complaining about.

Mr. President, as I pointed out a while ago, this $17.15 million for international education exchange may be money well spent, but in addition to that, we have the information and education service, on which we spend $7.4 million, or 0.1 percent of the entire amount of sales of these commodities. What is that money used for? It is used to make contributions for the upkeep of colleges built abroad by contributions from philanthropists in the United States. Start expanding that program and see how much money we shall have to spend in that line.

I do not mind spending something for that program. I know the good that comes from it. But once we start a program of that kind, our "do-gooders" do not know when to stop. It keeps on snowballing until we are spending a good deal more than we expected to.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I gather from what the Senator from Louisiana is saying he is not against the Fulbright program, but what he is in favor of is trying to cut just a little bit off the giveaway programs. We will probably have to pay for them later on, and now is the time to start cutting them.

Mr. ELLENDER. Yes. I am going to cover that point in a few minutes.

All the commodities disposed of under title I, I consider more or less a giveaway, except we do get some funds to be used for payments for United States obligations, and that amounts to about 24.1 percent. But let us consider the loans we are making to these various countries, which account for about 56.2 percent of the amount of money received for sales under title I. All those funds are loaned to various governments. I hope they will repay those loans, but I doubt that they will. They will find some way to use the funds, and continue to use them as they have been using foreign aid.

I repeat, it is my hope that the Committee on Foreign Relations, when it reports a bill authorizing the expenditure of more funds for foreign aid in any form, whether it be military or economic, in any part of the world, will take into consideration the expenditures we make as a result of lending back to purchasing countries funds derived from sales of surplus commodities.

These moneys are used as an additional source of economic aid, and the Congress should certainly be able to reduce our dollar appropriations for so-called mutual security by viewing that program in connection with Public Law 480. In other words, if our planners have determined that, say, $30 million is needed for country A under the mutual security program and country A is receiving $10 million in local currency loans under Public Law 480, then we should certainly be able to reduce the original $30 million requested for country A by some amount. As now operated, the economic assistance loans under Public Law 480, coupled with dollar grants or loans under the mutual security program enable our planners to maintain a vastly greater aid effort than we in Congress sometimes realize.

In Korea, for example, we have used dollar assistance provided under defense support to build flour mills; we are using technical assistance funds to train personnel to operate those mills. In addition, Public Law 480 makes it possible for us to "sell" wheat to Korea to be ground into flour in those mills—because Korea produces no wheat—and then turn right around and lend back much of the local currency paid to us for that wheat to the Korean Government for a number of purposes. It strikes me that in too many cases this is nothing more than a heads-we-lose, tails-we-lose proposition.

I remind Senators that much of the money derived from sales under title I of Public Law 480 are used for such things as economic development and military assistance. Therefore, surely we should take these amounts into consideration when voting dollars for foreign aid.

Second, the bill would extend title II for 1 year, to June 30, 1958, and increase the authorizations under title II by $300 million, to a total of $800 million.

Title II provides for the use of surplus agricultural commodities owned by the

United States in furnishing emergency assistance to friendly peoples in meeting famine or other urgent or extraordinary relief requirements. About $300 million worth of commodities have been used in this program, so that the bill would restore the original authorization. This authority has been used to help feed Hungarian refugees in Austria, alleviate distress caused by floods in Afghanistan and Iran, and furnish relief to Bolivia and Tunisia.

Third, the bill would repeal section 304 of Public Law 480.

As I understand, the distinguished Senator from California [Mr. KNOWLAND] has offered an amendment to strike from the bill the language which would repeal section 304 of Public Law 480.

Section 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries, and so as not to increase the availability of commodities to unfriendly nations. Repeal of this section has been requested by the President so as to permit barter with, and donations under section 416 of the Agricultural Act of 1949 to satellite countries.

These donations, under section 416 of the Agricultural Act, are of such commodities as are apt to deteriorate before they can be disposed of in normal channels, and they are used for relief purposes.

Title I transactions are restricted to friendly countries, so that section 304 has no effect upon them.

I wish to repeat that, Mr. President. The repeal of section 304 would not affect any part of the law except the barter provision and the section 416 donation provision. In other words, this provision permits the President, if he desires, to obtain strategic materials from satellite countries, on terms that he himself proposes—if he can obtain them—and other goods of value, in return for the surplus commodities. Mr. President, it is my contention that by such procedure we would be at least getting something for these surplus commodities, and we would at the same time be assisting people who, I think, are friendly toward us.

Mr. President, I have, in the past 3 or 4 years made as many as 3 trips to some of these satellite countries. I have mingled with many people in Rumania, Hungary, Czechoslovakia, and Poland. If I were in the position of the Russians, I would hate to get into a war and have to depend upon the people of Poland, or the people of Czechoslovakia or Hungary or Rumania for assistance. I say without fear of contradiction that the majority of those people are friendly to the United States. They like us.

I do not believe that the Congress ought to do anything to prevent the President from bartering or donating some of these surplus goods in order to relieve famine and in order to relieve the distress of those people in those countries. And that is all the authority would be used for. We would, in other words, receive strategic materials from the peoples of those countries in exchange for some of our surplus goods, and we could help them with section 416 donations. As I have stated, this authority would not apply to title I or title II of the bill, but solely to title III, which deals with barter.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Is it not the fact that the imports from satellite countries today are paid for in dollars?

Mr. ELLENDER. It is.

Mr. AIKEN. Poland and the other countries sell to the United States, and for those imports we pay dollars?

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. There has been a prohibition on bartering and paying by the exchange of goods which are in surplus in the United States.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. However, those countries are able to use the dollars they receive to buy the same goods on the world market.

Mr. ELLENDER. That is correct.

Mr. AIKEN. I realize this prohibition was originally put into the law with the thought that its administration would hurt the U. S. S. R. Communist Government and help us, but it has worked out to be exactly the reverse; it has hurt our position in the world and played directly into the hands of the Soviet Government.

Mr. ELLENDER. Mr. President, as the Senator from Vermont has stated, if we are to deal with those countries, it ought to be through a barter arrangement. This is a grand opportunity for us to receive value in exchange for these commodities.

Mr. AIKEN. Mr. President, will the Senator yield again?

Mr. ELLENDER. I wish to say that after the committee considered this particular section of the bill, the committee was unanimous in voting to report this bill.

I wish also to invite attention of Senators to the fact that last year we passed a bill with a similar provision. The bill was not far different from what is proposed now. The bill of last year, which the Senate passed by a voice vote, would have permitted barter with satellite countries for surplus commodities.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the satellite countries possess items the United States needs?

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. By using the barter system we could exchange goods which the United States now has in surplus.

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. Is it not also true that the United States is selling some of the same items to some countries, which are, in turn, selling them to countries with which we desire to do business at the present time?

Mr. ELLENDER. I do not know that of my own knowledge, but I have heard it said, as has the Senator from South Carolina. I have no direct knowledge of it, but I do know that some of our friends across the seas are bartering and selling not only food but many other commodities as well.

Mr. JOHNSTON of South Carolina. The English, for instance.

Mr. ELLENDER. I so understand.

Mr. JOHNSTON of South Carolina. They claim to be doing business now with those countries.

Mr. ELLENDER. One of the committees of the Senate, under the chairmanship of the able Senator from Arkansas [Mr. MCCLELLAN] learned that a good deal of copper had been so sold.

Mr. JOHNSTON of South Carolina. The English make no apology for the fact that at the present time they are doing business with those countries, through a bartering arrangement.

Mr. ELLENDER. As a matter of fact, when the President met the Prime Minister of England in Bermuda some time ago I understand there was quite a discussion as to whether or not trade with China and other countries should be resumed. I would not be at all surprised if that were to come to pass.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Does the Senator not recall that in 1955 Czechoslovakia and possibly other satellite countries needed cotton, of which the United States had a surplus? We could not barter with them, to see that they obtained cotton. The upshot of the matter was that Czechoslovakia made a deal with Egypt for the Egyptian cotton crop, and paid for it with arms, which resulted in Egypt's being fairly well armed.

After making the deal on the cotton, it appeared that Czechoslovakia did not require the entire Egyptian crop, although the deal had been made for all of it, or practically all of it, so they sold that cotton they did not need to the users in Western Europe, including Great Britain, at a price which was lower than the United States selling price for cotton. The result of that procedure was that the United States exports of cotton for the year August 1, 1955, to August 1, 1956, were nearly the lowest in history.

We simply bit off our nose to spite our face. We strengthened the relations between Egypt and the Communist Nations. We practically forced them into the arrangement. We would neither sell the cotton to Czechoslovakia nor the arms to Egypt. I think we have to assume much of the responsibility for what has occurred over there as the result. We did not hurt the Soviet Union at all; we strengthened them by that maneuvering and by that prohibition.

Mr. ELLENDER. In connection with the statement of the Senator, I distinctly remember having received quite a few letters from the cotton interests of New Orleans, indicating that cotton was sold in England at a price just a little under our own price here.

Mr. AIKEN. And it was Egyptian cotton, which we forced them to buy.

Mr. ELLENDER. We lost that market; there is no question about that.

Mr. AIKEN. And on the other hand the Communists could sell that cotton

for whatever price they wished to ask, inside the satellite countries, because they were sure we could not enter that market.

Mr. ELLENDER. Mr. President, in connection with what I have been saying, and following my remarks, I should like to place in the RECORD a letter from Mr. E. L. Butz, who is Assistant Secretary, dated March 26, 1957, on this same subject, in which he urges that section 304 be repealed.

There being no objection, the letter was ordered to be printed in the RECORD. (See exhibit 1.)

Mr. ELLENDER. Title II specifically provides for donations to friendly populations without regard to the friendliness of the governments, so section 304 has no effect on title II donations. I repeat, it refers only to title III, which is the barter provision. The administration has found, however, that some barter transactions with satellite countries, which would assist them in becoming free of reliance on the Soviet Union, have been impeded by section 304.

Also some section 416 donations which could have been made to the Hungarian people and others have been impeded by this provision. The donations under section 416 of the Agricultural Act of 1949 consists of certain commodities which might go sour on us, or spoil before they can be sold through the regular channels of trade. There is a little trouble in that connection, and that is why the administration feels the repeal of section 304 would be of assistance. The Department of Agriculture advises that repeal of this provision would be helpful in reaching our foreign policy objectives.

We have asked the Department of Agriculture for an estimate of any additional expenditure required by the bill, but such an estimate is very difficult to prepare. I think the Republican Policy Committee has requested that the Senate be notified of the cost of all bills. It is pretty difficult to estimate the cost of this bill, and what will be recovered from the various countries to which we lend back the sales proceeds, but there is involved as much as $1 billion. How much of that we will get back is problematical. Insofar as the increase of the amount under title II is concerned, of course, that is more or less in the nature of donations. If we make all of that amount available, we shall be short that much. As I stated a while ago, we started by providing $500 million, and what we are now doing is restoring the amount to what it was when we first enacted the bill, 3 or 4 years ago.

Many of the commodities which will be sold or donated under the bill are already in the hands of the Government, so the expenditure has already been made. A substantial part of the foreign currency acquired under the bill will be used to pay United States obligations incurred under other laws, so in effect we shall be using commodities we already own in lieu of appropriated funds.

Due to the urgency of this legislation, its passage should not be delayed until this information has been compiled.

Mr. President, I have nothing to add to what I have said, but I shall be glad to answer further questions, if there are any.

EXHIBIT No. 1

MARCH 26, 1957.

Hon. ALLEN JOSEPH ELLENDER, Sr.,
*Chairman, Committee on Agriculture and Forestry, United States Senate.*

DEAR SENATOR ELLENDER: This is in response to your request concerning our recommendation to repeal section 304 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations. The section thus precludes barter transactions involving such countries as well as distribution of commodities therein under the section 416 voluntary agency program.

Repeal of this section would permit us to offer commodities on a barter basis to Eastern European countries when clearly in our interest to do so. Although our opportunities here would not result in substantial dispositions of surplus agricultural commodities, our willingness to enter into such transactions could be especially advantageous from a political standpoint. If entered into, such transactions would be beneficial because they would assist satellites in becoming more independent of the U. S. S. R.; they would also, to a great extent, displace sales of like commodities that the U. S. S. R. would have made.

Repeal of section 304 would not affect the provisions of title I of Public Law 480. Sales for foreign currencies would continue to be restricted to friendly nations. A "friendly nation" is defined in section 107 of the act as any country other than the U. S. S. R., or any nation or area dominated by the foreign government or foreign organization controlling the world Communist movement.

The deletion of section 304 would enable us to use section 416 authority (section 302 of Public Law 480) to furnish commodities quickly to distressed peoples in satellite countries under circumstances such as those existing during the recent Hungarian revolt.

Sincerely yours,

E. L. BUTZ.

Mr. KNOWLAND. Mr. President, I rise to speak on the pending bill. My remarks are directed primarily to the amendment which I have offered.

I heartily agree with much of what the Senator from Louisiana has said regarding the merits of Public Law 480. I supported that legislation from its very inception, urged action on it, and helped to expedite it when it was first reported to the Senate.

Subsections (1), (2), and (3) of the pending bill would both extend the date for 1 year and also increase the amount, so that there would be additional authority. I concur in the objectives of those subsections, and shall support them, so they are not at issue.

The issue hinges on subsection (4), which appears on page 2 of the bill as reported from the committee. My amendment would merely strike out line 4, which reads as follows:

(4) Section 304 of such act is deleted.

The Senator from Louisiana and other Senators who have spoken have pointed out that this has been a rather effective act. It has been effective with section 304 intact. I submit that what we are doing is meeting for the first time, in a preliminary skirmish, a basic question of foreign policy which will confront the Senate again and again at this session of Congress, and perhaps in the future. Regardless of what we may do, I believe this issue will also be confronted in the House of Representatives, and perhaps in a solemn referendum of the American people themselves in 1958 or 1960.

The basic issue involved is whether or not the Government and the people of the United States, bearing the very heavy burdens they are required to bear, will not only continue but will expand the foreign-aid program. We have been very generous with foreign aid since the close of World War II, to the extent of $50 billion. The issue is whether or not we shall not only continue a program with those associated with us in an effort to maintain a free world of free men, but also try to maintain those countries which are not associated with us among the so-called neutral nations of the world. I agree that we must continue to help the neutral nations for some time to come.

However, the basic issue involved, though it may not be so clear today, is whether we are now to embark upon a program of supporting the political and economic system of international communism in the countries which are behind the Iron Curtain today.

That is the basic issue which I think we confront. For example, consider the case of Poland at the present time. It is behind the Iron Curtain. It is under Soviet occupation, with the government of Mr. Gomulko. It is true that Mr. Gomulko is a nationalist Communist of Poland, and there are some who make the argument that because he has made slight deviations from Soviet control, therefore we would be justified in giving him not only some surplus agricultural commodities, but some economic assistance as well, from the American taxpayers. That question will be argued at the proper time. It is not specifically involved in connection with that one country.

What do we do if we follow the recommendations of the committee and strike out section 304 of the act? We open up economic support by surplus agricultural commodities to all the satellite governments, including the government of Mr. Kadar, in Hungary, which has so ruthlessly suppressed the freedom of the Hungarian people.

In the case of Poland the figures which I have, which I believe to be reliable, indicate that during the past few years the Soviet Union has drawn out of Poland agricultural resources of the value of approximately 16 billion rubles. At the current rate of exchange—and I realize, of course, that the ruble is overvalued by any legitimate standard—that means about $4 billion. In other words, the Soviet Union, as is customary, is stripping its satellite states of their resources. What we are proposing to do is to bolster the Soviet economy and enable it not only to undermine our friends abroad but also neutral nations, because we would replenish the stocks of countries behind the Iron Curtain which the Soviet Union is stripping of resources.

