The 10th of May: Rumania's Independence Day

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 10, 1957

Mrs. BOLTON. Mr. Speaker, today, May 10, is the national holiday of the Rumanian people. It is fitting that again this year we remember the three great events which are celebrated on that date, and pay tribute to the fortitude and courage of Rumanians everywhere.

After more than a thousand years of strife and sacrifice, national unity was attained, and freedom and independence secured. May 10 stands for that achievement, and is the day chosen for celebrating their national holiday. Today Rumanians at home are forcibly prevented from outward celebration, but their will remains unbroken.

During their long history Rumanians have always stood up against invaders and they have battled against hordes of barbarians pouring into Europe from the east. They have also fought against the forces of the Ottoman Empire.

Some 500 years ago the Turks succeeded in overcoming by their superior numbers the defenders of freedom. The same thing happened a few years ago when the dark forces of communism swallowed up the people of Rumania.

But the will of the Rumanian nation was not broken. In recognition of the people's drive for freedom, the Rumanian principalities received a special status—as autonomous states—in which the Turks could not interfere. Mircea the Elder, Vlad the Impaler, Stephen the Great, Michael the Brave, John the Fierce are names of brave Rumanian rulers who have fought in the past for independence and unity.

On May 10, 1866, the Rumanian dynasty was founded with the proclamation of Charles, Prince of Hohenzollern-Signaringen, as Prince of Rumania. This event marked the successful outcome of the nation's long struggle to acquire the right of electing as sovereign a member of one of the western non-neighboring reigning families, thus ending rivalries among native candidates to the throne. It was the beginning of a prosperous and glorious reign for Charles the First.

May 10, 1877, just 11 years later, the principality of Rumania proclaimed her independence by severing the outdated bonds which lined her with the Ottoman Empire. This independence had to be fought out on the battlefields south of the Danube, where the young Rumanian Army, as an ally of Russia, played a noteworthy part in the defeat of the Turkish forces. The Congress of Berlin of 1878 confirmed Rumania's independence and conferred Europe's official recognition, a bright page in the country's dreary history, though marred unfortunately by the loss of Bessarabia, cynically wrenched by Czar Alexander II and his Government from the ally who had helped them obtain the victory over the Turks.

And May 10, 1881, Charles I was crowned King of Rumania by the will of his people. Thus opened a prosperous era lasting over six decades for the Rumanian nation. Its apex was attained when national unity within the historical boundaries was reached after World War I. Rumania had now become a factor of peace and equilibrium in southeast Europe.

During these many years, Rumanians have cherished the 10th of May as their national holiday. This date remains the symbol of Rumanian permanence and perseverance through years of hardship to reach the end of freedom and well-being.

The consciousness of the Rumanian people, concerning their unity and independence, is the result of centuries of sacrifices. Today this consciousness remains intact. It cannot be destroyed by either brutality, lies, or oppression.

The Communist regime has attempted to tear this sacred day from Rumania's proud history. Today, in Rumania, any demonstration of independence is banned. Rumanians no longer can sing their national anthem, nor can they raise the flag on their independence day.

In order to try and alter the significance of this day, celebrations were shifted from the 10th to the 9th of May, the anniversary of a Soviet victory. Although flags are now raised on May 9, Rumanians celebrate in their hearts the following day, patiently awaiting the day when freedom is restored to them.

Through these dark years of Communist domination, the Rumanian people have kept alive their courage and their faith. They know that freedom cannot be destroyed.

The United States does not accept as permanent enslavement of eastern European peoples but looks forward with them to the day when they will again live in freedom and independence. On this historic day we join with Rumanians everywhere as we raise our hearts in prayer to Almighty God that He may hasten the day when the flag of freedom may once more fly over Rumania.

Rumanian National Independence Day

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 10, 1957

Mr. VANIK. Mr. Speaker, today Americans everywhere join with Americans of Rumanian descent in celebrating a significant date in the annals of the history of the Rumanian people. In 3 separate years May 10 was the date on which major steps were taken to obtain greater measures of liberty for the Rumanian people. On May 10, 1866, a liberal constitution was adopted. On May 10, 1877, a convention was signed with Russia which recognized Rumania's desire for a greater degree of freedom and self-rule. On May 10, 1881, the complete sovereignty of the Rumanian people was finally established.

On this May 10, while American Rumanians may look back with justifiable pride at the freedom which their brothers in Rumania once fought for and won, they can only look ahead in the hope that freedom once attained may return to the Rumanian people now suffering oppression.

At this time it serves us well to reevaluate the plight of a people who yearn for liberty but who suffer the shackles of tyranny and to reexamine our resolve that the integrity and freedom of the Rumanian people will be returned.

SENATE

MONDAY, MAY 13, 1957

Rev. Father John Pavel, Association of Romanian Catholics of America, Canton, Ohio, offered the following prayer:

Almighty God, our Heavenly Father, we beg that our prayers may be graciously heard today. We pray not to present our petitions alone, but also to show our faith and trust in Thy holy will.

Be mindful, O God, of our country, our leaders, and particularly our Senators, who hold in their hands the destinies of multitudes of people; of all those who beyond the sinister Iron and Bamboo Curtains gave their lives for the liberation of the peoples from under the Russian Asiatic yoke.

O merciful Lord, touch the hearts of the responsible parties, so that finally injustice will end; every violence will be calmed; and all nations reconciled with each other, will find the right order, in an atmosphere of serene tranquillity; and for the same reason, remember all those who love us, those who hate us, and those who have requested our prayers.

Be Thou merciful to all men, Thou who knowest each one, his prayers, possessions, and needs.

Illuminate the minds of the leaders of this great Nation to see the light and the true path, through the spirit of Christian reconciliation and meekness. Grant them, O Lord, the power to overcome the malevolence and injuries of men. May the blessings of Heaven remain upon the Senate. Being joined together through love, may the Members of the Senate ever walk the path of the Golden Rule, and bring peace to the hearts of men everywhere, through a sense of brotherhood, justice, and love. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, May 9, 1957, was approved, and its reading was dispensed with.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

REPORT OF COMMITTEE ON APPROPRIATIONS SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 9, 1957,

Mr. ROBERTSON, from the Committee on Appropriations, to which was referred the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes, reported it favorably, with an amendment, on May 9, 1957, and submitted a report (No. 297) thereon.

TREASURY-POST OFFICE APPROPRIATION BILL, 1958—NOTICE OF MOTION TO SUSPEND THE RULE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 9, 1957,

Mr. ROBERTSON, on May 11, 1957, submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes, the following amendment, namely: On page 9, after line 7, insert a new paragraph, as follows:

"GENERAL PROVISIONS—TREASURY DEPARTMENT

"SEC. 102. Not to exceed 5 percent of any appropriation herein made to the Treasury Department for the current fiscal year, except for the appropriations made to the United States Coast Guard, may be transferred with the approval of the Bureau of the Budget, to any other appropriation of the Treasury Department, but no appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Committees on Appropriations of the Senate and House of Representatives."

Mr. ROBERTSON also submitted an amendment intended to be proposed by him to House bill 4897, making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

(For text of amendment referred to, see the foregoing notice.)

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON OPERATION OF UNIFORMED SERVICES CONTINGENCY OPTION ACT OF 1953—MESSAGE FROM THE PRESIDENT

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

To the Congress of the United States:

Pursuant to the provisions of section 8 of the Uniformed Services Contingency Option Act of 1953 (Public Law 239, 83d Cong.), I transmit herewith for the information of the Congress the Second Annual Report of the Operation of the Uniformed Services Contingency Option Act of 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 13, 1957.*

(Note: A similar message was transmitted to the House of Representatives.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 6659) to extend and amend laws relating to the provision and improvement of housing, to improve the availability of mortgage credit, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H. R. 6659) to extend and amend laws relating to the provision and improvement of housing, to improve the availability of mortgage credit, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following subcommittees were authorized to meet today during the session of the Senate:

The Permanent Investigations Subcommittee of the Committee on Government Operations.

The Indian Affairs Subcommittee of the Committee on Interior and Insular Affairs.

ORDER FOR CONSIDERATION OF THE STATE, JUSTICE, AND JUDICIARY APPROPRIATION BILL ON WEDNESDAY

Mr. JOHNSON of Texas. Mr. President, in the event that the hearings, report, and bill are available on Wednesday, I ask unanimous consent that it be in order for the Senate to consider on that day the State, Justice, and Judiciary appropriation bill.

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

AUTHORIZATION FOR APPROPRIATIONS COMMITTEE TO FILE REPORTS AND NOTICES OF MOTIONS DURING RECESS OR ADJOURNMENT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Appropriations Committee be authorized to file reports and notices of motions to suspend the rule, during the recess or adjournment of the Senate following the completion of the business of the Senate today.

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

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, inasmuch as today's session follows an adjournment under the rule, there will be the usual morning hour for the introduction of bills and other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

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

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement: This week, several appropriation bills are being marked up in the Appropriations Committee. We are hopeful that it will be possible for the Senate to adhere to the scheduled meetings, as previously announced, namely, on Monday, Wednesday, and Thursday. It may be necessary to have a meeting of the Senate on Friday, if action has not been completed by then on the scheduled appropriation bills. Of course, as all Senators know, the appropriation bills take the highest priority.

We are hopeful that it will be possible for the Senate to complete action on the Treasury-Post Office appropriation bill early today. If the Senate is not able to do so, I should like to inform Senators that we expect to have the Senate remain in session until a rather late hour this evening, in an attempt to complete action on that appropriation bill. If it proves impossible to complete action on that bill today, I shall desire to confer with the minority leader, and perhaps to arrange for a session of the Senate on Tuesday.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED EMPLOYMENT OF A CERTAIN RETIRED NAVAL OFFICER

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to permit a retired officer of the Navy to be employed in a command status at Port Lyautey, Morocco (with an accompanying paper); to the Committee on Armed Services.

REPORT ON ORGANIZATIONS WHOSE PROPERTIES WERE EXEMPTED BY SPECIAL ACTS OF CONGRESS

A letter from the President, Board of Commissioners, District of Columbia, transmit-

ting, pursuant to law, a list of the institutions or organizations whose properties were specifically exempted by special acts of Congress prior to the passage of the act of December 24, 1942, showing the purposes for which such properties were used during the calendar year 1955 (with an accompanying report); to the Committee on the District of Columbia.

REPORTS OF CERTAIN ORGANIZATIONS OWNING PROPERTY EXEMPTED FROM TAXATION BY LAW

A letter from the President, Board of Commissioners, District of Columbia, transmitting, pursuant to law, reports of every institution, organization, corporation, or association owning property exempt under provisions of section 3, Public Law 846, 77th Congress (with accompanying reports); to the Committee on the District of Columbia.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, the American Legion, Washington, D. C., transmitting, pursuant to law, the final financial statement of that organization, up to and including the period ended December 31, 1956 (with an accompanying statement); to the Committee on Finance.

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT OF 1926

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Service Buildings Act of 1926 (with accompanying papers); to the Committee on Foreign Relations.

LAWS ENACTED BY THIRD GUAM LEGISLATURE

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Third Guam Legislature, 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CONSTRUCTION AND IMPROVEMENT OF CERTAIN BUILDINGS BY SECRETARY OF COMMERCE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to acquire land for field sites, to undertake construction and improvement of buildings, and for other activities (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PROPOSED CONTINUATION OF PROVISIONS OF TITLE II OF FIRST WAR POWERS ACT, 1941

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941 (with an accompanying paper); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

AUDIT REPORT OF THE AMERICAN SOCIETY OF INTERNATIONAL LAW

A letter from the executive secretary, the American Society of International Law, Washington, D. C., transmitting, pursuant to law, the annual audit by a certified public accountant of the financial transactions of that society, for the year ended December 31, 1956 (with an accompanying report); to the Committee on the Judiciary.

AMENDMENT OF LAW RELATING TO CERTAIN EXPENSES INCURRED BY POST OFFICE DEPARTMENT

A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation to amend certain provisions of law in order to provide for the reimbursement of the Post Office Department for expenses incurred in performing certain services for other agencies, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Missouri; to the Committee on Finance:

"Senate Resolution 97

"Whereas we, the elected representatives of the people of Missouri, have carefully observed the effect of high Federal tax rates on individuals and business and we are deeply concerned over the obvious effects thereof; and

"Whereas highly progressive income-tax rates have made the accumulation of personal venture capital virtually impossible and have destroyed the incentive for individuals to invest in new and untried business ventures; and

"Whereas high Federal taxes are the basic cause of many mergers which are slowly but surely absorbing the middle-sized company with its independent management, and concentrating business and economic power in the hands of large corporations; and

"Whereas small corporations and small, individual business men and women are finding it impossible to retain sufficient profits after payment of taxes, to permit reasonable and healthy growth; and

"Whereas the Federal Government is dominating almost every field of taxation, and taking more and more away from our citizens and leaving State and local government in a most difficult financial condition; and

"Whereas the highly progressive income tax with rates ranging up to 91 percent is, in fact, confiscation of income and through high estate and gift taxes we have confiscation of property as well, which philosophy is repugnant to Americans, with the result that the equitable collection of taxes is impossible; and

"Whereas to make available venture capital, to restore the incentive to engage in new job-creating enterprises, to give small business the opportunity to prosper and grow, to stop the trend toward concentration of industry, to restore the personal right to dispose of property by gift or at death without penalty, to enable the States to assume the responsibilities which are rightfully theirs is of utmost importance to all Americans: Now, therefore, be it

"Resolved by the Senate of the General Assembly of the State of Missouri, That

"SECTION 1. We respectfully recommend for immediate consideration by Congress the following:

"1. Substantial reduction of the combined normal and surtax rates on personal income.

"2. Tax relief for small corporations to permit normal and healthy growth.

"3. Reduction of Federal estate and gift taxes.

"4. Reduction in the expenditures being made by the Federal Government.

"SEC. 2. The secretary of the senate is hereby directed to forward copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to all the Members of Congress from the State of Missouri.

"I, Joseph A. Bauer, secretary of the senate, do hereby certify the above and foregoing to be a full, true, and complete copy of Senate Resolution 97, offered into and adopted by the senate on May 2, 1957, as fully as the same appears of record in my office.

"In testimony whereof, I have hereunto set my hand and affixed the seal of the Senate of the State of Missouri this 2d day of May 1957.

"JOSEPH A. BAUER,
"Secretary of the Senate, 69th General Assembly."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Senate Joint Resolution 26

"Joint resolution memoralizing Congress to provide for the construction of a highway from Winnemucca, Nev., to Viewland, Calif.

"Whereas the State of California, civil defense agencies and United States military authorities need an adequate highway system leading easterly from the central and northern portions of the State; and

"Whereas the construction of a highway from the vicinity of Viewland, Lassen County, Calif., on United States Highway 395 to a point on United States Highway 40 near Winnemucca, Nev., would alleviate this situation; and

"Whereas State Highway 36 is open the year around and is one of the lowest and most accessible passes over the Sierra Nevada Mountains and

"Whereas in the event of a national emergency, the present highway system would be inadequate for transportation to and from the State of California, and a serious problem would confront the inhabitants of northern and central California as well as military and civil defense authorities; and

"Whereas the Sierra Ordnance Depot at Herlong, Lassen County, Calif., is a vital military installation, and most of the supplies shipped to such depot from the eastern part of the United States are transported through Salt Lake City, Utah; and

"Whereas the construction of this proposed highway would shorten the route into the Sierra Ordnance Depot from Salt Lake City thereby effecting a substantial savings in the money spent for transporting supplies, and also lessen the highway mileage between Salt Lake City and norther California and southern Oregon; and

"Whereas the development of northern Nevada, northern California, southern and western Oregon as a tourist and recreation area, would be enhanced by the construction of this proposed highway, by facilitating travel over United States Highway 395, United States Highway 299, State Highways 32, 36, 89, and 44, Joint Highway 14 and Federal Highway 92; and

"Whereas Headquarters, Sixth Army, Presidio of San Francisco, Calif., and Nevada and California civil-defense agencies are on record as favoring the construction of this proposed highway: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States of America enact legislation and appropriate funds for the construction of a Federal highway from Winnemucca, Humboldt County, Nev., to

Viewland, Lassen County, Calif., via Gerlach and Empire, Nev.; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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

"House Joint Memorial 16

"To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled, and to the Oregon Members of These Legislative Bodies:

"We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas the collection of taxes lawfully imposed in one State may be brought in a Federal district court sitting in another State only if first reduced to judgment; and

"Whereas the collection of taxes although lawfully imposed is often limited or made impossible when the person taxed has left the State and is residing in a State which does not have statutes granting reciprocal recognition of tax liability; and

"Whereas it is in the best interest of public policy and good government that State taxes lawfully imposed should be collectible and not defeated by imperfect jurisdiction: 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 hereby is urged to provide legislation extending the jurisdiction of Federal district courts to entertain actions brought by a State to enforce taxes lawfully imposed on a person or property removed from the State; be it further

"Resolved, That the Oregon Members of the United States Senate and House of Representatives be urged to promote and support such legislation; and be it further

"Resolved, That copies of this memorial be sent to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and to all Members of the Oregon congressional delegation.

"Adopted by house April 17, 1957.

"Readopted by house May 2, 1957.

"EDITH BEYNON LOW,
"Chief Clerk.

"PAT DOOLEY,
"Speaker of House.

"Adopted by senate April 30, 1957.

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

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Finance:

"Enrolled Senate Concurrent Resolution 23

"A concurrent resolution memorializing the President and Congress of the United States relating to legislation and policy designed to limit imports of glass, lead, and zinc

"Whereas imports of glass, lead, and zinc have caused a drastic reduction in market prices of these products; and

"Whereas imports of glass, lead, and zinc have resulted in serious injury to domestic mining operations in that such operations have been forced to be curtailed to an alarming extent due to the economic laws of supply and demand; and

"Whereas while the market prices of such products have steadfastly remained at a low level and at the same time labor costs have risen sharply, with the result that mining operations are not reasonably profitable, and especially is this true in the State of Oklahoma; and

"Whereas this injury to the mining industry is not limited to the owners and operators of the mines, but causes thousands of workers to be out of employment or, at best, to be employed on a part-time basis; and

"Whereas the injury to the industry causes great economic losses to management, labor, the railroad industry, and to communities wherein mines and smelters are situated, and to the economy of the Nation as a whole, including an impairment of the Nation's defense program; and

"Whereas the consequences of the present import program are not only being reflected in economic conditions in the State of Oklahoma, but are being felt in all areas of the Nation wherein these products are produced, and this is both a local and a national problem: Now, therefore be it

"Resolved by the Senate of the 26th Legislature of the State of Oklahoma (the House of Representatives concurring therein), 1. That legislation be enacted curtailing imports of glass, lead, and zinc to such a point that domestic markets will recover to a healthy and normal condition; and/or

"2. That legislation be enacted increasing the import tariff on glass, lead, and zinc to a point 50 percent above the level of January 1, 1945; and/or

"3. That a directive be issued increasing the import tariff on glass, lead, and zinc to a point 50 percent above the level of January 1, 1945, and/or

"4. That action be taken either pursuant to the May 21, 1954, report of the tariff commission, or under section 7 of the Trade Agreements Extension Act of 1955, or under any other existing authority which will result in relieving this threat to the national security and this crisis of nonproduction and unemployment in mines, smelters, and glass manufacturing plants.

"5. It is ordered that copies of this resolution be sent to the President of the United States, the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, and to each of Oklahoma's Representatives and Senators in the Congress of the United States.

"Adopted by the senate the 25th day of April 1957.

"KEITH CARTWRIGHT,
"Acting President of the Senate.

"Adopted by the house of representatives the 25th day of April 1957.

"B. E. HARKEY,
Speaker of the House of Representatives."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Interior and Insular Affairs:

"Enrolled Senate Concurrent Resolution 21

"A concurrent resolution memorializing the President and the Congress of the United States to grant immediate statehood to the Territories of Alaska and Hawaii

"Whereas the Territories of Alaska and Hawaii are vital to the defense of the United States; and

"Whereas said Territories have greatly contributed to the economic and cultural life of the United States; and

"Whereas the people of said Territories have demonstrated their maturity, responsibility, and willingness to accept in full, and ability to discharge, the responsibilities that accompany citizenship in one of the States of the United States; and

"Whereas not only principles of fairness, but also considerations of mutual benefit to said Territories and the States of the United States demand that said Territories be granted immediate statehood: Now, therefore, be it

"Resolved by the Senate of the 26th Oklahoma Legislature (the house of representatives concurring therein), That the President of the United States and the Congress of the United States are hereby memorialized to grant immediate statehood to the Territories of Alaska and Hawaii; and

"That the President of the Senate is directed to cause copies of this resolution to be sent to the President of the United States, the Speaker of the House of Representatives of the United States, the President of the Senate of the United States, and to the Governors of Alaska and Hawaii.

"Adopted by the senate the 4th day of April 1957.

"KEITH CARTWRIGHT,
"Acting President of the Senate.

"Adopted by the house of representatives the 30th day of April 1957.

"B. E. HARKEY,
"Speaker of the House of Representatives.

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Agriculture and Forestry:

"Joint Resolution 11

"Joint resolution requesting the Congress of the United States to amend the Bankhead-Jones Farm Tenant Act (as amended) to allow the making of real estate mortgage loans on long-term leased lands, including Hawaiian home lands and the public lands of the Territory of Hawaii

"Whereas the applicants for and lessees of the Hawaiian home lands are in dire need of loans for the construction of homes and improvements of homesteads in the furtherance of the purposes of the Hawaiian Homes Commission Act of 1920 (as amended); and

"Whereas long-term agricultural lessees, of the public lands of the Territory of Hawaii, who are coffee growers in Kona in the county of Hawaii, are likewise in great need of loans for the construction of housing accommodations for their seasonal migratory coffee pickers and for other agricultural purposes; and

"Whereas such leases do not qualify for loans under the said Bankhead-Jones Farm Tenant Act because they are not, and often cannot be, fee simple owners of the land involved; and

"Whereas the security of loans under the said Bankhead-Jones Farm Tenant Act made to such lessees will not be impaired, the legal title to Hawaiian home lands being already in the United States and the title to public lands being in the Territory of Hawaii, and the leases being for a long term: Now, therefore, be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to amend the pertinent provisions of the Bankhead-Jones Farm Tenant Act (as amended) to allow the making of real estate mortgage loans on long-term leased lands in the Territory of Hawaii, including Hawaiian home lands under the Hawaiian Homes Commission Act of 1920 (as amended) and public lands of the Territory of Hawaii.

"SEC. 2. Certified copies of this joint resolution shall be sent to the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the United States Department of Interior, to the Administrator of the United States Department of Agriculture (Farm Home Administration) and to the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 3d day of May A. D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Foreign Relations:

"Joint Resolution 13

"Joint Resolution requesting the Congress of the United States to establish an operating branch and complete facilities of the Voice of America in the Territory of Hawaii

"Whereas the Government of the United States through the operation of the Department of State did establish and is operating two 100-kilowatt shortwave transmitters on the island of Oahu in the Territory of Hawaii for transmitting Voice of America programs to the far eastern part of the world; and

"Whereas this installation and all of its facilities can be operated fully so as to permit live broadcasts to originate from the Territory of Hawaii; and

"Whereas the economic, racial, cultural, and historical backgrounds of the various peoples of the Territory are such that among them can be selected persons of outstanding achievements who can relate their records of success and self-betterment under our democratic way of life; and

"Whereas the growing number of visitors, including government and public officials from countries and nations of the Far East, have never failed to comment on the remarkable harmony and cooperation with which all the people of the various racial backgrounds live and work in this showcase of democracy in the Pacific; and

"Whereas there are adequate facilities presently available for live broadcasts to be originated from the Territory of Hawaii, such as the radio facilities presently under the command of the commander in chief, Pacific, presently used for hometown recordings and broadcasts; and

"Whereas the full utilization of existing facilities and the talents and abilities of the people of Hawaii can vastly increase the overall effectiveness of the Voice of America: Now, therefore, be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to seek the cooperation of the Department of State to initiate live local broadcasts of the Voice of America to originate from the Territory of Hawaii to the end that the Secretary of State shall use all efforts to utilize all existing facilities to accomplish the objectives of this resolution.

"SEC. 2. That certified copies of this joint resolution be forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of State of the United States, the Secretary of the Interior, the Delegate to Congress from Hawaii, Director of the United States Information Service, and the commander in chief, Pacific.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 3d day of May A. D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

Six joint resolutions of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Joint Resolution 5

"Joint resolution requesting the Congress of the United States to enact legislation giving the University of Hawaii title to its lands

"Whereas under the Hawaiian Organic Act public lands in the Territory are properties of the United States but are placed under the jurisdiction of the Territory for purposes of administration and disposal only as provided therein; and

"Whereas since the board of regents of the University of Hawaii does not have title to public land devoted to the use of the university, the university has been unable to take advantage of Federal benefits provided for universities and other schools of higher learning or to otherwise secure funds for university purposes: Now, therefore be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation amending the Hawaiian Organic Act in such manner that title to all university real property shall be vested in the board of regents of the University of Hawaii for the use and benefit of the university.

"SEC. 2. Duly certified copies of this joint resolution shall be forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, and the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 30th day of April, A. D., 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint Resolution 6

"Joint resolution requesting the Congress of the United States to enact legislation, amending the Hawaiian Organic Act and approving amendments of the Hawaiian land laws with respect to leases and other disposition of land

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact a bill substantially as follows:

"'A bill amending the Hawaiian Organic Act and approving amendments of the Hawaiian land laws, with respect to leases and other dispositions of land

"'*Be it enacted, etc.*—

"'SECTION 1. Section 73 (d) of the Hawaiian Organic Act (48 U. S. C. 665) is hereby amended as follows:

"'(a) By deleting therefrom the words "fifteen years" and inserting in lieu thereof the words "sixty-five years."

"'(b) By amending the proviso, which appears at the end of the subsection, so that the same shall read as follows: *"Provided,* That the Commissioner may, with the approval of the Governor and at least two-thirds of the members of the Land Board, omit such withdrawal provision from, or limit the same in, the lease of any lands whenever he deems it advantageous to the Territory of Hawaii. Land so leased shall not be subject to such right of withdrawal, or shall be subject only to a right of withdrawal as limited in the lease."

"'SEC. 2. Section 73 (l) of the Hawaiian Organic Act (48 U. S. C. 673) is hereby amended as follows:

"'"(a) By inserting a sentence, to follow the first sentence and to read as follows: 'Leases may be made by the Commissioner of Public Lands, with the approval of two-thirds of the members of the Board of Public Lands, for the occupation of lands for general purposes, or for certain special purposes, for terms up to but not in excess of sixty-five years.'

"'"(b) By deleting from the present second sentence, now the third sentence, the words 'No lease of agricultural lands exceeding 40 acres in area, or of pastoral or waste lands exceeding 200 acres in area, shall be made without the approval of two-thirds of the Board of Public Lands, which is hereby constituted,' and inserting in lieu thereof the following: 'There shall be a Board of Public Lands.'"

"'SEC. 3. Section 91 of the Hawaiian Organic Act (48 U. S. C. 511) is hereby amended by adding thereto a new paragraph to read as follows: "The provisions of this section shall not vitiate any right vested by any lease or other disposition of property made under this act, or under the land laws of Hawaii approved by the Congress, or otherwise authorized by the Congress. If property, the title to which remains in the United States, is taken under the authority of this section for the uses and purposes of the United States, the taking nevertheless shall be subject to vested rights, or else just compensation shall be made as provided by law for the taking of those rights. Nothing in this section shall be deemed to authorize the withdrawal of property for public purposes without just compensation to the lessee or other party affected, or to require inclusion in the terms of the governing instrument of a provision for such withdrawal."

"'SEC. 4. The amendment of section 99-53 of the Revised Laws of Hawaii 1955, made by the 29th legislature, is hereby approved.

"'SEC. 5. This act shall take effect upon its approval.'"

"SEC. 2. (a) Section 99-53 of the Revised Laws of Hawaii 1955 is amended by deleting therefrom the word 'twenty-one' and inserting in lieu thereof 'sixty-five.'

"(b) This section shall take effect upon the approval by the Congress of the United States of the amendment made by this section. The Congress of the United States is hereby respectfully requested to approve the amendment.