I admit that others may have a different point of view. However, I say this is the opening skirmish in a great debate on public policy, particularly as to whether the money of the American taxpayers, which we have very generously given to our allies, and which we have also very generously given to neutral countries, should now be used on a program of sustaining the economic systems of Communist countries behind the Iron Curtain.

It is true that we have given economic support to Yugoslavia. However, there is a distinction to be noted. Yugoslavia, of course, has a Communist government. However, Yugoslavia, at least, is not under the occupation of the Soviet military forces. Once we set the precedent of extending aid to countries which are under Soviet military occupation, we will be asked to do in Hungary and in Rumania and in Czechoslovakia and in Albania and in other countries what we are doing in Poland.

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

Mr. KNOWLAND. I shall be glad to yield in a moment. First, I should like to make this point. I know the committee has had considerable concern with this question.

Only a short time ago, while I was serving as a delegate at the United Nations, the Soviet Union introduced a resolution in that body. It came before the political committee of which I happened to be a member at the time. The resolution, which was offered by the Soviet Union on behalf of itself and certain other countries, reads, in part, as follows:

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations Charter and incompatible with the principles on which relations between states should be based.

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

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

COMPLAINT BY THE UNION OF SOVIET SOCIALIST REPUBLICS OF INTERVENTION BY THE UNITED STATES OF AMERICA IN THE DOMESTIC AFFAIRS OF ALBANIA, BULGARIA, CZECHOSLOVAKIA, HUNGARY, POLAND, RUMANIA, AND THE UNION OF SOVIET SOCIALIST REPUBLICS, AND ITS SUBVERSIVE ACTIVITY AGAINST THOSE STATES

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT RESOLUTION

The General Assembly,

Noting with anxiety the recent aggravation of the international situation and the deterioration of relations between states;

Noting that this situation has been caused, among other things, by the subversive activities of the United States of America and its intervention in the domestic affairs of the people's democracy;

Considering that the states members of the United Nations are bound under the charter "to practice tolerance and live together in peace and with one another as good neighbors";

Recalling that in its resolution 110 of November 3, 1947 the General Assembly condemns "all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace, breach of the peace, or acts of aggression";

Taking also into consideration the fact that the General Assembly on December 17, 1954, recommended to member states the international convention on the use of broadcasting in the interests of peace of 1936 in which the contracting parties "mutually undertake to prohibit and, if necessary, to bring to an immediate stop in their respective territories any transmission which could, to the detriment of proper international understanding, instigate the inhabitants of any territory to acts contrary to the internal order or security of the territory of one of the high contracting parties";

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations charter and incompatible with the principles on which relations between states should be based;

2. Calls upon the United States Government to cease its subversive activity and its intervention in the domestic affairs of other states on any pretext and to develop its relations with these states in accordance with the principles of the United Nations charter.

Mr. KNOWLAND. The resolution came to a vote before the political committee on the 27th day of February of this year. Voting in favor of the resolution were Albania, Bulgaria, Byelorussia—Union of Soviet Socialistic Republics—Czechoslovakia, Poland, Rumania, the Ukraine—Union of Soviet Socialist Republics—and the Union of Soviet Socialist Republics.

All these countries, with the exception of the Soviet Union, would be eligible for assistance if section 304 of the law were repealed. I question very much whether it is advisable for us to bolster the economic systems of the countries behind the Iron Curtain as long as they are under Soviet occupation.

It seems to me that by doing so we would lose one of our great bargaining powers ultimately to get the Soviet army to withdraw from the satellite nations. The greatest hope of freedom of the people of the captive nations is that one day the Soviet Union will withdraw its military forces. If the Soviet Union ever gets the idea that it can keep its forces in those countries, and that at the same time we will relieve the Soviet Union of the burdens and the disturbances behind the Iron Curtain, by picking up the check, so to speak, for the inefficiency of the Soviet Communist economic system, we will have to kiss goodby any hope of ever getting the captive nations from behind the Iron Curtain.

If, as some persons contend, the Soviet Union is forced to send foodstuffs into the captive nations to prevent their populations from becoming too restless, we would be relieving the Soviet Union of that obligation if we were to repeal section 304.

If, on the other hand, the Soviet Union is withdrawing foodstuffs from the captive nations, then, in effect, we would be letting the Soviet Union drain off foodstuffs on the one hand, while, on the other, we would replenish the food stocks in the countries involved.

That does not seem to be a logical performance. As I say, this is merely the opening skirmish, because we will have other proposals made for economic aid when the foreign aid bill comes before the Senate, and those proposals will be not only with reference to agricultural commodities, but also with reference to funds from the American taxpayers, which, in effect, would be used to bolster the economies of the political systems of those countries.

One of the great crises which exists in the Soviet Union itself is the failure of its agriculture, because its agriculture has been collectivized. The farmers have had taken from them their incentive. They have been driven into slave labor to work the farms, without any hope of reward. As a result, production has fallen off.

That is one of the great worries of Mr. Khrushchev. In order to help feed the population within the Soviet Union, and to prevent restlessness in Hungary and in Poland and in East Germany, it has been necessary for the Kremlin to withdraw foodstuffs from the captive nations for consumption within the Soviet Union. It is impossible to earmark or identify a ton of wheat or ton of corn or anything else. The commodities are withdrawn from Poland and from Hungary and from Czechoslovakia, and put into the granaries of the Soviet Union. Then Mr. Khrushchev says, "Our latest 5-year plan on agriculture has been a great success."

Under this program, we would replenish those stocks in the satellite countries. If we did so, there is no assurance that the Soviets would not withdraw what we send in there. There is no assurance that the Soviets would not draw such American stocks for use in the Soviet Union.

I think that is a very material weakness so far as this situation is concerned. The subject is of sufficient importance that the Senate should at least be advised of it. This is merely the opening skirmish, as I said, because the issue itself will have to be discussed time and time again at this session of Congress. This is the first time we have been asked to open the door to the question of giving relief to the captive nations which are still under occupation by the Soviet Union.

I hope for that reason that we will reenact Public Law 480, which has done an excellent job, and that we will reenact it with the sections in it which have worked so successfully in the past.

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

Mr. KNOWLAND. I yield.

Mr. COTTON. A hasty study of the bill seems to indicate that perhaps there is a possibility, indeed, it may be a fact, that the section toward which the Senator's amendment is directed would not have any impact on title I and title II of the bill. In other words, it is my understanding—and I hope the Senator will correct me if I am in error—that title I of the bill, which has to do with sales for foreign currencies, is now restricted to friendly nations as defined in section 107 and that under that definition, with or without section 304, Yugoslavia and perhaps even Poland, would be entitled to receive commodities under title I. Furthermore title II, having to do with famine relief, applies to friendly populations without regard to the friendliness of their governments.

Is it a fact, or is my understanding incorrect, that section 304, to which the

amendment of the Senator from California applies, deals only with title III, and still leaves the possibility of having those countries receive benefits under title I and title II of the bill?

Mr. KNOWLAND. So far as the famine-relief section is concerned, the Senator from New Hampshire is correct. I have no objection to that, because the American people, over a long period of years, by reason of their humanitarian instincts, have been prepared to feed hungry people wherever they might be. As a matter of fact, as the able Senator from New Hampshire will recall, during the 1920's the United States sent food even into the Soviet Union itself in order the feed the hungry people of Russia because there had been a failure of the collectivization of the farms.

Our action at that time was under the leadership of Mr. Herbert Hoover, who established a relief mission. But we made sure at that time, by having the program properly supervised, that the food for hungry people went to all the Russians who were hungry, and not merely to members of the Communist Party.

I think on any future occasion, whether such a program be under the sponsorship of something like the old Hoover Commission, or under the International Red Cross, or under the associated Catholic agencies or associated Protestant agencies or the Friends' Service committees—however the program might be conducted—the American people and Congress would respond to any plea to assist hungry people so long as we were certain that all hungry people were being fed, and that the food was not to be used as a political weapon to punish non-Communists, while members of the Communist Party were being cared for. So that problem is not involved, in any event.

So far as the other section is concerned, I think there is a grave doubt as to whether the finding that Poland has a friendly government can be sustained. Since the date of the Secretary of State's letter on that subject, Poland itself has done several things. First, through its representative in the United Nations, Poland has voted for a resolution condemning the United States of America. Second, the Gomulka government has gone on record as approving the use of Soviet force in Hungary and of the repression of the freedom of the Hungarian people. With that record having been made, I have some doubt in my own mind, if the matter were again put before the Secretary of State, whether he could make the same finding now as he did in December, when the issue was before him.

Mr. COTTON. I appreciate the Senator's statement; it clarifies my thinking greatly.

I note that section 107, as used in the act, states that—

> "Friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by a foreign government or a foreign organization controlling the world Communist movement.

If that section means what I assume it to mean, a decision by those charged with making a decision in this country, regardless of the very important facts which the Senator from California has just emphasized, that Poland's Government was not dominated by the U. S. S. R., or a decision that a certain regime in Hungary or some other country was not dominated by the U. S. S. R. would make that country eligible for this program regardless of whether the Senator's amendment was agreed to or not.

Does the Senator's amendment do the whole job, or is there a loophole left in section 1?

Mr. KNOWLAND. No. I agree with the Senator that there might very well be a loophole in dealing with section 107, to which the Senator has referred. I think that when the matter was under debate in Congress, no one surmised that a situation would arise such as has arisen under the Gomulka government, in which elections were held which admittedly were not free elections. Only one choice of a ticket was given to the people, and that was a Communist ticket. The people were told that if they did not vote for that ticket, the Soviet Union might be more repressive toward them. So the people of Poland were voting with a gun at their heads.

Furthermore, the present government, as I have pointed out, has endorsed the Soviet repression of freedom in Hungary, and subsequent to the time when the letter was written by the Secretary of State, the Polish Government instructed its representative at the United Nations to condemn the United States.

It seems to me that if there was any case upon which to hang the hat of belief that they were following an independent course, that case has been exploded.

Mr. COTTON. Then I take it from the Senator's very full and illuminating answer, for which I am very grateful, that the amendment of the Senator from California, in his opinion, fully takes care of title III, and is not intended by him to affect title II, and perhaps does not apply to title I.

Mr. KNOWLAND. The Senator is absolutely correct. I do not want to foreclose the American people from helping hungry people anywhere in the world, so long as we can be certain that there is a famine, and so long as we can be certain that the relief will go to all the people, and that no non-Communist will be discriminated against because of his not being a Communist.

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

Mr. KNOWLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. It is not very often that I disagree with the senior Senator from California on international matters, but I must disagree with him in this case. Under the present law, we can give to Poland or any other Communist dominated country, but we cannot barter with or sell to them.

Mr. KNOWLAND. Will the Senator permit me to make one interjection?

Mr. YOUNG. Yes.

Mr. KNOWLAND. I doubt very much whether, under the law as passed by Congress, the debate in Congress, and the statement of congressional intent, the United States can give to any Communist countries under the present law.

Mr. YOUNG. But some 2 or 3 years ago we did give food to East Berlin, which was Communist-dominated.

Mr. KNOWLAND. That is correct; but that, again, involved a famine-relief type of situation.

Mr. YOUNG. I would agree completely with the Senator from California if we were embarking upon a foreign-aid program, with respect to Communist-dominated countries, but I do not think we are. I hope we will leave entirely to the discretion of the President of the United States whether or not we shall enter into agreements.

But this is the situation which confronts us now: Some 2 years ago the United States imported $15 million worth of hams from Poland. Poland received United States dollars in return, but then went to Canada to buy their food. Would it not have been far better to trade our surplus agricultural commodities in exchange for hams rather than to give to Poland dollars which Poland could turn over to Russia? It seems to me that if the Department of Agriculture were permitted to barter our surplus commodities with Communist countries, we would benefit a great deal.

Mr. KNOWLAND. As is the case with many other public questions, there is certainly room for an honest difference of opinion in this instance. But certainly this is a basic question. The success of any government, whether it be a free government or a Communist government, depends somewhat on the economic stability of its people. I think the Senator from North Dakota will agree with that statement.

What causes a maladjustment of the economic situation? It can be either a falling off of industrial production, or a falling off of agricultural production. It can be the overproduction of agricultural commodities, for that matter.

I believe the Soviet Union is confronted with the problem of the failure of agriculture in that country. If it is correct, as I believe it is, that Soviet Russia has stripped a good many of the captive nations of their commodities, in order to bolster the Soviet Union, then it seems to me that what we are doing, in effect, is building a platform under the Communist economic system, which, in turn, will strengthen the Communist political system, so that the Communist leadership, whether it be in the Soviet Union or in Poland, in Czechoslovakia, Bulgaria, Rumania, or Hungary, can say to the people—because the Soviet Union will not have the goods earmarked as to where they came from—"We are now a success. We have entered into our second 5-year plan, and communism is working."

There is one additional factor I wish to point out to the very able Senator from North Dakota. I have said that this is the first time we have embarked upon such a program behind the Iron Curtain, in a country where the Soviet Union is now in military occupation.

It is true that the United States has given economic aid to Yugoslavia. I have heretofore said that there is a clear,

understandable, and, I think, considerable logical differential, namely, that Yugoslavia is not under Soviet military occupation, and, therefore, we have some assurance that what we send to Yugoslavia will not go to the Soviet Union.

But once we send materials behind the Iron Curtain, and once we start bolstering and supporting the economic system which supports the political system of communism, then at the time, let us say, of the next Italian election, what argument will the Communist Party of Italy make? The members of that party will say, "Why not vote Communist? After all, the United States is embarking not only on a program of shipping foodstuffs to various countries, regardless of whether they are Communist; but even in the case of a country under Communist control the United States is sending it foodstuffs. So why not vote Communist?" I think that would be a potent weapon in the hands of forces attempting to put other countries under the control of the Communists.

Mr. YOUNG. I agree; and I think we must use great discretion, if we permit our foodstuffs to be sent into Communist-dominated countries. But if we administer the program wisely, I think we can make many friends abroad, and can make such countries more dependent upon us, by utilizing this program.

Mr. KNOWLAND. If this is done—and today the Senate may well vote to do it—I hope the Senator from North Dakota is correct and I am incorrect. However, I have lived long enough to see what happens when the camel gets his nose under the tent. I do not claim to have a crystal ball or to have any ability to foretell the future. However, I predict here and now that the step now proposed will, if taken, be only the opening operation leading later to the giving of economic aid to Poland, not in the form of surplus commodities, but in the form of dollars added to the foreign-aid program, or subtracted from the aid which otherwise would go to some of the countries friendly to us. If once we extend such a program to Poland, I predict that within 1 or 2 years thereafter we shall not have a valid reason for denying aid to Hungary, Czechoslovakia, Romania, and Bulgaria, because once they see that Poland has been successful in this endeavor, they will say, "Well, we are a little independent, too. Consequently, we want to come in under a plan"—consequent Marshall-type plan, let us say, to support the Communist regimes of those countries. I may be mistaken about it, but I think this is only the opening wedge of a program which, if undertaken, will plague us in the future.

Mr. YOUNG. It is a program about which we must exercise great discretion. But I think the program is worth trying.

Mr. KNOWLAND. If the Senator from Louisiana has had a chance to examine the situation, I believe he knows that the countries which are non-Communist and are outside the Iron Curtain, and today either are uncommitted or are actually associated with us in the North Atlantic Treaty Organization or in some of the other pacts, have made applications to receive some of our surplus agricultural commodities; and, as the Senator has said, under the program, with the restrictions presently imposed, we are very close to the end of the authorization. If we comply with the requests of those who are our friends or who at least are not behind the Iron Curtain, we probably could use during the next year the entire additional $1 billion, as provided in the proposed authorization. Frankly, I am not willing to have us penalize our friends or penalize the neutrals, in order to help support Communist regimes in countries under Soviet occupation.

Mr. THYE. Mr. President, will the Senator from California yield to me.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. Mr. President——

Mr. KNOWLAND. Mr. President, previously I promised that I would yield to the Senator from Minnesota. After I have yielded to him, I will yield to the Senator from Louisiana.

Mr. THYE. Mr. President, I find it very, very embarrassing to differ in the slightest with the distinguished minority leader. However, I wish to state that I hold in my hand the report on Senate bill 1314, and the report contains a letter signed by E. T. Benson, Secretary of Agriculture. If the Senator from California will permit me to do so at this time, I should like to read into the RECORD an extract from the letter, because the letter goes to the very heart of the question we are discussing.

In the letter the Secretary of Agriculture wrote as follows:

> It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage, in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.
>
> The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.
>
> Sincerely yours,
>
> E. T. BENSON,
> *Secretary.*

If the Senator from California will permit me a further word, I wish to say that basically he is correct in stating that we should not take from our own economy or our agricultural production to bolster countries which are directly under the domination of the military authority of the Soviets or under the domination of the Soviet Union itself.

But if the proposed program were selectively handled—as the Secretary of Agriculture has proposed—and if it were under very careful scrutiny by the administration, it seems to me we might be able to have the people of such countries as Poland, Eastern Germany, and Hungary incline toward us. We know that Hungary endeavored to strike off the shackles of the Soviets. It is believed that the Polish people and also the people of Eastern Germany would do likewise. If they know that we wish to be friendly to them, I believe that over the years experience will finally show that there will be a breaking away by those people from the Soviets.

By proceeding on a selective basis of barter, I believe we might be able to aid them more and encourage them more than if we were simply to say, "Nothing doing"—in which case the result would be, as the Senator from Vermont [Mr. AIKEN] has so ably described, similar to the result in Egypt. We recall that the Russians have obtained cotton from Egypt, in exchange for Soviet ammunition and military equipment; and there was a resultant interchange between 2 or 3 countries. The upshot was that our efforts were thwarted. That was caused by imposing such a restriction. In the final analysis, Egypt turned to the Soviets, because from them she was able to obtain what she wanted. She did so by exchanging her cotton for Russian implements of war—the articles for which she had attempted to barter.

Therefore, Mr. President, I think we would do better by opening the door, by means of proceeding in a cautious, selective manner, through the Department of Agriculture and the Commodity Credit Corporation, rather than by closing the door tightly, as it is now, with the lock of public opinion, under the definite statement, "You must not, because the law says you cannot."

Mr. KNOWLAND. Mr. President, in reply, I desire to state, as I did to the Senator from North Dakota, that I hope and pray that in this instance the Senator from Minnesota is correct and that I am wrong. However, not long ago some very farsighted persons pointed out that it was impossible to do business with Hitler. Similarly, I think we cannot do business with the Communist monolithic structure of either the Soviet Union itself, or its satellite captive nations, without in fact strengthening those governments and ultimately delaying the freedom of the captive peoples, because the stronger we make the Communist economy, the stronger we make the Communist government. I know of no one possessing any considerable knowledge of the facts who will say today that any of the governments behind the Iron Curtain are anything but part and parcel of the international Communist conspiracy, which has as its ultimate objective the destruction of both the economy and the political system of the United States of America.

As the Senator has said, perhaps we could open the door a little bit and experiment in the way now proposed. The Senator from North Dakota [Mr. YOUNG] said we could do so by means of using the agricultural surpluses; but he said perhaps we should be more careful in the case of extending economic aid which would add to the $4,400,000,000 now proposed, for, if the Congress in its judgment decided to make a reduction, and if the aid were extended from the amount remaining after the reduction, that would mean that our friends and the neutrals would be forced to accept a further reduction, which would have to be made in order to enable us to take care

of our attempts to bolster the Communist regimes.

I desire to make it clear that in what I am saying I am speaking only for myself. I am not speaking for the administration on this question here today, as the Senator has pointed out. If I had not been interrupted, I would have pointed out that the Secretary of Agriculture has asked for what is now proposed. The Department of State, I believe, would be for it, because it is in favor of going beyond what is proposed, and giving economic aid to Poland. However, I wanted to serve notice that, at least so far as I was concerned, I was not in favor of taking $1 out of the till of the American taxpayer and bolstering any Communist regime behind the Iron Curtain.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. KNOWLAND. Yes.

Mr. THYE. I would ordinarily agree with the Senator. I have such a great admiration for the minority leader, the distinguished Senator from California, that it disturbs me ever to differ with him. I want the RECORD to show that I am positive in that statement. Secondly, I admire the stand, the very courageous stand, which the Senator from California has taken on many international questions. However, in this particular instance, we are using what is a surplus commodity which we wish to barter with countries throughout the world, and to obtain from them in return products which we can well use in our economy. So it is not any more economic assistance for those countries than it is economic assistance for this country, because it is the overabundance of surpluses that is weighing down our national agricultural produce and commodity market.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. THYE. Yes; I am delighted to yield.

Mr. KNOWLAND. I think there are at least two possible fallacies in the Senator's argument. One is that it is true that if Poland wants to buy products in this country for dollars, if Poland has the dollars, or if she can get dollars from the Soviet Union, she can buy certain nonstrategic materials which are not on our proscribed list, as strategic materials are. But when such products are bought from us, the Communist world then has fewer dollars to spend in this country for subversion or espionage. We know that when the Communist world accumulates dollars, it uses them to undermine the United States and the free world. That is one point.

Secondly, again I do not know whether the Secretary of State would now write the same kind of letter he wrote originally—which I intend to put into the RECORD in a few minutes, because today it was declassified as being no longer confidential, and I was given permission to put it into the RECORD—after the Polish representative voted as he did, and after Gomulka said he approved of the Soviet's repression against the people of Hungary in their seeking freedom. But if we can go so far as to say that Poland is a friendly country, then I do not know why it could not be said that Polish hams are strategic materials. How advisable such an argument would be in the light of a surplus of pork in this country, I do not know. The Senator from Minnesota is an expert in agriculture, and is one of the leading members of the Committee on Agriculture and Forestry, and he can perhaps better determine that question than can I. If the law could be stretched to the extent of saying Poland is a friendly country, then it certainly could be said that Polish hams were strategic materials.

Mr. THYE. It was on that point that I desired to discuss further my thoughts on the question raised. The Senator has just mentioned Polish hams. When Polish hams are imported from Poland into the United States our dollars go into the treasury of Poland. American dollars are then siphoned into the economy of the Soviet just as effectively as if our produce which is in long supply went to Poland in settlement for the Polish hams which we know come into this country, and that have come into this country in past years, in spite of our surpluses.

Mr. KNOWLAND. I will say to my good friend from Minnesota—and perhaps I may be considered a little old fashioned for saying it—perhaps if the agricultural industry of the country needed some protection from Polish hams, which in fact may be produced by slave labor, there are ways of protecting the American economy by means of old-fashioned methods, so that Poland would not get the dollars to which the Senator has referred.

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

Mr. KNOWLAND. Yes; I yield to the Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. With regard to the importation of Polish hams, I think the reason why they find their way into this country is that the American people like the manner in which Polish hams are prepared, and they are willing to pay dollars for them. Poland is, of course, delighted to sell the hams, for which the Americans pay with dollars, so that Poland can use the dollars to buy Canadian wheat.

Mr. KNOWLAND. I can understand some of the problems involved.

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

Mr. KNOWLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the distinguished minority leader a question. I may say that I accept the statement which the Senator from California has made with respect to the possible difficulties that the amendment to the act might bring about. However, considering the fact that in this past year we have seen evidences of restlessness in the satellite countries, does the Senator not think this proposal might offer the possibility of some intercourse between the people of our country and the satellite countries, which might further the movement we have seen in the last year toward independence in the satellite countries?

Mr. KNOWLAND. I would say, candidly, no one could dogmatically stand here and say it did not offer that possibility; but I would also, with the same candor, ask the Senator if he does not also admit there is a possibility—regardless of which possibility is the stronger—that such a move might bolster the Communist regime and make it less possible for the people to gain their freedom.

Mr. COOPER. I regret in this instance that I must oppose the amendment that the distinguished minority leader has offered. I will agree with other Senators who have stated that there is no one in this body who has fought more consistently for the cause of freedom and against totalitarianism than has the Senator from California. However, I think we have reached a very dangerous juncture in world affairs. I think the recent threat of war, the very rigid position Russia is now taking, and the ominous threat which Russia is now making toward this country have brought us to this very difficult juncture. It seems to me the only hopeful signs we have seen for many, many months are the efforts in Poland toward some measure of independence, at least from domination by international communism, and the courageous uprising in Hungary. With the rather rigid military position which we now face, I think we have to take some risks and we have to seek, perhaps, more imaginative means of reaching the people of other countries. I think it would be impossible to engage in a program such as is proposed without the people of Poland and other satellite countries knowing such a program was in effect. Also, I think food, more than any other commodity that could be made available, goes to the heart of every individual. It seems to me this proposal does offer an opportunity to encourage that restlessness which has been demonstrated in certain satellite countries this past year. Unless, somehow, we can find more imaginative methods, unless we can find some means to associate with the people of those countries, it seems to me this impasse will continue indefinitely. I accept without question what the Senator from California has said, that the net result of this program might be simply to strengthen the economy of those countries.

It might be worse than that. It could mean that an equal amount of food would go to the Soviet Union. However, I believe that what we are doing will be known by the people. They could not fail to know of it. And we would benefit accordingly.

I would say that at a time like this—when, I believe, we have a dangerous situation in the world—we should be willing to risk a trial of these new methods. I point out we did take such a risk with our program of aid to Yugoslavia. Yugoslavia may not be what all the people of the world desire, but at least the people are independent of international communism at this date.

I respectfully suggest to the distinguished minority leader, for whom I have the greatest respect, that this affords an opportunity to embark on a new course which might produce effective results. And I should like at this time

to compliment the distinguished Senator from Louisiana and the distinguished Senator from Vermont, who, as chairman and ranking minority member, respectively, of the Committee on Agriculture, have shown such outstanding leadership with this legislation.

Mr. KNOWLAND. Mr. President, will the Senator yield for one brief comment?

Mr. COOPER. I yield.

Mr. KNOWLAND. I merely wish to say to the distinguished Senator that I think it is helpful to have the discussion, regardless of the action taken. I hope in the other body the discussion will be prolonged. Perhaps we should have a national debate on the subject, for I think it is a matter of basic policy.

I remind the distinguished Senator from Kentucky, who has had great experience in foreign affairs, that not too many years ago Hitler in effect told the German people "It is a question of guns or butter", meaning that they would have to tighten up their belts in order to produce weapons of war. If we should now make the mistake of taking care of the agricultural needs of the Communist nations, in effect it could mean that the Communist governments would then draft the farmers off the soil and put them into production plants to manufacture guns, tanks, Mig planes, and potential warmaking items.

The Soviet leopard has not yet changed his spots. I invite the attention of the distinguished Senator from Kentucky to the fact that within the past 10 days the Soviet Union has threatened both Denmark and Norway with dire consequences should they take certain action which is within their sovereign rights.

I submit to the Senator that by doing something which we think will be helpful to the people of captive nations, while they are still under Soviet occupation, we may lessen our bargaining position in the attempt ultimately to free the people. We may very well be permitting the Communist rulers to draft the farmers of Poland.

The Poles are wonderful people. I have been through that country, on a thousand-mile trip from Warsaw through Posnan and Stettin. It is a rich agricultural country. If the Communist rulers should do what I have mentioned, the situation could be quite difficult. They might draft those people into slave labor camps, or at least into arms factories, and then the Soviet Union, with troops still in the captive nations, could use the manufactured material to bolster its warmaking potential.

Mr. BUTLER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I yield for a question.

Mr. BUTLER. I should like to make an observation in the form of a question, because I am not too well advised on conditions in the countries about which we are talking.

Is it the thought of the Senator from Kentucky [Mr. COOPER] that we must hold out some aid to the people of the captive nations in order to induce them to support our side? Does the Senator not believe they are straining at every point in their effort to get from under the heel of the Russian Soviets? We do not have to do anything for those people. They are fighting for freedom. They are fighting tanks with their bare hands. We do not have to give them wheat to influence them. They want freedom and they will do everything they can to get it.

I have listened to this debate very carefully. I agree with the Senator from California that we cannot strengthen the inclination of those people for freedom. That is the one thing they desire above everything else. When we give them agricultural commodities we are not strengthening them, but we are strengthening their oppressors.

Mr. COOPER. Will the Senator yield to me so that I may make a brief response?

Mr. STENNIS. I yield.

Mr. COOPER. I think we have to consider that in the last 4 months we have not devised many methods by which to deal with the satellite countries. When the revolution took place in Hungary the United Nations could do nothing much more than pass resolutions. Certainly the distinguished minority leader is aware of that.

Secondly, this Nation has declared—and I think the administration has even recently declared—that it is not our policy to use force to bring about the liberation of those nations. What are the means, then? What are our means for helping this revolutionary movement for independence which we have seen stirring in these countries? We have said we will not use force. That is the problem. Why is it not worth while to try the peaceful means of using food?

I invite the attention of the Senate to the situation at the time the Marshall plan was proposed. The plan was first proposed in the United States by such great leaders as Senator Vandenberg and others, who believed that the satellite countries should be brought into the Marshall plan. Perhaps that was not wise, in view of what has happened. But who really knows?

Today, in the consideration of this amendment, we should recognize that we might be able to place some small instrument in the hands of our Government to encourage that revolutionary movement toward independence, which we know is stirring in those countries. I do not think it would stop this movement if we refused this help, but I do not think such action would provide much encouragement from a great country such as our own.

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

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from Mississippi has the floor. Does the Senator from Mississippi yield?

Mr. STENNIS. May I say to the Senator from New York there must be an end to yielding some time? I shall detain the Senate only a very few minutes, on another phase of the bill.

Mr. President, the surplus agricultural commodities continue to have a depressing effect on farm prices and acreage allotments. It now appears that the Commodity Credit Corporation will have on hand August 1, 1957, about 11.8 million bales of cotton, 1½ billion bushels of corn, 988 million bushels of wheat, 17 million hundredweight of rice, and possibly 3 to 4 years' supply of tobacco. These surpluses certainly emphasize the need for at least a 1-year extension of Public Law 480, and the need to increase the authorized ceiling under title I. The Trade Development and Assistance Act of 1954—Public Law 480—has operated on sound trade principles with less emphasis on aid.

I have also been interested in the program from the standpoint of military housing construction in foreign countries. At the present time estimates indicate a need for about 69,000 units, at a total of about $675 million. The major part of this need can and should be met through the use of surplus agricultural commodities. The logical approach which this program offered prompted me to sponsor proposed legislation in the Military Construction Subcommittee—and the entire committee sponsored this proposed legislation—which would expand the use of surplus agricultural commodities in the foreign military construction program. This authorization was increased over a period of years from $25 million to $100 million, and to $250 million last year. I believe this program is sound and desirable from the standpoint of reducing our surplus agricultural commodities in a businesslike way at the least possible cost and at the same time implementing needed housing in foreign countries.

During calendar year 1956 some $102 million in currencies of 7 foreign countries were earmarked for military-family housing. These countries included: United Kingdom, $33.4 million; Japan, $25.1 million; Spain, $16 million; Italy, $12.7 million; Finland, $7 million; Austria, $6.4 million; Portugal, $1.5 million.

Our Military Construction Subcommittee has also broadened the authority for use of currencies acquired through the transactions of the Commodity Credit Corporation. This has made possible transactions under the CCC Charter Act, which contains broad authorizations for the barter-type operations.

This barter program has enabled countries who have not heretofore been interested in surplus commodities to negotiate for use of CCC stocks in construction of military housing. For example, a $50 million contract with France for the construction of 2,800 housing units is expected to be completed and signed within the next 2 weeks.

The Defense Department is also negotiating for barter contracts with three additional countries. These contracts include $25 million for the Philippines, $12 million for Bermuda, and $15 million for Libya. This phase of the program appears to be the most promising and flexible for the construction of military housing.