"SEC. 3. Certified copies of this resolution, upon its adoption, shall be forwarded to the Secretary of the Interior, the Delegate to Congress from Hawaii, the President of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

"SEC. 4. This joint resolution shall take effect upon its approval.

"Approved this 1st day of May A. D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint Resolution 8

"Joint resolution requesting the Congress of the United States to enact legislation relating to lands beneath tidal waters in the Territory of Hawaii, and filled in, made or reclaimed lands in said Territory; and amending section 112-1 of the Revised Laws of Hawaii 1955 to conform to such congressional legislation effective upon the enactment thereof

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact a bill substantially as follows:

"'A bill relating to lands beneath tidal waters in the Territory of Hawaii, and filled in, made or reclaimed lands in said Territory

"'*Be it enacted, etc.*—

"'SEC. 1. Insofar as the President has transferred, or hereafter shall transfer, to the Territory of Hawaii the title to lands beneath tidal waters which are suitable for reclamation, or the title to reclaimed lands which formerly were lands beneath tidal waters, the same shall be deemed to be public lands of the Territory of Hawaii and the United States shall retain only such rights therein as would exist if the Territory of Hawaii were a State. Section 106 of the Hawaiian Organic Act (48 U. S. C. 545) shall not apply to the lands which by this act are given the status of public lands unless the same are set aside under the jurisdiction of the board of harbor commissioners; provided, that no work shall

be done on lands beneath tidal waters without the consent of the board of harbor commissioners and the secretary of the military department concerned.

"'SEC. 2. In addition to the power conferred upon the President by section 91 of the Hawaiian Organic Act (48 U. S. C. 511), the President may transfer to the Territory of Hawaii the title to (a) any lands beneath tidal waters suitable for reclamation, and (b) any reclaimed lands which formerly were lands beneath tidal waters.

"'SEC. 3. Whenever, in connection with reclaimed lands or reclamation of lands beneath tidal waters, the commissioner of public lands deems it advantageous to the Territory of Hawaii in order to settle the rights (littoral or otherwise), if any, of an abutting owner, or to consolidate the holdings of public lands in the vicinity or provide public ways or access to the public lands, he may with the approval of the Governor and two-thirds of the members of the board of public lands sell, lease, or transfer by way of an exchange, to such abutting owner, or an owner whose land is needed for such consolidation of public holdings, access or ways, without public auction and without regard to any limitation of the Hawaiian Organic Act or the land laws of Hawaii in respect of the area and value of lands that may be conveyed by way of exchange, lands having the status of public lands.

"'SEC. 4. Nothing in this act shall be deemed to alter the control of the Congress over the laws of Hawaii relating to public lands, including the lands which by this act are given the status of public lands.

"'SEC. 5. As used in this act:

"'The term "lands beneath tidal waters" means all lands permanently or periodically covered by tidal waters up to but not above the line of mean high tide and seaward to a line three geographical miles distant from the coast line of each of the islands comprising the Territory of Hawaii.

"'The term "reclaimed lands" refers to filled in or made lands which formerly were lands beneath tidal waters, and the term "reclamation" refers to the filling in or making of land by any means.

"'SEC. 6. This act shall take effect upon its approval.'

"SEC. 2. Effective upon the enactment by Congress of legislation relating to the application of section 106 of the Hawaiian Organic Act, in respect to lands given the status of public lands, section 112-1 of the Revised Laws of Hawaii 1955 is amended to conform thereto.

"SEC. 3. Certified copies of this Joint Resolution, upon its adoption, shall be forwarded to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States, the Secretary of the Interior, and the Delegate to Congress from Hawaii.

"SEC. 4. This joint resolution shall take effect upon its approval.

"Approved this 2d day of May, A. D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint Resolution 9

"Joint resolution requesting the Congress of the United States to amend the Hawaiian Homes Commission Act 1920 to permit the establishment of a post office on Hawaiian home lands

"Whereas the provisions of the Hawaiian Homes Commission Act 1920, as amended, permit the establishment of certain public services and facilities on Hawaiian home lands, but do not make reference to the operation of a post office of the United States, and it appears that the Commission cannot allow the operation of a post office on Hawaiian home lands: Now, therefore—

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation to amend section 207 (c) (1) (A) of the Hawaiian Homes Commission Act 1920, as amended, to read as follows:

"'(A) churches, hospitals, public schools, post offices.'

"SEC. 2. Certified copies of this joint resolution shall be forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior and to the Delegate to the Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 2d day of May 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint Resolution 10

"Joint resolution requesting the Congress of the United States to enact legislation providing funds to pay for a second bore to Wilson Tunnel, island of Oahu, T. H.

"Whereas the Wilson Tunnel on the island of Oahu, T. H., as authorized and now under construction, consists of a single bore; and

"Whereas, the tunnel is of great value to the Department of Defense of the United States in that it provides a short, low-grade highway between installations on the leeward side of the Koolau Range (such as Pearl Harbor Navy Yard, Barbers Point Naval Air Station, Fort Shafter, and Schofield Barracks) and installations on the windward side of the Koolau Range (such as Kaneohe Marine Corps Air Station); and

"Whereas a second tunnel bore would increase considerably value of the tunnel for defense purposes; and

"Whereas a second tunnel bore would also aid the Territory of Hawaii in many ways, among them that it would provide employment in an area which, although it may soon be classified group IV (substantial labor surplus) by the United States Department of Labor, is not able to receive the assistance (such as placement of defense contracts, and receipt of accelerated tax amortization by defense plants) which the United States now seeks to give to such an area; Now, therefore—

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation providing funds to be used by the Territory of Hawaii to survey, plan and construct a second bore in connection with the Wilson Tunnel.

"SEC. 2. A certified copy of this joint resolution be sent to each of the following officers of the United States: The President of the United States, the President of the Senate, the Speaker of the House of Representatives, the Secretary of Defense, the Secretary of the Interior, and the Delegate to the Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 2d day of May, A. D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint Resolution 12

"Joint resolution requesting the Congress of the United States to amend section 60 of the Hawaiian Organic Act to lower the voting age

"Whereas the people of Hawaii are desirous of extending to its youth a privilege of voting for their elected officials; and

"Whereas the people of Hawaii are confident that their fellow citizens who have attained the age of 20 years are fully qualified and responsible; and

"Whereas the legal voting age in many mainland jurisdictions is set at 20 years; and

"Whereas the constitution of the proposed State of Hawaii provides that any citizen of the Territory otherwise qualified who shall have attained the age of 20 years shall be entitled to vote; and

"Whereas the people of Hawaii believe that the lowering of the voting age as suggested herein is a true expression of democracy in practice: Now, therefore

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States of America is hereby requested to amend section 60 of the Organic Act to read substantially as follows:

"'A bill amending section 60 of the Hawaiian Organic Act and lowering the voting age of the citizens of the Territory of Hawaii

"'*Be it enacted, etc*—

"'SECTION 1. That section 60 of the Hawaiian Organic Act is hereby amended to read as follows:

"'"SEC. 60. Qualifications of voters for representatives. That in order to be qualified to vote for representatives, a person shall—

"'"First. Be a citizen of the United States.

"'"Second. Have resided in the Territory not less than 1 year preceding and in the representative district in which he offers to register not less than 3 months immediately preceding the time at which he offers to register.

"'"Third. Have attained the age of 20 years.

"'"Fourth. Prior to each regular election, during the time prescribed by law for registration, have caused his name to be entered on the register of voters for representatives for his district.

"'"Fifth. Be able to speak, read, and write the English or Hawaiian language.

"'"SEC. 2. This bill shall take effect upon its approval."'

"SEC. 2. Upon its approval, certified copies of this joint resolution shall be forwarded to the President of the United States, the Secretary of the Interior, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 3d day of May A.D. 1957.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

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

"House Resolution 125

"Resolution requesting the Congress of the United States to enact legislation to empower the Governor to grant pardons for Federal offenses

"Whereas persons who have been convicted of certain offenses are thereby deprived of certain rights and privileges accorded to citizens in the Territory of Hawaii, among these being the right to vote, the right to hold elective or appointive positions in the territorial or county governments; and

"Whereas the Governor may grant pardons for offenses against the laws of the Territory and thereby restore to citizens the right and privilege to vote in the Territory or to hold public office; and

"Whereas such territorial rights and privileges cannot be restored by a gubernatorial pardon where an offense was committed against the laws of the United States: Now, therefore, be it

"Resolved by the House of Representatives of the 29th Legislature of the Territory of Hawaii, That the Congress of the United States is hereby respectfully requested to enact legislation amending section 66 of the Hawaiian Organic Act to empower the Governor of the Territory to grant a pardon for Federal offenses for the purpose of restoring

rights and privileges of citizens of the Territory to a citizen of the Territory; and be it further

"*Resolved*, That a certified copy of this resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior and to the Delegate to the Congress from Hawaii."

A resolution adopted by the Michigan Chapter of the American Institute of Planners, of Detroit, Mich., relating to urban renewal in Michigan; to the Committee on Appropriations.

A resolution adopted by the Michigan Chapter of the American Institute of Planners, Detroit, Mich., favoring the enactment of the bill (S. 1230) to authorize the Administrator of the Housing and Home Finance Agency to provide fellowships in public or private nonprofit institutions of higher education for the graduate training of qualified persons in the field of urban planning; to the Committee on Banking and Currency.

A resolution adopted by the Michigan Chapter of the American Institute of Planners, Detroit, Mich., relating to Federal regulation of billboards on the new interstate highway system; to the Committee on Public Works.

A resolution adopted by Mariemont American Legion Post 146, Mariemont, Ohio, relating to a modification of the NATO Status of Forces Treaty; to the Committee on Foreign Relations.

A resolution adopted at the annual convention of the California Federation of Women's Clubs, at Coronado, Calif., relating to a proposed contract for sale of falling water from Trinity River Dam; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Los Angeles, Calif., County Council of the American Legion, expressing regret at the death of the late Senator from Wisconsin [Mr. McCarthy]; ordered to lie on the table.

JOINT RESOLUTIONS OF VERMONT LEGISLATURE

Mr. FLANDERS. Mr. President, at the appropriate place in the RECORD I wish to have printed two joint resolutions from the Vermont Legislature, signed by the secretary of state of Vermont.

One of them relates to Vermont industries, and the effect of foreign importations on them. The difficulties which the foreign importations have caused are not confined to the State of Vermont, so I feel that this resolution is of more than local interest.

The second joint resolution requests Congress to liberalize the restrictions relating to old age and survivors insurance, and old age assistance.

There being no objection, the joint resolutions were referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Joint Resolution 46

Joint resolution relating to Vermont industries

Whereas a number of Vermont industries, including hardwood plywood, textiles, spring clothespins, and manufactured wood products, are in serious financial difficulties due to the competition of low priced foreign merchandise which is being imported in increased quantities as a result of concessions in import duties granted under the Trade Agreement Act of June 12, 1934, as amended; and

Whereas the continued operation of these industries, which is highly important to the welfare of the people of the State of Vermont, is dependent upon import quotas or other regulations either under the escape clause procedure contained in the Trade Agreements Act of 1951, as amended, or by direct action of the Congress of the United States; and

Whereas the past administration of the trade agreement program, and in particular the escape clause procedure, has not given adequate consideration to the needs of domestic industries in competition with merchandise produced at a lower rate of pay by foreign labor: Now, therefore, be it

Resolved by the senate and house of representatives, That in the best interest of industry, labor, and the general prosperity of the State of Vermont, the representatives of the State of Vermont in the Senate and House of Representatives of the United States are hereby urged to support in every possible way, the efforts of Vermont industries, and in particular, hardwood plywood, textiles, spring clothespins, and manufactured wood products, to secure such import quotas or other regulations as are needed to remedy the serious situation caused by low-priced imports, either through the escape clause procedure or through act of Congress; and be it further

Resolved, That a copy of this resolution be forwarded by the secretary of state to the Representatives of the State of Vermont in the Senate and House of Representatives of the United States, and to the Chairman of the United States Tariff Commission.

Approved April 26, 1957.

Joint Resolution 49

Joint resolution requesting Congress to liberalize restrictions relating to old-age and survivors insurance and old-age assistance

Whereas persons under 72 receiving old-age and survivors insurance are penalized if they by working earn more than $1,200 a year; and

Whereas such restrictions encourage idleness, low subsistence living and favor persons having private income not beset by the need of earnings; and

Whereas many old-age assistance recipients are destitute and because of inadequacies in existing laws, live below the minimum American subsistence level; and

Whereas under the current matching formula of the public assistance section of the Federal Social Security Act of 1936 those States which cannot afford adequate financial assistance to its needy aged because their per capita income is low and said formula does not recognize disparities between rich and poor State: Now, therefore, be it

Resolved by the senate and house of representatives, That the Congress of the United States be respectfully urged to liberalize the old-age and survivors insurance restrictions and allow beneficiaries to earn up to $1,800 yearly without being penalized, and to allow old-age assistance recipients to earn monthly sums of $50 for maintaining at least a minimal American standard of living and that the Secretary of State be directed to transmit duly attested copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the chairman of the Senate Committee on Labor and Public Welfare, the chairman of the House Committee on Education and Labor, the chairman of the Senate and House Committees on Appropriations, and to our Congressional delegation; and be it further

Resolved, That the Congress of the United States be urged to devise a more equable, flexible, and realistic formula to correct the inequity and to be based on, and vary with, States' per capita incomes, thus providing more favorable financial consideration to less wealthy States.

CHARLES H. BROWN,
Speaker of the House of Representatives.

ROBERT T. STAFFORD,
President of the Senate.

Approved May 1, 1957.

JOSEPH B. JOHNSON,
Governor.

REPEAL OF CERTAIN EXCISE TAXES—JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, I have received a copy of a joint resolution from the Oregon State Legislature, House Joint Memorial No. 4, calling for the repeal of the excise taxes on the transportation of persons and of freight. In the joint resolution, the legislature points out that this was an emergency wartime tax, adopted during World War II, and that it is heavily weighted against a State like Oregon which ships large quantities of bulk products to markets hundreds and even thousands of miles away.

Senate bill 1591, introduced by my colleague, the junior Senator from Oregon [Mr. NEUBERGER], and me, would do just what is called for in House Joint Resolution No. 4. I ask unanimous consent that the joint resolution, together with the text of Senate bill 1591, be printed in the RECORD at this point.

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

The joint resolution was referred to the Committee on Finance, as follows:

House Joint Memorial 4

To the Honorable Senate and the House of Representatives of the United States of America in Congress Assembled:

We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Where as 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, 11 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 Legislative Assembly of the State of Oregon 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 Oregon as it adds what is in effect an additional tariff on the goods shipped from Oregon to the eastern markets, with

the result that those goods are not able to compete freely with the goods originating in more closely adjacent southern areas; and

Whereas the State of Oregon is particularly interested in preserving the eastern market as an open market in which the agricultural and forest products of Oregon, in particular, may compete freely with southern produce without the hindrance of artificial barriers such as the present transportation tax; and

Whereas the State of Oregon 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 Legislative Assembly of the State of Oregon 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 by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the Legislative Assembly of the State of Oregon respectfully memorializes the Congress of the United States to enact legislation repealing the excise tax upon the transportation of persons and property; and be it further

Resolved, That copies of this memorial be sent by the Secretary of State to the President and Vice President of the United States and to all members of the Oregon congressional delegation.

Adopted by house February 15, 1957.

Readopted by house March 11, 1957.

EDITH BYNON LOW,
Chief Clerk.

PAT DOOLEY,
Speaker of House.

Adopted by senate March 7, 1957.

BOYD R. OVERHULSE,
President of Senate.

Senate bill 1591 is as follows:

Be it enacted, etc., That (a) parts I and II of subchapter C of chapter 33 of the Internal Revenue Code of 1954 (relating to the tax on the transportation of persons and the tax on the transportaton of property) are hereby repealed.

(b) The table of parts for such subchapter C is amended by striking out the following:

"Part I. Persons.

"Part II. Property."

SEC. 2. (a) Section 4291 of the Internal Revenue Code of 1954 (relating to cases where persons receiving payment must collect tax) is amended by striking out "Except as provided in section 4264 (a), every" and inserting in lieu thereof "Every."

(b) Section 4292 of such code (relating to State and local governmental exemption) is amended to read as follows:

"SEC. 4292. State and local governmental exemption

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under section 4251 on any payment received for services or facilities furnished to the government of any State, Territory of the United States, or any political subdivision of the foregoing, or the District of Columbia."

(c) Section 6415 of such code (relating to credits or refunds to persons who collected certain taxes) is amended by striking out "4261, 4271," each place it appears therein.

(d) Section 6416 (b) (2) (L) of such code (relating to credits or refunds in the case of certain taxes on sales and services) is amended—

(1) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue"; and

(2) by striking out "(not including the tax imposed by section 4261, relating to the tax on transportation of persons)."

(e) Section 6421 (b) of such code (relating to gasoline used for certain nonhighway purposes or by local transit systems) is amended—

(1) by striking out "not including the tax imposed by section 4261, relating to the tax on transportation of persons)" each place it appears therein, and

(2) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue" each place it appears therein.

(f) Section 6421 (d) (2) of such code (defining tax-exempt passenger fare revenue) is amended to read as follows:

"(2) Commutation fare revenue: The term 'commutation fare revenue' means revenue attributable to the transportation of persons and attributable to—

"(A) amounts paid for transportation which do not exceed 60 cents,

"(B) amounts paid for commutation or season tickets for single trips of less than 30 miles, or

"(C) amounts paid for commutation tickets for 1 month or less."

(g) Section 7012 of such code (relating to cross references) is amended by striking out subsection (i) and by redesignating subsection (j) as subsection (i).

(h) Section 7272 (b) of such code (relating to penalty for failure to register) is amended by striking out "4272."

SEC. 3. The amendments made by this act shall apply only with respect to amounts paid, on or after the 1st day of the 1st month which begins more than 10 days after the date of the enactment of this act, for transportation which begins on or after such first day.

JOINT AND CONCURRENT RESOLUTIONS OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, I have received from Hon. Joseph A. Donovan, secretary of state of Minnesota, a letter transmitting resolutions passed by the Minnesota Legislature. I ask unanimous consent that the resolutions be printed in the body of the RECORD.

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

Joint Resolution 12

Joint resolution memorializing the Congress of the United States to repeal excise taxes levied on the transportation of persons and property by common and contract carriers

Whereas certain excise taxes imposed during World War II are still in effect; and

Whereas the reason given for imposing said taxes was to discourage use by civilians of common and contract carriers of persons and property when an extraordinary demand was placed on transportation by the large increase in traffic due to World War II; and

Whereas these taxes have caused, and continue to cause, substantial diversion of traffic to private carriers, thus causing higher rates to be charged especially on the transportation of property which places a heavy burden on the farmer, the small-business man, and the small manufacturer because they do not have sufficient value to engage in the transportation of their own property and must depend on common and contract carriers for their transportation needs; and

Whereas these excise taxes are discriminatory to Minnesota products as illustrated by the fact that a shipment of Minnesota products from Minneapolis, Minn., to Northfield, Minn., wherein the cost of transportation was $10 would pay a tax of 30 cents and whereas the transportation of the same product to Chicago, Ill., for example, might have a transportation charge of $50 and the tax would be $1.50; and

Whereas the repeal of these excise taxes will result in a direct reduction in transportation costs and eliminate the tax discrimination against shippers who live a long distance from the market for commodities produced and sold, or supplies and equipment manufactured at distant locations; and

Whereas the same discriminatory situation exists where persons use common carrier passenger service; and

Whereas repeal of these excise taxes will not result in any substantial or effective diminution of tax revenue to the Federal Government since these taxes are now paid by shippers for a business purpose and are deductible as ordinary and necessary expenses and elimination of these taxes would in effect produce a greater net income taxable to the benefit of the Federal Government from said shippers and businesses who now deduct these excise taxes from their taxable revenue: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That we respectfully memorialize the Members of the United States Senate and House of Representatives from the State of Minnesota to introduce and support legislation to repeal the excise tax of 10 percent on the transportation of persons and 3 percent on the transportation of property by rail, motor, and water common carriers; be it further

Resolved, That the secretary of state transmit copies of this resolution to United States Senator EDWARD J. THYE, United States Senator HUBERT H. HUMPHREY, Representative AUGUST H. ANDRESEN, Representative JOSEPH P. O'HARA, Representative ROY W. WIER, Representative EUGENE J. MCCARTHY, Representative WALTER H. JUDD, Representative FRED MARSHALL, Representative H. CARL ANDERSEN, Representative JOHN A. BLATNIK, Representative COYA KNUTSON, Vice President RICHARD NIXON, and Speaker SAMUEL RAYBURN.

A. I. JOHNSON,
Speaker of the House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 11th day of March 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 9th day of April 1957.

H. Y. TORREY,
Secretary of the Senate.

Approved April 13, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed April 13, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

Resolution 10

Concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to establish a minimum corn soil-bank program

Whereas corn is the major field crop produced in Minnesota; and

Whereas the market price of corn influences the production and price of livestock, dairy products, and feed grains; and

Whereas it is essential to hold corn production in line and, at the same time, maintain a fair level of farm income; and

Whereas under the present corn soil-bank program the acreage cut to 37 million acres is so drastic that the majority of corn farmers are unable to participate in the program: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States, the United States Secretary of Agriculture, and the Congress of the United States be requested to enact a minimum corn soil-bank program establishing:

1. A minimum corn acreage base in the commercial area of 51 million acres;

2. A support price on corn of $1.36 for 1957; and

3. A production requirement that each producer put 15 percent of his corn acreage allotment in the acreage reserve or the conservation reserve of the soil bank as a condition of eligibility for price supports; be it further

Resolved, That the members of the Minnesota congressional delegation be commended who voted for the above minimum corn soil-bank program; be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 9th day of April 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 8th day of April 1957.

H. Y. TORREY,
Secretary of the Senate.

Approved April 12, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed April 12, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

Senate Resolution 14

An act memorializing the Congress of the United States to support measures amending farm disaster-emergency credit laws to permit governors of the several States to declare and designate disaster areas

Whereas under present Federal laws, a disaster area can be proclaimed only by the Secretary of Agriculture or the President of the United States, for the purposes of Federal emergency farm credit; and

Whereas the tendency has been that disaster areas have been proclaimed only when they have been relatively widespread, perhaps covering an entire State or major portion of a State; and

Whereas the opportunity to obtain loans at 3 percent interest for feed, seed, and other purposes, is important to farmers who have been hit by some natural disaster such as drought, hail, wind, or flood damage, in enabling them to reestablish their operations; and

Whereas the affected farmers do not seek charity, but rather an opportunity to help themselves back on their feet; and

Whereas in 1956 in this State there were several examples of severe hail or flood damage in limited areas of perhaps several townships or one or two counties; and

Whereas for the individual farmer who is affected, the natural disaster is just as real whether it strikes the whole State, a county, or a few townships: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress be requested to amend disaster emergency credit laws to authorize the governors of the several States to initiate a request for the designation of disaster areas for the purpose of enabling farmers to avail themselves of needed emergency credit; and be it further

Resolved, That the secretary of state of the State of Minnesota be instructed to transmit copies of this resolution to each Member of Congress from the State of Minnesota, and to each member of the Agricultural Committees of the Senate and House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

A. I. JOHNSON,
Speaker of the House of Representatives.

Passed the Senate the 8th day of April 1957.

H. Y. TORREY,
Secretary of the Senate.

Passed the House of Representatives the 17th day of April 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Approved April 24, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed April 24, 1957.

JOSEPH L. DONOVAN,
Secretary of State.

Resolution 15

Concurrent resolution memorializing the President and the Congress of the United States to support measures authorizing the issuance of a special series of postage stamps to be known as wilderness preservation stamps

Whereas the Congress of the United States is considering a bill to provide for the issuance of a special series of postage stamps to be known as wilderness preservation stamps; and

Whereas the purpose of the bill is to acquaint the people of the United States with the beauty and unique qualities of the wilderness areas of the United States: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States and the Congress of the United States be memorialized to enact legislation authorizing the issuance of a special series of postage stamps to be known as wilderness preservation stamps; be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 10th day of April 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 20th day of April 1957.

H. Y. TORREY,
Secretary of the Senate.

Approved April 24, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed April 24, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

Resolution 13

Concurrent resolution memorializing the President and the Congress of the United States to support measures for a fair and equitable return in lieu of taxes to three counties in the Superior National Forest

Whereas the Superior National Forest includes over 2 million acres of Federal land in St. Louis, Lake, and Cook Counties which reduces the taxable property and employment opportunities in these counties; and

Whereas the payments in lieu of taxes made by the Superior National Forest to the counties is very inadequate and because of the small shrunken tax base requires that the counties get special aid from the State; and

Whereas the Superior National Forest contains the last important area of wilderness, lake and canoe country; contains the land of the voyageurs; is a heritage as precious as the finest national parks; offers an opportunity for wild and primitive experience; preserves a canoe country, not only for this generation but for generations to come; is a great rare and unusual region that belongs to the Nation and is within easy access of 50 million people; and

Whereas this great recreation area is so valuable to so many that it deserves maintenance and support by all of the people and in fairness should not be continued and expanded at the expense of the local citizens and communities; and

Whereas the State of Minnesota has enacted legislation providing that the State pay 15 cents per acre in lieu of taxes to the counties on game refuges, public shooting grounds and certain other conservation lands and has recognized the necessity and propriety of such payments: Now therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States and the Congress, urge the immediate enactment of legislation providing that Congress appropriate money to be earmarked to the Superior National Forest to provide not less than 15 cents per acre per year in lieu of taxes, proportionately to Cook, Lake, and St. Louis Counties, this amount to be computed on the basis of Government acreage in each county: Be it further

Resolved, That the secretary of state of Minnesota be instructed to transmit copies of this concurrent resolution to the President of the United States and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 8th day of April 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 15th day of April 1957.

H. Y. TORREY,
Secretary of the Senate.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

RESOLUTION OF AMERICAN SOCIOLOGICAL SOCIETY, NEW YORK UNIVERSITY

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the American Sociological Society of New York University, which is my alma mater, relating to the National Science Foundation and its program of research support and graduate fellowships.

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:

THE AMERICAN SOCIOLOGICAL SOCIETY,
NEW YORK UNIVERSITY,
Washington Square, New York.

The following resolution was passed by the American Sociological Society at its annual meeting in Detroit last September:

"The American Sociological Society notes with satisfaction the extension of the program of the National Science Foundation to include research support and graduate fellowships in selected social-science areas, such as anthropology, demography, experimental

social psychology, sociology of science, human ecology, and related disciplines: Be it therefore

"*Resolved*, That the American Sociological Society hereby express its appreciation of the recognition and assistance extended to the social sciences, and that the Foundation be further commended for its emphasis on basic research in our field; be it further

"*Resolved*, That the American Sociological Society express its hope that the National Science Foundation's program be further broadened in the immediate future to include the social sciences proper in addition to the areas of convergence with the natural sciences."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 534. A bill to amend section 702 of the Merchant Marine Act, 1936, in order to authorize the construction, reconditioning, or remodeling of vessels under the provisions of such section in shipyards in the continental United States (Rept. No. 298); and

S. 886. A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation (Rept. No. 299).

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

S. 1446. A bill to amend title 14, United States Code, so as to provide for retirement of certain former members of the Coast Guard Reserve (Rept. No. 301).

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

S. 1806. A bill to amend the Sockeye Salmon Fishery Act of 1947 (Rept. No. 302).

REPORT ENTITLED "FOREIGN AID" BY SPECIAL COMMITTEE TO STUDY THE FOREIGN AID PROGRAM (S. REPT. NO. 300)

Mr. GREEN. Mr. President, I herewith submit to the Senate the report of the Special Committee To Study the Foreign Aid Program. This committee was established pursuant to Senate Resolution 285, 84th Congress, and Senate Resolution 35, 85th Congress.

It is with a deep sense of pride that I present this report. It represents the fruition of many months of intensive inquiry by this committee, of which I have had the privilege of serving as chairman during the 85th Congress.