Mr. President, I should also like to express my special interest in and support for expanded use of foreign currencies in marketing development projects. This phase of the program is a move in

the right direction and will have lasting beneficial effects in building strong markets for United States agricultural commodities for years to come. Marketing development projects are already under way in 20 countries involving the equivalent of about $5 million, and about $32 million is earmarked for this purpose under existing agreements.

I have been very much impressed with contracts which various enterprises have with the United States Department of Agriculture to develop and supervise programs in behalf of cotton. These projects are financed 50-50 by local private industries and funds provided by Public Law 480. They are operated by the local industrial organizations and are aimed at increasing consumption of cotton in these countries. The total budget for cotton promotion outside the United States this year is more than $3 million or roughly 10 times the total of 2 years ago. About one-third of this budget is Public Law 480 money with foreign industry raising the balance. It is encouraging to note that although some of these countries' budgets are small by United States standards, yet seven of them are putting into promotion their own money, sums which represent higher per capita expenditures than that of the United States raw cotton industries.

Marketing studies which will illustrate the full potential for United States commodities in foreign countries are basic to a sound, long-range export program. Advertising and sales promotion are also important in expanding our exports, and I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Since the passage of the Trade Development and Assistance Act, 2.6 million bales of cotton, 19 million hundredweight of rice, 432 million bushels of wheat and flour, 143 million pounds of tobacco, 130 million pounds of dairy products, 1.6 billion pounds of fats and oils, and 149 million pounds of meat had been programed as of the end of 1956.

Mr. President, title I of Public Law 480 has moved sizable quantities of surplus agricultural commodities in an orderly and businesslike way, and I hope that the 1-year extension of this act will receive the full support of the Senate.

This is another illustration of the growth of this fine program, which provides us with necessities which we would otherwise have to buy with hard dollars. We sell agricultural commodities to those countries for their currencies, and then spend the currencies of those countries for items which we would otherwise have to construct. That is another reason for the extension of the law, and, really, for expansion of the program. We have been feeling our way. We have before us a concrete illustration, in dollars and cents, in terms of housing units which are necessary. It shows the progress we are making, and the soundness of the law.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. I am very glad the Senator has made the statement which he has made. In my judgment the Senator from Mississippi and other Senators associated with him in the subcommittee have rendered a real service in devising this program. Last year I had occasion to see some of these projects. They have been of exceedingly great assistance to our Armed Forces stationed overseas.

With respect to some of the countries involved—and I will make no invidious comparisons and give no names—about the only thing we have ever gotten out of them was the result of this program.

Mr. STENNIS. I appreciate the Senator's remarks.

The Senator from South Dakota [Mr. CASE] has been detained on another official errand. He has been very active in connection with this program. He helped to write the legislation. He has followed it up, and has made a valuable contribution toward the effective results which have been attained.

Mr. JAVITS. Mr. President, will the Senator from Mississippi yield to me in order that I may ask the minority leader one or two questions?

Mr. STENNIS. I yield.

Mr. JAVITS. I doubt if there is any Member of this body who more earnestly desires to breach the Iron Curtain, or who would sacrifice more to see it done.

I should like to ask the Senator from California one or two questions based upon my own experience in the House Committee on Foreign Affairs. I served there when the European recovery program was approved. I served there when Congress first approved aid to Yugoslavia. Upon each occasion—without divulging anything more than what is history—the fulcrum of decision was this point: The Soviet Union having constantly opposed any of its satellites obtaining economic aid from the West, and, as a matter of fact, having made the standard of judgment as to the heresy of Tito the fact that he sought economic aid from the West, what we were always looking for was another satellite which would seek economic aid, that being to us among the prime indicia of the fact that it was ready to break away, or break away sufficiently for our purpose. What is the significance of such action? I ask the distinguished minority leader if he will be good enough to comment on that point. Being a new Member, I do not like to rise to speak unless I can make a definite contribution.

I heard the discussion with respect to the looting of Poland, which is standard Soviet technique. We are dealing with a situation, in essence, which existed before Gomulka. Today the real point of difference between Yugoslavia and Poland, as the distinguished Senator has pointed out, is some element of military control.

Is that not answered by the fact that Gomulka is ready to commit the greatest Soviet heresy in history, up to date, which is to ask aid from the West? Therefore does my friend from Kentucky [Mr. COOPER] not have a great deal to his point that, if that be the case, if Poland is ready to commit that heresy, we would be unwise to relinquish the weapon which we have by turning down a request for such aid?

Mr. KNOWLAND. I will say to the distinguished Senator from New York, who has had long experience in the House, and who served on the Foreign Affairs Committee of that body, that it seems to me the basic point of difference, as I pointed out earlier, was the fact that at the time we entered into the program with respect to Yugoslavia, Yugoslavia was not under Soviet military occupation. A plausible argument can be based on the fact that Mr. Gomulka is showing a little independence. From some study of the situation, and out of a deep conviction, I will say that I believe we could make just as strong a case to prove that this show of independence is, in fact, with the concurrence and connivance of the men in the Kremlin.

The reason I say that is that after the Hungarian rebellion I think the men in the Kremlin were shaken to the foundations. They saw what the repercussions were in the Asian and African countries, and around the whole world, as a result of their repressive tactics.

I think the last thing in the world they wanted, or would have permitted, was the same type of situation in Poland. Over the years Poland has been very restless under the domination of either Germany, Imperial Russia, or Communist Russia. I believe that in order to hold down the unrest in Poland the men in the Kremlin were perfectly willing to go through with an act, a Potemkin village sort of demonstration, to deceive a great many people, by letting Mr. Gomulka and his government show some independence by making his application for aid from the West, which would relieve the Soviets of the obligation to send in foodstuffs, and possibly might enable them to take out more from Poland's production.

I admit that that is only a personal point of view, and that it is not the official judgment of the Department of State. But I have a very strong feeling that all we are doing in this case is fastening the hold of the Communist government more firmly upon the people of Poland, and not only sustaining and strengthening the Communist government's hold on Poland, but, if the same process should be followed in the other captive nations, actually increasing the strength of the whole monolithic Soviet empire.

Mr. JAVITS. The authority contained in the act is permissive, is it not?

Mr. KNOWLAND. Yes.

Mr. JAVITS. If we pass the bill, the President may or may not extend aid.

Mr. KNOWLAND. That is correct.

Mr. JAVITS. So it does not necessarily follow that we are to extend to all the other satellites the type of aid for which Mr. Gomulka has asked. He is the only one who has asked for it.

Mr. KNOWLAND. He has been invited to ask for it.

Mr. JAVITS. With respect to Kadar, I understand that he would like economic aid, but that we have no intention of giving him any such aid.

Mr. KNOWLAND. That is the record to date.

Mr. JAVITS. All we are doing is giving permission to the President to use the program as a weapon of foreign policy.

Mr. KNOWLAND. Let me ask the distinguished Senator a question. Leaving Mr. Kadar out of consideration for

the moment, because of the peculiar circumstances in which he came into power, just what argument is to be made to the Governments of Rumania, Bulgaria, and Czechoslovakia if they, seeing the success Mr. Gomulka has had, say, "We want to show a little independence of the Kremlin. Therefore, we not only came in under the surplus-food program, but we have had our agents negotiating for a $300 million American loan for not only agricultural products, but mining machinery, and so forth"? What argument is to be made if they say, "We will show a little independence, too, and ask for the same treatment"? Once we have gone behind the Iron Curtain in a country under Soviet occupation, on what basis can we discriminate against the poor non-Communist people of Rumania, Bulgaria, and Czechoslovakia?

Mr. JAVITS. I think there are two answers to that question.

I do not wish to debate it, because I have a very deep regard for the distinguished minority leader. I compliment him highly for the courage and frankness which are so typical of him, in starting what should be a great debate. The question deserves that type of approach, and the country deserves it.

Now, to answer the question. I believe that in the case of Poland there is a difference, because there the people have bared their breasts to the danger of force. They brought about a change in the regime by their own determination. They have met the test. The leaders and supporters of the Government are making representations to the West. The people themselves have made representations to the West. That is a very fundamental difference.

Secondly, and very importantly, we come to the question of discretion. What we are doing is giving the President discretion, and we ought to have confidence in ourselves as deep and as profound as the suspicion which we may have of the other side. I believe those would be the two ways in which I would answer the real doubt which the Senator raises.

Mr. KNOWLAND. I quite agree with the Senator. Again, this is a basic matter of policy. Regardless of how the vote goes on this amendment, we shall have to discuss the whole subject when the foreign-aid bill comes before the Senate. As I understand from a reading of the newspapers, and from discussions I have had, the Polish delegates came to this country to negotiate for $300 million and up. We indicated that that was more than we would give them. An article published in the Washington Post on last Saturday or last Sunday indicated that we might be prepared to offer them $50 million. I do not know whether that was a surmise on the part of the newspaperman who wrote the story, or whether it was a planted story which perhaps reflects the attitude of our Government.

At any rate, that issue will be before us on the occasion when we will have to determine the economic aid we will extend to countries. It is a matter in relation to which Congres~ has some responsibility. For that reason it ought to be discussed now, as I know it will be discussed in the future. With all due respect to the Senator from New York, I say again that this is merely an attempt of the camel to get its nose under the tent flap.

We will see this program extended if we grant this aid to Poland. If all the captive nations come under the foreign-aid program, we will see that program raised by at least a billion or two billion dollars a year, in order to meet the effort to stabilize the Communist regimes behind the Iron Curtain.

Mr. JAVITS. Fortunately, those countries will have to come here to make their requests.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which was written by the State Department to the former chairman of the Committee on Foreign Relations under date of December 28, 1956. It is signed by Robert C. Hill, Assistant Secretary of State. It was classified confidential until today. The letter discusses the Secretary's findings with regard to proposed aid to Poland.

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

DECEMBER 28, 1956.

The Honorable WALTER F. GEORGE,
*Chairman, Committee on Foreign Relations, United States Senate.*

DEAR MR. CHAIRMAN: As you know, following the developments in Poland last October, the President stated that, to help freedom-loving people, such as the Polish people, would add strength to the security and peace of the free world. The executive branch is considering various measures, within the framework of existing legislation, which would contribute to the achievement of these objectives.

Poland has indicated a desire to purchase a number of items, including certain agricultural products, a number of which are in surplus. Following a reexamination of executive branch policy, it has been decided to allow surplus agricultural commodities to be exported for dollars at world-market prices to Eastern European countries (except the Soviet Union) on a selective basis in the national interest. Accordingly, it has been determined that surplus agricultural commodities may be sold to Poland for dollars at world-market prices.

The Secretary has also determined on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong., 2d sess.). He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III, Public Law 480 transactions. The Secretary has taken his decision on the basis of the current situation and all the evidence available to him. He recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

Accordingly, these events will be followed closely and the validity of the current appraisal will be kept constantly under review.

Sincerely yours,

ROBERT C. HILL,
*Assistant Secretary.*

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

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. AIKEN. Mr. President, I think almost everyone is agreed that Public Law 480 has been a very effective instrument which has been used for many purposes to satisfy many people. We can point to the fact that it has raised the standard of living for many of the underprivileged nations of the world. We can point to the fact that it has stabilized political conditions and the economies of many nations. It has meant more business for the world as a whole, and it has meant more business for the United States. It has not injured private trade, because as Public Law 480 has been availed of, private trade also has increased materially.

Public Law 480 has been effective in starting the reduction of our domestic agricultural surpluses, particularly of cotton and wheat, so I think there is no real objection to extending it for these purposes for another year.

The difference of opinion which exists seems to be whether section 304 of the act shall be repealed. This section prohibits bartering with satellite countries, and is a question on which there can be an honest disagreement. I believe the bill should be left as it is, and that the amendment offered by the Senator from California should not be adopted.

I believe this provision has worked, in some ways, exactly the opposite from the way it was expected to work. We thought it would help us and hurt the Soviet Union.

Earlier today I pointed out as an example how Egypt and Czechoslovakia were forced to get together to make a trade which has worked definitely to our disadvantage. It has been emphasized by some persons that Poland appears to be a country which might be a candidate for some bartering. I am not certain about that; she might be. It has been said that the situation in Poland is analogous to that which has existed in Yugoslavia since 1948. I do not know whether or not this is an accurate analogy.

At that time Yugoslavia had been stripped clean by the Soviets and was in a destitute condition. The people of Yugoslavia were hungry. We gave them $38 million worth of grain to enable them to live through the winter. I do not think we ever made a better investment, even though we have had to help them ever since. We have given them several million dollars' worth of military equipment, but Yugoslavia has not gone back into the Soviet orbit. Instead, Yugoslavia has remained a nationalist Communist nation up to this time and has not gone back within the orbit of international communism. I suppose it will be necessary to help Yugoslavia for some time to come, because if we do not she could still be forced back into the Soviet group. If that were to happen, we do not know how Greece could remain independent. If the United States had not gone to the rescue of Yugoslavia, undoubtedly it would not have been possible to hold Greece as a member of the

Western nations because Greece would not have been strong enough to remain independent.

I realize that by bartering with any country behind the Iron Curtain is permissive only; it is not required. I hope that our Government will use extreme discretion. I would not expect our Government to barter with a nation which was occupied by Soviet troops or Soviet tanks, for instance. I point out, however, that we should be in a position to step in should one of the satellite countries need economic help either in the form of contributions or by way of bartering.

I also want to emphasize that the bill extends the law for only 1 more year. If there is some part of the bill that does not work well, it can be discontinued in another year.

It has also been said that if the United States steps in and helps Poland, and if our action works well, all the other satellite countries will be seeking our help. If we do help Poland, and if Poland does free herself from Soviet domination, I think it would be wise for us to help the other satellites to free themselves from Soviet domination also.

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

Mr. AIKEN. I yield.

Mr. RUSSELL. The Senator is referring to the bill solely in terms of assisting other nations. I was of the opinion that the Senate was considering language of the bill to provide that the United States should get something in return.

Mr. AIKEN. It provides for bartering.

Mr. RUSSELL. The Senator is referring to transactions of which I would not approve. I was disposed to vote for this particular provision because it was one under which we were to get something in return for the hundreds of millions of dollars we are spending overseas. I understood the purpose of repealing section 304 was to enable the United States to get strategic materials which were hard to get.

Mr. AIKEN. If my remarks made it appear that the provision to repeal section 304 would permit us to step in and assist the people abroad under title I, that was an inadvertence on my part. Repeal of section 304 would provide only for bartering. The Senator is entirely correct in that respect. I was speaking hastily prior to the vote and probably did not make myself clear; but the Senator from Georgia has made the subject entirely clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. HOLLAND. Mr. President, I strongly support the position already taken by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and by the ranking minority member of the committee, the Senator from Vermont [Mr. AIKEN].

I think it is very greatly to the interest of the United States to follow the recommendation of the Secretary of Agriculture, the wisdom of which was so well borne out by the testimony of the Assistant Secretary of Agriculture, Dr. Butz, to allow bartering with satellite nations. I think they are taking a wise position, and that we can give them their heads safely, because they have made a strong case. I wish to read briefly into the RECORD a statement made by Dr. Butz before our committee, because his statements sounds to me like good commonsense. I have found Dr. Butz to be particularly helpful to fruit producers in the matter of foreign trade and in having straightened out some very real difficulties in the case of the United Kingdom and in the case of West Germany. This is what Dr. Butz said on the subject now under debate:

> With respect to our recommendations for repeal of section 304, that will, in effect, remove the prohibition in the act against bartering with the satellite nations. We feel that the Government should have the discretionary authority to conduct barter deals with satellite nations in those cases where it is clearly to our advantage to do so.
>
> This does not mean there is any disposition on the part of anybody in the executive branch of the Government to barter willy-nilly, but many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations. And there have been opportunities to conduct barter deals of that kind in the last couple of years, that under the act we could not do.
>
> Therefore, we ask for a repeal of that provision so we can have the discretion to do it when it is clearly in the interest of the United States to do so.