I want to take this occasion to express to the previous chairman of the committee, the distinguished Senator George, my high appreciation of the preliminary work done under his leadership. I also want to express my gratitude to the members of the special committee for their fine efforts in this endeavor. My colleagues included all members of the Committee on Foreign Relations, as well as the chairmen and ranking minority members of the Committee on Appropriations and of the Committee on Armed Services.

I believe this committee has done what the Senate directed it to do. It has studied the question of foreign aid with great thoroughness. It has isolated the faults in this program and it has made far-reaching recommendations to the Senate which, if put into practice, ought to correct those faults. May I add that in all my years in the Senate I do not recall ever having seen such an extraordinary degree of unanimity on any matter so complex as foreign aid.

I commend this report to the attention of the Senate. Members of this body ought to find it highly useful in considering the legislation on foreign aid, which will come before us in the near future.

I ask that the report be printed.

The PRESIDENT pro tempore. The report will be received and printed.

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

Mr. GREEN. I yield.

Mr. MANSFIELD. I wish to take this occasion to join in the statement of the distinguished chairman of the Foreign Relations Committee and to concur wholeheartedly in what he had to say. There was unanimity. There was a meeting of the minds. It was not an easy problem for which the members of the committee had to devise a solution. I think the chairman of the committee will join me in saying we were extremely fortunate in having such a competent staff, and to say the time they spent on the problem and the work they did helped bring about this accomplishment.

Mr. GREEN. I certainly agree with the Senator from Montana, and thank him for the tribute he has paid to the committee and the staff.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. BARRETT:

S. 2055. A bill to amend the Internal Revenue Code of 1954 to repeal the taxes on transportation; to the Committee on Finance.

By Mr. JOHNSON of Texas:

S. 2056. A bill to authorize purchase of a portion of the bonds issued by the Brazos River Authority, an agency of the State of Texas, to finance the early development by it of the water resources of the Brazos River Basin, Tex.; to the Committee on Public Works.

By Mr. BUTLER:

S. 2057. A bill for the relief of Diana Elain Greig; and

S. 2058. A bill to incorporate National Service Star Legion; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 2059. A bill for the relief of Chahine H. Azar; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 2060. A bill for the relief of Elizabeth Biro;

S. 2061. A bill for the relief of Katherine Lisetti;

S. 2062. A bill for the relief of Yasna Trevizan; and

S. 2063. A bill for the relief of Guy H. Davant; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2064. A bill for the relief of Marie Ethel Pavlovitch and her daughter, Dolly Hester Pavlovitch; and

S. 2065. A bill for the relief of Orlene Vincent Simmons; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2066. A bill for the relief of Sally Ann Hobson; to the Committee on the Judiciary.

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

By Mr. YOUNG:

S. 2067. A bill for the relief of Einar Lahaug; to the Committee on the Judiciary.

By Mr. ROBERTSON:

S. 2068. A bill to amend the Vocational Rehabilitation Act with respect to the pilot demonstration rehabilitation center in the Washington area; to the Committee on Labor and Public Welfare.

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

S. 2069. A bill to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain; and

S. 2070. A bill to authorize the Secretary of the Navy to take possession of the naval oil shale reserves and to experiment in the extraction of synthetic liquid fuels from oil shale in the interest of national security; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. O'MAHONEY when he introduced the above bills, which appear under separate headings.)

By Mr. CASE of South Dakota:

S. 2071. A bill for the relief of Bennett Memorial Hospital; to the Committee on the Judiciary.

By Mr. CASE of South Dakota (by request):

S. 2072. A bill to establish a Chiropractic Section in the Medical Service Corps of the Army; to the Committee on Armed Services.

By Mr. ALLOTT:

S. J. Res. 92. Joint resolution relative to depletion allowances on certain oil shale, coal, and other natural deposits; to the Committee on Finance.

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

By Mr. POTTER:

S. J. Res. 93. Joint resolution to authorize the Secretary of Commerce to sell certain war-built vessels for primary utilization in servicing ports on the Great Lakes; to the Committee on Interstate and Foreign Commerce.

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

PRINTING AS A SENATE DOCUMENT COMPILATION OF STUDIES AND REPORTS ON THE FOREIGN AID PROGRAM

Mr. GREEN. Mr. President, I submit a concurrent resolution authorizing the printing of studies and reports prepared under the direction of the Special Committee To Study the Foreign Aid Program. The Committee on Foreign Relations on May 9 authorized the printing of additional copies of these studies and reports. I ask that the concurrent resolution be referred to the Committee on Rules and Administration.

The concurrent resolution (S. Con. Res. 30) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (*the House of Representatives concurring*), That there shall be printed as a Senate document a compilation of studies and reports prepared under the direction of the Special Committee To Study the Foreign Aid Program, created by Senate Resolution 285, agreed to July 1, 1956, as amended by Senate Resolution 35, agreed to January 30, 1957.

SEC. 2. There shall be printed 8,000 additional copies of such Senate document. Such additional copies shall be for the use of the Special Committee To Study the Foreign Aid Program.

SALLY ANN HOBSON

Mr. MORSE. I introduce, for appropriate reference, a bill for the relief of Sally Ann Hobson. I ask unanimous consent that the bill may be printed in the RECORD.

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

The bill (S. 2066) for the relief of Sally Ann Hobson, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, to Sally Ann Hobson of Salem, Oregon, the sum of $15,000. The payment of such sum shall be in full satisfaction of all claims of the said Sally Ann Hobson resulting from the death of her late husband, Roger D. Probert, who was killed on March 4, 1954, when a United States military aircraft on which he was being transported as an employee of the General Electric Company crashed near Saint Etinne, France: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percentum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

AMENDMENT OF MINERAL LEASING ACT, RELATING TO DEVELOPMENT OF COAL ON THE PUBLIC DOMAIN

Mr. O'MAHONEY. Mr. President, on behalf of myself, and my colleague, the senior Senator from Wyoming [Mr. BARRETT], I introduce, for appropriate reference, a bill to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain.

I may say, Mr. President, that the development of coal in the United States has been seriously retarded during recent years. Other fuels are taking its place. We have not yet found all the possibilities of using coal for the development of chemical products of various kinds. The purpose of the bill is to provide an incentive for the introduction of new enterprises to promote, by research and by practice, the use of larger amounts of coal. The United States possesses more known coal lands than any other similar area in the world.

The bill, I assume, will be referred to the Committee on Interior and Insular Affairs, where an opportunity will be granted for comments on the possibility of greater uses for coal.

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

The bill (S. 2069) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain, introduced by Mr. O'MAHONEY (for himself and Mr. BARRETT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

POSSESSION OF NAVAL OIL SHALE RESERVES

Mr. O'MAHONEY. Mr. President, on behalf of myself, and my colleague, the distinguished senior Senator from Wyoming [Mr. BARRETT], I introduce for appropriate reference a bill to authorize the Secretary of the Navy to take possession of naval oil shale reserves, and to experiment in the extraction of the synthetic liquid fuels from oil shale in the interest of national security.

I give notice now that as soon as I can obtain the floor at the next session of the Senate, on Wednesday, I shall discuss the meaning of the proposed legislation.

I ask unanimous consent that the bill be printed in the RECORD, at this point.

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

The bill (S. 2070) to authorize the Secretary of the Navy to take possession of the naval oil shale reserves and to experiment in the extraction of synthetic liquid fuels from oil shale in the interest of national security, introduced by Mr. O'MAHONEY (for himself and Mr. BARRETT), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Naval Oil Shale Reserve Act of 1957."

DECLARATION OF POLICY

SEC. 2. It is recognized by the Congress that the increasing dependence of the United States on foreign sources of supply for petroleum and petroleum products during periods of threatening world conflict and political instability within the nations controlling the sources of supply of such materials greatly endangers the present and future security of the United States. It is, therefore, declared to be the policy of the Congress that a process for extraction of shale oil from the vast resources of oil shale in the United States should be completed as rapidly as possible in order to supplement domestic petroleum supplies and to make this Nation self-sufficient in liquid fuels.

SEC. 3. Part IV of subtitle C of title 10, United States Code, is amended by inserting the following new chapter after chapter 641 thereof:

"CHAPTER 642. NAVAL OIL SHALE RESERVES

"7451. Jurisdiction and control.

"7452. Extraction of synthetic liquid fuels from oil shale.

"7453. Powers of Bureau of Mines.

"7454. Income from the oil shale reserves.

"7455. Requirements as to consultation and approval.

"7456. Annual report of operations.

"7457. Regulations.

"7458. Expenditures; appropriations chargeable.

"7459. Delegation of additional functions to Bureau of Mines.

"SEC. 7451. Jurisdiction and control

"The Secretary of the Navy shall take possession and control of all properties and improvements of every kind and character inside the naval oil shale reserves, together with all rights owned by the United States on other lands that are necessary to the operation of the experimental demonstration plant near Rifle, Colorado, and shall maintain and protect such reserves, properties, and improvements.

"Sec. 7452. Development of synthetic liquid fuels from oil shale

"The Bureau of Mines of the Department of the Interior shall conduct experimental work in the extraction of synthetic liquid fuels from oil shale: *Provided*, That the authority in this chapter to conduct experimental work shall not be considered as authorizing commercial development or operation of the naval oil-shale reserves by the Government in competition with private interests.

"Sec. 7453. Powers of Bureau of Mines

"In order to carry out its functions under this chapter, the Bureau of Mines of the Department of the Interior may—

"(1) operate and, if necessary, redesign and reconstruct the oil-shale mine, demonstration plant and auxiliary facilities located on naval oil-shale reserves numbered 1 and 3 near Rifle, Colo., which were constructed and operated by the Department of the Interior under the act of April 5, 1944 (58 Stat. 190), as amended;

"(2) conduct laboratory experimental and development work, and make careful engineering studies in order to determine the best demonstration plant designs and conditions of operation;

"(3) acquire secret processes, technical data, inventions, patent applications, patents, irrevocable nonexclusive licenses, and any other rights and licenses under patents granted by the United States or any other nation;

"(4) engage, by contract or otherwise, any persons, firms, corporations, or educational institutions which it considers necessary to carry out the purposes of this chapter; and

"(5) cooperate with any other Federal or State department, agency, or instrumentality, and with any person, firm, corporation or educational institution.

"Sec. 7454. Income from the oil-shale reserves

"All money that may accrue to the United States under this chapter from lands within the naval oil-shale reserves shall be covered into the Treasury.

"Sec. 7455. Requirements as to consultation and approval

"The Committees on Armed Services of the Senate and the House of Representatives must be consulted and the President's approval must be obtained before any of the following transactions authorized by this chapter may be effective:

"(1) Contracts with persons, firms, corporations, and private educational institutions relating to the performance of experimental work for the Government in connection with the extraction of synthetic liquid fuels from oil shale.

"(2) Acquisition of any patent or patent rights.

"(3) A contract to alienate from the United States the use, control, or possession of any part of the naval oil shale reserves (except that consultation and Presidential approval are not necessary in connection with the issuance of permits, licenses, easements, grazing and agricultural leases, and rights-of-way pertaining to the use of the surface area of the naval oil shale reserves).

"Sec. 7456. Annual report of operation

"The Secretary of the Navy shall submit annually to the Congress a report of all operations under this chapter.

"Sec. 7457. Regulations

"The Secretary of the Navy, subject to approval by the President, may prescribe regulations and take any proper action to accomplish the purposes of this chapter.

"Sec. 7458. Expenditures: appropriations chargeable

"Expenses incurred in developing synthetic liquid fuels from oil shale shall be paid from appropriations made available for that purpose.

"Sec. 7459. Delegation of additional functions to Bureau of Mines

"In addition to the functions expressly conferred upon the Bureau of Mines under this chapter, the Secretary of the Navy is authorized to delegate to the Bureau of Mines any other functions under this chapter which he determines can be more efficiently or economically performed by personnel of such Bureau."

SEC. 4. There is authorized to be appropriated to carry out the purposes of this chapter the sum of $13,500,000, which sum may be expended in such amounts as the Secretary of the Navy may deem appropriate during a period of 6 years commencing July 1, 1957, and ending July 1, 1963.

DEPLETION ALLOWANCES ON CERTAIN OIL SHALE, COAL, AND OTHER NATURAL DEPOSITS

Mr. ALLOTT. Mr. President, I introduce, for appropriate reference, a joint resolution which I ask to have printed in the RECORD, following my remarks.

The joint resolution recognizes that the consumption of petroleum and petroleum products in the United States has more than doubled in the past 15 years, and is still on the increase.

Mr. President, I recognize that since prior to the First World War, prophets of doom have been saying that the United States is running out of oil. Although it is fortunate that they have been proved wrong by an aggressive industry working under the United States system of free, competitive enterprise, yet it is evident that with our population increasing and with the consumption of petroleum and petroleum products climbing, coupled with the fact that each new well drilled today is generally deeper, costs more, and is the result of more dry holes per discovery, any further delay in the development of our oil shale and coal reserves would be foolhardy.

Let me cite an example: During the 85 years from 1860 to 1945, the total production of oil in the United States was 31.5 billion barrels. From 1945 through 1955, the United States produced 21.1 billion barrels, which is nearly two-thirds of the amount produced during the previous 85 years. The American Petroleum Institute estimates that on January 1, 1956, the proved crude oil reserves of the United States amounted to 30 billion barrels.

All the available figures indicate that the petroleum industry has done a good job in keeping ahead of the demand. However, when the average cost of a well in Colorado, for example, is more than $50,000, and when, on the average, 10 dry wildcat wells are drilled for each producing well, it seems that there is a good argument, in the interest of national safety and the consumer's pocketbook, in favor of getting on with the job of the development of oil shale.

Mr. President, the joint resolution I am introducing will result in clarification of the tax picture, will encourage private industry to redouble its efforts, and will put the development of oil shale on a par with the development of crude oil in the United States. Therefore, I believe that enactment of this joint resolution is a necessary development for the future of the United States and its sound economic development and welfare.

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

The joint resolution (S. J. Res. 92) relative to depletion allowances on certain oil shale, coal, and other natural deposits, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas oil is approaching a production crisis in the United States; and

Whereas the domestic petroleum industry should reach its maximum production within the next decade or two and thereafter decline, resulting in the United States becoming increasingly dependent upon foreign imports to meet its rapidly growing oil requirements; and

Whereas in the United States the consumption of petroleum has doubled in the last 15 years with indications for the future of steadily increasing consumption; and

Whereas consumers and processors of petroleum products are gravely concerned by the fact that discoveries of new domestic oilfields of significant size are dwindling while at the same time the percentage of dry holes drilled, the average depth of new wells, and the cost of completing wells are increasing at an alarming rate; and

Whereas the United States and all other industrial nations today are utterly dependent upon petroleum for the energy to drive their industrial machines and to furnish light, heat, transportation, and many of the other necessities and comforts of modern living; and

Whereas the United States now imports approximately 1½ million barrels of petroleum per day to meet consumptive demand; and

Whereas recent events have demonstrated the United States and the free world must have an adequate and independent reserve of oil readily available to give them freedom from economic coercion; and

Whereas the petroleum consumers of the free world are dependent for their day-to-day needs upon areas which drive hard bargains; and

Whereas the security, economy, and welfare of the United States and the free world are intricately dependent upon the free flow of petroleum in adequate supply; and

Whereas in time of war or international emergency, oil imports would of necessity be transported through areas within the sovereignty of foreign nations, or on the open seas subject to hostile action which could halt them entirely; and

Whereas a dependable ready-to-use supply of petroleum within the United States would stabilize petroleum marketing conditions, protect friendly nations from exploitation, and become a most potent factor for world peace; and

Whereas the nation or nations having the greatest ready supply of petroleum will have a distinct advantage should war come; and

Whereas an adequate reserve of petroleum in usable form, quantity, and quality in the interior of the United States would insure our citizens military security plus sufficient fuel and energy to meet the requirements of an ever-expanding free economy and higher and still higher standards of living, at a price level based neither on governmental controls nor short supply; and

Whereas since 1944 the Federal Bureau of Mines under the direction of Congress has conducted an extensive research program in the field of producing synthetic oil from coal and oil shale and with very satisfactory results; and

Whereas currently private industry is producing experimentally a limited quantity of synthetic oil from shale equal in quality to the best crude oil obtained from the Nation's oil and gas wells; and

Whereas oil-shale beds of varying thickness and oil content are known to occur in more than half of the States, and coal beds occur in 31 States; and

Whereas in the public land States of Utah, Wyoming, and Colorado there are vast and well-defined deposits of oil shale which contain more than a trillion barrels of oil—the Federal Government being the sole owner of more than half of this enormous deposit and reserve; and

Whereas the national coal reserves are approximately 2 trillion tons, a large portion of which is located in public land States and owned by the Federal Government; and

Whereas when oil is extracted from oil shale substantial amounts of byproducts, such as coke, sulfur, liquid ammonia, and waste gas suitable for the production of power, are also produced; and

Whereas the establishment by private capital of a synthetic-fuels industry developing these deposits of oil shale and coal would lead directly to the production of huge revenues for the United States through the leasing, sale, or development of its vast holdings on the public lands; and

Whereas the Congress of the United States has undertaken the development of the upper Colorado River Basin at a substantial investment that will be returned to the Treasury manyfold as the five States immediately concerned, Wyoming, Utah, Colorado, New Mexico, and Arizona, develop their huge natural resources including oil shale and coal; and

Whereas the establishment of industries to produce oil from shale and coal would create new resources, new wealth, and new tax revenues for local, State, and Federal governments; and

Whereas the development of industries to produce oil from shale and coal will require many years for the installation of huge mining, retorting, refining, transportation, and service facilities which, in the event of a sudden national emergency, could not be made available; and

Whereas in order to extract oil and gas from oil shale and coal it is necessary to process the ore by means of retorting or other similar procedures; and

Whereas the creation by private industry of a synthetic liquid fuel from oil shale and coal requires a capital investment of hundreds of millions of dollars, to provide the necessary mining, crushing, retorting, and refining facilities; and

Whereas the ability of free enterprise to procure the necessary investment capital to produce synthetic petroleum fuel from oil shale and coal of competitive quality, rests squarely upon these prospective industries being granted identical Federal tax treatment to that accorded crude oil produced from gas and oil wells; and

Whereas the States most immediately concerned with the development of an oil-shale industry have long recognized the desirability of granting tax treatment at least as favorable as that granted producers of oil and gas from wells; and

Whereas with constructive tax treatment by Congress such an industry will commence the recovery of oil from America's huge oil-shale and coal reserves; and

Whereas strengthening the national defense, providing orderly industrial growth, and assuring adequate supplies of petroleum for our expanding national economy and for future emergencies are the avowed aims of our Government; and

Whereas converting this Nation's mountains of oil shale and its vast beds of coal into liquid energy is a challenge of the first magnitude that demands constructive action by Congress now: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That, for the purpose of establishing allowances for depletion in computing net income taxable by the United States of America, the percentages accorded deposits of oil shale, coal, and other natural deposits, when any of them are processed for the extraction of synthetic liquid fuel shall be identical to that allowed to oil and gas wells; and be it further

Resolved, That, in the case of such deposits processed for the extraction of synthetic liquid fuel, for the purpose of computing gross income, gross income from mining shall, as in other cases, include ordinary treatment processes, including mining, crushing, retorting, and other extraction procedures.

SALE OF CERTAIN WAR-BUILT VESSELS FOR PRIMARY UTILIZATION ON THE GREAT LAKES

Mr. POTTER. Mr. President, I introduce, for proper reference, a joint resolution to authorize the Secretary of Commerce to sell certain war-built vessels for primary utilization in servicing ports on the Great Lakes. Specifically, the measure would, if enacted, authorize the Secretary of Commerce to sell up to 12 C-4 type vessels, to the highest responsible bidders who are citizens of the United States, for primary employment either on the Great Lakes, including the St. Lawrence River and Gulf and their connecting waterways, or on any voyages originating or terminating at a port on the Great Lakes. No vessel shall be sold under the provisions of this joint resolution for a price which is less than the sale price of such vessel computed under the Merchant Ship Sales Act of 1946, as of January 15, 1951, depreciated on a straight-line basis for the period from January 15, 1951, to the date of execution of the contract of sale, on the basis of the portion of a 20-year useful life of such vessel remaining after January 15, 1951.

It is without question in the best interests of our Government, from the standpoints of both economy and national defense, for these vessels to be taken out of mothballs. These vessels depreciate and deteriorate less in operation than they do in reserve. In time of war, if the Government desired to call them back into service, they could be returned to war service more rapidly and cheaply than if they had to be taken out of mothballs.

When the St. Lawrence Seaway opens there will be a tremendous need for general cargo carriers, in addition to bulk carriers. The C-4 type vessel is very adaptable and it can be converted into a container ship or used for roll-on-roll-off operations. The economy of our Nation will be enhanced when these vessels are put into operation as a part of the seaway traffic. Other nations are already building ships for the seaway traffic, and it well behooves the United States to be ready to obtain its fair share of the traffic. Making these C-4 vessels available will be a positive step in this direction.

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

The joint resolution (S. J. Res. 93) to authorize the Secretary of Commerce to sell certain war-built vessels for primary utilization in servicing ports on the Great Lakes, introduced by Mr. Potter, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

ESTABLISHMENT OF A CONTINUING UNITED NATIONS FORCE—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of May 8, 1957,

The name of Mr. KENNEDY was added as an additional cosponsor of the concurrent resolution (S. Con. Res. 29) favoring the creation of a force similar to the United Nations emergency force for the maintenance of international peace and security, submitted by Mr. FLANDERS (for himself, Mr. SPARKMAN, Mr. SMITH of New Jersey, and Mr. WILEY) on May 8, 1957.

Mr. FLANDERS. Mr. President, I ask unanimous consent that the name of the Senator from New Jersey [Mr. CASE] may be added to Senate Concurrent Resolution 29, which I submitted last Wednesday. His name was left off by inadvertence.

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

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

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

By Mr. KNOWLAND:

Address delivered by him at American Legion Founders Day luncheon, St. Louis, Mo., May 11, 1957.

By Mr. BUTLER:

Statement prepared by him on the subject of Rumania's Independence Day.

By Mr. WILEY:

Article entitled "Students Today—Statesmen Tomorrow," written by him, and published in the United States National Student Association Student Government Bulletin.

By Mr. EASTLAND:

Address delivered by the Secretary of Agriculture before the American Cotton Shippers Association, New Orleans, La., April 26, 1957.

Mr. MARTIN of Pennsylvania:

Statement by Representative WILLARD S. CURTIN before House Appropriations Committee on May 9, 1957.

By Mr. HRUSKA:

Address delivered by him before Conference of Czechoslovak National Council, Washington, D. C., May 6, 1957.

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received on May 9 the nomination of Harold M. Randall, of Iowa, a Foreign Service officer of class 1, to be the representative of the United States to the seventh session of the Economic Commission for Latin America of the Economic and Social Council of the United Nations.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

TRIBUTE TO NGO DINH DIEM, PRESIDENT OF FREE VIETNAM

Mr. MANSFIELD. Mr. President, the city of Washington and our country have been fortunate in having as a visitor during the past several days the Honorable Ngo Dinh Diem, the President of the Republic of free Vietnam. President Diem is not only the savior of his own country, but in my opinion he is the savior of all Southeast Asia. There is no doubt that United States' financial assistance, in the form of economic and military aid, has benefited his country greatly. There is no doubt that our State Department has consistently upheld the stand of President Diem, and has proved to be a bulwark in support of his efforts. But I think the chief credit for holding back the Communist aggression not only in Vietnam, but, because of that, in Southeast Asia, as well, lies in the determination, the courage, the incorruptibility, and the integrity of President Diem, who has shown such great ability and has accomplished so much against tremendous odds. He is indeed a man of the people; a man whom the Vietnamese admire and trust; and a man in whom the United States has unbounded confidence and great faith. The American Congress and the American people wish for the President of Vietnam and the people of that country continued success in the difficult years ahead. They have earned it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, together with my remarks, a number of newspaper statements and comments regarding President Diem and his visit to the United States.

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

[From the New York Times of May 12, 1957]

TEXT OF EISENHOWER-DIEM STATEMENT

WASHINGTON, May 11.—Following is the text of a joint statement issued today by President Eisenhower and President Ngo Dinh Diem of South Vietnam at the conclusion of their talks:

"His Excellency Ngo Dinh Diem, President of the Republic of Vietnam, and President Eisenhower have held discussions during President Ngo Dinh Diem's state visit as the guest of President Eisenhower during May 8-10.

"Their discussions have been supplemented by meetings between President Ngo

Dinh Diem and his advisers and Secretary of State Dulles and other American officials. These meetings afforded the occasion for reaffirming close mutual friendship and support between the Republic of Vietnam and the United States. The two Presidents exchanged views on the promotion of peace and stability and the development and consolidation of freedom in Vietnam and in the Far East as a whole.

"President Eisenhower complimented President Ngo Dinh Diem on the remarkable achievements of the Republic of Vietnam under the leadership of President Ngo Dinh Diem since he took office in July 1954. It was noted that in less than 3 years a chaotic situation resulting from years of war had been changed into one of progress and stability.

"Nearly 1 million refugees who had fled from Communist tyranny in North Vietnam had been cared for and resettled in free Vietnam.

"Internal security had been effectively established.

"A constitution had been promulgated and a national assembly elected.

"Plans for agrarian reform have been launched, and a constructive program developed to meet long-range economic and social problems to promote higher living standards for the Vietnamese people.

"President Ngo Dinh Diem reviewed with President Eisenhower the efforts and means of the Vietnamese Government to promote political stability and economic welfare in the Republic of Vietnam. President Eisenhower assured President Ngo Dinh Diem of the willingness of the United States to continue to offer effective assistance within the constitutional processes of the United States to meet these objectives.

"President Eisenhower and President Ngo Dinh Diem looked forward to an end of the unhappy division of the Vietnamese people and confirmed the determination of the two governments to work together to seek suitable means to bring about the peaceful unification of Vietnam in freedom in accordance with the purposes and principles of the United Nations Charter. It was noted with pleasure that the General Assembly of the United Nations by a large majority had found the Republic of Vietnam qualified for membership in the United Nations, which has been prevented by Soviet opposition.

"President Eisenhower and President Ngo Dinh Diem noted in contrast the large buildup of Vietnamese Communist military forces in North Vietnam during the past 2½ years, the harsh suppression of the revolts of the people of North Vietnam in seeking liberty, and their increasing hardships.

"While noting the apparent domination during the last 3 years of Communist-inspired hostilities in Southeast Asia except in the Kingdom of Laos. President Eisenhower and President Ngo Dinh Diem expressed concern over continuing Communist subversive capabilities in this area and elsewhere. In particular, they agreed that the continued military buildup of the Chinese Communists, their refusal to renounce the use of force, and their unwillingness to subscribe to standards of conduct of civilized nations constitute a continuing threat to the safety of all free nations in Asia. To counter this threat, President Ngo Dinh Diem indicated his strong desire and his efforts to seek closer cooperation with the free countries of Asia.

"Noting that the Republic of Vietnam is covered by article IV of the Southeast Asia Collective Defense Treaty, President Eisenhower and President Ngo Dinh Diem agreed that aggression or subversion threatening the political independence of the Republic of Vietnam would be considered as endangering peace and stability. The just settlement of problems of the area by peaceful and legitimate means within the framework of the United Nations Charter will continue to be the mutual concern of both Governments. Finally, President Eisenhower and President Ngo Dinh Diem expressed the desire and determination of the two Governments to cooperate closely together for freedom and independence in the world."

[From the Washington Post of May 13, 1957]

VIETNAM AND UNITED STATES

No major agreement came out of the visit of President Ngo Dinh Diem, of Vietnam, to Washington, but the joint communique issued at the conclusion of his talks with President Eisenhower makes it evident that the ties between the two countries have been drawn a little tighter. Mr. Diem doubtless has a better understanding of the President's problem of continuing foreign aid on a large scale, and Mr. Eisenhower is said to have a much more intimate picture of how American aid is being administered in Vietnam. The visitor's diplomatic protests as to the paternalism of the International Cooperation Administration in selecting and carrying out United States-financed projects in Vietnam should lead to an early reemphasis of this country's basic objectives in helping friendly peoples.