Dr. Butz called the attention of our committee to the fact that there were occasions in the past when we could have traded some of our surplus food materials, which are so badly needed by the satellite nations, for hard goods like manganese, or other metals, which we need, if only we had been able to do so.

I cannot too strongly support the position taken by the distinguished Senator from Georgia [Mr. RUSSELL], indicating that in this instance, instead of trading our hard money for soft money, as in the case of dealing under title I—and I have strongly supported title I and shall continue to support it, because I think it really belongs in the picture—in this case, and in this case alone, we would get a full measure of return from our investment by permitting a setup which would allow us to trade our surplus agricultural products for valuable strategic materials which are hard to get.

I agree with Dr. Butz in his statement that—

> Many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations.

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

Mr. HOLLAND. I yield.

Mr. HUMPHREY. I merely wish to underscore what the Senator is saying. I have just read through Dr. Butz's testimony. Not only has he testified in this manner this year, as the Senator well knows, but he testified in similar vein last year.

As I recall, the Senate last year approved the very same provision we are asked to approve now, but it was lost in the other body.

I should like to emphasize that the necessity for some flexibility on the part of the Department of Agriculture and the Department of State concerning our foreign policy relating to satellite countries has become increasingly evident. I think that what we are really seeking to do here is to give a little vote of confidence to those who administer these programs that they will not sell out the best interests of our country?

I for one would not believe that the Government of the United States and those responsible for the policies of our Government are going to do business with those countries to the detriment of our national security.

As the Senator from Florida has correctly stated, this provision deals only with bartering, not with sales from counterpart funds or from foreign currencies. It does not deal with credits. Therefore, we shall be gaining something, rather than losing something, under any deal we may consummate.

If the Senator from Florida will permit me to do so—for I do not wish to take any more of his time—I now ask unanimous consent to have printed at this point in the RECORD a statement on my analysis of Public Law 480 and the importance of its extension, as provided in the pending bill (S. 1314).

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

SENATOR HUMPHREY PROPOSES GREATER USE OF AMERICAN FOOD AS "YEAST OF FREEDOM"

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today called for extension by 1 year and expansion of Public Law 480, the Agricultural Trade and Development Act of 1954, and termed food a tremendous and versatile weapon in the arsenal of peace.

In an address today on the Senate floor supporting passage of S. 1314, Senator HUMPHREY also called for an end to "administration timidity and indecision" in negotiations with Poland on surplus agricultural commodities, and for "forthright action on the proposal to bolster, the Polish people's recent progress toward an independent existence."

"By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the 'yeast of freedom' which can expand and strengthen the movement toward freedom and independence," Senator HUMPHREY declared.

"We are taking a calculated risk by such measures," he said, "but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All that we have to lose is the food itself, all that we can suffer is disappointment."

"Public Law 480 is not to be looked upon as merely a disposal program for surplus commodities," Senator HUMPHREY pointed out. "It has become a fundamental arm of our foreign policy. It has demonstrated the tremendous power of food and fiber in building stronger friendly nations, and at the same time it has developed new markets for the regular production of American agriculture."

The Minnesota Democrat stressed five distinct accomplishments of the Public Law 480 programs. They have, he said:

1. Increased the normal export markets. "Public Law 480 has enabled us to open new doors for America's surplus agricultural commodities," he said. "It has resulted in improved levels of income for many farmers.

Millions of man-hours of work have been added for American labor. Shipping has prospered."

Senator HUMPHREY pointed out that agricultural commodities under United States export programs accounted for about 25 percent of all exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. "Yet," he said, "sales outside of the program have remained fairly steady."

2. Provided economic development funds for needy countries. "The largest increase in program activity has been in sales for foreign currencies," Senator HUMPHREY said. "Thus, we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency."

"By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade," he reported.

3. Made possible the exchange of American food for strategic materials. "Since Public Law 480 was enaced, the value of strategic imports for stockpiling through the barter program has risen from $61.5 million in fiscal year 1955 to the rate of nearly $189 million annually in the first half of fiscal year 1957," Senator HUMPHREY said.

4. Strengthened our military security. "Through the end of 1956, $221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense," Senator HUMPHREY reported. "These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China."

5. Broadened our cultural and educational contacts with the free world. "Most of title I agreements," Senator HUMPHREY said, "have provided for the use of some of the local currency proceeds to finance international educational exchange programs. About $5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries."

Citing the opportunity in Poland to bolster an anti-Soviet regime and an anti-Soviet people with food and fiber as an example of the use to which Public Law 480, as amended by Senate bill 1314, can be used, Senator HUMPHREY charged the administration with "timidity and indecision at a crucial moment in the relations between Soviet Russia and the new Polish Government attempting to disengage itself from Soviet domination."

Mr. HUMPHREY. Mr. President, I have just received a copy of a telegram sent to President Eisenhower and Secretary Dulles from the American Order of General Pulaski. In the telegram, a loan is proposed to the Polish people, in the form of foodstuffs, raw material, and machinery for the textile industries.

Mr. President, I ask unanimous consent that the telegram be printed in the RECORD, and also be appropriately referred.

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

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
*The White House,*
*Washington, D. C.*

Hon. JOHN FOSTER DULLES,
*Secretary of State,*
*Washington, D. C.:*

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, Primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,
AMERICAN ORDER OF GENERAL PULASKI.
K. STEFAN POMIERSKI,
*President Emeritus,*
GLEN COVE, N. Y.
CORNELIUS H. TUSZYNSKI, *President.*
JOSEPH P. PLONSKI,
*Counsel and General Secretary.*

Mr. HUMPHREY. Mr. President, I have just received a letter from the chairman and the secretary general of the Polish Christian Labor Party in New York.

The letter reviews the measured advances which have been achieved under the Gomulka regime, and encourages the administration to grant economic assistance to Poland.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

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

POLISH CHRISTIAN LABOR PARTY,
*New York, N. Y., March 27, 1957.*

DEAR SIR: The executive committee in exile of the Polish Christian Labor Party at its meeting held in New York on March 27, 1957, reviewed the development of the present situation in Poland and resolved to make an appeal to the administration and Congress of the United States to provide substantial economic assistance to Poland.

The peaceful evolution in Poland, which especially from October 1956 until the time of the general elections in January 1957 followed a rapid course, showed the decisive will of the Polish nation to regain true freedom and brought our prudence and calm as characteristic of the Poles in time of trial.

In those 4 months Poland gained several great advantages through the unity and determination of its people:

The limitation of colonial exploitation by the Soviet Union;

The ability to make commercial agreements with non-Communist states;

The end of the system of terror and the relaxation of restrictions on civil liberties; and

Freedom of religious practice and instruction.

The progress of Poland toward liberty has been and may continue to be hindered by delay and deviation. Reactionary Stalinist forces, especially those acting from outside the country, have taken advantage of every weakness of Polish society, which is debilitated through the destructive practices of the former Communist regime and the economic crisis which logically and naturally resulted.

The Polish people are confident that the West, of which they are an integral cultural part, will help in gaining economic relief. The faith of the Poles in the good will of the West, severely tried on many occasions since 1939, now depends on economic aid quickly and generously granted. If such aid is denied or proves insufficient, the Poles will feel completely abandoned and isolated, which will have a regrettable political result.

The system of state capitalism imposed on Poland against the will of the nation and for which it cannot be held responsible makes it necessary that economic aid be administered by the state. However, this will not enhance the prestige of the United Workers (Communist) Party. On the contrary, the Poles will fully recognize the source of this assistance and the reason why it is granted. This will heighten the prestige of the West and demonstrate the impotence of the Communist system, which in a time of economic crisis is forced to look for help to countries which have a system of free economy.

In addition to economic aid, the Polish Christian Labor Party appeals for the development of economic exchange between the free world and Poland, thus strengthening the economic independence of Poland which forms the foundation of political independence.

The Polish Christian Labor Party expresses its confidence in the administration and Congress of the United States to find the necessary legal bases which will make possible the granting of economic assistance to Poland, even though the present system of government there does not entirely correspond with the democratic convictions of its people. Economic assistance will be considered an expression of confidence on the part of the West in the strong resolve of the Polish Nation to attain full democracy, and will prove a vital stimulus to the realization of this goal.

Very truly yours,
KONRAD SIENIEWICZ,
*Secretary General.*
KAROL POPIEL, *Chairman.*

Mr. HUMPHREY. Mr. President, the New York Times magazine for March 24, 1957, carried an article entitled "Poland's Gomulka Walks a Tightrope," written by Flora Lewis.

In a speech on the Senate floor on last Friday, I discussed many of the points raised in the article. I ask unanimous consent that the text of the article be printed in the RECORD.

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

POLAND'S GOMULKA WALKS A TIGHTROPE

(By Flora Lewis)

WARSAW.—Although Wladyslaw Gomulka became No. 1 man in Poland through a display of stubborn independence that made his name a symbol, there is no such word as Gomulkaism and most probably there never will be. The reasons are rooted in the worried but firm-minded country that he leads and in the character of the man. Poland today is an uneasy country, filled with vague yearnings and simple hopes, exhausted and yet lively with the jerky energy of a man shaking off a nightmare, uncertain about everything but the one desperate wish never to slip backward. Gomulka embodies both the hopes and the fears of the country.

His warning that a failure to support his Communist Party in the recent elections

meant "to cross Poland off the map of European states" was an extravagance of campaign oratory, but he knows, and Poles know that he knows, the dangerous truth within his words. He has proved, to Poland's satisfaction, that he has no hypnotic illusions about relations with the Soviet Union and that while he cares for communism he cares at least as much for Poland. That is one reason why his cause does not bear his name.

Nor did the man who stands unchallenged at the hub of a huge wheel of inchoate and often opposite desires launch the cause or set the wheel in motion. On the contrary, the cause assembled itself from a dozen corners—from the hatred and misery that exploded in the Polish riots last June, from the shame and shock released by the Soviet Communist Party's 20th Congress in February 1956, from the long mendacious years. It centered itself on Gomulka and created his program. Without Gomulka there would have been no place for the spokes of discontent to meet. But without the driving bitterness that sought a spokesman Gomulka would not have mattered.

As things are now Gomulka does matter. The aims and judgments of what one close associate called "the curious, impersonal man" are decisive. He alone of all the men who govern with him has the confidence and the ear of his country. It is a tentative confidence. He could lose it as quickly as he gained it if he failed to keep faith. Aware of this, Gomulka's test for making decisions is his own conception of how to find a place in the sun for the 28 million people of Poland.

It is not precisely everyone's conception, for points of view sprout lushly in Poland nowadays, but in its large outline it is shared by his countrymen who express their acceptance by calling it realistic. To be realistic in Poland means to acknowledge two facts which darken the land with their shadows. One is the nearness and the power of the Soviet Union. The other is the intolerable unhappiness the country has known. Very little more can be done to push back the Russian shadows. Much must be done to relieve the blackness of misery. The confidence given Gomulka is based on the belief that he sincerely wants to do what can be done.

The people who listen to him know surprisingly little about the man they trust. Gomulka's is a closed personality and no one claims to know his mind. His reserve separates him even from his most intimate acquaintances. He speaks calmly and plainly, but often irritability conquers him and he shouts with anger. He listens thoughtfully, a faint smile on his thin lips, a grave intensity in his deep-set gray eyes. And yet, what is inside him never quite breaks out.

His face and his slight, halting figure offer no clues to the fierce will they cloak. Nearly bald, with a rim of white hair around his wizened head, cheeks pink from Warsaw's sharp winter, he can peer through steel-rimmed glasses that slide a little down his sharp nose, as though he were looking at the world through the bemused eyes of a country grandfather.

The bones of his face are hard and square but the pale skin hangs loosely and softens the lines that once looked like chipped granite. A Western ambassador, newly arrived in Warsaw, watched him at an official reception where he stood shyly in the background, clearly ill at ease, and said, "Gomulka looks so gentle and benign, such a kindly little old man. I wonder if he can stand up to the sharks around him and impose his discipline?"

It was a gross misconception on several counts. To begin with, he is not old, only 51. His 3½ years in prison and his 8 years of enforced exile from the politics that are his whole life have aged him prematurely. Certainly he can and sometimes does impose discipline with a sharp impatience that leaves no room for retorts. And he defied Nikita Khrushchev last October and so earned his right to the place that had been made for him in Poland.

Gomulka's is a tough spirit and unyielding on points he has made his own. In that he has not changed from the period of his first reign as first secretary of the party from 1943 to 1948.

His aim then was to make Poland Communist. He pursued the aim with a combination of ruthless will and skilled if scarcely principled maneuver that reflected acceptance of the Communist adage, "You can't make an omelette without breaking eggs." Until shortly before his downfall under the charge of Titoism Gomulka played his part in administering Moscow's crushing tactics.

His experience as a "broken egg" did not undo the training of the long years before but in some ways it drastically modified their meaning. It bred in him a sort of tolerance that dwells oddly with the fierce strength of his will. His hand is often firmer in restraining headstrong supporters than in warding off the devious attacks of proved enemies. Associates call it his "complex on persecution."

This new complex buttresses Gomulka's resistance to temptations to use force. No one can say beforehand where a dire crisis will push a man. But Gomulka's Communist self-righteousness is tempered now by a revulsion for what might seem injustice or revenge. No one in Poland has been arrested for opposing Gomulka or for criticizing what he does. The punishment has been purely political—ouster from a seat at the table of power.

This does not mean that Gomulka sits at the table with relish. He wields power willingly but he does not seem to love it. He appears to have little or no personal vanity. There are no photographs or busts of Gomulka on Polish walls; he seethed with fury when students took to chanting his name, and the practice was stopped.

He lives with his wife and a dog in a small apartment in Prague, a Warsaw suburb. When he got his first monthly paycheck of 14,000 zlotys as the new first secretary he sent back 11,000, saying he did not need so much.

Speaking of the power he held under Stalin, clothed then "in the robes of the cult of the individual," Gomulka told the Polish Central Committee how he felt about it. He referred to himself in the third person, saying he "did not feel well in this attire. One can say that he was ashamed of it and did not want to wear it, although he could not completely take it off."

What then does Gomulka want? There is no clear, sure picture, probably not even in his own mind, for he is no philosopher or ideologist. The speech to the Central Committee is as close as he has ever come to setting forth his credo, and its 45 pages are filled with details about the situation in the mines, what is to be done for the peasants, how to revive cottage industry, what to do about hooliganism.

Since he was 16, Gomulka has worked as a Communist—sometimes as an agitator, sometimes as an administrator, but never as a theoretician. His jobs were practical ones, from distributing clandestine leaflets to running a Communist state. Now he is the leader of an important reformation, but he approaches his problems as practical ones.

This is his great strength. His pragmatic mind slips undisturbed from the fetters of doctrine and dogma whenever a concrete question demands an answer and a deed. He is an ardent and devoted Communist. But his conception of what constitutes communism has changed tremendously since the old days of struggle to impose a regime. And it is still open at one end.

Gomulka agrees with a small but vocal group of Polish Communists on what his concept is not. It is not a police state, it is not the willful spread of poverty, it is not a blinding, belligerent uniformity. These are profound changes in Communist thought and they could lead to staggering conclusions. Gomulka does not seek conclusions; he seeks to make life tolerable in Poland by repairing damage done and preventing new distress.

He gave the Central Committee his definition of communism, or socialism, as a Communist always calls it. "What is constant in socialism boils down to the abolition of the exploitation of man by man," he said. All else, associates explained later, Gomulka is willing to leave open to discussion.

All else is being discussed in Poland, sometimes by Gomulka, more often by others, and in startling terms. The vice chairman of the new State Economic Council, E. Lipinski, has written in the Polish Communist newspaper Trybunu Ludu: "The Council is necessary because so far there has been no economic thought in our economic policy."