Though the two Presidents hope for an end to the unhappy division of the Vietnamese people and assert their purpose of working together for a unified and free Vietnam, there is no threat in their statement. They emphasize their reliance on peaceful means. Both are deeply concerned over Communist China's continued military buildup and subversive capabilities in Southeast Asia. They agree that aggression or subversion threatening the political independence of the Republic of Vietnam would endanger peace and stability. Presumably an outbreak of that sort would bring the Southeast Asia Collective Defense Treaty into effect.

The real significance of President Diem's visit, however, is that today the emphasis can be placed on the positive side. Under his skillful guidance and with substantial aid from the United States, Vietnam has attained a stability that discourages adventuring. The first interest of all the peoples of Southeast Asia is to continue this progress in an atmosphere of peace and increasing freedom.

[From the New York Herald Tribune of May 13, 1957]

COURAGE AGAINST COMMUNISM

Today New York City will welcome Ngo Dinh Diem, the courageous and devoted President of South Vietnam. In the 3 days President Diem has been in Washington for conferences with President Eisenhower and other American officials, he has brought home convincingly to the American public the heartening and sometimes overlooked fact that important sections of the Far East are determined to resist both communism and neutralism—that the United States may have more friends in that part of the world than is generally realized.

In many Western minds, Vietnam was pretty well written off as a loss after the French tragedy at Dienbienphu. The country was partitioned, and the southern, anti-Communist section was regarded as weak and likely to go under. But that was without reckoning with a man like President Diem. He himself fully realized the magnitude of his task. When he took over in 1954, as he recalled the other day in an address at the National Press Club in Washington, his country "seemed past saving." But by acting with vigor and determination, and by putting to good use the material support of the United States under the partnership program, he was able to give full play to the anti-Communist feelings of the mass of his people. "Communism isn't neutral, therefore we can't be neutral," President Diem has said, in refreshing contrast to the nervous and dangerous tightrope posturing of certain other Far Eastern leaders.

This philosophy, which reflects the thinking of millions of people in both the West and the East, has been incorporated convincingly in the joint statement just issued in Washington by President Diem and President Eisenhower. They agree that "aggression or subversion threatening the political independence of the Republic of Vietnam would be considered as endangering peace and stability." They call for the admission of Vietnam to the United Nations—a long-overdue step which continues to be blocked by the Soviet Union. They regard Communist activity in the area as a continuing threat to the safety of all free nations in Asia. And they will seek all suitable means to bring about the reunification of Vietnam peacefully.

For the people of Vietnam, the Washington declaration means a rededication to the principles that have brought about a renascence of their war-torn country. For Americans it means that, in the same spirit which motivated the Eisenhower doctrine in the Middle East, this country has warned the Soviet Union against attempting aggression against a free and independent people. For the world at large, it means that an important Far Eastern country has boldly and publicly proclaimed its distaste for the doctrines of repression and aggression represented by Soviet Russia and Red China. And for some individuals in Congress, the success of President Diem's resistance to communism should provide convincing proof of the need for the continuance and expansion of the foreign aid program—particularly in its economic aspects.

As one of the Far East's foremost spokesmen in this struggle, President Diem will be welcomed warmly in New York today. He comes here not only as a leader of a free people and a statesman, but as a friend. And New York takes its friends to its heart.

[From the Christian Science Monitor of May 11, 1957]

SOUTH VIETNAM VITAL TO ASIAN SECURITY

President Diem, of South Vietnam, who 4 years ago could hardly get to see a desk man at the State Department (while exiled here and pleading Vietnamese independence), this week received the red carpet treatment.

President Eisenhower sent his personal plane to fly President Diem to Washington; he went out to the airport to greet President Diem (something he had done only once before in more than 4 years in the White House); President Diem was put up at the President's guest house; he addressed the American Congress.

All of which means that the United States is putting a great many of its Southeast Asian eggs in the Vietnamese basket, that it is backing President Diem and South Vietnam to the hilt.

[From the Christian Science Monitor of May 10, 1957]

MR. DIEM IN WASHINGTON

Ngo Dinh Diem is the symbol of the Vietnamese people's determination to be free—not merely free of French colonial but of Communist domination.

It is little short of miraculous that the Vietnamese do have such a symbol today. For many years their only symbol in their struggle for national independence was a Communist one—the ascetic, wispy-bearded figure of "Uncle" Ho Chi Minh.

Mr. Diem was hardly known outside a small circle of passionately devoted friends and followers when he returned to Vietnam from 4 years of exile in 1954.

The Geneva settlement gave North Vietnam to the Communists, and it was expected that South Vienam would fall to them without a fight within 2 years.

Mr. Diem tackled the French and got them to withdraw their troops by June 1956. He crushed the private armies of the feudal religious sects. He threw out ex-Emperor Bao Dai in a referendum and proclaimed South Vietnam a republic. He resettled 800,000 refugees from the north and initiated a land reform program.

In all this he had strong support from the United States, which has funneled three-quarters of a billion dollars' worth of economic aid to South Vietnam during the past 2 years.

President Diem has his critics. They accuse him of reliance on close relatives and of unwillingness to delegate power. But few would question that the President's accomplishments in the face of tremendous obstacles outweigh his shortcomings and that South Vietnam today is freer than the Communist North.

Washington's warm welcome to President Diem underscores its affection for a stalwart champion of freedom and its conviction that, in the case of South Vietnam, American dollars have been well spent.

[From the New York Times of May 13, 1957]

DIEM ON DEMOCRACY

In recent years there has been much confusion and controversy on definitions of democracy. There has been the tragic lie in the naming of so-called peoples' democracies. There has been a suggestion of the need for a "guided" democracy. There has been, often, the argument that democratic forms and democratic processes are not necessarily well adapted to some societies, especially the "underdeveloped."

Because a substantial part of these arguments has pertained to various countries in Asia it is a valuable thing to get some plain talk on democracy from an Asian leader. We have just had it in the address of Vietnamese President Diem to the United States Congress. This is not the first strong statement on democracy to come out of Asia. There is, for example, the ringing declaration in the Philippine Constitution: "Sovereignty resides in the people and all authority emanates from them." But President Diem has added a strongly spiritual, rather than political, note in his definition.

This could have ben expected from a man of deep religious bent. It is also not surprising that a firm concept of human rights should come from a man of erudition fully steeped in the French and American applications of this concept. But President Diem says, also, that he bases himself on fundamental sources of Asiatic culture and is within his own Vietnamese democratic tradition. Then he says:

"We affirm that the sole legitimate object of the state is to protect the fundamental rights of human beings to existence, to the free development of intellectual, moral, and spiritual life. We affirm that democracy is neither material happiness nor the supremacy of numbers. Democracy is essentially a permanent effort to find the right political means in order to assure to all citizens the right of free development and of maximum initiative, responsibility and spiritual life."

With such a declaration, we believe, Thomas Jefferson would have no quarrel. It is strongly reminiscent of his thesis that governments were instituted to make secure the unalienable rights of individuals to life, liberty, and the pursuit of happiness.

Later, to another audience, President Diem made it plain that this was no passive concept. He condemned the idea of "neutralism" in Asia's ideological struggles and stated that it would not be possible to meet Asia's problems in an atmosphere of leisure and tranquility. "Since communism is not neutral," he said, "we cannot be neutral."

This is straight talk from a courageous man. It is welcome here and it should be heard in some other quarters. There is no "neutralism" on human rights, and this is the basis for President Diem's stand.

[From the New York Times of May 12, 1957]

DIEM'S VISIT POINTS UP HARD UNITED STATES PROBLEMS IN ASIA

(By Russell Baker)

WASHINGTON, May 11.—President Ngo Dinh Diem, of Vietnam, leader of about one-tenth of the 140 million free Asians occupying the exotic peninsulas and archipelagos between India and the Philippines, was the guest of the United States last week. He was proudly introduced around town as the savior of a land that no one had thought salvageable.

President Diem, whose toughness of mind seemed exceeded only by his modesty, disclaimed the glory for himself. All, he said, was due to the courage of his people, fortified by $500 million from Washington in economic aid and an equal amount of military help. Whoever the hero, the happy fact was that Vietnam had in the last 30 months been transformed from a chaotic territory ripe for the Communist plucking into a going independent country with strong sympathies for the West.

FEW ASIAN VICTORIES

It is quite a story, or at least quite an opening chapter, and it explains the warmth with which President Diem was welcomed here. Since V-J Day in 1945 United States triumphs in Asia have been few.

In President Diem's area it has been confronted with a stubborn neutrality that has vitiated its attempts to erect a collective security defense against Chinese imperialism. Its attempts to isolate China as the pariah of the Asian world are being gradually frustrated by its allies' insistence that the economics of China cannot be ignored.

Except for Thailand, all the nations of southeast Asia have gained their independence from colonial rule since World War II. The central facts of their brief existence have been:

1. Geographical vulnerability to Chinese Communist expansionism, and hatred of war.

2. Detestation of colonialism and intense national pride.

These factors interlock to make difficulties for United States policy in the area. For example, fear of offending China make them wary of military alinement with the West.

QUESTION OF COLONIALISM

United States ties to the old European colonial powers reniforce the argument for nonalinement by invoking memories of a bitter past, which now attach to Washington by a sort of guilt by association.

In this extremely difficult situation United States policy has not been overly ambitious nor do the officials who administer it feel unduly pessimistic. The policy is simply to help the independent nations maintain their independence. It is conceded at the State Department that the last 5 years have produced no sign that the neutralists are moving toward alinement with the West. On the other hand, it is argued, the events of these past 5 years have strengthened their neutrality to the point where the Communists no longer enjoy special favor in most of the area.

Moreover, the march of communism that was proceeding through the area in 1950 has been halted. Internal fighting has stopped everywhere but on the northern borders of Laos. Compared to 1950, a measure of economic and political stability prevails, though admittedly uneasily.

Communist China, moreover, has abandoned for the time being her threatening warlike attitude.

In addition, Thailand has alined itself militarily with the West in the Manila Pact of 1954 and Vietnam has been brought forth as a militantly anti-Communist state. Both these events, however, are counterbalanced by the apparent failure of parliamentary democracy in Indonesia and President Sukarno's newly acquired admiration for the ways of communism.

Neither Vietnam's nor Thailand's pro-Western stand has swayed the prevailing neutralism of the area. Of much greater impact, at least in short-run terms, was the Communist peace that the Soviet Union imposed on Hungary and China's subsequent attempts to rationalize it as the correct Communist behavior.

This drew the first significantly loud protests from the neutralists, not only because the hyprocrisy was too much for reason to bear, but perhaps because the harsher realities seemed conceivable in Asia, too.

UNITED STATES SUEZ POLICY

A second event of great importance was United States opposition to Britain and France in the Suez Canal crisis, which gave Asians the first evidence in years that the United States, at least occasionally, pays more than lip service to anticolonialism.

The question of how the United States shall help the new nations keep their independence is under great debate here. The efficacy of economic aid is being sharply questioned. One report made to the Senate Foreign Relations Committee suggests, for example, that aid in the area be cut by half.

Whatever the outcome, no one here is under the illusion that President Diem's initial successes in Vietnam mean that the United States is out of the woods in Southeast Asia—or even that there are not great headaches still ahead.

[From the New York Times of May 13, 1957]

DIEM, HERE FOR VISIT, RELIVES HIS EXILE AT MARYKNOLL

(By Robert Alden)

Ngo Dinh Diem, President of a far-off land of Southeast Asia, came to New York yesterday to pay a visit. His country, Vietnam, has been cut in two by the Communists. The President made clear yesterday his hatred of communism. He also made it clear that he is a deeply religious man. Although his country is predominantly Buddhist, President Diem is a Roman Catholic. The first thing he did after his arrival from Washington was to attend high mass at St. Patrick's Cathedral. But the highlight of the day came when the President had a joyful reunion on the pleasant rolling campus of Maryknoll Seminary outside Ossining, N. Y. Mr. Diem had lived at the seminary and at Maryknoll Junior Seminary at Lakewood, N. J., when he was in self-imposed exile during the years 1951 to 1953. When he returned there yesterday for the first time the students, dressed identically in their black cassocks, gave him a rousing welcome. First they applauded as he stepped from his car and then they gave him a lusty threefold "Hip Hip Hurrah" that echoed in the sunlit hills.

President Diem, normally a somber man, was deeply moved. He looked really happy for the first time in what had been a long day of handshaking.

Mr. Diem greeted students and priests who had helped him with his English and with his first clumsy golf swings. When one resident at the seminary was asked about what Mr. Diem had done during his first stay there, he replied: "Oh, he cleaned dishes like the rest of us."

RECALLS MARYKNOLL DAYS

But the President told the students at Maryknoll: "It was in this house that I had a clear vision of my plans to bring freedom to my people. It was here that I formulated the principles that were to become the constitution of the Republic of Vietnam."

He told how much he had profited from the counsel and guidance he had received at Maryknoll and how much that counsel had helped in the struggle for my people.

In a nostalgic mood Mr. Diem once walked again through the colonnades and gothic arches of the school so far away from his own country that played such an important part in the shaping of the young Republic.

President Diem arrived for his New York visit at La Guardia Airport at 9:49 a. m. A chill mist cloaked the field and caused the Air Force plane that brought the President to miss the runway the first time.

The 56-year-old President, who stands 5 feet, 4 inches and weighs just over 140 pounds, stepped from the plane to be met by Richard C. Patterson, Jr., Commissioner of the Department of Commerce and Public Events.

Mr. Diem, wearing a gray suit and gray tie, his black hair immaculately in place, faced the cameras and microphones and said:

"I am happy to be again in New York where I had come 6 years ago in search of peace and liberty."

Then the motorcycle escort formed and President Diem sped toward St. Patrick's. The High Mass scheduled for 10 a. m. was delayed until the President arrived at 10:30.

Accompanied by the Most Reverend Joseph F. Flannelly, auxiliary bishop of New York, Mr. Diem was led down the center aisle to a place of honor in the sanctuary. Bishop Flannelly mounted the pulpit and said:

"We are delighted and we are proud to see in the sanctuary of our cathedral of New York, the President of the Republic of Vietnam, his Excellency Ngo Dinh Diem.

"The entire world acclaimed him when this God-fearing, anti-Communist and courageous statesman saved Vietnam."

ROCKEFELLER LUNCHEON GUEST

After the Mass, Mr. Diem stopped briefly at the Waldorf-Astoria Hotel, where he and his party are staying. Then, with motorcycle escort, he was driven to Tarrytown, N. Y., where a private luncheon party was given for him by John D. Rockefeller 3d.

After his stop at Maryknoll, President Diem went to South Orange, N. J., where he received an honorary degree of doctor of laws from Seton Hall University.

In its citation, the university said of Mr. Diem:

"He, more than anyone else, stopped the Communists in their hour of partial conquest of Vietnam. Had all Vietnam fallen to them, as seemed inevitable in July of 1954, the Communistic empire would have harvested huge economic, strategic and political advantages."

In accepting the degree, Mr. Diem said: "Never before in the history of the world have conflicts among people been presented more directly in terms of civilizations than at the present time.

"Formerly enemies fought on physical, material grounds. Those of today violate even the soul. Nowadays the Communists make a clean sweep wherever they go."

Today President Diem will be honored with a noontime parade up Broadway to city hall, a luncheon at the Waldorf-Astoria, a reception at 5:15 p. m. at the Council of Foreign Relations, 58 East 68th Street, and a dinner by the Friends of Vietnam and the International Rescue Committee at the Ambassador Hotel.

[From the Christian Science Monitor of May 8, 1957]

FULL HONORS FOR PRESIDENT DIEM

(By Neal Stanford)

The United States is currently host to President Ngo Dinh Diem, of Vietnam; and Washington is giving him the de luxe treatment. President Eisenhower sent his personal plane, the Columbine II, to fly him over; and when he arrives here from San Francisco the President is going out to the National Airport to greet him personally. He did that not too long ago for King Saud of Saudi Arabia—but he doesn't do it often. In one particular King Saud and President Diem might be compared: each in his own particular geographic area is America's anti-Communist hope.

Speaking relatively, President Diem's accomplishments in Vietnam in these last 3 years have been little short of sensational. He took a truncated nation, bankrupt, bled white by French and Communist warfare, overwhelmed by 800,000 refugees, and has laid the foundations of a more or less stable regime.

He received a lot of assistance, of course, from the United States; and President Diem is the first to acknowledge his nation's gratitude to the United States. In the last 2 years the United States has spent over half a billion dollars in Vietnam—mostly for paying the armed forces and helping to train and advise the military.

Resettling the eight-hundred-thousand-odd refugees who fled from the Communist areas when Indochina was partitioned was, however, the most spectacular United States operation. At a cost of $93 million, and some 200 million pounds of rice and other surplus United States agricultural commodities, the United States underwrote and engineered a mass escapee problem to a successful conclusion. Incidentally, the Gaza Strip refugees that are so confounding Arab-Israeli and all Middle East relations do not number more than were involved in this impressive exhibition of humanitarianism and political expediency.

President Diem has had a really tough time bringing some kind of order out of Vietnamese chaos. He has had the Communists to the north, led by the venerable Red leader Ho Chi Minh, who are working night and day to subvert his insecure regime. Certain jealous religious sects with private armies and adherents have done their best to destroy him. Some of the French, former masters in Indochina, have openly connived against him at times. And there have been political differences among the Vietnamese. An assassin took a shot at him not many months ago but got one of his Cabinet members instead.

President Diem is a short, stocky man with thick black hair. He is a Roman Catholic in a country where 90 percent of the people are Buddhists, his clan having been converted to Catholicism in the 17th century. Six years ago, with the French and Communists fighting to control Indochina, he went abroad, spending 2 years at the Maryknoll Junior Seminary in Lakewood, N. J. From there he went to a monastery in Belgium, and, after Dienbienphu, moved to a garret in Paris, before heading back to his homeland to become first Premier and then President.

It was, and is, no lush job that he took over. Vietnam, like Korea and Germany, are divided states. President Diem, who is something of an autocrat, runs a country of 12 million—whose per capita income is $133, and whose people are 80 percent illiterate. He is short on competent administrative help—and reluctant to delegate authority.

He has had some unusually able and earnest American advisers and technicians—ex-Army Chief of Staff Gen. J. Lawton Collins and Col. Edward Lansdale, who previously had worked so closely with that other Asian leader, Ramon Magsaysay of the Philippines.

Just recently as part of America's foreign aid program, Clement Johnston, then chairman of the board of the United States Chamber of Commerce, visited Vietnam and other Asian countries and had this to say about President Diem and Vietnam:

"I was favorably impressed by Diem's earnestness, his determination, his stubborn adherence to his aims, and his apparent dedication to the free world program. Vietnam's young government has many obvious weaknesses. But inescapable are the facts that Vietnam is the key to United States interests in southeast Asia, and that she is heavily dependent upon United States aid, support, and encouragement."

The United States is giving President Diem the full honors of a visiting chief of state. There is no man in southeast Asia on whom Washington pins such high hopes; and Diem's visit to the United States is intended to cement even closer the ties between Washington and Saigon.

[From the New York Herald Tribune of May 9, 1957]

MIRACLE MAKER FROM ASIA—DIEM OF SOUTH VIETNAM

(By Walter Briggs)

HONG KONG.—The salvaging of South Vietnam has been a miracle, and an ascetic named Ngo Dinh Diem has been the miracle maker. At the time of the Geneva conference on Indochina—July 1954—that partitioned Vietnam, few observers held out much hope for the south. Ho Chi Minh's Communist Vietminh, gloating over their massacre of the colonial French at Dienbienphu, glowered down from north of the 17th parallel.

This reporter well remembers a conversation then with a Western diplomat here who had just come up from Saigon, South Vietnam's capital. "Do you give them a 10 percent chance to pull through?" the diplomat was asked of Vietnam's non-Communist nationalists. "Well, 15 percent at best," he replied ruefully.

But out of the murk emerged a man who had become Premier only a few weeks earlier. Through the steel will of Ngo Dinh Diem, now President, South Vietnam has achieved political stability and a considerable measure of military security. Today North Vietnam, rent by peasant and other disaffections, seems far less menacing.

"The Communists are caught in a vicious circle," President Diem said in an interview a few weeks ago in the huge pink palace that once housed the French governors-general. "They must feed a large army to dominate the population. To do this, they have to levy heavy taxes by terrorism. We must continue to be firm—and internal disturbances will see to it that the regime will disintegrate."

How has Mr. Diem achieved this national recovery? First he won over the army's wavering loyalty and then proceeded to mop up big pockets of the Vietminh, to quell armed dissidents of the Hoa Hao and Cao Dai religious sects in the countryside, and to smash the gangster Binh Xuyen's military apparatus in Saigon. He deposed absent Emporer Bao Dai by an overwhelming vote in a referendum and later got himself elected President.

Meanwhile he accomplished the mammoth task of resettling more than 800,000 refugees unloaded from the north on the south's population of about 12 million. Gradually he negotiated a dissolution of the French high command and repatriation of roughly 150,000 French troops. And with extensive United States aid, he managed to bring the tottering economy under control.

In foreign relations, Mr. Diem has hauled South Vietnam up from nothing to its present recognition by or some form of rela-

tions with 44 countries—far outdoing the Communist north.

Mr. Diem's government has often been authoritarian in such matters as jailing political suspects and shackling the press, Vietmanese detractors say. Mr. Diem practices neopotism by giving such choice jobs as the control of his "inner council" and control of Central Vietnam to his several brothers, they charge. Corruption and inefficiency characterize his bureaucracy, they declare.

Most Vietnamese will grant some shortcomings but believe they can be excused when balanced against Diem's achievements—and they are diminishing.

Ngo is actually Mr. Diem's family name; to refer to him as Diem—his given name—is to follow Vietnamese usage. Fifty-six years old, Mr. Diem has been a lifelong nationalist. But he has always stood for constitutional government against "democratic dictatorship" of Communists.

The Vietminh threw Mr. Diem into jail at the end of World War II. They shot one of his brothers but released him after a few months—an uncommunist act of clemency that now surely must haunt them. As far as observers can determine, Mr. Diem is ambitious only for his country. A bachelor, his avowed personal aim as a Roman Catholic intellectual is to retire to scholasticism in a monastery. A short, stocky man, Mr. Diem chain-smoked through stubby fingers during 2½ hours of conversation—which seems to be a catharsis for him—with this reporter.

One of Vietnam's most immediate problems is largely of Mr. Diem's own making. This is the restiveness of the country's Chinese over decrees to force citizenship on all born there and otherwise to Vietnamize them. Numbering about one-tenth of the population, these Chinese handle at least two-thirds of Vietnam's trade. "If we had enough personnel to levy taxes on all their illegal profits," Mr. Diem said feelingly, "Vietnam would be rich."

Mr. Diem is immensely grateful for American aid but hopes henceforth it will be granted in terms of a 3-to-5-year economic plan. Mr. Diem foresees that American aid—which amounts to $290 million this year—can be "reduced progressively." Though Vietnam presently exports only about one-fifth as much as it imports, "we should become self-sufficient in 5 to 10 years," he said.

[From the New York Times magazine of May 5, 1957]

MAN FROM VIETNAM

(By Foster Hailey)

TOKYO.—The stocky man in the long black gown and flat black cap bent anxiously for a moment over his secretary of state for agrarian reform, who lay on a gravel walk in the fairgrounds at Banmethuot in south-central Vietnam clutching a bleeding side and left arm.

"They have shot me," murmured Do Van Cung.

There could be no doubt in the mind of President Ngo Dinh Diem last February 22 for whom the bullet had been intended. Had the assailant's automatic pistol not jammed after that one wild shot, the United States probably would not this week be greeting its distinguished Asian guest.

It was the first time since Mr. Diem became President of the Republic of Vietnam a year ago last October that an attempt had been made to assassinate him. But there was no hint in his manner that he was perturbed. He stood for a moment, reported Le Journal d'Extrême-Orient of Saigon, "watching the crowd around him with his sharp and heavy look in an attitude of the most striking impassibility." Five minutes later, in a firm voice, he began his prepared talk. "Dear compatriots * * *."

All through the remainder of the hot morning he walked through dusty compounds and buildings of the fair with no added escort, chain-smoking cigarettes and chatting amiably with booth attendants and members of his entourage.

It was not the first time Mr. Diem had shown that high degree of courage that Ernest Hemingway once defined as "grace under pressure." And not just physical courage, but spiritual and moral courage as well. When he believes a course is right for himself and for his country he will defy the world—and has.

When he was under heavy compulsion from the western powers 2 years ago to agree to implementation of the Geneva accord for elections in all of Vietnam he told a representative of his main foreign supporter—the United States Government—that he would not even go through the motions of discussing the matter with the Communists.

Washington was afraid that meant a renewal of war with the Communist North and let it be known publicly that it was displeased with his attitude. He still said "No."

Had an election been held in 1955, there is little doubt the Communists would have won. Ho Chi Minh, the Communist leader in Hanoi, was then—as he had been since 1945—the one great symbol of independence for the larger part of the people of Vietnam. Today President Diem is that symbol, the undisputed leader of one of the most promising old-young countries of southeast Asia.

President Diem has achieved that position in less than 3 years. It was only on June 26, 1954, that he returned from Paris to Vietnam after 4 years' voluntary exile—and 21 years out of public life—with a delegation from Chief of State Bao Dai of full military and civilian power.

There were few who gave Mr. Diem a chance of saving anything from the wreckage of his country. Dienbienphu had just been overrun by the Communists. The French were in full retreat. Ho Chi Minh was the national hero.

Mr. Diem had an army of 200,000 men, but it was poorly armed, only half-trained, and French-led. Saigon and the Medong River Delta were under the control of the Binh Xuyen, a gang of river bandits who controlled the opium trade and prostitution in the Vietnamese capital.

Several times during the next few months he took the field with loyal troops against the Binh Xuyen. And by May 1955 he was able to announce his victory and tell of his hopes and plans for his country. The principal one was full independence.

With the military struggle behind him, Mr. Diem proceeded to consolidate his leadership by keeping his promises to his people. He promised land reform—and instituted it. He promised to eliminate every vestige of French rule—and did.

Events have proved that what the Vietnamese needed and wanted was a leader who pledged no allegiance to anyone except themselves, one in whom they could put their trust and on whose honesty and integrity they could rely. They had followed Ho Chi Minh because, until Mr. Diem came along, they had been offered no other choice.

Almost as important, perhaps, is the fact that the President is an indefatigable traveler who has visited every part of the Republic since his assumption of office, shaking hands, mingling with the people, and speaking eloquently but simply to the crowds that turn out everywhere to greet him. Practically all of Vietnam's 12 million inhabitants must feel that they know him personally.

Mr. Diem's life would indicate that almost from the time he was old enough to think coherently leadership of an independent Vietnam had been his dream. He was born at Hue, capital of the then empire of Annam, January 3, 1901. He was the third son of Ngo Dinh Kha, Minister and counselor to Emperor Than Thai, father of Bao Dai. Annam was a protectorate in the complex of protectorates, princely states and colonies that made up French Indochina.

He entered the mandarinate (a corps of high civil servants) on graduation from the School of Administration at Hue, and at 32 was named Minister of Interior in the Annam Government. When the French blocked his attempts at reform he resigned.

Although he was out of office, his abilities were so well recognized that he received several invitations during the war and the immediate postwar years to join various governments. Bao Dai twice offered him posts, once in a puppet government under the Japanese and later under the French. Ngo Dinh Diem would have no part of either.

Ho Chi Minh—whom Mr. Diem says he has known, disliked and distrusted since 1929, also offered him a place in the government he set up after the war, after first holding Mr. Diem under arrest for 6 months. Mr. Diem spurned that offer, too.

Seeing no hope at home, with Ho Chi Minh's Vietminh ruling the countryside and Bao Dai dividing his time between big-game hunting in the highlands and bathing on the French Riviera, Ngo Dinh Diem left Vietnam in 1950 to plead his country's cause in the world's capitals.

He visited Japan and the Philippines and then went to the United States, where he lived for several months, with his headquarters at Maryknoll Seminary in Lakewood, N. J. He went on to Belgium in 1953, and then to France. When Bao Dai called him to his Riviera villa in June 1954, he was ready to accept the forlorn chance offered.