With his disregard for doctrine when hard facts demand attention Gomulka has challenged what were long considered basic tenets of Communist faith. He has made peace with the church and has permitted the teaching of religion in the schools. He has restored full rights of ownership to peasants and has promised them, in a year or two when the problem of feeding the cities has eased, a free market with no compulsory deliveries to the state.

He has granted a role for private enterprise, small in scale, but meaningful. He has accepted the liberation of cultural life from politics. Above all, by abolishing the secret police, he has sought a way to govern by consent instead of force.

The need for consent now necessarily shoves off into the misty and improbable future the notion of creating "Socialist man." This dark utopianism results from the conceit that change can be imposed not only upon the society man lives in but upon man himself. It is the profound Communist arrogance.

Gomulka does not consciously repudiate it, but he has acquired a certain humility through his personal experience of human fallibility. There is every evidence that he believes Marxism to be a basically sound science of human society. But he has learned through suffering, his own and that of others, to consider it an experimental and not a revealed science.

So far as he has disclosed it, Gomulka's aim now is to remake Poland, not to rewrite the theories of communism. Not only does he disdain the wracking analysis and strained probing into which a new and brighter era has shoved many of his comrades—he has also made clear that he considers ideological challenge a positive menace to Poland's delicate equilibrium.

That, his closest associates say, is behind his recent orders to clamp down on the press where a grand debate on all but the innermost tenets of Marxism was building up. The current line, much stricter than that of a few weeks ago, forbids publication of anything even faintly perfumed with criticism of the Soviet Union or criticism of Communist doctrine.

"Gomulka feels that if we can succeed, it has to be first by improving the economic situation," a close coworker said recently. "We have to realize that we are not going to have any influence with our ideological haggling."

Russia is extremely tense about relations within her empire, seemingly more nervous now about words than about deeds. Gomulka has refused to explain himself, but carefully choosing their words, his associates say that his present purpose is to reassure Moscow that Poland will not break out of the Communist fold.

That is not only tactics. Gomulka is convinced that in the world as it is only a Communist Poland can survive. But the effort of reassuring Moscow has begun to worry some of Gomulka's supporters who fear that Poland may unwittingly be forging new chains for herself. They consider Gomulka's pragmatic problem-by-problem approach to be a weakness as well as a strength. Watching his feet as he takes steps for security and economic improvement, Gomulka could lose the way to independence and freedom of thought.

The return to the Government of pro-Soviet Stalinist Communists who had fought Gomulka is a part of this dilemma. The explanation given is that since he must get along with the Russians Gomulka dare not rid his party of the Eastern point of view.

Gomulka's backing is in the country. Within the upper ranks of the Polish Communist Party only a minority really supports the program he announced last October, although none dares attack him. Yet he is convinced that his regime can only be based on the party. The danger is that in his efforts to strengthen his party position by compromise with neo-Stalinists, he may weaken his national position.

It is an involved and precarious game. But the stakes are high and there are yet many hands to be dealt. For the time being Gomulka has chosen cautiously to consolidate his gains and to curb high-spirited comrades who want to plunge ahead too fast.

The solid backstop of Gomulka's program, regardless of any possible change of heart in the leadership, is the eager impatience of the Polish people for a decent life. Nothing but colossal injections of foreign aid could perform the kind of quick miracle that would make salvation easy. But Poland is a Cinderella without a fairy godmother. Current prospects for American aid indicate that it will not be large enough to work wonders.

Nevertheless, if Poland can manage to make its way back toward prosperity and freedom, the effect on the whole Communist world will be tremendous.

As long as Poland is an island of relatively free thought surrounded by a sea of Communist orthodoxy, no more than limited success for Gomulka's experiment is possible. But even a limited success in Poland would stimulate new hope among the drowning satellites. Eventually—and this is Gomulka's prime importance to the rest of the world—it might stimulate enough new thought in Russia to change the nature of the sea itself.

This is an ultimate goal, perhaps not so much Gomulka's as of the people who support him. Poland as a Communist state might have an influence on the internal life of Russia that nothing from the West could bring to bear. It is not entirely wishful thinking to hope that a breeze from a more healthy Poland could stir the fetid Moscow air.

Gomulka's success would fan that breeze. If Gomulka's Poland can discover how Communist-ruled countries might work their way toward more freedom without violence, not only the peoples of the East but those of the West as well might at last have a chance to breathe more easily.

Mr. HUMPHREY. Mr. President, on Friday I spoke at length on this matter. My views appear in the CONGRESSIONAL RECORD. I urge the Senate to support the position taken by the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the supporting remarks very ably made by the distinguished Senator from Minnesota.

I do not think it is necessary to take further time on this subject, except to comment that in his official letter to the President of the Senate, the Secretary of Agriculture, Mr. Benson, very strongly urged this same action for this same reason.

So far as I am concerned, I found the Secretary of Agriculture and his Assistant Secretary and their experts in this field, able men of conscience and intelligence; and I am perfectly willing to give them authority to make deals which they believe to be in the interest of our country, in bartering soft, expendable goods for hard goods which we need and which we can store away against a time of greater need.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. McCARTHY] is detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Wisconsin [Mr. McCARTHY] is paired with the Senator from New York [Mr. IVES]. If present and voting the Senator from Wisconsin [Mr. McCARTHY] would vote "yea," and the Senator from New York [Mr. IVES] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

| | | |
|---|---|---|
| Allott | Bridges | Cotton |
| Barrett | Butler | Curtis |
| Bricker | Byrd | Dirksen |
| Dworshak | Malone | Schoeppel |
| Hruska | Martin, Pa. | Smith, Maine |
| Jenner | Mundt | Watkins |
| Knowland | Revercomb | Williams |
| Kuchel | Robertson | |

NAYS—54

| | | |
|---|---|---|
| Aiken | Fulbright | Monroney |
| Anderson | Green | Morse |
| Beall | Hayden | Morton |
| Bible | Hennings | Neuberger |
| Bush | Hickenlooper | O'Mahoney |
| Capehart | Hill | Pastore |
| Carlson | Holland | Payne |
| Carroll | Humphrey | Potter |
| Case, N. J. | Jackson | Purtell |
| Case, S. Dak. | Javits | Russell |
| Church | Johnson, Tex. | Saltonstall |
| Clark | Johnston, S. C. | Sparkman |
| Cooper | Kefauver | Stennis |
| Douglas | Magnuson | Symington |
| Eastland | Mansfield | Thurmond |
| Ellender | Martin, Iowa | Thye |
| Ervin | McClellan | Wiley |
| Frear | McNamara | Young |

NOT VOTING—19

| | | |
|---|---|---|
| Bennett | Kennedy | Neely |
| Blakley | Kerr | Scott |
| Chavez | Langer | Smathers |
| Flanders | Lausche | Smith, N. J. |
| Goldwater | Long | Talmadge |
| Gore | McCarthy | |
| Ives | Murray | |

So Mr. KNOWLAND's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1314) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "$3,000,000,000" and inserting in lieu thereof "$4,000,000,000."

(3) Section 203 of such act is amended by striking out "$500,000,000" and inserting in lieu thereof "$800,000,000."

(4) Section 304 of such act is deleted.

## ORDER FOR ADJOURNMENT TO THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, when the Senate concludes its business today it is our plan to go over to Thursday, so committees which desire to do so may meet in the morning and in the afternoon, too.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon on Thursday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## JOINT COMMITTEE ON THE BUDGET

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 160, Senate bill 1585.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more

effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

## ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that, so far as I am aware, there will be no other votes tonight, but the Senate will remain in session for as long as my colleagues may desire to address the Senate.

## MENTAL HEALTH ACTIVITIES

Mr. KEFAUVER. Mr. President, we all know that the House presently is considering appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies.

I desire to call the attention of my colleagues to one item in the bill, which I understand is in danger of a cut in the present drive for economy, and which I think by all means should not be cut.

It is an appropriation of only $35,217,000 for mental-health activities. It would be a tragic thing, I think, to apply a straight percentage cut to this item.

The dollars reduction would make little difference in our $72 billion budget, but it would seriously impede the progress that is being made in research and treatment toward controlling mental illness, which is still one of our most serious problems.

More than 1 million patients are treated annually in our mental hospitals, and an additional large number are cared for in outpatient clinics and by private psychiatrists.

In my State of Tennessee, where we have during recent years made great strides in improving the treatment at our institutions, there is great support and interest in continuing the research and program, which is underway on both a national and State level, at its greatest efficiency.

To try to save on this program, when we know that about half of our hospital beds are occupied by mental patients and the annual costs of mental illness continue to mount and are over the billion dollar mark, is shortsighted economy.

For we are just beginning, through the research and treatment and psychiatric programs now being discovered, to make some headway against this once hopeless disease.

The new tranquilizer drugs have permitted a new attack on mental illness. The immediate future, if we do not curtail the work, will probably see the development of other drugs and treatments.

Mr. President, we cannot—we dare not—through shortsighted economy take the grave risk of turning man back in his long effort to control mental illnesses.

Mr. President, now I wish to speak on another subject.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

## FINANCIAL AND BUSINESS ACTIVITIES OF SECRETARY OF THE TREASURY GEORGE HUMPHREY

Mr. KEFAUVER. Mr. President, I wish to call the attention of the Senate to a portion of the column by Mr. Drew Pearson, which appeared in the Washington Post and Times Herald today.

The portion of the column to which I have reference refers to the activities of Secretary of the Treasury George Humphrey. It quotes Mr. Cyrus Eaton, of the Chesapeake & Ohio Railroad and of Otis & Co., on the financial and business activities of the Secretary, who continues to hold his stock in M. A. Hanna Co., and in his other farflung investments.

I ask unanimous consent that the portion of Mr. Pearson's column referring to Secretary Humphrey be printed at this point in my remarks.

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

[From the Washington Post and Times Herald of April 1, 1957]

CLEVELAND TYCOONS

Cyrus Eaton, of the Chesapeake & Ohio Railroad and the Cleveland investment firm, Otis & Co., had a recent private huddle with top Democratic leaders regarding another well-known Clevelander, Secretary of the Treasury George Humphrey.

Eaton urged a full Senate investigation of Humphrey, pointed out that the Secretary of the Treasury has not sold his stock in his farflung M. A. Hanna Co., said the stock had appreciated some $800 million while Humphrey was in the Treasury, and that almost everything the Treasury handled affected Humphrey's private interests in some way or other.

Foreign business firms, he pointed out, had in some cases purchased coal from Humphrey's Pittsburgh Consolidation Coal Co., largest coal company in the world, because their countries had to do important business with the Secretary of the Treasury. Humphrey is a member of the board which controls the Export-Import Bank from which many countries have to borrow money.

Later, Eaton wrote a private letter to the Senators, dated March 9, which follows:

SIXTY-BILLION-DOLLAR ORBIT

"A further illustration of the manner in which George Humphrey continually uses his high public post to buttress his private business interests is provided by the recent preemption of top offices of the Federal Reserve Bank of Cleveland by Humphrey henchmen.

"First, Arthur VanBuskirk, a director of Humphrey's Pittsburgh Consolidation Coal Co., was made chairman of the bank. This was swiftly followed by the naming of J. H. Thompson, president of Humphrey's M. A. Hanna Co., as vice chairman of the bank. With these adroit moves, another powerful financial institution boasting assets of $4,755,000,000 was added to the Humphrey orbit, to bring to the incredible total of $60,755,000,000 the combined assets of the corporations interlocked by officers and directors in the Humphrey-Hanna-Pittsburgh consolidated group.

"This does not tell the whole story, however, for there are other companies in which Humphrey exercises great influence without representation among officers and directors.

"Since the Secretary of the Treasury holds office by virtue of Senate approval, does the Senate not have a continuing moral obligation to take corrective action when the Secretary constantly uses his official public position to further his private business fortunes?"

Mr. KEFAUVER. Mr. President, it occurs to me that the business activities of a man of the undisputed influence on Government policy, both domestic and international, of Secretary Humphrey should be under the continuing scrutiny of the appropriate Senate committee.

A different standard was applied to Mr. Humphrey from that applied to other Cabinet members at the time of his confirmation. He, unlike Charles Wilson, who was then president of General Motors, was allowed to keep his stock. Perhaps that was not considered important at the time, but Mr. Humphrey is a strong-minded man and the imprint of the Secretary of the Treasury for better or worse, is indelible in all Government policy today. And furthermore it appears that the activities of the companies in which the Secretary is interested have expanded during the years since he was confirmed originally. The desirablity for reconsideration is indicated. Such vast power requires continuing surveillance.

I hope the appropriate committee will look into the matters discussed by Mr. Eaton.

Mr. Eaton is a man who is worthy of consideration; a man who has many business interests himself. He is a man of good repute. I hope the appropriate committee will look into the statement set forth in Mr. Pearson's article, which refers to certain letters Mr. Eaton has written to Members of the United States Senate, and that there will be some scrutiny of this matter, and an investigation of it.

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

Mr. KEFAUVER. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have permission to supplement what the Senator has said.

Mr. KEFAUVER. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I am very glad that my very good friend, the Senator from Tennessee, has brought up the matter concerning the Secretary of the Treasury and his obvious conflict of interests.

A column in today's Washington Post and Times Herald, written by Drew Pearson, offers another good reason why the Senate should investigate the conflict of interests of the Secretary of the Treasury.

Some days ago the Senator from West Virginia [Mr. NEELY] did the Senate a service by bringing to the attention of the Senate the fact that among Secretary Humphrey's holdings were investments in the Standard Oil Company of New Jersey, a co-owner and operator of Middle Eastern oil properties.

Now we learn that the Secretary's business associates have taken over control of the Federal Reserve Bank of Cleveland.

I again request, Mr. President, that an appropriate committee of the Senate investigate the obvious conflict of interests between George M. Humphrey, Secretary of the Treasury, and George M.

Humphrey, the power behind the scenes of the giant M. A. Hanna empire, in which he and his family are major investors. I am inclined to believe that an impartial and thorough investigation of Mr. Humphrey's activities will show he is so involved in a conflict of interests that he is disqualified to serve further as Secretary of the Treasury of the United States.

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

Mr. MORSE. I yield.

Mr. KEFAUVER. Has it not been pointed out that the Secretary of the Treasury is a member, ex officio, of the Export-Import Bank, and has very great influence sitting on the board of that bank; and that the M. A. Hanna Co. and other companies in which Mr. Humphrey has investments have considerable business in Brazil and other nations, which business undoubtedly has some connection with the Export-Import Bank?

Mr. MORSE. Yes. It illustrates the point the Senator from Tennessee and I have made; namely, we had better find out where this man's financial holdings will lead us, so far as the determination of the foreign policy of this Government is concerned, because it is generally taken for granted that he exercises terrific influence on both the President of the United States and the Secretary of State in the field of foreign policy.

I think when there is a thorough investigation of the foreign policy of this country in the Middle East we will find such policy is determined more by oil than by any other factor.

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

Mr. MORSE. I yield with the understanding I shall not lose my right to the floor.

Mr. HENNINGS. Is not the problem of oil in the Middle East a very complex and difficult one?

Mr. MORSE. It is a very complex problem.

Mr. HENNINGS. I speak not for any one individual. Is it not a matter to be determined by the State Department of the United States, in conjunction with other agencies of the United States?

Mr. MORSE. There is no question as to that.

Mr. HENNINGS. It requires considerable elucidation.

Mr. MORSE. It requires not only considerable elucidation, but in my opinion it requires considerable investigation at the present time on the part of the Congress of the United States.

I wish to pay a deserved tribute to a great fighting liberal here in the Senate, a man by the name of JOE O'MAHONEY, of Wyoming, and to his associates on his committee, who have been conducting an investigation in recent weeks which, in my opinion, is of tremendous importance to the welfare of the country. What the O'Mahoney committee has already brought out with regard to Aramco, in my judgment, tells us more about American foreign policy in the Middle East than any other one thing.