President Diem is unusual among Asian leaders. He is, first, a devout Roman Catholic. He also is a celibate. When still in his teens he considered becoming a priest, and took a vow of chastity which he renews daily by laying a spray of flowers on the shrine of the Virgin in the private chapel of Din Doch Lap (Independence Palace), where he lives.

He is also one of the hardest working government officials in the East or West, putting in a normal working day of 16 hours. He still finds time to study government, economics, and history, and to pursue his hobbies of hunting, photography, horseback riding, and rose culture.

Finally, he is one of the most western-minded of Asian leaders. Some of this trait probably is attributable to his two close American friends and advisers. One is Wolf Ladejinsky, the controversial Russian-born economist and land-reform expert, whom President Diem hired as his personal adviser when Mr. Ladejinsky finally was forced to resign from United States Government service in 1955. Many of the reforms President Diem has sponsored in the last 2 years undoubtedly had their genesis in the breakfast conferences he holds with Mr. Ladejinsky 2 or 3 times a week.

The other American closest to him is Dr. Wesley R. Fishel, a young Michigan State College professor who heads a Michigan State advisory group to Vietnam. The group is helping the Government set up a modern taxation system and institute other reforms.

Another close friend and admirer is Lt. Gen. John H. O'Daniel, former head of the United States Military Assistance Advisory Group in Vietnam. General O'Daniel was almost alone among United States officials in retaining faith through the dark days of 1954 and 1955 that President Diem could bring order out of chaos and establish a stable government.

The President is not without critics. One complaint heard frequently from his countrymen is that he relies too much on his family for advice. One of his four living brothers is gazetted as his political adviser. Another is Ambassador to London. A third is Roman Catholic Bishop of the Province of Vinh Long. An elder brother, who was a Provincial Governor under the French, was killed by guerrillas in 1945.

Other criticisms heard are that President Diem insists on handling too many affairs himself, thus delaying important decisions, and that he has not moved rapidly enough in extending democratic elections. All Provincial Governors, for instance, still are appointed as in colonial days.

But Mr. Diem is in only the second year of a 6-year term as President. His goal is a prosperous and united Vietnam by the time his term is over. He feels that the Chinese-supported Communist regime in northern Vietnam cannot survive. All information from there is that the people are restive. They know that in the south their fellows are freer and far better off. Diem has the patience to wait until the people of the north find intolerable the way of life that communism offers them.

Meanwhile he is striving with the help of about $200 million a year in United States aid and his own untiring efforts to raise the educational level of his people and give them land and a life of peace. A happy man on his own land is a poor prospect for communism, he says.

PRESIDENT DIEM AND THE FOREIGN-AID PROGRAM

Mr. JAVITS. Mr. President, I should like to join my colleague, the Senator from Montana [Mr. MANSFIELD], in his remarks about President Diem of Vietnam, who is now in the United States and who is one of the real heroes of the free world.

Mr. President, an article in the New York Herald Tribune of today, by Marguerite Higgins, points this out, and I quote from her article, as follows:

DIEM AND MEAT-AX CUTS IN FOREIGN AID

A small Asian leader of great moral stature played out a particularly pertinent drama in Washington last week. It was not just that South Vietnam's Ngo Dinh Diem forcefully broke the pattern set by recent Asian visitors and categorically brushed aside the possibility of being neutral against communism. "Communism isn't neutral, therefore we can't be neutral," he said. It was rather his public reminder that the vastly important region of Vietnam, the largest of the Indochina states, had been saved "when it seemed past saving" only by the assistance of the United States.

Diem's reminder had particular drama because it came at a time when there runs a strong undercurrent of fear both here and abroad that America may be preparing to abdicate gradually its position as a shield against communism in important parts of the world.

Those who propose to meat-ax such things as the foreign aid budget—and thereby make it impossible to give effective assistance to such countries as Vietnam—would deny ferociously that any such abdication was intended.

Isolationism is still a dirty word around Washington. The abdication of America as defender of the Free World would be done in the name of budget cutting, economy, lower taxes and the real consequences of such a pullback would be camouflaged.

But the visit here of President Diem temporarily tore away the camouflage—much of which has already been erected—and spelled out the potential disasters of any serious American retrenchment. What would have happened, asked Diem, had so-called foreign aid not been available to Vietnam at its critical hour? It would have failed.

But this is not the only country which was saved when it seemed past saving. Those who would meat-ax American assistance programs—for which, as President Eisenhower pointed out, there is no American political lobby—should plainly answer such questions as "What would have happened to Korea if America had not intervened?"

What would have happened to Formosa if America had not changed its mind and decided that it was not, after all, to be allowed to fall to the Communists?

What would have happened to Germany if Russia's attempt to conquer piecemeal had not been repelled at the first instance in Berlin by countering the Communist blockade of that city with the American airlift?

What would have happened only a few weeks ago to the turbulent Kingdom of Jordan had the United States not been prepared to extend help against Communist aggression if such help had become necessary?

Most important of all is this question: Which country stands in the long run to lose the most if Vietnam and South Korea fall and communism dominates the Far East, if Jordan, Syria, Egypt, etc., go behind the Iron Curtain, if Soviet pressure overwhelms Germany and then, inevitably, Europe?

* * * * *

The only way the great power struggle between Russia and the United States can become less expensive is for some kind of modus vivendi between America and the Communist bloc. And the truth is that despite President Eisenhower's best efforts such a modus vivendi is not yet in sight.

What then are the choices before the American people? A vital point is to demolish the myth that this country can somehow decide unilaterally to bow out of being the first team in the cold war without shattering consequences. The only way we could casually pull out of this dangerous game would be if the other side were willing to stop, too. But the Russians have proclaimed that they are in this for the duration—until the decision between communism and freedom has been decided worldwide. In the cold war, as in a hot war, if just one side stops fighting it paves the way for the other's unopposed advance.

It must also be made clear that there is no way for America to tap some other country for captain of the team. So mammoth are the costs and industrial requirements of modern war, that no one else has the capacity or the power.

In Vietnam, for instance, it is not only the Vietnamese soldiers that prevent a Communist invasion, though they are an important on-the-ground deterrent. It is the knowledge that a Communist attack would invoke American retaliation. It is not NATO alone that saves Europe—after all, Russia has the hydrogen weapons and Europe hasn't—but the shield of American power. And so on in most key areas where communism threatens free nations.

Back in World War II there was a slogan, "Help America by Aiding the Allies." It is still valid but should be extended to the entire concept of so-called foreign aid, which in effect is an arm of this country's great struggle with the Soviet bloc—a struggle designed to help ourselves.

More important, if false hopes are not to be raised and disillusion periodically to set in, President Eisenhower ought to make it plain that so long as the cold war continues the bills in support of freedom are going to get steeper and steeper. At the same time the people ought to be told of the great risks they are being asked to face in the name of meat-ax economy. The isolationists must not out of political politeness be allowed to camouflage the consequences of even a minor retreat to fortress America. The citizens of this country may dislike paying the price of the cold war. But the other way has a double indemnity. The high cost of defeat and retreat involves not just money but morale. And Americans still think of themselves as winners.

The article points out that the fate of the free world in Korea, Formosa, Berlin, and very recently—just a few days ago—in the Kingdom of Jordan hung upon the fact that the United States provided foreign aid and that foreign aid was available through the efforts of the President to be used as a weapon in the cold war, which is a very real war in terms of survival of the free world.

President Diem epitomizes the victory of freedom over communism, because we afforded his country the sinews with which to do the job, which was foreign aid.

RUMANIAN INDEPENDENCE DAY

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following these remarks, a statement which I have prepared in commemoration of Rumanian Independence Day, which was celebrated on May 10.

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

MESSAGE OF SENATOR IVES ON THE OCCASION OF RUMANIAN INDEPENDENCE DAY, MAY 10, 1957

It is indeed a privilege to join with my fellow citizens of Rumanian descent in commemoration of the anniversary of Rumanian Independence Day.

The American people look with sorrow upon the ruthless Soviet domination of Rumania. The tragic subjugation of this gallant land continues to be of deep and abiding concern.

The proclamation of Rumanian independence from Turkey in 1877 is today a symbol of that brave country's determination to resist the Communist tyranny. On this anniversary as Rumania continues her brave resistance, let us once again pledge our support in this struggle. We hope and pray that the day of liberation is near.

THE SENATE SHOULD MODERNIZE ITSELF

Mr. WILEY. Mr. President, I wish to call the attention of the Senate to an idea I have been considering for some time. Before the Senate had its most recent remodeling, I had suggested that two improvements be made:

First, I suggested that the Senate be provided with an electric voting system, such as is used in the legislature of my State, and such as has long been recommended by efficiency experts, in the interest of saving time.

Second, I recommended that Senators have available at their desks microphones so they could be sure to hear each other speak, and so the galleries as well could hear what Members of the Senate were saying.

I must say, for example, that although I sit very close to the distinguished majority leader—practically across the aisle from him—very often I cannot hear what he is saying. I know that it is not

the fault of my hearing, but, rather, because our able friend from Texas has a soft, modulated voice. And when he speaks to the Presiding Officer, he speaks in such soft, calm tones that, unfortunately, a good many of us have real difficulty in hearing him. When he wants to be heard, of course, by all of us, the fact is that we do not hear all he is saying.

I know that historically the Senate has refused to accept either of these efficiency suggestions.

The electric voting resolutions, which I and other Senators have submitted, have always piled up in the Senate Committee on Rules and Administration without any action.

I hope, however, that, at the very least, we may have a loudspeaker system installed. This is the greatest deliberative Chamber in the world. It seems very inconsistent, therefore, that the vast numbers of American citizens who come to see the Senate in action find that they literally cannot hear a major proportion of what is being said. The taxpayers come, they see, but many do not hear. And so they complain.

In our own self-interest, therefore, in the interest of the moral esteem with which we are held in the eyes of our people, we ought to see that a loudspeaker system is installed.

Each microphone at the desk could have a switch, so that if a Senator preferred, for reasons of his own, not to have the microphone on, he could simply switch it off.

Of course, in a rapid debate between Senators, it would be expected that they would have the microphones adjusted so that there would be a consistent volume.

I am hoping that before we return for the second session of the 85th Congress my colleagues will have decided to adopt at least this recommendation.

I have given a great deal of consideration to the statement which I have just made. The public is entitled to know what is going on in the Senate. More than that, however, I feel that we in the Senate are entitled to know what is going on. Many Senators speak from the back row, with soft voices, such as the majority leader has. We do not know what is going on. How can we be attentive to the business of the Senate if we do not hear what is being said, or have to wait until the next day to read in the RECORD what has happened?

Mr. JAVITS. Mr. President, first I should like to support my colleague, the Senator from Wisconsin [Mr. WILEY] in his suggestion that we ought to have a loudspeaker in this Chamber. I served in the other body across the Capitol, where loudspeakers were used, and we found the system very satisfactory.

I believe some great speeches are made here. I should like to hear them. So would others.

As a member of the Committee on Rules and Administration, I shall make inquiry into the subject, to see if perhaps we can make progress in that regard.

Much as I appreciate the devotion of this body to precedent, I think loudspeakers are now so old in use that they themselves constitute a precedent.

MAJ. CHARLES M. STEDMAN

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the Raleigh, N. C., News and Observer of March 4, 1957.

The article pertains to the late Maj. Charles Manley Stedman, a North Carolinian, who was the last veteran of the Civil War to serve in either House of Congress.

Major Stedman was on the personal staff of Gen. Robert E. Lee at the time of Appomattox. He came to Congress, as a Member of the House of Representatives, in 1911, and remained until his death in 1930, at the age of 89.

I think it particularly fitting that we call attention to the man and his career on this day, our first session since the recess on Friday, which was Confederate Memorial Day.

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

UNDER THE DOME

WASHINGTON, March 3.—Monday, March 4, marks the 46th anniversary of the day a North Carolinian, who attained the greatest age of any man ever serving in Congress, first took his seat in the House of Representatives.

The longevity record-holding Tar Heel was the late Charles Manley Stedman, who represented the 11 counties then comprising the Fifth District from March 4, 1911, until his death September 23, 1930. Born in Pittsboro on January 29, 1841, Stedman was 70 years old when he first came to the Capitol, and 89 years 7 months 25 days of age at the time of his death.

The runner-up for the record set by the North Carolinian was a contemporary of Stedman, Representative Isaac R. Sherwood, Republican, of Ohio. Sherwood retired from the House on March 3, 1925, at the age of 89 years 7 months 21 days.

Stedman and Sherwood also had in common the fact that both were veterans of the War Between the States, though on opposite sides in that bitter conflict. Sherwood was a general in the Union Army, while Stedman, a major, served in the cause of the Confederacy. He was a member of Gen. Robert E. Lee's personal staff at the time of his surrender at Appomattox Courthouse.

Experiences: The fires of bitterness had been fanned thin by the time the two members of opposing forces met on common ground in Congress, and it was not an unusual occurrence to come upon them together in the Capitol's rotunda discussing their wartime experiences.

Stedman outlived Sherwood by 5 years, to achieve the added distinction of being the last Civil War veteran to serve in either House of Congress. Having volunteered the day before he was to receive his degree from the University of North Carolina, the North Carolinian served under General Lee throughout the war and was wounded three times in battle.

Veteran newsmen who covered the Capitol during the 1920's recall that Stedman, tall, broad shouldered, and erect, resembled Lee. He undoubtedly was a striking figure, with a white beard similar to General Lee's and frequently attired in Confederate gray, with the coat cut full and long.

At the end of the Civil War, Stedman read law and obtained a license to practice. He began his practice in Wilmington, N. C., where in 1886 he married Miss Catherine de Rossett Wright, daughter of Joshua G. Wright, of that city.

Stedman was chosen as a delegate to the Democratic National Convention in 1880, and 4 years later he was elected lieutenant governor. In 1888, however, he was defeated in his bid for the governorship by a very small margin.

Toward the turn of the century Stedman moved to Greensboro where he continued his law practice until his election to Congress. He at one time served as president of the North Carolina Bar Association.

THEODORE ROOSEVELT AND AMERICAN AGRICULTURE

Mr. MUNDT. Mr. President, as a member of the Theodore Roosevelt Centennial Commission, I ask unanimous consent to have printed at this point in the RECORD a study prepared at the request of the Commission by the Library of Congress, entitled "Theodore Roosevelt and American Agriculture."

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

THEODORE ROOSEVELT AND AMERICAN AGRICULTURE—IMPORTANT EVENTS THAT OCCURRED DURING HIS ADMINISTRATION AND STATEMENTS MADE BY HIM ON AGRICULTURE, FARMERS, FARMING AND FARM ORGANIZATIONS

SELECTED INFORMATION

Events

1902: The American Society of Equity, a farmers' organization devoted largely to improving marketing practices, was formed.

1902: The Farmers Union was formed.

1902: The Reclamation Act of 1902 was approved.

May 9, 1902: The Adulterated and Renovated Butter Act was passed. This act regulated the manufacture of these products, provided for the inspection of establishments manufacturing such products, and authorized the Secretary of Agriculture to promulgate any regulations that may have been required.

June 3, 1902: An act of Congress provided that the Divisions of Soils, Forestry, and Chemistry were to be bureaus. Other divisions were combined to form the Bureau of Plant Industry.

1903: A serum for hog cholera was developed.

February 1, 1905: The national forests were placed under the jurisdiction of the Secretary of Agriculture.

1905: The California Fruit Growers Exchange was formed.

March 3, 1905: Animal Quarantine Act was approved. This law sought to prevent the spread of the diseases of livestock by regulating their interstate movement from areas affected with contagious diseases.

March 3, 1905: The Insect Pest Act, as amended, was approved.

June 29, 1906: The 28-hour law was approved. This law provided for the care of animals in transit, regulated interstate transportation of animals, confinement, water, and feeding.

June 30, 1906: The Food and Drugs Act of 1906 was passed. This act was to be administered by the United States Department of Agriculture.

March 4, 1907: The Meat Inspection Act was approved. This act was to be administered by the United States Department of Agriculture.

1908: President Roosevelt organized the Country Life Commission.

May 23, 1908: The Dairy Products Exports Act was approved. This law promoted commerce with foreign countries by preventing the exportation of dairy products unless the same have been inspected and certified.

May 23, 1908: An act which provided that 25 percent of all moneys received by the national forests shall be paid to the States or Territories for the benefit of public schools

and public roads of the counties in which the national forests are situated, was approved.

Statements

Farmer and Laborer

The true welfare of the Nation is indissolubly bound up with the welfare of the farmer and the wage worker—of the man who tills the soil, and of the mechanic, the handicraftsman, the laborer. If we can insure the prosperity of these two classes we need not trouble ourselves about the prosperity of the rest, for that will follow as a matter of course. (Address, Pan-American Exposition, Buffalo, N. Y., May 20, 1901.)

Department of Agriculture

The Department of Agriculture during the past 15 years has steadily broadened its work on economic lines, and has accomplished results of real value in upbuilding domestic and foreign trade. It has gone into new fields until it is now in touch with all sections of our country and with two of the island groups that have lately come under our jurisdiction, whose people must look to agriculture as a livelihood. It is searching the world for grains, grasses, fruits, and vegetables specially fitted for introduction into localities in the several States and Territories where they may add materially to our resources. By scientific attention to soil survey and possible new crops, to breeding of new varieties of plants, to experimental shipments, to animal industry and applied chemistry, very practical aid has been given our farming and stock-growing interests. The products of the farm have taken an unprecedented place in our export trade during the year that has just closed. (First Annual Message, December 3, 1901.)

Farmer and rural free delivery routes

On November 1, 1902, 11,650 rural free delivery routes had been established and were in operation, covering about one-third of the territory of the United States available for rural delivery service. There are now awaiting the action of the Department petitions and applications for the establishment of 10,748 additional routes. This shows conclusively the want which the establishment of the service has met and the need of further extending it as rapidly as possible. It is justified both by the financial results and by the practical benefits to our rural population; it brings the men who live on the soil into close relations with the active business world; it keeps the farmer in daily touch with the markets; it is a potential educational force; it enhances the value of farm property, makes farm life far pleasanter and less isolated, and will do much to check the undesirable current from country to city.

It is to be hoped that the Congress will make liberal appropriations for the continuance of the service already established and for its further extension. (Second annual message, December 2, 1902.)

Scientific aid to farmers

In no department of governmental work in recent years has there been greater success than in that of giving scientific aid to the farming population, thereby showing them how most efficiently to help themselves. There is no need of insisting upon its importance, for the welfare of the farmer is fundamentally necessary to the welfare of the Republic as a whole. In addition to such work as quarantine against animal and vegetable plagues and warring against them when here introduced, much efficient help has been rendered to the farmer by the introduction of new plants specially fitted for cultivation under the peculiar conditions existing in different portions of the country. New cereals have been established in the semiarid West. For instance, the practicability of producing the best types of macaroni wheats in regions of an annual rainfall of only 10 inches or thereabouts has been conclusively demonstrated. Through the introduction of new rices in Louisiana and Texas, the production of rice in this country has been made to about equal the home demand. In the Southwest the possibility of regrassing overstocked rangelands has been demonstrated; in the North many new forage crops have been introduced; while in the East it has been shown that some of our choicest fruits can be stored and shipped in such a way as to find a profitable market abroad. (Second annual message, December 2, 1902.)

Department of Agriculture

The Department of Agriculture devotes its whole energy to working for the welfare of farmers and stock growers. In every section of our country it aids them in their constantly increasing search for a better agricultural education. It helps not only them, but all the Nation, in seeing that our exports of meats have clean bills of health, and that there is rigid inspection of all meats that enter into interstate commerce.

The Department of Agriculture has been helping our fruitmen to establish markets abroad by studying methods of fruit preservation through refrigeration and through methods of handling and packing.

Moreover, the Department has taken the lead in the effort to prevent the deforestation of the country. Where there are forests we seek to preserve them, and on the once treeless plains and the prairies we are doing our best to foster the habit of tree planting among our people. (Address, Sioux Falls, S. Dak., April 6, 1903.)

Improvement of farm life

Rural free delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities, for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country, and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency toward the urban concentration of our population at the expense of the country districts. It is for the same reason that we sympathize with and approve of the policy of building good roads. The movement for good roads is one fraught with the greatest benefit to the country districts. (Third annual message to the Congress, December 7, 1903.)

Agriculture and the tariff

Agriculture is now, as it always has been, the basis of civilization. The 6 million farms of the United States, operated by men who, as a class, are steadfast, single minded, and industrious, form the basis of all the other achievements of the American people, and are more fruitful than all their other resources. The men on those 6 million farms receive from the protective tariff what they most need, and that is the best of all possible markets. All other classes depend upon the farmer, but the farmer in turn depends upon the market they furnish him for his produce. * * * American farmers have prospered because the growth of their market has kept pace with the growth of their farms. The additional market continually furnished for agricultural products by domestic manufacturers has been far in excess of the outlet to other lands. An export trade in farm products is necessary to dispose of our surplus, and the export trade of our farmers, both in animal products and in plant products, has very largely increased. Without the enlarged home market to keep this surplus down, we should have to reduce production or else feed the world at less than the cost of production. (Letter accepting Republican nomination for President, September 12, 1904.)

The Department of Agriculture

The Department of Agriculture has grown into an educational institution with a faculty 2,000 specialists making research into all the sciences of production. The Congress appropriates, directly and indirectly, $6 million annually to carry on this work. It reaches every State and Territory in the Union and the islands of the sea lately come under our flag. Cooperation is had with the State experiment stations, and with many other institutions and individuals. The world is carefully searched for new varieties of grains, fruits, grasses, vegetables, trees, and shrubs, suitable to various localities in our country; and marked benefit to our producers has resulted.

The activities of our age in lines of research have reached the tillers of the soil and inspired them with ambition to know more of the principles that govern the forces of nature with which they have to deal. Nearly half of the people of this country devote their energies to growing things from the soil. Until a recent date little has been done to prepare these millions for their life work. In most lines of human activity college-trained men are the leaders. The farmer had no opportunity for special training until the Congress made provision for it 40 years ago. During these years progress has been made and teachers have been prepared. Over 5,000 students are in attendance at our State argricultural colleges. The Federal Government expends $10 million annually toward this education and for research in Washington and in the several States and Territories. The Department of Agriculture has given facilities for postgraduate work to 500 young men during the last 7 years, preparing them for advance lines of work in the Department and in the State institutions. * * * (Fourth Annual Message, December 6, 1904.

Farmers associations

Organization has become necessary in the business world; and it has accomplished much for good in the world of labor. It is no less necessary for farmers. Such a movement as the grange movement is good in itself and is capable of a well-nigh infinite further extension for good so long as it is kept to its own legitimate business. The benefits to be derived by the association of farmers for mutual advantage are partly economic and partly sociological. (Sixth Annual Message, December 3, 1906.)

Importance of the farmer

The only other persons whose welfare is as vital to the welfare of the whole country as is the welfare of the wageworkers are the tillers of the soil, the farmers. It is a mere truism to say that no growth of cities, no growth of wealth, no industrial development can atone for any falling off in the character and standing of the farming population. During the last few decades this fact has been recognized with ever-increasing clearness. There is no longer any failure to realize that farming, at least in certain branches, must become a technical and scientific profession. This means that there must be open to farmers the chance for technical and scientific training, not theoretical merely but of the most severely practical type. The farmer represents a peculiarly high type of American citizenship, and he must have the same chance to rise and develop as other American citizens have. * * * (Sixth Annual Message, December 3, 1906).

Farm population

If there is one lesson taught by history it is that the permanent greatness of any State must ultimately depend more upon the character of its country population than upon anything else. No growth of cities, no

growth of wealth can make up for a loss in either the number or the character of the farming population. In the United States more than in almost any other country we should realize this and should prize our country population. When this Nation began its independent existence it was a Nation of farmers. The towns were small and were for the most part mere seacoast trading and fishing ports. The chief industry of the country was agriculture, and the ordinary citizen was in someway connected with it. In every great crisis of the past a peculiar dependence has had to be placed upon the farming population; and this dependence was hitherto been justified. But it cannot be justified in the future if agriculture is permitted to sink in the scale as compared with other employments. We cannot afford to lose that pre-eminently typical American, the farmer who owns his own farm. (Address, Semicentennial Celebration, founding of Agricultural College, Lansing, Mich., May 31, 1907.)

New tasks for farm agencies

Hitherto agricultural research, instruction, and agitation have been directed almost exclusively toward the production of wealth from the soil. It is time to adopt in addition a new point of view. Hereafter another great task before the National Department of Agriculture and the similar agencies of the various States must be to foster agriculture for its social results, or, in other words, to assist in bringing about the best kind of life on the farm for the sake of producing the best kind of men. The Government must recognize the far-reaching importance of the study and treatment of the problem of farm life alike from the social and the economic standpoints; and the Federal and State Departments of Agriculture should cooperate, at every point. (Address, Semicentennial Celebration, founding of agricultural colleges, Lansing, Mich., May 31, 1907).

Scientific agriculture

Nothing in the way of scientific work can ever take the place of business management on a farm. We ought all of us to teach ourselves as much as possible; but we can also all of us learn from others; and the farmer can best learn how to manage his farm even better than he now does by practice, under intelligent supervision, on his own soil in such way as to increase his income.

But much has been accomplished by the growth of what is broadly designated as agricultural science * * *. Much more can be accomplished in the future * * *. It is probably one of our faults as a Nation that we are too impatient to wait a sufficient length of time to accomplish the best results; and in agriculture effective research often, although not always, involves slow and long-continued effort if the results are to be trustworthy. While applied science in agriculture as elsewhere must be judged largely from the standpoint of its actual return in dollars, yet the farmers, no more than anyone else, can afford to ignore the large results that can be enjoyed because of broader knowledge. The farmer must prepare for using the knowledge that can be obtained through agricultural colleges by insisting upon a constantly more practical curriculum in the schools in which his children are taught. He must not lose his independence, his initiative, his rugged self-sufficiency; and yet he must learn to work in the heartiest cooperation with his fellows. (Address, Semicentennial Celebration, founding of agricultural colleges, Lansing, Mich., May 31, 1907).

Farmer and laborer

It should be one of our prime objects to put both the farmer and the mechanic on a higher plane of efficiency and reward, so as to increase their effectiveness in the economic world, and therefore the dignity, the remuneration, and the power of their positions in the social world. (Seventh Annual Message to the Congress, December 3, 1907.)

Department of Agriculture

When the Department of Agriculture was founded there was much sneering as to its usefulness. No Department of the Government, however, has more emphatically vindicated its usefulness, and none save the Post Office Department comes so continually and intimately into touch with the people. (Seventh Annual Message, December 3, 1907.)

National grain inspection system

The grain producing industry of the country, one of the most important in the United States, deserves special consideration at the hands of the Congress. Our grain is sold almost exclusively by grades. To secure satisfactory results in our home markets and to facilitate our trade abroad, these grades should approximate the highest degree of uniformity and certainty. The present diverse methods of inspection and grading throughout of country under different laws and boards, result in confusion and lack of uniformity, destroying that confidence which is necessary for healthful trade. Complaints against the present methods have continued for years and they are growing in volume and intensity, not only in this country but abroad. I therefore suggest to the Congress the advisability of a national system of inspection and grading of grain entering into interstate and foreign commerce as a remedy for the present evils. (Seventh Annual Message, December 3, 1907.)

Broader problems of agriculture

Our attention has been concentrated almost exclusively on getting better farming. In the beginning this was unquestionably the right thing to do. The farmer must first of all grow good crops in order to support himself and his family. But when this has been secured, the effort for better farming should cease to stand alone, and should be accompanied by the effort for better business and better living on the farm. It is at least as important that the farmer should get the largest possible return in money, comfort, and social advantages from the crops he grows, as that he should get the largest possible return in crops from land he farms. Agriculture is not the whole of country life. The great rural interests are human interests, and good crops are of little value to the farmer unless they open the door to a good kind of life on the farm. (Letter of appointment to Country Life Commission, August, 1908.)

Improvement of farm life

We have to grapple with one fact which has made both the strength and the weakness of the American farmer, and that is, his isolation. This isolation implies a lack both of the pleasure and of the inspiration which come from closer contact between people, and from a well-developed organization for social pleasures, for religious life, for education. On the other hand, it is to this isolation more than to anything else that we owe the strength of character so typical of the American farmer, who lives under a peculiarly individualistic system in the management alike of the farm and of the farm home.

The successfully managed family farm gives to the father, the mother, and the children better opportunities for useful work and for a happy life than any other occupation. Our object must be, so far as practicable, to do away with the disadvantages which are due to the isolation of the family farm, while conserving its many and great advantages. We wish to keep at its highest point the peculiarly American quality of individual efficiency, while at the same time bringing about that cooperation which indicates capacity in the mass. Both qualities can be used to increase the industrial and ethical proficiency of our people, for there is much the individual only can do for himself, and there is much also which must be done by all combined because the individual cannot do it. Our aim must be to supplement individualism on the farm and in the home with an associated effort in those country matters that require organized working together. (Letter to Herbert Myrick, November 12, 1908.)

Importance of agriculture

To improve our system of agriculture seems to me the most urgent of the tasks which lie before us. But it cannot, in my judgment, be effected by measures which touch only the material and technical side of the subject; the whole business and life of the farmer must also be taken into account.

I warn my countrymen that the great recent progress made in city life is not a full measure of our civilization; for our civilization rests at bottom on the wholesomeness, the attractiveness, and the completeness, as well as the prosperity, of life in the country. The men and women on the farms stand for what is fundamentally best and most needed in our ability, by methods of farming requiring the highest intelligence, to continue to feed and clothe the hungry nations; to supply the city with fresh blood, clean bodies, and clear brains that can endure the terrific strain of modern life; we need the development of men in the open country, who will be in the future, as in the past, the stay and strength of the Nation in time of war, and its guiding and controlling spirit in time of peace. (Special message to Congress transmitting the report of the Country Life Commission, February 9, 1909.)

Improvement of farm life

One of the chief difficulties is the failure of country life, as it exists at present, to satisfy the higher social and intellectual aspirations of country people. Whether the constant draining away of so much of the best elements in the rural population into the towns is due chiefly to this cause or to the superior business opportunities of city life may be open to question. But no one at all familiar with farm life throughout the United States can fail to recognize the necessity for building up the life of the farm upon its social as well as upon its productive side.* * * (Special message to the Congress transmitting the report of the Country Life Commission, February 9, 1909.)

Improvement of country life

The Commission (Commission on Country Life) has tried to help the farmers to see clearly their own problem and to see it as a whole; to distinguish clearly between what the Government can do and what the farmers must do for themselves; and it wishes to bring not only the farmers but the Nation as a whole to realize that the growing of crops, though an essential part, is only a part of country life. Crop growing is the essential foundation; but it is no less essential that the farmer shall get an adequate return for what he grows; and it is no less essential—indeed it is literally vital—that he and his wife and his children shall lead the right kind of life.

For this reason, it is of the first importance that the United States Department of Agriculture, through which as prime agent the ideas the commission stands for must reach the people, should become without delay in fact a Department of Country Life, fitted to deal not only with crops, but also with all the larger aspects of life in the open country.

From all that has been done and learned three great general and immediate needs of country life stand out:

First, effective cooperation among farmers, to put them on a level with the organized interests with which they do business.

Second, a new kind of school in the country, which shall teach the children as much

outdoors as indoors and perhaps more, so that they will prepare for country life, and not, as at present, mainly for life in town.

Third, better means of communication, including good roads and a parcel post, which the country people are everywhere, and rightly, unanimous in demanding.

To these may well be added better sanitation; for easily preventable diseases hold several million country people in the slavery of continuous ill health.

The Commission points out, and I concur in the conclusion, that the most important help that the Government, whether National or State, can give is to show the people how to go about these tasks of organization, education and communication with the best and quickest results. * * * (Special message to the Congress, transmitting the report of the Commission on Country Life, February 9, 1909.)

Soil conservation

In any great country the prime physical asset—the physical asset more valuable than any other—is the fertility of the soil. All our industrial and commercial welfare, all our material development of every kind, depends in the last resort upon our preserving and increasing the fertility of the soil. This, of course, means the conservation of the soil as the great natural resource; and equally, of course, it furthermore implies the development of country life, for there cannot be a permanent improvement of the soil if the life of those who live on it, and make their living out of it, is suffered to starve and languish, to become stunted and weazened and inferior to the type of life lived elsewhere. (Article, Outlook, Aug. 27, 1910.)

Government aid to agriculture

I am glad to say that in many sections of our country there has been extraordinary revival of recent years in intelligent interest in and work for those who live in the open country. In this movement the lead must be taken by the farmers themselves; but our people as a whole, through their governmental agencies should back the farmers.

The Government must cooperate with the farmer to make the farm more productive. There must be no skinning of the soil. The farm should be left to the farmer's son in better, and not worse, condition because of its cultivation. Moreover, every invention and improvement, every discovery and economy, should be at the service of the farmer in the work of production. (Address, Progressive National Convention, Chicago, Ill., August 6, 1912.)

Needs of agriculture

The elimination of the middleman by agricultural exchanges and by the use of improved business methods generally, the development of good roads, the reclamation of arid lands and swamplands, the improvement in the productivity of farms, the encouragement of all agencies which tend to bring people back to the soil and to make country life more interesting as well as more profitable—all these movements will help not only the farmer but the man who consumes the farmer's products. (Address, Progressive National Convention, Chicago, Ill., August 6, 1912.)

Farmer and consumer

The farmer, the producer of the necessities of life, can himself live only if he raises these necessities for a profit. On the other hand, the consumer who must have that farmer's product in order to live, must be allowed to purchase it at the lowest cost that can give the farmer his profit, and everything possible must be done to eliminate any middleman whose function does not tend to increase the cheapness of distribution of the product; and, moreover, everything must be done to stop all speculating, all gambling with the breadbasket which has even the slightest deleterious effect upon the producer and consumer. There must be legislation which will bring about a closer business relationship between the farmer and the consumer. (Address, Progressive National Convention, Chicago, Ill., August 6, 1912.)

Aid to farmers

I know what the work and what the loneliness of a farmer's life too often are. I do not want to help the farmer or to help his wife in ways that will soften either, but I do want to join with both, and try to help them and help myself and help all of us, not by doing away with the need of work, but by trying to create a situation in which work will be more fruitful, and in which the work shall produce and go hand in hand with opportunities for self-development. (Outlook, Oct. 12, 1912.)

Problems of farm life

There is no problem whose successful solution is fraught with greater returns, in the line of citizenship, as well as in material results, than the problems of rural life. These include better farm methods, better rural schools, better roads, better farm financing, more economical methods of marketing, and better farm life conditions for the men, women, and children on whose welfare and success the progress and prosperity of the Nation depends. In these problems and those of social and industrial justice is also embodied no small part of the problem of the cost of living, although this will also be in part helped by our treatment of the trusts. (Address, Chicago, Ill., December 10, 1912.)

Tenant farmers

The number of tenants is rapidly growing. This is not good. Provision should be made to aid and increase the number of farm homeowners for these make for a better agriculture and a stronger Nation. (Address, Chicago, Ill., December 10, 1912.)

Government aid to farmers

We do not believe in confining governmental activity to the city. We believe that the problem of life in the open country is well nigh the gravest problem before this Nation. The eyes and thoughts of those working for social and industrial reform have been turned almost exclusively toward the great cities, and toward the solution of the questions presented by their teeming myriads of people and by the immense complexity of their life. Yet nothing is more certain than that there can be no permanent prosperity unless the men and women who live in the open country prosper. The problems of the farm, of the village, of the country church, and the country school, the problems of getting most value out of and keeping most value in the soil, and of securing healthy and happy and well-rounded lives for those who live upon it, are fundamental to our national welfare. (Century magazine, October 1913.)

Taxation of farmland

To break up the big estates it might be best to try the graduated land tax, or else to equalize taxes as between used and unused agricultural land, which would prevent farmland being held for speculative purposes. There can without question be criticism of either proposal. If any better proposal can be made and tried we can cheerfully support it and be guided in our theories by the way it turns out. But we ought to insist on something being done—not merely talked about. Everyone is agreed that we ought to get more people back to the land; but talk on the subject is utterly useless unless we put it in concrete shape and secure a service test, even although it costs some money to furnish the means for doing what we say must be done. (1917.)

Importance of agriculture

We cannot permanently shape our course right on any international issue unless we are sound on the domestic issues; and this farm movement is the fundamental social issue—the one issue which is even more basic than the relations of capitalist and workingman. The farm industry cannot stop; the world is never more than a year from starvation; this great war has immensely increased the cost of living without commensurately improving the condition of the men who produce the things on which we live. (The Farmer: The Cornerstone of Civilization. (1917.) Original publication not traced. It was probably a newspaper article.)

Tenant farmers

In 1880, 1 farmer in 4 was a tenant; and at that time the tenant was still generally a young man to whom the position of tenant was merely an intermediate step between that of farm laborer and that of a farmowner. In 1910, over 1 farmer in 3 had become a tenant; and nowadays it becomes steadily more difficult to pass from the tenant to the owner stage. If the process continues unchecked, half a century hence we shall have deliberately permitted ourselves to plunge into the situation which brought chaos in Ireland, and which in England resulted in the complete elimination of the old yeomanry, so that nearly nine-tenths of English farmers today are tenants and the consequent class division is most ominous for the future. * * *

The most important thing to do is to make the tenant farmer a farmowner. He must be financed so that he can acquire title to the land. In New Zealand the Government buys land and sells it to small holders at the price paid with a low rate of interest. Perhaps our Government could try this plan, or else could outright advance the money, charging 3½ percent interest. Default in payments—which should, of course, be on easy terms—would mean that the land reverted to the Government. (1917.)

Government loans to farmers

As regards furnishing capital to the farmer, the first need is that we shall understand that this is essential, and is recognized to be essential in most civilized lands outside of Russia and the United States, but especially in Denmark, France, and Germany. Our farmers must have working capital. The present laws for providing farm loans do not meet the most important case of all, that of the tenant farmer, and do not adequately provide for the land-owning farmer. An immense amount of new capital—an amount to be reckoned in billions of dollars is needed for the proper development of farms of the United States, in order that our farmers may pass from the position of underproduction per acre, may improve and fertilize their lands, and so stock them as both to secure satisfactory returns upon the money invested and also enormously to increase the amount of food produced, while permanently enhancing the value of the land. Lack of capital on the part of the farmer inevitably means soil exhaustion and therefore diminished production. The farmer who is to prosper must have capital; only the prosperous can really meet the needs of the consumer; and in this, as in every other kind of honest business, the only proper basis of success is benefit to both buyer and seller, producer and consumer. (1917.)

Farmer cooperatives

Whenever farmers themselves have the intelligence and energy to work through cooperative societies this is far better than having the State undertake the work. Community self-help is normally preferable to using the machinery of government for tasks to which it is unaccustomed. This applies to the ownership of granaries, slaughterhouses, and the like. There are

in Europe cooperative farmers' associations which own and run at a profit many such institutions; and when this is shown to be the case, the other owners of such agencies face the accomplished fact; and it often becomes possible for the farmers then to deal with them on a satisfactory basis. * * *

A single farmer today is no match for the corporations, railroads, and business enterprises with which he must deal. Organized into cooperative associations, however, the farmers' power would be enormously increased. The principle upon which such cooperative groups are formed is very simple. The profits are divided partly in the shape of a rebate that is paid in proportion to the volume of business done for each member. The control, however, of the association does not depend upon the number of shares that a member may own but rests upon the democratic basis of one man, one vote. (1917).

Solution of the farm problem

Our object must be (1) to make the tenant-farmer a landowner; (2) to eliminate as far as possible the conditions which produce the shifting, seasonal, tramp type of labor, and to give the farm laborer a permanent status, a career as a farmer, for which his school education shall fit him, and which shall open to him the chance of in the end earning the ownership in fee of his own farm; (3) to secure cooperation among the small landowners, so that their energies shall produce the best possible results; (4) by progressive taxation or in other fashion to break up and prevent the formation of great landed estates, especially insofar as they consist of unused agricultural land; (5) to make capital available for the farmers, and thereby put them more on an equality with other men engaged in business; (6) to care for the woman on the farm as much as for the man, and to eliminate the conditions which now so often tend to make her life one of gray and sterile drudgery; (7) to do this primarily through the farmer himself, but also, when necessary, by the use of the entire collective power of the people of the country; for the welfare of the farmer is the concern of all of us. (1917).

Farmer cooperation

The welfare of the farmer stands as the bedrock welfare of the entire Commonwealth. Hitherto he has not received the full share of industrial reward and benefit to which he is entitled. He can receive it only as the result of organization and cooperation. Along certain lines the Government must itself cooperate with him; but normally most can be accomplished by cooperation among the farmers themselves, in marketing their products, in buying certain things which they particularly need, and in joint action along many lines. The States can wisely supplement such work of cooperation, but most of such work it cannot with wisdom itself undertake. (Address, Republican State Convention, Saratoga Springs, New York, July 18, 1918).

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AMERICAN AID POLICIES

Mr. MARTIN of Iowa. Mr. President, the Special Committee To Study the Foreign Aid Program has performed a great service for the Senate and for the country in printing the studies which have been prepared by scholars and experts with differing points of view on the many aspects of this problem.

I have been particularly concerned with proposals suggesting that the United States participate in the proposed Special United Nations Fund for Economic Development, popularly known as SUNFED. It is my conviction that the establishment of such a fund would not be the best means of advancing the economic development of other countries, nor would it be in the best interests of our own citizens.

I realize that the committee was confronted with a most difficult problem in choosing the experts to prepare its studies. There are many able, qualified individuals who could contribute a great deal to our understanding of this problem, but who were not specifically appointed to assist the committee. This was necessarily the case, as available funds made it necessary to attempt to cover all viewpoints without exceeding the resources we authorized for the committee's work.

One of the outstanding research groups in this field which did not participate directly is the Foreign Policy Research Institute of the University of Pennsylvania. Its director, Dr. Robert Strausz-Hupé, came to this country from Austria in 1923. Following a very successful career in the investment banking business, he became editor of Current History in 1939. He received his doctor of philosophy degree from the University of Pennsylvania in 1944, and has been associated with its faculty since 1946.

Dr. Strausz-Hupé presented a statement to the special committee on April 12. I had an opportunity to read it and found it of such great interest that I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD for the benefit of my colleagues.

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

AMERICAN AID POLICIES—A STATEMENT SUBMITTED TO THE SPECIAL COMMITTEE TO STUDY THE FOREIGN-AID PROGRAM, UNITED STATES SENATE, BY ROBERT STRAUSZ-HUPÉ, DIRECTOR, FOREIGN POLICY RESEARCH INSTITUTE, UNIVERSITY OF PENNSYLVANIA

(This statement does not necessarily reflect the views of the associates of the Foreign Policy Research Institute. It has been prepared by the staff of the institute: Alvin J. Cottrell, Keith Wheelock, James E. Dougherty, project director, Robert Strausz-Hupé, director, Foreign Policy Research Institute.)

The United States, for several years to come, will find it necessary to provide economic assistance in one form or another to a number of countries, especially in the weaker and underdeveloped areas of the world. At present, American assistance programs assume many forms: direct military assistance, technical assistance, the agricultural surplus disposal program, aid given through the international banking and currency stabilization institutions, and outright economic aid grants or loans on a government-to-government basis.

The crucial policy question confronting us is: Which types of assistance are most desirable and which least desirable from the viewpoint of the political objectives of the United States and the Free World, the economic capacity of our country, the requirements of world economic health and growth, and the interests of the nations receiving the aid?

It is the question of grant aid, of course, which constitutes the most controversial issue. This paper contains some comments on the general problem of government-to-government aid and attempts to evaluate that aid in comparison to certain other types. The paper is organized under the following headings: American Assumptions Concerning Economic Aid; the Relation of Economic Aid to Foreign Policy; the Value of Military Assistance; the Obstacles to Economic Development; the Role of Private Investment; Aid Grants Versus Technical Assistance; Possible Improvements of the United States Aid Program; and Conclusions.

AMERICAN ASSUMPTIONS CONCERNING ECONOMIC AID

Thus far, the Marshall plan represents the only total, coherent experience which we have had in the realm of foreign aid, and even this experience is not easy to assess. One reason why it is so difficult to evaluate its success is that we have not sufficiently understood the noneconomic assumptions which underlay our European recovery program. In 1947 we assumed that Europe, if left to her own devices, would inevitably fall under Communist domination. We next assumed that the only way to preserve Europe's political freedom was to grant economic aid. We took it for granted that the masses were prime carriers of the Communist idea, which they would accept or reject depending on their standard of living, and that the Communist intellectuals could be politically reoriented through the improvement of economic conditions. After we granted aid, Europe recovered. We were therefore inclined to conclude that our aid was the cause of the recovery; that it was the improved economic situation which strengthened the democratic forces in the recipient countries and enabled Western Europe to remain free; that without the Marshall plan the Communists would have won bigger electoral percentages than they actually did. Now these assumptions and conclusions may very well be correct. They deserve careful probing, however. It is just possible that Europe recovered not so much because of the Marshall plan as because of indigenous regenerative forces. Moreover, in view of the fact that the plan constituted a tempting target for Communist propaganda—infringement of the national sovereignty, American capitalistic domination, and so forth—one might just as easily conclude that in the absence of the Marshall plan the Communist vote would have been slightly smaller. We ought not to underestimate the force of other reasons, political, cultural, and spiritual, which prompted Western Europe to choose the free way over the Communist way.

Regardless of what conclusions we arrive at concerning the economic and political effectiveness of aid to Europe, it is a serious mistake to try to apply them uncritically, as the American public may be tempted to do, to the underdeveloped continents. The ERP was directed toward mature industrial economies. The European nations are characterized by relatively large numbers of skilled technicians, by the existence of a system of private property and competitive enterprise, and, in most cases, by governments which are still fundamentally committed to the

market mechanism and private initiative for the development of new economic enterprises—if not always for the regulation of the older or unprofitable ones. But the new plans of aid for Asia, Africa, and Latin America are directed toward backward agricultural societies. These societies are characterized by the lack of technical skills, often by the existence of feudal land systems and, in many cases, by governments which are committed, for utilitarian if not for ideological reasons, to the Socialist concept of a government-planned and government-directed economy.

The American public in recent years has been educated to several idealist schemes for making deserts bloom like gardens, for building up the economy of a free India so that it will compare favorably with the economy of Communist China, for substantially raising the standard of living for two-thirds of the world's population, and so forth. These, without question, are worthy goals. But we are quite right when we exercise caution. We should be careful not to be swept along by our own idealistic urges without a clear understanding of the inherent complexities of the problem. Americans, who are prone to think in big terms and to brush aside the difficulties, can easily picture themselves dispensing global aid and building huge hydroelectric dams here and there, thus permitting the underdeveloped nations to undertake irrigation and industrialization projects. We ourselves did an excellent job in the Tennessee Valley. Many Americans are now confident that this country, if it so desires, can in time develop every important river valley in the non-Communist world through a program of economic aid. The peoples of the underdeveloped countries are likewise persuaded of our economic wealth and our technological prowess. So successful have we been in our efforts to sell them on the superiority of our system that there is now a danger that the United States will be increasingly looked upon as a bottomless well from which all may draw. The primary economic problem confronting the world is the problem of regional economic growth, not American governmental aid. For two-thirds of the world, the process of economic growth is just getting started. It is essential in the early phases of this process of economic growth that the most powerful economic power on earth exercise prudence in the formulation of its philosophy of foreign aid. If it commits itself to unwise policies, the eventual adverse effects upon the international economy may prove incalculable. At this juncture, the United States should carefully assess the obstacles to economic development, the magnitude of the task, the criteria for determining who should receive what kind of aid, the conditions under which the assistance should be given, the methods of administering aid, and the long-range implications and consequences of assistance programs.

THE RELATION OF ECONOMIC AID TO FOREIGN POLICY

It should be frankly recognized that foreign economic aid programs cannot be carried out in a vacuum, separated from political considerations. True enough, in view of all the complaints uttered in certain circles about aid with political strings attached, we might be tempted to think that such a separation can and must be made. But in fact this is neither feasible nor desirable. It is possible, albeit sometimes difficult, to separate private foreign investment from foreign-policy considerations. It is patently impossible, however, to draw any firm line between a government aid program and international politics. When the United States gives massive aid to an uncommitted country, for example, the latter may be so well insulated from politics that no external influence over policy is introduced inside the receiving country. Yet at the same time, United States aid may give rise to a delicate political problem outside the receiving country by causng some of the allies of the United States to wonder whether, so far as the American bounty is concerned, it is better to be committed or to be neutral.

There are no doubt dozens of countries which would like to have an American-donated dam or steel mill immediately. Within a given appropriations year, only a very limited number of large-scale projects can be approved. Some nations are bound to feel slighted. It should not be at all surprising if countries such as Pakistan and Iraq, which were allied to the West, resented the fact that neutral Egypt was selected for a larger slice of aid for a single development project (Aswan Dam) than they had ever received. Sometimes too, we find that economic aid for a certain type of project in one country has complex regional implications. For example, it may be pointed out that Ethiopia was seriously offended when we anounced the original Aswan Dam offer to Egypt without having consulted Ethiopia in regard to her interests in the Nile Valley. Instances like these, whether we like it or not, involve political questions which have eluded not a few experts on economic aid.

The governments of some underdeveloped countries, expressing a fear of political strings, urge us to channel our aid through the United Nations, particularly through the Special United Nations Fund for Economic Development (SUNFED), instead of putting it on a government-to-government basis. This proposal gives rise to some interesting questions in connection with political strings. Precisely what political strings has the United States attached to its economic aid grants in the past? Have we asked any foreign government to fulfill conditions which contravened its own interests as the trustee of a free people? We may extend economic aid with the vague hope, mistaken or not, that it will strengthen a country and help it to remain part of the free world. Is this tantamount to attaching intolerable political conditions to our largesse? There does not seem to be much evidence that we tie our aid to specific political objectives within the receiving countries. If there were such evidence, the Arabs of north Africa would not be quite as eager as they seem to be to substitute direct aid from the United States for the aid which they now receive from the French Government. Perhaps we are really a much softer touch than we realize. In our scrupulous concern for the political freedom of States, we may be too sensitive to criticism on the score of political strings. Several years ago Paul Reynaud gently chided the United States for failing to exploit the full potential of the Marshall plan as a device for persuading Western Europe to form a genuine political union. He did not allow for the fact that the United States, as the world's oldest and most thriving anticolonial power, still labors under certain compulsive feelings which sometimes distort its political judgment and prevent it from achieving legitimate objectives.

We may ask at this point whether we are unconsciously inclined to adjudge all political conditions linked to economic aid as being evil in themselves. It certainly does not seem unreasonable to expect the government of a country which receives our aid to accord us an equitable amount of political credit for it. We should not be so naive, of course, as to think that economic aid can buy a nation's political friendship. But we cannot afford the luxury of bestowing benefits upon professedly neutral countries which persistently use the United States as a whipping boy on whom they can exercise their nationalist muscles, while blinking the defects of the Sino-Soviet system. If we give large-scale development assistance to a neutral country, we have a perfect right to expect the leaders of the government in that country to refrain from carrying on a running propaganda attack upon American military bases, American-sponsored military pacts, and similar arrangments for the strategic security of the United States and the free world. There is something fundamentally fallacious about a foreign policy which attempts on the one hand to forge an effective international security system and which on the other hand lends economic strength to governments which are bent upon dissolving that security system.

It is further questionable that the United States should channel a sizable portion of its aid through an organization like SUNFED, largely to placate certain uncommitted countries, which want to see American aid insulated from politics. A nation's total economic capacity is one of the major elements of its power. In an age when we are sorely tempted to renounce the use of force as an instrument of foreign policy, we will not be choosing the wiser course if we also forfeit our economic power as an arm of our diplomacy.

THE VALUE OF THE MILITARY ASSISTANCE

The argument is often heard that we should confine our military assistance to the more advanced countries, such as those of Europe where it can do some good, because this kind of aid does not serve a useful purpose in the less economically developed areas. If this point is well taken, it means that the United States and its NATO allies must shoulder the burden of providing security for the entire non-Communist world. But the point is not at all well taken. Many types of local Communist aggression, infiltration, and guerrilla campaigns can be effectively deterred or contained within the so-called gray areas by security forces which are composed largely of local, indigenous units, supplied by the United States or its allies. The armies of South Korea, Taiwan, Vietnam, and Pakistan, for example, are among the largest and best trained in Asia. Up until now in the protracted cold war, the Communists have not overtly attacked any country which was well prepared to meet aggression, and they have been compelled sooner or later to cease hostilities or taper off their guerrilla activities in countries which were furnished with sufficient military assistance.

Our military assistance program helps to bring security to countries which are willing to cooperate with us for defense purposes. It is important to remember that this security, which is a prerequisite to economic stability, would be much harder to achieve without military assistance to the "rimland" nations. If the armies and constabularies of South Korea, the Philippines, Free China, South Vietnam, Pakistan, Thailand, Malaya, and Iraq were not equipped to stand guard against the Communists, then it would devolve upon the Western Powers, especially the United States, to furnish the necessary forces for on-the-spot protection of those far-flung sectors. American strategic power may deter a general global war, but it still takes locally deployed soldiers and home guard units to guarantee local security and stability. But, in the long run, it is considerably more expensive to rely on American soldiers for this task. It is not merely a question of training, equipping and paying the GI, and earmaking veteran's benefits for him. But it is also a question of abstracting a healthy young man from the American economy, where he is a producer and a taxpayer, and putting him in the military service, where he is a consumer so far as our domestic economy is concerned.

From the point of view of economic development, it is fortunate that the military groups in the underdeveloped countries form one of the most stabilizing and progressive elements within their national economies. The

army usually has an honorable tradition which, when combined with the relatively good living conditions, makes it an attractive prospect for a young man seeking employment. In several countries, the army is without any doubt the best available vehicle for imparting technical skills to large numbers of young men. Hence the military service is by no means economically unprofitable. Over the years thousands of persons become proficient in the methods of organization and administration, or in the use and maintenance of equipment. English, which is now the world's most advanced technological language, is taught under our military assistance programs. Military personnel from the underdeveloped countries are brought to the United States to study electronics and similar subjects. Thus they are fitted, upon completion of their tour of duty, to make a tangible individual contribution toward the development of their country's economy. Soldiers are given a certain discipline of mind and an orderliness of living habits which are indispensable for a custom-encrusted nation which desires to build industry.

We ourselves were the first to convert our Armed Forces into an instrument of mass technical training in peacetime. Now our military assistance program is transferring this unique concept to the underdeveloped areas, where military aid often represents the only practical form which assistance can take at the present time. A well-conceived military program, therefore, can be an extremely valuable complement to a program of technical assistance. In many of these countries, it is actually the Army which provides the social services and builds the utilities (the infrastructure) which are indispensable for economic development. Hence we would obtain a much more realistic picture of the impact of our economic-aid program if constructive functions such as these could be evaluated and prorated to economic aid, instead of being hidden under military-aid figures.

THE OBSTACLES TO ECONOMIC DEVELOPMENT

The main problem of economic development involves raising the national income through increased per capita output within the underdeveloped country. Now in fact, we know very little about the amount of capital it takes to produce an increase of output within the underdeveloped countries. The information on specific sectors of the Asian and African national economies is scant enough; it is virtually nonexistent with respect to those national economies as wholes. Here is an example: there is before the Senate Special Committee To Study the Foreign Aid program a survey which bases a proposal for the developement of underdeveloped countries upon the estimate that it would require three units of capital to produce an increase of 1 unit per year in output or a marginal capital coefficient of 0.33. This, by the way, is exactly the same assumption made by the Planning Commission of India for the first 5-year plan.[1] It happens that this estimate assumes a marginal capital-output ratio, that is, 3 to 1, that is almost identical with that found, on the basis of ample statistical material, for the United States over the period 1919–28.[2] It would seem that there is no basis for (1) generalizing an estimate for India for the economies of all underdeveloped countries, and (2) for accepting the validity of the Indian estimate since the Indian economy most certainly has not yet attained the productive level of the United States over the period 1919–28. To compound the confusion, we may cite a United Nations report on the capital needs of the underdeveloped countries which assumes a capital-output ratio of 8 to 1 or a capital coefficient of 0.125.[3] It should be clear from the foregoing that the experts appear to be divided by wide disagreements and that far more exploratory work has to be done before we can approximate the real capital needs and absorptive capacity of the underdeveloped countries.