When we take note, as the O'Mahoney committee brought out, of the manipulations of Aramco, and the steps they have taken even to effect changes in the tax laws in Saudi Arabia, so that they can get by with a kind of juggling of losses, permitting them to pay very little into the Treasury of the United States, but still collect the 27½-percent depletion allowance, we gain some insight into the influence oil has on American foreign policy.

My judgment is that if we really should conduct a thorough investigation of the oil policies of Aramco, it would make Teapot Dome look like petty larceny.

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

Mr. MORSE. I yield to the Senator from Missouri.

Mr. HENNINGS. Mr. President, again I should like to make a comment, at the risk of oversimplification. At one time, some 5 years ago, I believe, I made quite a study and submitted a little report, in my own way——

Mr. MORSE. It is too bad the Senate did not support the Senator from Missouri in his earlier investigation of this matter, because the Senator paved the way.

Mr. HENNINGS. I thank the Senator for his generous comment.

Mr. MORSE. Few Senators supported the Senator from Missouri then, as he will recall.

Mr. HENNINGS. Nobody supported me, because it was a matter of little or no interest.

Mr. MORSE. There was considerable support for the position the Senator took, particularly with respect to the depletion allowance.

Mr. HENNINGS. I may say to my distinguished friend from Oregon that I suspected a great deal then, but since then even more has been developed.

Over and beyond that, is it not true that when we go into the economics of this situation and of the matters about which the Senator from Tennessee and the Senator from Oregon are now inquiring—as have other Senators who serve upon the committee, who are unfortunately engaged sometimes on other matters—we find there is some of what might be called, in general parlance, "hocus-pocus" going on, and good fellowship where good fellowship obtains. If one is not a good fellow and does not get along, he just does not go along. I do not know the right and the wrong of it at the present, but I certainly think it should be looked into and examined into most thoroughly and meticulously. I commend my two friends, the Senator from Tennessee and the Senator from Oregon, for having investigated as far as they have gone. I hope they will not be deterred in their efforts.

Mr. MORSE. I wish to say to my friend from Missouri I always enjoy the delicacy and judiciousness of his language when he is dealing with a problem which he and I know is one that smells to high heaven. The linguistic restraint of the Senator from Missouri is something about which I marvel.

Mr. HENNINGS. "Hocus-pocus" is not very restrained

Mr. MORSE. I wish to say I think the Senator from Missouri was exceedingly kind when he used the words "hocus-pocus." There are other descriptive terms he could have used which I think would have been more appropriate.

I am glad to see the Senator from Wyoming [Mr. O'MAHONEY] entering the Chamber, since we were just discussing the great job the Senator and his committee colleagues have been doing with respect to investigating the policies of Aramco. I had a few things to say on this subject.

Mr. HENNINGS. I might have said "prestidigitation," which is a more polite word than "hocus-pocus."

Mr. MORSE. I am glad the Senator from Missouri is on that committee, because I know that his penetrating analytical power will bring to light, before the O'Mahoney committee is through, what I implied when I said that when we really get all the facts about what oil is doing with regard to foreign policy, it will make Teapot Dome look like petty larceny, although all the stealing will be done by way of legerdemain.

Mr. HENNINGS. "Sleight-of-hand" is another synonym for legerdemain. We could find a number of synonyms. I pretend to no expertness, except that I know there is a cabal, and we all know that there exists an agreement. There exists what we might even call——

Mr. MORSE. A cartel.

Mr. HENNINGS. "Cartel" is a very ugly word. It would be called a trust in this country, but it is an international cartel.

Mr. MORSE. It is an active one.

Mr. HENNINGS. The American people pay for it, and they do not know that they are paying for it; do they?

Mr. MORSE. We have only to look at the taxes paid by Aramco, or the taxes Aramco did not pay last year, to know how much the American people pay. They pay through the nose.

Mr. HENNINGS. Certainly, the Senator's statement appears to be correct.

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## EXPLANATION OF ABSENCES OF SENATOR MORSE FROM YEA-AND-NAY VOTES

Mr. MORSE. Mr. President, I move to another subject. Some 2 or 3 weeks ago I announced that whenever I was absent from the Senate and missed a yea-and-nay vote I intended to make a statement for the RECORD as to the reason for my absence.

In the last campaign I had a very delightful time setting my opposition straight as to my absences from the Senate after they had made gross misrepresentations about them.

I had already pointed out that on February 18 I was not present for a yea-and-nay vote on the deficiency appropriation bill, because while that vote was being taken—and I had been led to believe that in all probability a vote would not be taken—I was downtown at a conference in behalf of the port commission of Coos Bay, Oreg., in regard to the Port Chicago project. We were seeking favorable consideration for the heart of the Port Chicago project if it is transferred from its present location to Coos Bay, Oreg.

On February 28 the O'Mahoney amendment to the Middle East resolu-

tion was adopted by a vote of 82 to 0, with 14 Senators not voting. The Senator from Oregon was one of the absentees. I was recorded in favor of the resolution. The only reason I was not present in the Senate was that I was up in the air—and when I say I was up in the air, I mean I was literally up in the air. I was circling the skies above Washington, D. C., unable to get down because of weather conditions. I succeeded some time later in landing, but not in time for the yea-and-nay vote. Let the RECORD show.

On March 28 there was a yea-and-nay vote on the motion to recommit Senate bill 497, the omnibus public works bill. The motion was defeated by a vote of 55 to 27, with 14 Senators not voting.

On the same day there was a yea-and-nay vote on Senate bill 497, which passed by a vote of 42 to 22, with 32 Senators not voting. I was not present for either of those yea-and-nay votes. As the CONGRESSIONAL RECORD will show, I spoke on the floor of the Senate late the night before in regard to my position on the bill. I was, of course, opposed to the motion to recommit, and I was in favor of the bill, as the RECORD shows.

The reason for my absence on this particular occasion was that many weeks before I had accepted an invitation to return to my alma mater, the University of Wisconsin, and deliver a speech at a testimonial luncheon in behalf of one of the great educators of America, the incomparable Dr. Edwin Whitty, of the University of Wisconsin, who is retiring from the University of Wisconsin at the end of this academic year, at the age of 70.

In order to be of assistance to any political opponent who wishes to make anything of that absence, let me say that it was a mission of life and affection. No fee was involved in connection with this speech. I considered it a great honor to be invited to deliver an address, as scholars, public officials, and leaders throughout the country gathered at Madison, Wis., on that day to pay homage and tribute to this great economist. That was the reason for my absence from that vote.

The other vote I have mentioned was one which was held earlier this afternoon, in connection with the Zwicker nomination. Had I been present, of course, I would have voted to confirm the Zwicker nomination; and the CONGRESSIONAL RECORD will show that that position was taken on that issue.

The reason for missing that vote was that as recently at 12:30 p. m. today I spoke at Raleigh, N. C., where I went on another mission of public service. I spoke before the Southern Municipal and Industrial Waste Conference of the Southern States, sponsored by Duke University, the University of North Carolina, and North Carolina State College.

I believe, on the basis of the public service involved, that not only was it an invitation which I should have accepted, but I am highly honored that it was extended to me. I now ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the address which I delivered at that conference this noon—the keynote speech of the conference.

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

KEYNOTE ADDRESS OF SENATOR WAYNE L. MORSE TO SOUTHERN MUNICIPAL AND INDUSTRIAL WASTE CONFERENCE, RALEIGH, N. C., APRIL 1, 1957

Ladies and gentlemen, when I accepted the invitation from your chairman, Mr. Nemerow, to keynote this conference, I was impressed by the fact that this is your sixth annual conference on Southern Municipal and Industrial Waste. From the programs of the previous meetings Mr. Nemerow sent to me, I find that you have been meeting for some time in an effort to make some progress toward cleaning up river pollution in the South. The titles of your sessions are indicative of the study already given to the South's pollution problem; I commend you for showing the way. I particularly commend the leaders of industry for the active role they are playing in the region's pollution abatement, because without the cooperation and in fact, without the action of industry, we can expect little progress to be made.

It is important to point out first, I think, in a discussion of water pollution, that the interest in the great natural resource of water on the part of the Federal Government is wide and comprehensive. It begins with navigation, with the use of water in commerce as a carrier, as the cheapest form of transportation we have yet found despite all technological progress. It extends to the use of water for irrigation, and for cheap power, the control of water as a means of flood control, and the control of water for human and industrial uses. Certainly all of these are important. The first law passed by the first Congress was a bill relating to canal transportation. Since then, the Federal interest in water for navigation has expanded to include power, irrigation, and flood control. The Tennessee Valley development is still the world's prime example of what can be accomplished by a national community in a multipurpose program for water.

But the importance of water for these uses must be reevaluated to include water supply. The vast expansion in our need for water as a result of America's population growth and industrial development has occurred without much attention having been given to the problem it has posed for every section of the country.

Although this conference and its participants are familiar with the full extent of the increased need for water, I want to review a few of the figures. In 1956, when the House Committee on Public Works was holding hearings on the proposed bill which became the Water Pollution Control Act, the testimony showed that from 1900 to 1955, our water needs for domestic use only rose from 5 billion gallons a day to 22 billion gallons a day. The use of water by industry from its own sources of supply exclusive of what it took from the public supply increased from 15 billion gallons a day to 120 billion. The use of water for irrigation has risen in that time from 20 billion gallons a day to 120 billion. This means we are using over six times as much water now as we did in 1900, although our population has only doubled, rising from 76 million to 165 million. Per capita, we use about three times as much water. Part of the answer lies in increased personal use, but undoubtedly the real answer lies in the growth of our industrial production, which is over 700 percent of what it was in 1900.

Clearly, industry has played a major role in the increased use of water, and has a major interest in working out the problems that increased use has brought us.

But in addition to the demand for water that comes through pipes, every section of the country is finding that water for recreation is an industry in itself. More leisure time and more travel by auto has acquainted more Americans than ever before with the pleasures of fishing, boating, swimming and other uses of water in its natural surroundings as a major form of recreation. I need not point further for an example than to the Tennessee Valley, where a new industry has sprung up out of the storage lakes created by the TVA dams. In fact, States are competing for the tourist dollar by advertising and promoting what lakes and rivers are still suitable for recreation, or the new ones created for storage purposes. The importance of aquatic sports for recreation has become one of the prime considerations in storage plans. In some States, it is the largest source of income, or at least a principal one, as in my own State of Oregon.

Another important use we have for water is for waste disposal. As the population shifts to urban areas, streams, lakes, and coastal waters become the ultimate sewers of cities and suburban areas. There is no better example of that than in my wintertime residence of Washington, D. C. One of the Nation's most beautiful rivers is the Potomac. Its scenic route through from the Appalachians, down the foothills past the indescribably beautiful old town of Harpers Ferry, and the weathered hills of Maryland and Virginia is deservedly recognized as one of the loveliest of the eastern seaboard.

But by the time it reaches the District of Columbia, it is little more than a flowing sewer, too contaminated to permit bathing and threatening even the health of boaters and fishermen who breathe its spray or just wet their hands in it.

I am a member of the District of Columbia Committee of the Senate. Pollution control in the Potomac is one of the worst problems we have. Control of pollution must involve Maryland, Virginia, West Virginia, and Pennsylvania in addition to South Carolina; yet its greatest degree of pollution is in the District of Columbia area.

The estimates provided to our committee show that on the average throughout the year, 1 gallon of water out of 30 flowing through the District area of the Potomac is sewage. In the last summer, when rainfall is less, the proportion has frequently been as high as 1 gallon of sewage out of 6 gallons of river. As a result of the extreme degree of pollution, the Potomac is unfit for most recreational uses, excepting at risk of health. We have been told that every contributing factor to an epidemic of major proportions is present right now in the Potomac, threatening a population of 1½ million.

The Nation has now reached such a critical point in water supply that attention is turning to it as a matter of necessity. The prospect for the future is that consumption will increase at an even greater rate—that is, it will if we keep pace with the demand for it. The population outlook for 1975 is 210 million, or 45 million more than in 1955. The projected figures of water use by 1975 must include the large arid regions which must be irrigated if that many more Americans are to be fed. Irrigation alone will require 170 billion gallons, while industrial use is expected to take 246 billion gallons, exclusive of what it gets from public supplies. In total, the House Public Works Committee was advised that by 1975 we will consume water at the rate of 453 billion gallons a day. That is 1.7 times what we currently use.

The other side of this coin of increasing water use is supply, and on the supply side we have a constant, not a variable, figure. Excluding the future use of sea water made usable for domestic and industrial purposes—a development that is closer to realization than was thought possible a few years ago—we must draw upon a static supply of water. Rainfall—or precipitation in one form or

another—is our sole source of water, as it always has been. Precipitation varies from year to year in each region around the country, but our national average rainfall stays at about 30 inches a year. All this added demand for an expanding industrial, urban society must be met from the same given supply.

Up to now, we have barely begun to face the situation, and to take the steps that must be taken to cope with it. But they must be taken, for history teaches the sad and ugly lesson that as the water table of a nation goes down, its civilization withers and dies. Where does pollution abatement, for example, stand on the list of local and State outlays, relative to outlays for other State and local functions? The answer is just about at the bottom. Pollution control is a relatively recent addition to the more historic State and municipal functions like schools, hospitals, fire, police, and health protection, with all their accompanying expenses. Municipal water treatment facilities are notably lacking in glamor and in ability to attract civic interest and support when competing with a new school, a new hospital, or firehouse. The latter financial needs are also growing, and they have a traditional prior claim by virtue of having been there first. Pollution abatement is a johnny-come-lately to most local governments and is treated accordingly when budget time comes along.

We cannot overlook, either, the vulnerability of local governments to pressure against effective antipollution measures. Industry has poured waste into the Nation's water at an alarming rate, and it has been slow to clean up after itself. Although this is not universally true, it is true that objections on the ground of expense or inconvenience have been a prime obstacle to abatement in many cities and States. The awakening on the part of industry—and I hope it is a true awakening—has come as the industrial users of water have begun to appreciate that water is not an inexhaustible resource.

Society's lag in dealing with water waste and pollution has brought us to a point where many areas of the country are suffering from water shortages. In 1955, there were some 66 water shortage areas, affecting about 18 million people. Commercial and industrial activities are correspondingly curtailed. Power "brown-outs" in the Pacific Northwest are one of the examples of economic loss through an inadequate supply of water, or at least a supply of water inadequately managed for human use.

Industry, irrigation, and increased domestic consumption, together with drought conditions in several States produced the shortage. But pollution of even an ample supply can cause a shortage, too, and it is pollution that is responsible for many of our current water use restrictions in the populous, industrial East. Around Washington, D. C., as many of you know, home use of water is curtailed on certain days of the week in the summer, while the filthy Potomac and its filthy tributaries flow nearby.

Water can be conserved and pollution abated in a number of ways. Land management, transpiration and evaporation control measures, stream regulation, storage reservoirs, diversion from surplus to shortage areas, reuse and conservation practices, and pollution control are the primary ones.

Near the head of the list is multipurpose development of our river basins, embracing as it does flood control, irrigation, power, and water use, all through the mechanism of stream regulation.

If I were to select one single water conservation measure I regard as the most significant of all, it would be the full, comprehensive development of our river basins. This is conservation of a great natural resource in its essential meaning—the prevention of unnecessary and wasteful use, and the controlled use of water so that its greatest utility to man may be realized.

I frankly feel that this is one of the most important domestic issues before the country. I would have you think of our natural resources not in terms of the imagery of streams and dams and forests and irrigation, which are the materials of natural resource conservation, but look at the problem through the imagery of millions of faces of American boys and girls 25, 50, or 100 years in the future. The Federal Government in the middle of the 20th century can do no greater disservice to those future generations of Americans than to underdevelop our river basins. A sellout of the people's heritage now will result in the cheating of future Americans out of full enjoyment of the maximum potential of our river basins, and by "enjoyment" I do not mean recreational use only, but the enjoyment of the economic and social blessings of an ample water supply.

And I think the figures I have already cited prove the urgency of full, multipurpose river basin development if we are to have a normal population growth and its accompanying industrial expansion. We will find, I predict, that the adequacy of our water systems will be the ultimate limitation upon our capacity to grow.

There is no greater abuse of the water conservation principle than floods. Flood control is the foundation of water management for irrigation, power, and industrial and domestic use. And flood control cannot be and is not a function that can be undertaken by a private utility or by private enterprise. On our great river basins it must be a Federal undertaking. And a great basin undertaking on a scale that will embrace all these uses of water is not economically possible without electric power revenues. The electric power generated at multipurpose dams is vitally needed itself for farm, factory, and home. Unless its development is integrated with water storage for multiple use, all elements of development are retarded.

As we progress with pollution control, it will probably be found to have a major part to play in achieving that purpose as well.

Recognizing the central role of river basin development on a comprehensive basis—for power, flood control, irrigation, navigation, recreation, and pollution abatement for reuse of water, we must decide our future course. On great interstate streams like the Columbia and the Missouri, it is clear that the Federal Government has a responsibility and alone can provide the unifying factor, as it has for the Tennessee Valley. This doesn't mean doing the whole job, but it does mean the main job of coordination and of executing adequate plans. This means, as in TVA and the Columbia River systems, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not affect the basic system.

Where a State cannot undertake a comprehensive plan for full development of a navigable stream or system within its borders, the Federal Government has a major role, as well.

But it is not fair or right to expect that the Federal Government should bear the burden of nonreimbursable costs for flood control, for irrigation, for navigation, and for water reuse measures—and I emphasize the latter to this conference because that is what you are specifically concerned with—and surrender, give away, the power facilities which provide the revenue for the entire project. This is just what the so-called partnership policy is all about, and it is why I have fought so vigorously in every corner of my State and in most sections of the country against it. It means simply that the Federal Government—the taxpayer—makes the investment in the dams, and a private utility is allowed to reap the dividend by constructing and operating the power facilities. Even the label "partnership" is a phony one because partnership in its plain meaning implies sharing of sacrifice and reward. The partnership policy should more aptly be called a "heads I win, tails you lose" policy, because that is what it means to the American people and their water resource heritage.

I ask you to consider for a moment whether the water conservation enjoyed in the Tennessee Valley could have been accomplished even to its present degree without the power revenues from the TVA dams. Of course, the answer is that it could not. Give up the power revenues from these projects and you have given up the possibility of flood control, irrigation, and the future development of water pollution control as a part of multipurpose development. Power pays the bill for the other aspects of multipurpose basin development which are just as important—or you would not be meeting here—but which are nonreimbursable.

The project that best dramatizes the water-resource issue that I am discussing is the great Hells Canyon Dam issue. I am sure that no one came to this meeting expecting to go home without hearing me mention this issue. The Hells Canyon Dam issue symbolizes the great difference between a private-utility controlled river for private profit and a river controlled for all the purposes of water conservation. The Nation's farmers need the new low-cost phosphate fertilizer which low-cost Hells Canyon power alone can make possible to the fullest extent. The power to be generated at site and which Hells Canyon would make possible downstream will make possible new private enterprise with new plants and the businesses which spring up to serve new industrial communities. Water for irrigation and reclamation will be stored by a high Hells Canyon Dam. These water uses in addition to power would not be possible with private-utility development.

True conservation of water, in my judgment, therefore, begins with multipurpose river-basin development. Watershed improvement through soil conservation and reforestation is a concomitant of full river basin development which is not present once the decision is made to permit the cream of power revenues to be skimmed by private utilities. The addition of pollution abatement to multipurpose river development is still in its early stages, but I have little doubt that it will progress much faster where the public has already determined that a watershed is to be harnessed for all its uses.

I have been talking about conservation of water in terms of its utilization for many purposes and in terms of prevention of waste. In the future, we will have to give more attention to pollution abatement as an important form of water reuse. Conservation of water in its broad sense must therefore include pollution abatement. It does not require a comprehensive, multipurpose river-basin program to institute pollution control, and of course, if it did, many communities would never get started with it at all. Pollution control alone will not make up for the lack of comprehensive water conservation measures in our river basins; but it can be undertaken wherever the problem exists if there is sufficient interest in doing something about it.

The initial impetus for pollution abatement undoubtedly came more from the American sportsman than from any other single party interested in clean streams and lakes. I expect that the founding of the Izaak Walton League in 1922 for the purpose of defending the purity of public waters was the start of the antipollution movement. Other national conservation organizations came on the scene later and lent their support to the movement. As domestic and industrial demands for water skyrocketed,

public health agencies and industrial users have joined in the movement for control of pollution.

The Federal Water Pollution Control Act, Public Law 660 of the 84th Congress, marks the greatest forward step yet taken, in my judgment, in a concerted attack on pollution of public waters. It goes hand in hand with the responsibility of the Federal Government for unified river-basin development. But in this case, Congress has recognized—rightly so, I think—that its role must be to undertake the activities needed to complement the programs of State and interstate agencies, municipalities, and industries so that a cooperative, well-balanced, national pollution control program can be carried out.

The earlier Water Pollution Control Act of 1948, the first comprehensive Federal legislation in this field, declared it to be the policy of the Congress to recognize, preserve, and protect the primary responsibilities and rights of the States in controlling water pollution. That policy was not only repeated in Public Law 660 last year but it was stated further that "Nothing in this act shall be construed as impairing or in any manner affecting any right or jurisdiction of the States with respect to the waters (including boundary waters) of such States." In brief, the law is designed to encourage and aid the States in cleaning up river and lake pollution, not to put the Federal Government in that business itself. The States and local subdivisions have the basic responsibility to act under this new law, but they can now obtain technical and financial aid from the Public Health Service, the lack of which has retarded abatement measures so frequently. The act declares it to be the policy "to support and aid technical research relating to the prevention and control of water pollution, and to provide Federal technical services and financial aid to State and interstate agencies and to municipalities in connection with the prevention and control of water pollution."

Its main provisions are worth outlining here, I think. They authorize a broadened research program by both the Public Health Service itself and through grants to the States for research; authorize increased technical assistance to the States and financial grants to the States and to interstate agencies to extend and improve all aspects of their water-pollution-control programs; provide modified and simplified procedures governing Federal abatement actions to control interstate pollution; and authorize Federal grants of $50 million a year up to an aggregate of $500 million for the construction of municipal sewage-treatment works.

I think that the work of Congressman JOHN BLATNIK, of Minnesota, in formulating the bill that became Public Law 660, and guiding it through the Congress of the United States, deserves the highest praise and gratitude, because through this legislation, pollution abatement has been added to the governmental practices involved in comprehensive water conservation and utilization. I followed closely the progress of his bill through the Congress. The key provision of it, which aroused considerable dispute, was section 6, authorizing direct financial grants to municipalities for construction of waste-treatment works. Of this provision, Congressman BLATNIK has said that without direct grants to municipalities for construction purposes, the entire act would be like an automobile without a motor, because the crux of the national water-pollution problem has been the lag in construction of waste-treatment works.

The response to the proposal was initially hostile on the part of many who believed this was Federal interference in a State and local matter. Yet Congressman BLATNIK stuck to his guns and insisted that the provision be retained in the final version of his bill.

In discussing the early stages of the operation of the new law, the chief of the water-supply and water-pollution control program in the Public Health Service, Gordon McCallum, had this to say last month about section 6: "Within 4 months from the time appropriations were made available, forms were developed and printed, regulations and manuals of procedure were prepared and issued, conferences held with all State agencies, and the first projects approved for Higginsville, Miss., and Meridian, Miss. To our knowledge, no other program of this nature has gotten under way so quickly."

The interest to the South of Public Law 660 is apparent from the speedy action these communities took in securing help—financial help—under it. It demonstrates that Federal participation is needed and wanted to complete the industry-local-State-and-interstate teamwork. The adequacy of the amount of Federal aid made available under Public Law 660 and of the Federal activity authorized by the act itself will be known only through experience. After 2 or 3 years of operation it will be possible to assess more completely the extent of the grant program that is needed and other possible changes in the law.

But the basic decision to include pollution control among the activities of the Federal Government in its role as ultimate protector of America's water resource has been made. It is an important addition to the flood control, irrigation, navigation, and power activities already undertaken in many areas.

All are aimed at getting as much use out of a drop of water as possible. It is appropriate for us to bear in mind that since the creation, nature has been reusing the same water through the simple process of evaporation and condensation. It's about time that man learned the reuse of water. To the extent that we fail to learn it, and fail to apply what we learn, we will stunt the growth of our people and our Nation.

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## DENIAL OF CERTIORARI BY UNITED STATES SUPREME COURT IN THE HELLS CANYON CASE

Mr. MORSE. Mr. President, the last thing I wish to say this afternoon is by way of a comment upon the denial of certiorari by the United States Supreme Court in the Hells Canyon case.

The denial of certiorari by the United States Supreme Court in the Hells Canyon case has no bearing whatsoever on the public policy question involved. The petition for certiorari involves a very limited grounds for appeal and did not and could not raise the public policy issue as to whether or not it was in the best public interest to build a high dam at Hells Canyon. The Circuit Court of Appeals had ruled that the Federal Power Commission acted within its jurisdictional power to grant a license to the Idaho Power Co. to build three low head dams which, when built, will wash out for all time the high Hells Canyon Dam site.

The only basis for attacking the decision of the Circuit Court of Appeals was to try to get the Supreme Court to consider a legal question as to whether or not the Federal Power Commission had abused its discretion. All the denial of certiorari by the Supreme Court means in this case is that the Circuit Court of Appeals' decision concerning the exercise of discretion by the Federal Power Commission should stand.

It had been my hope that we could obtain a review of the Federal Power Commission's action, because I have been a consistent critic of the policy President Eisenhower followed in regard to his new appointments to the Federal Power Commission. As the present presiding officer of the Senate well knows, the President selected as chairman of the Committee Mr. Jerome K. Kuykendall, who has been one of the most outstanding public foes of Hells Canyon Dam. He was taken from Governor Langlie's entourage in the State of Washington and made Chairman of the Federal Power Commission. The President then had the audacity to take the position that the Hells Canyon Dam issue should be considered by the quasi-judicial Federal Power Commission after he, as President of the United States, had rigged the Commission.

That is exactly what he did. He put on the Commission men who had prejudged the issue, and who were not in a position to give judicial consideration to the matter. We were not in the position of a lawyer who, when he takes his client before a court knowing that the judge has prejudged the case, has the privilege of filing an affidavit of prejudice. There is no procedure for filing an affidavit of prejudice before the Federal Power Commission.

Of course if this situation had occurred in any of the courts of the country, those of us representing the Hells Canyon Dam Association would have automatically filed an affidavit of prejudice. However, we were in the position where we had to try the case before the Federal Trade Commission, which had been rigged by the President of the United States when he stacked it with men who had already prejudged the Hells Canyon issue.

It is on that point that I believe a question of abuse of discretion might possibly be considered if we could get it before a court. Of course, it is impossible to bring that out in a petition for certiorari. Therefore, the decision of the Court in denying the petition for certiorari was necessarily limited to the very limited legal question whether the Circuit Court of Appeals' findings should stand in regard to the discretionary power of the Federal Power Commission.

It has always been my position that the Congress of the United States should protect the American people against the shocking giveaway of the Hells Canyon Dam site by the Eisenhower administration. The record of the Eisenhower administration on the Hells Canyon issue is an unconscionable political steal which cheats future generations of American boys and girls out of their priceless heritage in a full development of the Columbia and Snake River Basins. The Supreme Court's denial of certiorari now puts the issue squarely up to the Congress in what will be a last-ditch fight in this Congress to save Hells Canyon.

Americans who believe in conserving and protecting the water resources of America and in keeping faith with our obligations of trusteeship over the natural resources of our country should make clear to their representatives in Congress that the sellout by the Eisenhower administration to exploiting big-business private-utility interests must be stopped by the passage of the Hells Canyon bill now before Congress.

## PROGRAM FOR WEEK—ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that, pursuant to the order previously entered, the Senate will adjourn from today until Thursday. We expect to have a session on Thursday, and then go over until Monday. There is an Army demonstration to be held on Friday and Saturday which a number of Senators desire to attend.

I hope that during the week we may be able to make some progress with the Senate's committee work. The calendar is in reasonably good shape, but there are a number of bills being considered in committee. It would be well to afford the committees ample time to pass upon them.

I am hopeful that inasmuch as we will not have a session on Tuesday and Wednesday and Friday of this week, we will be able to make some real progress in committee work.

Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Thursday, April 4, 1957, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate April 1, 1957:

NATIONAL SCIENCE FOUNDATION

Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation for a term of 6 years (reappointment).

UNITED STATES ATTORNEYS

Clifford M. Raemer, of Illinois, to be United States attorney for the eastern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

George E. MacKinnon, of Minnesota, to be United States attorney for the district of Minnesota for a term of 4 years. He is now serving in this office under an appointment which expires March 24, 1957.

UNITED STATES MARSHAL

William J. Littell, of Illinois, to be United States marshal for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

## CONFIRMATIONS

Executive nominations confirmed by the Senate April 1, 1957:

IN THE ARMY

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3284, 3306, and 3307:

*To be brigadier general*

Brig. Gen. Ralph Wise Zwicker, O16878.

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3442 and 3447:

*To be major general*

Brig. Gen. Ralph Wise Zwicker, O16878.

# HOUSE OF REPRESENTATIVES

MONDAY, APRIL 1, 1957

The House met at 12 o'clock noon.

Rev. Richard M. Thompson, pastor, Indian Creek Baptist Church, Stone Mountain, Ga., offered the following prayer:

Our eternal God and loving Father, we thank Thee that Thou hast challenged Thy people to offer prayer and make intercession for all men, "for kings, and for all that are in authority; that we may lead a quiet and peaceable life in all godliness and honesty."

We thank Thee for these ordained ministers of righteousness "for rulers who are not a terror to good works but to the evil." Lead the people of our land to obediently pay tribute to them also; "for they are God's ministers, attending continually upon this very thing." Thou art mindful that every decision made here today will have historical and eternal significance, so, fulfill Thy promise and grant Thy wisdom to all men liberally.

We thank Thee for the exalted position Thou hast given our Nation among the nations of the world. Daily remind us that, "righteousness exalteth a nation: but sin is a reproach to any people." Cause us to walk in paths of righteousness so that our place of leadership might be maintained until Thy kingdom is established in the world. We pray in the name of Thy Son who laid down His life for the cause of righteousness and peace. Amen.

The Journal of the proceedings of Friday, March 29, 1957, was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 28, 1957:

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

On March 29, 1957:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H. R. 5866. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4813. An act to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes;

S. 44. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico;

S. 78. An act to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland;

S. 812. An act to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton;

S. 1442. An act to facilitate the regulation, control, and eradication of plant pests;

S. 1679. An act to increase the special-assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; and

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex., and Tex.

## H. R. 6127

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file majority and minority reports on H. R. 6127 as of March 19, 1957.

The SPEAKER. Is there objection?

There was no objection.

## SEVENTY-FIFTH ANNIVERSARY OF KNIGHTS OF COLUMBUS

Mr. SADLAK. 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 Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, yesterday, Sunday, March 31, more than 1 million members of the Knights of Columbus celebrated their diamond jubilee.

This outstanding fraternity of which I am proud to be a member was chartered back in 1882 by the Connecticut General Assembly, and comprises a large segment of our Catholic population who in act and deed serve God and their country in lending a helping hand to others.

Since its inception 75 years ago the Knights of Columbus have kept alive the sense of responsibility that animates everyone dedicated to the duties of good citizenship.

In the cause of religion it fights atheism and the godless philosophies prevalent in the world today. It renders also constructive services in the field of education and social welfare in support of those freedoms upon which our Nation was established.