One of the chief obstacles to formulating intelligent development programs is the dearth of accurate statistical data in the underdeveloped countries. Even for the period following the Second World War the governments of those countries can sometimes furnish no more than thoughtful guesses in lieu of accurate figures.[4] However sincere the government of the underdeveloped country may be, it often lacks the apparatus necessary to make a proper statistical analysis. Without such analysis, it is impossible to devise rational development programs. In order to arrive at estimates that can serve as reliable guides for foreign development projects, the United States needs country-by-country surveys prepared by experts on the basis of careful on-the-spot studies. In this country surveys in preparation of any major development projects, public or private, are based upon investigations requiring several years. It would be surprising if a period of, let us say, 2 or 3 years should prove excessive for the preparation of a meaningful country survey. Since the underdeveloped countries lack the qualified personnel, the United States could procure for them the services of American consulting engineers, cultural anthropologists, and area specialists who could be teamed in the making of such surveys. Perhaps one of the greatest single contributions which the Government of the United States could make to the development of the underdeveloped countries is to contract with qualified private consultants to prepare these country-by-country studies, including such items as market surveys and the optimum location of new industries.

A country may resent the allegation that it lacks competent specialists to make the surveys. The desire, however, to qualify more readily at a later date for American aid will probably prevail over any such resentment.

The other obstacles to development are almost too well known, and certainly too complex, to warrant more than the most cursory mention here. Perhaps most of them can be combined under the heading of "relatively low absorptive capacity." It can hardly be emphasized too much that the problem essentially is one of growth, not aid. An economy is, after all, an organism whose growth cannot be speeded up too much, but may on the contrary actually be stunted by the application of an excess of stimulants. In order to build a hydroelectric dam, one must lay a railroad to the site; but in order to build the railroad one first must build a steel mill to turn out the rails, and so forth. What the technical West took more than a century to accomplish, the backward countries would like to achieve within 1 or 2 decades. Many of them have not yet conquered the problems of contagious disease and basic education to the point where they can rely upon a stable working force or a sizable number of natives who can comprehend the simplest technical instructions, let alone display technical proficiency or managerial talent. Some of them are still burdened with the vestiges of a rigid caste structure and a land system which is hardly conducive to the social changes which technological innovation usually demands. Practically none of them have acquired domestic savings and investment habits. In the early phases of development, output gains are frequently offset by parallel population increases. Moreover, the importation of capital for large-scale projects which employ large numbers of workers is generally accompanied by a rise in the national propensity to consume and to import luxury goods. This dissipates the so-called multiplier effect of the imported capital and may even generate foreign-exchange imbalances.

Mention should also be made of two other indirect obstacles to the growth of the international economy, or what might be called the feedback effect of certain types of industrialization programs in the underdeveloped countries. The first is the adverse effect upon the world economy of attempting to substitute too rapidly the principle of national industrial diversification for the principle of international specialization. This is basically a problem of the relative distribution of the factors of production. A country where capital is dear and labor is abundant should begin development by stressing projects which require little capital and a large amount of manpower. Very often the optimum increase in output can best be achieved by exploiting more intensively the existing resources, facilities and specialized crafts, not by undertaking an abortive alteration of the Nation's basic economic structure.

The second feedback effect relates to the impact of a certain type of aid program on the American economy. If we wish, for example, to build hydroelectric powerplants in the underdeveloped countries, we must expect to see a rapidly rising world demand, induced by ourselves, for steel, aluminum, copper and other metals used in such construction. As the demand for industrialization rises, so will the world price. Once a long-range program for global aid really gets rolling, we may find ourselves under pressure to create another international materials board, comparable to the one which was set up during the Korean war, to fix world prices and allocate the available supply of scarce metals. The United States should certainly encourage world economic growth. But if the growth is artificially stimulated and speeded up in certain sectors through Government grants (essentially an uneconomic forceps), we can expect strains, stresses, and imbalances which will not be good for the international economy as a whole.

THE ROLE OF PRIVATE INVESTMENT

Private capital has always been more reluctant to run the risks of going to underdeveloped countries than to stay at home and enjoy the security of investment in a mature economy. Nevertheless, when the demand for capital became strong enough in the underdeveloped nations, capital has never failed to flow from the older to the younger economies. An agricultural American society imported capital from industrial England to build railroads and factories; agricultural Russia imported capital from industrial France for the same purpose. Dissimilarities as regards, religion, political institutions, and social structures did not effectively hinder the international operation

[1] First 5-year plan, A summary, Planning Commission, New Delhi, 1952, p. 4.

[2] William Fellner, the Capital-Output Ratio in Dynamic Economies, in Money Trade and Economic Growth, essays in honor of John Henry Williams, New York: Macmillan, 1951.

[3] Measures for the Ecomic Development of Underdeveloped Countries, United Nations, New York, 1951.

[4] As recently as 1956, for example, the leading Egyptian economics periodical voiced this complaint: "The statistics available in Egypt do not permit an exact assessment of the yearly accumulation of capital and its division into sectors showing the various directions into which this capital has been diverted (machinery, construction, finished or semifinished goods, transport, etc.)" Capital Formation in Egypt, in the Egyptian Economic and Political Review, special budget issue, June–July 1956, p. 35.

of the economic forces of supply and demand. Nor did the capital-importing countries feel that they were being victimized. The United States, after throwing off the colonial yoke of Great Britain, was not afraid that borrowing from British investors would lead to the restoration of imperial control. The international economy was free; above all, it was free from ideological preconceptions.

Since the end of the Second World War, the international economic situation has changed radically. Just at the time when the underdeveloped countries, many of them enjoying newly won independence, were beginning to experience the need for development capital, American economic aid policy began to make them think that there is a better way to industrialize than by attracting private foreign capital. There can be little doubt that the emphasis in our economic policy upon outright grants and low-interest Government loans has been a major factor in creating an unfavorable climate for private investment in the underdeveloped areas of the world. This is by no means to suggest that American policy has been the most important factor in transforming the assumptions of international economics. The nationalist-Socialist inclinations of the political leaders in several underdeveloped countries have been a significant factor in introducing ideological preconceptions into the international economy. Not a few of these leaders may have reasoned as follows: Private capital investment from abroad is the most expensive and the most obnoxious means of meeting our capital needs; outright economic grants without political strings attached are the cheapest and hence the most desirable capital imports; governmental loans hold a middle position, insofar as they require repayment but are cheaper to service and may allow the borrowing government to default with impunity; finally, it is preferable to induce a foreign government to channel loans and grants through an international fund, so as to preclude foreign political intervention. Admittedly, from the viewpoint of the underdeveloped countries, such an attitude is a sensible one indeed.

From the point of view of the United States, however, long-range programs of grant aid are fraught with grave disadvantages. First of all, they substitute the taxpayer's "reluctant dollar" for the investor's "willing dollar" and eventually cause venture capital to dry up. It does not help to argue that foreign aid grants will help to pave the way for a more favorable climate for private investment 10 years hence. Ten years hence, the recipient countries will expect the continuation of grant aid as a matter of course. American aid grants during the last decade, by making it less urgent for the underdeveloped countries to attract private capital, have helped to smooth the way for the nationalization of foreign assets in these countries. If the nationalization trend becomes widespread, the last threads of international economic probity binding the western nations to the underdeveloped countries will be broken; no venture capital will go out to the latter. Then the American taxpayer will be expected to sustain the process of economic growth in the underdeveloped areas of the world, or else the United States will incur the people's wrath by diminishing the aid before their economies can generate their own growth.

Furthermore, every underdeveloped country in the world can make out a valid case to demonstrate its need for a dam or a steel mill. The United States, notwithstanding its abundance is limited in its ability to meet all the demands which might be made upon it. In the prewar international economy, the forces of supply and demand determined which nations would obtain development capital. But under a long-range program of global aid, this decision is left to governmental officials, who perforce make the decision not purely on the basis of economic criteria, since they cannot escape the influence of political considerations and even personal preferences. Under this arrangement, there is no way of knowing whether we are underwriting the least efficient economies and depriving the most efficient ones of our capital resources.

AIDS GRANTS VERSUS TECHNICAL ASSISTANCE

There is in the mind of the public a somewhat confused notion as to the relationship of economic aid and technical assistance. Not infrequently, these two forms of aid are spoken of as if they were one and the same; yet, basically, they are opposites. The primary purpose of technical assistance is to elicit an economic response from a country's own resources, whereas grant aid simply seeks to fill an economic gap. Technical assistance is the most direct and the most demonstrable way of wedding American skill to the economic potentialities of the receiving country. This idea was expressed eloquently by President Eisenhower in his inaugural address last January. He said: "We must use our skills and knowledge and, at times, our substance, to help others rise from misery, however far the scene of suffering may be from our shores."

Last but not least, technical assistance is people. There is no better way for cementing cordial relationships between this country and the peoples of the underdeveloped lands than through the working partnership of American technicians and those eager natives to whom they impart their skill. In the nature of things, this relationship is a personal one, whereas Government programs are cloaked in anonymity. Compared with other types of economic aid, technical assistance is the least costly and has perhaps the greatest "multiplier effect" in the fostering of good will. It is therefore advisable that the United States not only maintain but moderately increase its allocations both to its own technical assistance program and to that of the United Nations, provided that the expansion of the latter allows for the appropriate increase of the quota of American personnel.

What, then, of the place of grant aid in a scheme of American policy? What are the sometimes when we must use our substance? Admittedly, there will be occasions when it will be desirable to extend grant aid for specific projects in the underdeveloped countries. But we should not regard grant aid as a normal form of continuing assistance, elevated to the rank of long-range programs. In our domestic practice, we recognize the need for stringent criteria governing the grant of Federal aid. Thus, for example, a small businessman in the United States who seeks Government assistance must show that he has already exhausted the possibility of obtaining funds from private lenders. This practice might have a useful international application. Evidently, requests for foreign-development aid that meet the test of sound banking practices, redound—because of economic as well as psychological reasons—to the mutual interest of borrower and lender. If such a test is not met, then both the lending and the borrowing country will still be free to enter upon the transaction. They will do so, however, without misapprehensions as regards the true nature of the arrangement.

One type of aid program, namely, agricultural trade development and assistance, merits particular attention in connection with these remarks on grant aid. Given our domestic farm-support policy, this program is a useful means of transferring our agricultural surpluses to countries which are in need of food. Under Public Law 480 as amended, transactions totalling $4 billion worth of food will have been negotiated by June 1958. These commodity sales are paid for in the currency of the recipient country. The United States may spend these foreign currencies for the purpose of meeting various expenses: for marketing studies, trade-fair exhibits, exchange visits of industrial representatives, military base construction, operation of embassies and information agencies, assistance to American-sponsored schools and libraries, and the translation, publication, and distribution of American books abroad. Almost 60 percent of the foreign-currency payments, however, is earmarked for economic development loans to the recipient governments, precisely because those local currencies are inconvertible into hard currencies. This practice, since it is tantamount to grant aid, should be discontinued or, at least, so modified as to reveal the true nature of the transaction.

POSSIBLE IMPROVEMENTS OF THE UNITED STATES AID PROGRAM

1. We should place greater emphasis on projects which filter down" to the people and less emphasis on either invisible forms of aid or long-range, large scale programs which have no apparent impact on the local population. In this connection it is obvious that technical assistance programs will pay greater dividends than economic grants for spectacular projects which are frequently designed for the purpose of enhancing the domestic popularity of the government in power. Technical assistance programs allow us to deal directly with junior civil servants and even with the people in the towns and villages, whereas under economic aid programs the contracts of the United States with the recipient country are confined to the highest levels of government. There may be times, of course, when outright economic grants are desirable. But we should be wary of huge projects which have to be carried out over a period of years. Very often such projects are oversold to the local population by the receiving government. If it then takes 3 or 4 years to complete the project and even longer for the beneficial results of the completed project to become apparent, the United States may find itself the object of impatient resentment. Meanwhile, all of the economic pinches felt in the vicinity of the construction project are also likely to be blamed upon the United States.

2. We should devise projects which are suited to the technical level and the cultural pattern of the country. If this is done, the execution of the projects will not depend upon bringing in large numbers of American engineers and other specialists. By tailoring the projects to the ability of the young native technicians, these latter can be given a stake in the development program. If we insist upon planning highly advanced industrial projects in which local technicians can participate only at the lower job levels, we may find that our eonomic aid programs serve not to win the good will of this important class within the society but rather to alienate it. Such an approach, by the way, will minimize the exodus of engineers from our own national economy, where they are not in abundant supply. When American technicians go abroad, it should be primarily for imparting skills to the underdeveloped countries. It is both more efficient and, in the long run, makes for better human relations, to send American scientists and engineers out for this purpose rather than to place them in competition with the native talent in the underdeveloped countries.

3. We should work constantly to improve the liaison between our information agencies and the governmental personnel in the foreign countries receiving the aid. Frequently, the latter fail to keep abreast of the development programs in progress outside of the national capital. If they were better informed, they might be more inclined to publicize the value of American assistance programs.

4. Our information agencies should devise a campaign to counter the Communist notion that the United States is compelled to send

its surplus economic goods overseas simply to avoid domestic unemployment and depression, or to solve the problem of its surplus capital. So long as we find it advisable to grant foreign economic aid, we should try to make certain that our policy will not be widely interpreted as a proof of the Marxist-Leninist theory of imperialism.

5. We should use our economic-aid policy to promote a form of regional economic development under which resources can be utilized more rationally than is possible under a pattern of economic nationalism. India, for example, possesses iron deposits which Japan could put to good use, and Japan has capital and technical skills which the countries of South and Southeast Asia need. For the Middle East, it may be advisable to establish a regional-aid program whereby assistance to the area would be funneled through an organization for middle eastern economic development. Emphasis should be placed on the coordination of interstate development projects, such as the Jordan River Valley project along the lines suggested by the Johnston plan. Industrial, social, educational, and agricultural proposals should be treated in a regional context prior to the formulation of local plans.

6. We should select certain countries of the world for development as regional show windows for the purpose of bringing American technological know-how more effectively to bear upon the population of the region. In the Far East, perhaps the time has come to stop looking upon Taiwan merely as a temporary haven for Chiang's forces or as an American-sponsored fortress poised against the mainland. The island is endowed with sufficient economic resources to allow it to be converted into a show window for Asia. The future of Formosa will have a bearing on the long-run influence of the United States in Asia, since all the key civilian officials of the country are American trained. If technically developed, Formosa would have a good chance to assume the leadership of the overseas Chinese communities which are scattered throughout Southeast Asia. It could also appeal to the governments in that region by making available to them technically trained Chinese educators, doctors, and engineers who could go abroad as emissaries of the center of free Chinese culture. In the Arab world, Libya is admirably suited for a similar experiment. It has a small population. The government is friendly to the United States. We have treaty rights in that country for the next 15 years, especially as regards the vital Wheelus Air base. Finally, Libya is situated just next door to Egypt, the political and cultural center of the Arab world. Taiwan and Libya represent only two examples or small, friendly countries where a relatively modest investment could bring considerable foreign policy dividends.

CONCLUSIONS AND RECOMMENDATIONS

1. Economic aid programs cannot be separated from the political objectives of foreign policy.

2. Military assistance, since it complements technical assistance, serves a useful economic purpose as well as a strategic one. Those military programs which contribute to the economic progress of underdeveloped countries should be prorated to economic aid, rather than hidden in military aid figures.

3. Technical assistance is the most desirable form of economic development aid. Technical assistance achieves a maximum effect at relatively low cost. It also enables the United States to reach beyond government-to-government relationships and to establish direct contacts with the peoples of the underdeveloped countries.

4. The United States should assist the underdeveloped countries to amass the necessary statistical data for rational development projects. It can best do this by contracting with private firms for the services of specialists who would undertake competent country-by-country surveys.

5. The United States should not commit itself to a long-range program of economic aid grants as a normal means of development assistance. Since aid grants are economically artificial props, they are the most costly and probably the least efficient form of aid. Since the term "grant aid" should be reserved to the financing of projects that do not satisfy sound banking criteria, such aid should be confined to special cases as political and other considerations may dictate.

6. The United States should propose an increase in the capitalization of the International Bank for Reconstruction and Development, so that economic development can be promoted and expanded in accordance with sound banking practice.

7. The United States should limit its economic assistance to specific development projects which:

(a) will strengthen and raise the standard of living of free, friendly countries;

(b) will promote the more intensive exploitation of existing resources and facilities within the underdeveloped countries;

(c) will be adapted to the technical level and cultural pattern of the local population; and

(d) will promote the more rational utilization of regional resources and market patterns.

8. The United States should help to restore a favorable climate for private international investment by devising programs which will supplement, rather than unfairly compete with, the operations of private capital in the world economy.

9. The United States should initiate studies on the problem of the eventual orderly deinvolvement of this country from various underdeveloped national economies which are now largely dependent upon American assistance.

OMISSION OF SENATOR GEORGE W. NORRIS, OF NEBRASKA, FROM LIST OF GREATEST SENATORS OF ALL TIME

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD an article from the Rocky Mountain News, of Denver, Colo., of March 23, 1957, entitled "List of Greatest Senators," by Henry N. Taylor of the Scripps-Howard staff.

I particularly desire that the article appear in the CONGRESSIONAL RECORD, for the information of the Members of the Senate, because it lists the two greatest United States Senators of all time as George W. Norris, of Nebraska, and Henry Clay, of Kentucky, according to a poll of more than 100 college professors in the United States. It continues to be a source of regret to me and to many others throughout the Nation that Senator George W. Norris was not included in the list of the five illustrious Senators whose portraits soon will be dedicated in the anteroom of the Senate Chamber.

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

[From Rocky Mountain News, Denver, Colo., March 23, 1957]

LIST OF GREATEST SENATORS

(By Henry N. Taylor)

WASHINGTON, March 22.—Nebraska's George Norris and Henry Clay of Kentucky were the two greatest United States Senators of all time, according to a poll of more than 100 top university professors run by a Senate committee.

Robert A. Taft, of Ohio, and Arthur Vandenberg, of Michigan, who ranked in the top five in a similar poll of Scripps-Howard newspaper readers last year, finished way down the line in the estimation of historians and political scientists.

Norris and Clay tied for first place in the scholars' poll, with 58 votes each. Daniel Webster, the wizard orator from Massachusetts, came third, with 55, followed by John C. Calhoun, of South Carolina, 40, and Robert M. La Follete, Sr., fiery Wisconsin progressive, 30.

The panel of experts named these five at the invitation of the present-day Senate, which found itself with five empty niches on its reception-room wall and decided to honor its five greatest past members by hanging their portraits there.

Senator JOHN KENNEDY, Democrat, Massachusetts, heads a subcommittee which will make the final choice. He has asked all present Senators to contribute their choices, along with the scholars and newspaper readers who have written in.

With results almost complete, the scholars list the following as runner-up choice after the top five: Stephen A. Douglas, Lincoln's rival from Illinois (23); Vandenberg (20); Thomas Hart Benton, 19th-century Missouri Democrat (15); Taft (15); and Robert F. Wagner, father of New York's present mayor (12).

Scattered votes went to more than a dozen other men, including Robert Taft's father, William Howard Taft, who served in the White House, the Supreme Court, and many other places, but not in the Senate.

Criteria for the contest state that Senators must be dead, must be "distinguished for acts of statesmanship, transcending party or State lines," and must have contributed leadership in national affairs, constitutional interpretation of legislation.

Senator JOHN BRICKER, Republican, Ohio, a member of the selection committee, expressed "great surprise" at the ranking the university men gave Senator Norris, who spent most of his 30 years in the Senate fighting as a "loner" against a conservative majority.

"Don't forget Bob Taft was a conservative at a very liberal time," said BRICKER. "He should get full credit too for his legislative record."

ANALYSIS BY SENATOR KENNEDY OF THE BOOK CITADEL

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a thoughtful book review from the New Leader of May 13, 1957, in which the junior Senator from Massachusetts [Mr. KENNEDY] has analyzed the celebrated book Citadel, by William S. White, of the New York Times staff.

Title of the review is "Inside the Upper House." Senator KENNEDY, himself the author of a best-selling volume which has recently won the Pulitzer prize for outstanding biography, sums up Mr. White's book in this fashion:

> Mr. White may not love all Senators, but he loves the Senate, and this affectionate regard shines through his work.

Because of the great amount of national discussion not only of Citadel but also of Senator Kennedy's Profiles in Courage, I believe that the latter's review of Citadel should be printed in the RECORD for the information of Members of the Senate.

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

INSIDE THE UPPER HOUSE

(Reviewed by JOHN F. KENNEDY, United States Senator from Massachusetts)

William S. White has, in his characteristically articulate and perceptive fashion, presented to the interested a remarkably vivid description of the United States Senate. Written from Mr. White's vantage point as chief congressional correspondent for the New York Times, Citadel quickly and deftly establishes the Senate in its position in the total framework of government as the catalytic agent giving continuity, restraint, creativity, and frequently shape and direction to the operations of the two active branches of Government, the legislative and executive. Then, painstakingly, the intimate details of the Senate's operations are supplied and suddenly the skeleton has taken on flesh and becomes a living reality. It is a book to be read by those anxious to understand the frequently ununderstandable Senate as well as by present and future historians and political scientists.

Mr. White has reached several conclusions, which he documents well but which might nevertheless be open to question. For example, there is the inner club concept, namely, that the Senate is given form and direction by a group of Senators—predominantly southern—whose "decisions are in no way overtly or formally reached; it is simply that one day the perceptive onlooker will discover a kind of aura from the inner club that informs him of what the Senate is later going to do about such and such."

Undeniably, each of the 96 Senators does not have the same degree of effectiveness in formulating the decisions made by the Senate as a whole. The mechanics of Senate operation are such that committee chairmen have considerable influence over the course of action taken by their particular committees, and, of course, the majority leader exercises considerable control over the scheduling of issues for consideration. Similarly, in any group of 100 people, some—through experience, personality, or innate ability—will be looked to by others for guidance. Surely this is as true of the Senate as of any other body, but this hardly supports the idea of a mysterious, mystical inner club.

The concept of a true Senate type recurring in the book may also be overdrawn. Any group develops an organizational personality, and perhaps those individuals who most nearly approach the group characteristics can be said to be representative of the group or to be true group types. But of greater significance is the wide diversity of personalities which combine to make the whole. The southern flavor of the Senate referred to frequently by the author is due perhaps not so much to the fact that the Senate was an invention of the South in the creation of our Constitution, as suggested in the book, as to the rather practical fact that most Southern States are one-party States affording their representatives in the Senate the opportunity to acquire seniority which in any body, and in the Senate particularly, brings valuable experience, prestige, and influence in the operation of the organization.

Especially good was Mr. White's treatment of the committees of the Senate—labeled by him as the "kernel of the power." Here he has faithfully and accurately described the arena in which the great bulk of the Senate's work is performed. Here is where the facts are acquired, the majority and minority are afforded an opportunity to develop the policies generally adopted by the Senate, and where Members can specialize, bringing their experience and concentrated attention to bear on a relatively narrow field of activity with maximum results. The seniority system of selecting chairmen has been roundly blasted, but, as pointed out so effectively by Mr. White, the virtues outweigh the defects in most cases and, more important, no plausible alternative has ever been proposed.

The attention and thought Mr. White has given the Senate investigations have been fruitful; his analysis is well worth reading. He suggests—and wisely so—a distinction between inquiry to supervise and even to attempt to force policy change upon the Executive and inquiry for the connected purposes of punishing individuals and promoting senatorial publicity. The Senate may have wandered off the reservation upon occasion, and directing attention to this particular area should prove to be helpful.

One of the most difficult tasks is to know one's self and to realize how he appears to others, and yet it is advantageous to have this information. Mr. White has performed a valuable service in undertaking to describe the Senate as he sees it. Although his picture does not have the detachment of a photograph, it is so much the better for being a painting with the interpretation and flavoring that a talented and sensitive artist can bring to such work. Mr. White may not love all Senators, but he loves the Senate, and this affectionate regard shines through his work.

TIMBER SALE PLAN FOR SNOQUALMIE NATIONAL FOREST, WASH.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the proposed timber sales plan for the Snoqualmie National Forest in the State of Washington. Nineteen major sales, which will put 225 million board-feet on the market, are planned. Seven of these sales total 184 million board-feet, or 82 percent of the timber which will be offered. Three sales alone account for 58 percent of the volume to be offered.

In testimony before the Committee on Appropriations, Assistant Secretary of Agriculture Ervin L. Peterson has been forced to admit that the Forest Service budget does not contain adequate funds for access roads. This causes a tremendous concentration of sales among three parties. The budget does not reveal that the Forest Service will secure road construction in the amount of more than $45 million by a procedure which is outside the control of Congress. This will be done by making allowances to the timber-sale purchasers in setting the price of the timber for them to construct the roads. That is the reason for the 3 big sales of 40 million, 45 million, and 46 million feet, which are listed. The big sales are often sold at the appraised price, with but a single bidder being able to bid. The Government loses money, because the road estimate is generally too liberal, and there is no competition for the sale.

By its heavy reliance on timber purchaser access-road construction, the administration is reducing income which is needed to help balance the budget. It is also strangling small and medium firms in the lumber industry by not scheduling enough sales of a size on which they can bid.

In my State of Washington, I may add, the so-called gypo loggers, who are the small-business logging men of the Pacific Northwest, are gradually being forced out of business by this type of procedure.

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

[From the Timber Operator of April 27, 1957]

SNOQUALMIE PLANNED TIMBER SALES ANNOUNCED FOR APPROACHING SEASON

SEATTLE.—In order to assist in company planning for proposed national forest timber sales on the Snoqualmie National Forest, listed tracts of timber to be offered for sale during 1957 are shown:

Number and name of sale	Ranger district	Location	Approximate volume M board-feet
1. Maloney Mountain	Skykomish	Secs. 1, 2, 11, and 12, T. 25 N., R. 11 E., and secs. 6, 7, and 18, T. 25 N., R. 12 E.	40,000
2. Sultan Basin	do	Sec. 24, T. 29 N., R. 9 E	14,700
3. Deer Creek	do	Secs. 4, 8, and 9, T. 27 N., R. 10 E	16,500
4. Evergreen Creek	do	Secs. 5 and 6, T. 27 N., R. 12 E., and secs. 31 and 32, T. 28 N., R. 12 E.	6,000
5. Jacks Pass	do	Sec. 31, T. 28 N., R. 12 E	1,500
6. Flapjack	do	Sec. 29, T. 27 N., R. 12 E	7,300
7. Olney No. 1	do	Sec. 31, T. 29 N., R. 9 E	540
8. Olney No. 2	do	Sec. 31, T. 29 N., R. 9 E	1,900
9. Camp Joy	North Bend	Secs. 9 and 10, T. 21 N., R. 10 E	4,800
10. West Fork No. 5	White River	Sec. 8, T. 18 N., R. 9 E	970
11. West Fork Fire Salvage	do	Secs. 18 and 19, T. 18 N., R. 9 E	1,560
12. Flip-a-way	do	Secs. 6 and 7, T. 18 N., R. 9 E and secs. 1, 2, 11, and 12, T. 18 N., R. 8 E.	46,000
13. Oliver Creek	do	Secs. 11, 14, and 15, T. 18 N., R. 9 E	10,000
14. Secs. 28 and 29, T. 17 N., R. 7 E	do	Secs. 28 and 29, T. 17 N., R. 7 E	5,000
15. Improvement Cut No. 5	Mineral	Secs. 15, 16, 21, 22, and 23, T. 14 N., R. 8 E.	600
16. Teeley Creek	do	Secs. 8, 9, 10, 15, 16, and 17, T. 18 N., R. 7 E.	12,000
17. Clear Creek	Tieton	Secs. 1, 2, 3, 4, and 5, T. 14 N., R. 13 E., and secs. 33, 34 and 35, T. 14 N., R. 14 E.	5,000
18. Case Creek	Naches	Secs. 11 and 12, T. 15 N., R. 13 E	6,000
19. Milk Creek	do	Secs. 1, 2, 3, 10, 11 and 12, T. 17 N., R. 14 E., and sec. 36, T. 18 N., R. 14 E., and sec. 6, T. 17 N., R. 15 E.	45,000
20. Miscellaneous salvage and small sales, forestwide.			10,000+

These sales will be advertised as rapidly as sale preparation work can be completed and snow conditions will permit examination of the areas, it is stated.

FEDERAL EMPLOYEES APPRECIATION WEEK

Mr. HOLLAND. Mr. President, appropriate recognition of the efforts of Federal employees to serve the public efficiently will be given in Miami, Fla., during the week of July 7 to 13, in the second annual Federal Employee Appreciation Week.

The week-long celebration, which it is hoped by the sponsors will include a 1-day open house by Government agencies in the Miami area so that taxpayers and businessmen may visit them and learn what they do and how their activities affect the community, will culminate in the presentation of the Governor's Cup to the Federal employee whose suggestion has saved the Government the most money during the current fiscal year. The Federal agencies are also being invited to present service pins and other commendatory awards at that time.

The event is being sponsored by the United States Employees Benevolent Association, a nonprofit employee welfare organization whose president, Mr. Fred Loudis, reports that Florida is the first State in the Union to stage such a celebration pointing up the merits of the Federal employee.

Speaking for all members of the Florida congressional delegation, I commend the sponsors of this event for their efforts to show that Federal employees, who are also taxpayers, are vitally interested in efficient and economical operation of our Government.

TWO PHASES WHERE CONGRESS CAN BE PENNY-WISE AND POUND-FOOLISH: THE FOREIGN SERVICE INSTITUTE FOR LANGUAGE TRAINING AND THE EDUCATIONAL EXCHANGE SERVICE

Mr. WILEY. Mr. President, there are many places of the State Department's budget where, in my judgment, Congress may find that a drastic and arbitrary funds reduction would represent utterly misplaced economy.

In trying to save relatively small sums, Congress may later find to its regret that it has been proven penny-wise and pound-foolish.

Two of the Department's programs which can ill afford a negative decision by the Congress are: The Foreign Service Institute—especially in its language-training work—and the program for educational exchange.

Both are relatively small items out of all the many programs in the Department budget. But both are exceedingly important.

I have looked very carefully into the results which would follow in the event that the Foreign Service Institute and the exchange programs were impaired.

Accordingly, I have prepared a statement covering each of these issues. Since time is short, I shall not read the statements to my colleagues now, but I ask unanimous consent that they be printed at this point in the body of the RECORD, where I trust they may be consulted by my colleagues on the Senate Appropriations Committee.

In singling out these two particular items, which I happen to have followed closely in the past, I have not chosen them as the most important of all the vast number of Department programs; for obviously they are not.

But they are significant. They are very worthwhile. They deserve support, not rebuke. They must not be lost in the shuffle.

I ask unanimous consent that a statement prepared by me and an editorial be printed in the RECORD.

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

NEED FOR LANGUAGE-TRAINING FUNDS FOR FOREIGN SERVICE INSTITUTE

As past issues of the CONGRESSIONAL RECORD will confirm, one of the challenges which I have stressed on several occasions goes to the very heart of how successful we as a nation may be in our foreign policy.

We can "sell" our foreign policy to the world, especially to uncommitted peoples, only if we can break through the mental and other barriers which separate us.

One such barrier is the language barrier. It is a crucial barrier.

SERIOUS HANDICAP IN LACK OF LANGUAGE

All things being equal, a United States Ambassador will tend to be far more successful in his work abroad if he is able to speak the language of the country to which he is accredited.

The same holds true for Foreign Service officers generally, for employees of the United States Information Agency, the International Cooperation Administration, and military advisory groups and other officials working overseas.

And so, for years, I have, very frankly, been prodding some of the Federal agencies and, yes, the committees of the Congress to try to increase the reservoir of United States language specialists, available for working abroad.

UNFORTUNATE HOUSE CUT

I was regretfully surprised, therefore, to note the other day, that, instead of moving toward this goal, our colleagues in the House of Representatives, by an ill-considered action, chose to move in exactly the opposite direction.

The House had been rightly asked to increase the budget of the Foreign Service Institute from $3.7 million to $5.1 million. The request was unfortunately denied.

It is my earnest hope that now, our associates on the Senate Appropriations Subcommittee who are considering this issue will reverse the decision of the House and will grant the full budget request.

The total amount which has been asked for is $5,183,840. Lest this sum be regarded as too sizable, I should point out that only $1,852,202 is for operating expenses. The other $3,331,638 is for the purpose of covering the salaries of trainees and related expenses.

SERIOUS LANGUAGE DEFICIENCY

Are these sums needed? Well, two facts should be borne in mind:

1. Over 65 percent of FSO-8's coming into the service do not have a useful control of any foreign language.

2. Approximately 50 percent of the remaining members of the Foreign Service, according to their own self-evaluation, do not have a useful control of either French, German, or Spanish.

SMALL SUMS COMPARED TO UNITED STATES BUDGET

From the standpoint of the overall United States budget, the sums of which I am speaking are comparatively small.

And yet, from the standpoint of the significance of these sums, they have tremendous meaning.

So far as I am concerned, I want not only Foreign Service people to be able to speak the foreign languages, but I want other key officials of the United States Government working abroad to be able to do likewise.

HUGE SOVIET LANGUAGE TRAINING PROGRAM

It may be recalled that I had previously pointed out on the Senate floor, that the Soviet Union conducts a massive language training program for its diplomats, engineers, other specialists and technicians. The Red program makes the United States language program look like the proverbial "peanuts."

It is, therefore, misplaced economy for us to send our officials abroad, and yet deny them the opportunity to overcome their language deficiency.

Conscientious Foreign Service and other United States officers do want to remedy this deficiency. They recognize full well that they must break through the language barrier in order to be successful in their missions. They recognize that they must apply themselves diligently for this purpose.

Why, then, should we deny them this chance to serve their Government and their country still more effectively?

MEAGER FUNDS TO WAGE THE PEACE

Let us not be penny-wise and pound-foolish.

Let me point out that the Foreign Service Institute's funds represent but 2½ percent of the United States State Department's budget.

And to put the latter's budget, in turn, in proper perspective, let me point out that all the State Department funds constitute but three-tenths of 1 percent of the total Federal budget.

President Eisenhower has called such funds the money needed for waging the peace.

We cannot wage the peace with mere nickels. We do not want to waste a single nickel or a dime, but neither do we want to lose the world in the process of saving a dime, so to speak.

OTHER AGENCIES NOW UTILIZING FSI

For a long time, speaking very frankly, some of the folks in various departments of the executive branch had not prepared themselves to meet this problem of language training head-on.

Yet, back in 1946, when the Congress wrote the Foreign Service Act, it authorized the Foreign Services Institute to make available its language training services to other departments of the Government, so as to avoid duplication of effort and facilities.

I understand that 6 departments or agencies are now taking advantage of this opportunity—the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, the Department of the Army, the Department of the Navy, and the National Security Agency—and all this only within the last 2 years.

PROBLEM OF TRAINING FOREIGN MILITARY OFFICERS

Do we need more language skills also, say, in the Armed Forces? We certainly do.

Down in Fort Benning, Ga., right today, there are 506 foreign military officers being trained at the Army's fine infantry training school. Communicating with just this one single group represents a host of problems—for no less than 32 countries' nationals are involved. Obviously, the Army which is now

expanding its language training can use a lot of help.

But, turning back to the Foreign Service Institute, itself, 21 languages are being taught here and in 4 branch schools abroad.

I have referred thus far only to the FSI's language training program. But I would not conclude without referring, as well, to the other key role of the Institute—its inservice training. This phase provides career training for the many technical jobs which must be performed by the Foreign Service officer.

LET US HELP, NOT HURT, FOREIGN SERVICE

Mr. President, the Foreign Service officer is the man or woman in the frontlines of the fight for peace. No army headquarters would deny a frontline soldier whatever he needs to succeed in his mission.

As former Ambassador Clare Boothe Luce recently eloquently stated, let us give the Foreign Service our sympathetic support, our understanding help. Let there not be unwarranted abuse from any quarter, no unjustified criticism; rather, let us give it frankly—the benefit of the very best that we have within us.

Now, let me make it clear that I recognize full well that the Senate and House Appropriations committees apply themselves to their tasks with tremendous devotion to duty. They work long and hard, and often with little thanks. The fact that in this instance, as in some other instances, I happen to disagree with one of the committee conclusions, does not, in the slightest, lessen my respect for them or my appreciation of the fact that the House Members made this cut in good faith.

BALTIMORE SUN EDITORIAL URGES FUNDS

I append now a brief excerpt from an editorial entitled "Money for Diplomacy." It was carried on one of the famed editorial pages of this Nation's newspapers—that of the Baltimore Sun.

[From the Baltimore Sun of May 1, 1957]

"MONEY FOR DIPLOMACY

* * * * *

"To look at just one example of the harm that cheapness can do:

"In its budget proposals, the State Department asked for $5.1 million to finance the Foreign Service Institute in the next fiscal year. The House cut the request to $3.7 million. This is the poorest kind of economy. The Foreign Service Institute has the job of training young officers in that Service; and the need of trained young Foreign Service career officers is one of this country's great needs. It is a need, further, that grows almost daily as we assume new responsibilities throughout the world.

"As an example within an example: One job the Foreign Service Institute does is to teach foreign languages. A bad spot in our diplomatic work lies in the scarcity of diplomats who can speak the languages of the countries to which they are assigned. Right now we have a battalion of new Ambassadors who can't do it. At least they should have under them career men who can.

"This single case is enough to emphasize the need for care in approaching the State Department budget. This is one place where the budget cutters, though not to be called off entirely, should not be thoughtlessly cheered on."

THE VITAL IMPORTANCE OF THE EDUCATIONAL EXCHANGE SERVICE

Still another of the important programs which merits the support of the Congress and the American people is the International Educational Exchange Service.

My hope is that the Senate will restore the unwise cuts which were made in the 1958 budget of this service.

There follows now a statement which I have prepared on this subject:

What would be the effect of the House's slash, if it is sustained by the Senate?

The reduction would, unfortunately, represent a 44-percent cut below the 1958 request for the Smith-Mundt program. And exchanges under the Smith-Mundt program would be cut roughly one-fourth below the 1957 level.

What alarms me by the House action is the negation of two obvious needs in our own self-interest and in the interest of a better world.

1. First, the two-way flow of students, teachers, and influential leaders from other lands can rectify the misconceptions and misunderstandings, currently "icing" our relations with other nations. The cut would ignore this fact.

2. Secondly, if we can provide training and learning for foreign visitors, we can promote profreedom, pro-United States leadership, rather than simply letting Russia continue indoctrinating antifreedom, anti-United States leaders. Similarly, the cut would ignore this fact.

And just how would the House cut in the IEEC program affect these aims? A look at the revised programing gives a pretty dismal picture. Let us see what would happen to our operations in the Near East and Africa, where it is imperative we expand our diplomatic and cultural contacts.

NEAR EAST-AFRICAN PROGRAM SLASHED MORE THAN HALF

The Department of State requested funds to bring 590 influential leaders and specialists to the United States from the 32 countries and dependent territories in the Near East and Africa, where we have exchange programs. The amount allowed by the House slashes this total number to only 222—less than one-half.

No leaders at all will be brought from Uganda, Tanganyika, Somalia, Saudi Arabia, Liberia, the Belgian Congo, or the African Trust Territories. How can we rationalize this self-imposed isolation from a continent which is becoming one of the great forces in the world today? How can we account for this barrier to cultural contact, when we in the United States must come to know, to understand, and find common ground with the peoples of this continent—that is if we are to win the battle for men's minds?

Further, reductions in programs for many other critical areas will also be necessary.

For instance, instead of the 18 Syrian leaders the Department had planned on bringing to the United States, only 4 could be financed. I ask, however: Is Syria unimportant in the Congress' eyes? Are we not interested in having leading Syrians see us for what we really are, and not as Soviet agents inside Syria picture us to be? Has not the news from the Mid-East in the last few weeks confirmed a thousandfold how important it is that Syria have far greater and more constructive contact with the West than she now has?

Cutbacks would also take place in the newly independent states of Ghana, the Sudan, Tunisia, and Morocco.

Educational improvement and professional training are the two basic needs of the peoples in these countries. Not only will the reduction in the leader and specialist program retard progress toward these ends; cuts in other types of exchanges—of students, teachers, and professors—will have an equally serious effect.

REDUCED STUDY IN THIS COUNTRY

By the House allowance, grants for study in this country would be available to 212 less young people from the Near East-African areas than originally planned. No students at all would be brought from Afghanistan, Ghana, Iraq, Jordan, Lebanon, Liberia, Libya, Nigeria, Saudi Arabia, Tanganyika, Uganda, or Yemen.

One hundred and four fewer teachers and professors would be exchanged than originally planned. This will curtail our program to help Ghana with its educational programs, as well as Tunisia, Morocco, the Sudan, Nigeria, Jordan, Lebanon, and Liberia.

In five countries of this area where foreign currencies under the Fulbright Act are available, it will be possible to continue planned programs. However, the leader and specialist programs in theses countries will suffer the same severe reductions as in other countries of this area since they must be financed from dollars rather than foreign currencies.

I APPEAL FOR REVERSAL OF HOUSE DECISION

In view of these stark cutbacks in our exchange projects with the Mideast and Africa, I appeal to my colleagues on the Senate Appropriations Committtee to think twice as they analyze the validity of the House action.

I say: We would only be undermining our own national interest to have the State Department's request for the Exchange Program cut so deeply.

LETTERS FROM AMBASSADORS UNIFORMLY PRAISED PROGRAM

I say that the underdeveloped peoples are looking to us more than ever before for technical training and for interchange of ideas.

I recall to my colleagues the recent series of informative letters from many Embassies which I printed in the CONGRESSIONAL RECORD. I point out how every single one of the Embassies said in effect: "The exchange-cultural programs are urgently needed and should be urgently expanded."

Yes, even—or perhaps, especially, the nations which are strongest in their stand for neutralism gladly affirmed that in their judgment, the exchange programs are invaluable for improved bilateral and multilateral relations.

So, this issue is bigger than the issue of combatting communism, as big as that issue is. Rather it is part and parcel of helping to create a better, more peaceful, more prosperous world for all—through more competent local leadership.

Teaching builds tomorrow's leaders. Let us not deprive the Free World of the chance to expand that great asset—a larger pool of able leaders.

POSITION OF THE UNITED STATES IN INTERNATIONAL LABOR ORGANIZATION ON SLAVE LABOR BAN

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to proceed during the morning hour for more than the allotted period of time.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Is there objection? The Chair hears none, and the Senator from Illinois may proceed.

Mr. DOUGLAS. I was greatly pleased to note in this morning's New York Times the announcement that the administration had apparently changed its mind so far as the slave labor ban in the International Labor Organization is concerned.

It will be remembered that in years past this administration has opposed any ban on slave labor before the International Labor Organization. This has placed the United States Government and the American people in a very embarrassing position before the other peoples of the world, in that our failure to support this ban has been treated as an endorsement of present improper practices and opposition to any measures taken to check them.

In protest against this attitude of the State Department the junior Senator from Minnesota [Mr. HUMPHREY] submitted last year a resolution directing the State Department to reverse its position and favor a ban on slave and forced labor. I conducted hearings upon that resolution.

Despite what seemed to us to be the overwhelming weight of the evidence and of the argument, the State Department and the administration stubbornly refused to change their position, so that when our delegation went to Geneva last summer we once again were in opposition to the movement to ban slave labor.

Now, if we can believe this morning's New York Times, the administration has changed its position, and has announced that it will support the ban. If this should prove to be true, the Senator from Minnesota is entitled to a great deal of credit for the persistent work which he has done in connection with his resolution.

I think quite probably the hearings before the committee which I conducted also had a share in marshaling public opinion and indignation against the attitude of the administration. However, the greatest credit goes to the American Federation of Labor and the Congress of Industrial Organizations and their representative, Mr. George P. Delaney, who has been the American labor representative at the conferences of the ILO.

Mr. Delaney has fought in season and out against the attitude of the administration, and has demanded that the American Government take a positive stand to outlaw slave labor and forced labor. While Mr. Delaney has been in Geneva he has observed the diplomatic amenities and has not broken loose from the American delegation to denounce or to oppose the action of our Government. He has performed as a thorough and consistent American, but he has thrown his influence and his energy in the direction of having the United States line up with all the other civilized countries of the world in opposing slave labor and in trying to obtain international action to make that policy effective.

I have said that apparently the American Government has now changed its position. Last year about this same time the Secretary of Labor made an announcement to the effect that we were going to change our position, and I rose on the floor of the Senate and congratulated the administration for at last getting in line with the feelings of humanity.

In a few days, however, I discovered that there was a catch in the statement of the Secretary of Labor. The administration was not proposing to join in supporting an ILO convention to ban slave labor but merely proposing to ban international trade in the products of slave labor. This suggestion was later put forward by our Government's representatives of the 1956 ILO conference. It was a pale, unenforcible and ineffective substitute for the proposed ban on slave and forced labor.

I felt very much humiliated for having congratulated the administration for a more basic change of policy which did not occur. It is still possible that we may find, when the ILO convention meets, that there has not been a real change of attitude. However, the announcement seems to be a little more definite than that of last year, because, whereas the announcement last year came only from the Secretary of Labor, and was almost immediately nullified by the barriers which he and the Secretary of State threw around the announcement, this year the announcement comes, I am told, not only from the Labor Department, but from a meeting in which representatives of the State Department took part.

I am informed that a conference was held last Friday, at which Assistant Secretary of State Wilcox was present, and that he did not demur to the instructions given to the delegates or to the announcement which was made.

Therefore the State Department would seem at least to be committed to this proposal, so far as silence or failure to object is concerned.

I hope that this year the administration will go through with its announced purpose, because it has been a disgrace, year after year, to find the administration opposing constructive efforts to outlaw slave labor and forced labor, and protecting slavery in Saudi Arabia and forced labor in countries behind the Iron Curtain. I very much hope that the statement in this morning's New York Times is correct.

I ask unanimous consent that the article from the New York Times be printed in the RECORD at this point as a part of my remarks, together with certain other documents which I shall introduce to indicate the historical opposition of the administration to all efforts to curb forced labor.

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

[From the New York Times of May 13, 1957]

UNITED STATES TO SUPPORT SLAVE-LABOR BAN—ILO CONFERENCE DELEGATES TOLD GOVERNMENT WILL VOTE FOR CONVENTION

WASHINGTON, May 12.—The administration definitely has decided to support the proposed convention on forced labor at the annual conference of the International Labor Organization in Geneva next month.

At meetings held here this week preparatory to the conference, delegates representing United States employers and labor were informed of the administration's decision.

Each of the 77 member nations is represented at the annual conference by 2 Government delegates and 1 delegate each from labor and industry. The meeting this year begins June 5.

The United States labor delegate, chosen by the American Federation of Labor-Congress of Industrial Organizations, will be George P. Delaney. The employer delegate, chosen by the United States Chamber of Commerce and the National Association of Manufacturers, will be Cola G. Parker, chairman of the association.

RATIFICATION BINDS STATES

Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, will be the chief United States Government representative.

A convention is a draft treaty. After adoption 1 year, it is placed on the following year's agenda for final action. If approved by two-thirds of the delegates, member governments are required to submit it to their legislatures for ratification.

Once a nation ratifies a convention, it becomes a binding international treaty on that nation.

In Geneva last year, United States Government delegates and the industry delegate opposed the adoption of the convention forbidding member nations to use forced labor for political or economic purposes. The United States labor member voted for it.

This convention has put the Eisenhower administration in an embarrassing dilemma. It has had to make a choice between two principles, one constitutional and the other moral.

There has been a feeling in the United States that the ILO convention system involved a grant of legislative power in treaty-making that should be reserved to national legislatures. It also has been felt that the convention often involves matters reserved to the States under the United States system.

Last January, a special committee appointed by the Secretaries of State, Commerce, and Labor, said that ILO conventions were no more than recommendatory resolutions when they were not properly within the Federal jurisdiction. It added that if the United States Government delegates made clear the action the United States would take there should be no difficulty about voting for a convention if it embodied principles the Government endorsed.

OFFICIAL REPLY OF STATE DEPARTMENT IN OPPOSITION TO SENATE JOINT RESOLUTION 117, CALLING UPON THE GOVERNMENT TO EXERCISE LEADERSHIP IN DEVELOPING AND ADOPTING AN INTERNATIONAL CONVENTION WHICH WILL EFFECTIVELY OUTLAW FORCED LABOR FOR POLITICAL AND ECONOMIC PURPOSES

APRIL 11, 1956.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, United States Senate.

DEAR SENATOR HILL: This is in reply to your letter of January 16, 1956, which enclosed a copy of Senate Joint Resolution 117, and the receipt of which was acknowledged by the Department's letter of January 17, 1956. The joint resolution is directed toward general United States cooperation with other nations through the International Labor Organization to abolish forced labor. Specifically, this bill would call upon the Government to "exercise leadership in the International Labor Organization to develop and adopt an international convention which will effectively outlaw forced labor for political and economic purposes."

The question of the abolition of forced labor is one to which this Department has devoted a great deal of time and thought. Needless to say, the United States Government has always done and will continue to do everything possible to encourage and promote human rights and fundamental freedoms. The abolition of forced labor is clearly one such endeavor. As you may recall, the United States has taken the leadership, both in the United Nations and in the International Labor Organization, in promoting action to expose and eliminate the practice of forced labor wherever it may exist. The United States was a prime mover in the establishment of the joint United Nations-International Labor Organization Ad Hoc Committee on Forced Labor whose report in 1953 drew special attention to the existence in Communist countries of systems of forced labor as a means of political coercion and for economic purposes and called for the total abolition of such systems. The United States also gave strong support to the recent action by the International Labor Organization in establishing an independent Ad Hoc Committee on Forced Labor to analyze the material received by the ILO dealing with the use and extent of forced labor throughout the world.

There are, however, certain difficult problems relating to the proper and effective methods of combating forced labor and the form of action the International Labor Organization should take in this field which have been raised by Senate Joint Resolution 117.

In testimony before a subcommittee of the Judiciary Committee in 1953 and again in 1955, Secretary Dulles said: "I do not believe that treaties should, or lawfully can, be used as a device to circumvent the constitutional procedures established in relation to what are essentially matters of domestic concern and hence not to be within the traditional scope of United States treaties."

Furthermore, it is the view of this Department that a convention on forced labor would, from a practical standpoint, not be the most effective way of achieving the desired results. Experience in matters of this type indicates that in the absence of adequate enforcement machinery, good faith and sincerity of purpose will determine the extent to which countries accepting a commitment to abolish forced labor will take steps in that direction. It is interesting to note in this connection that the U. S. S. R. has embraced the idea of a convention and has called upon the International Labor Organization to "adopt as broad and radical an instrument as possible." Endorsement of the convention form by the U. S. S. R. is indicative of what might be expected from the adoption of this form of action.

The most effective method of stamping out forced labor is through exposing and publicizing such vicious practices and marshalling public and world opinion to demand their elimination. The mobilization of a worldwide body of opinion alerted to the various guises which forced labor may take could be accomplished even more dramatically through other form of action as a declaration which would strongly condemn the practice of forced labor and would pledge governments to undertake its elimination. Such a declaration would serve as a standard and rallying point for all nations devoted to the principle of freedom and would offer as much practical promise as a convention for remedial action.

The Department of State is in complete accord with the objective of Senate Joint Resolution 117 for United States leadership in the efforts to promote the abolition of forced labor wherever it is practiced. Since the resolution specifically calls for the adoption of an international convention, however, the Department does not favor passage in its present form for the reason indicated above.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

LABOR RACKETEERING—BROADCAST BY SENATOR MORSE

Mr. MORSE. Mr. President, the reactionary press in my State continues to write highly critical editorials about my alleged silence in regard to the disclosures of the McClellan committee. As usual, the smear tactics of the press are without foundation of fact.

I ask unanimous consent to have published in the body of the RECORD, as a part of my remarks, one of my early statements with respect to alleged abuses, in the form of a radio broadcast which I gave in the State of Oregon on March 14, 1957.

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

STATEMENT BY SENATOR WAYNE MORSE, MARCH 14, 1957

Fellow Oregonians, on this broadcast I've proposed to discuss some phases of the McClellan committee investigation of alleged racketeering and vice conditions in the State of Oregon.

If you were a Senator these days from Oregon, you would find that you're being asked a great many questions, not only by your colleagues, but a great many questions by your constituents back home, as they call me all times of the day and night on long distance to find out what, if anything, can be done in regard to the record that is being made by the McClellan committee.

On Tuesday, March 12, I made a very brief speech on the floor of the Senate, and I think for the purposes of this broadcast I will read some of the excerpts from that speech. And at the close of that reading I will summarize some of the problems that I think confront us in the State, in regard to this matter.

On March 12 I said on the floor of the Senate: "Mr. President, in regard to the problem of racketeering investigations in Oregon, I wish to say that in recent days I've been very much concerned about testimony and information based upon allegations concerning certain persons in my State, which have been made a part of the record before the McClellan committee.

"At the conclusion of the hearings held by the committee, so far as the so-called Oregon features of the hearing are concerned, I propose to make remarks on the floor of the Senate on the basis of what I think the record then warrants."

But, Mr. President, today I desire to assure my colleagues in the Senate, and, though speaking from my desk, I wish to assure the people of the United States, that the great City of Roses, Portland, Oreg., is not the mire filled, filthy city that one might be led to believe from the reading of the trial by press in the Oregon newspapers and across the Nation in regard to conditions allegedly existing in Portland.

I wish to say to the law enforcement officials of my State, that if there's any ground for criminal prosecutions based on allegations made before the McClellan committee, it is the clear duty of such officials to proceed forthwith with such prosecutions.

Mr. President, as one who for many years taught criminal procedure, I wish to say that in determining the guilt or innocence of fellow Americans there is no substitute for the judicial courtroom, where the laws of procedure which prevail will protect the innocent and will give the guilty a fair trial.

I wish to make very clear, Mr. President, that I make no criticism of the McClellan committee. It is following the established practices and customs of the Senate in conducting its investigation. However, again I raise my voice in the Senate of the United States, as I have done on more than one occasion in the past 12 years, to insist that the procedure in connection with Senate investigations needs much revision. So that when the question of the guilt or innocence of a fellow American is before a Senate committee, the precious safeguards of procedure, which are so essential to a fair trial in our country will be preserved and guaranteed in the interests of justice.

Basic among these procedural protections is the bill of particulars. In many speeches I have made during the past 12 years on behalf of reform of procedures in congressional investigations, I have stressed the importance of submitting in advance to anyone brought before a committee, a bill of particulars, setting forth the specific charges upon which he is to be investigated.

This is not asking too much, for a witness' reputation or freedom are at stake, at least indirectly.

Another recommendation which I deem of great importance, and which I repeat today, is that anyone charged of any wrongdoing involving alleged criminality shall be confronted by his accusers in open hearing, where the searchlight of full public disclosure can be brought to bear upon all the facts set forth.

By the same token, one who is accused in this fashion before a Congressional committee, should have the right to cross-examine his accusers, through counsel. This is a precious procedural right if the essence of fair trial is to be maintained in our Senate committees.

Oh, yes; I know, it is said that a Senate investigation is not a trial. However, this is but a technical distinction, because we all know that in the past several days we have read in the papers about the investigation of alleged labor racketeering in my State. There has been trial at least by the press, of various people who have been called before the committee.

Another basic procedural right we should insure is the right of the accused, with the assistance of counsel, to pursue his own defense in orderly fashion subject, of course, to the right of the committee, and of those involved in his testimony to cross-examine him upon his testimony.

Likewise I have urged and wish to stress in these remarks today, the importance of the procedural requirement that probative evidence be brought forth in support of allegations made. Whispers, rumors, hearsay and possible frameups have no standing, as we all know, in our criminal courts. The unreliability of such sources of information has been recognized from the founding of our Republic. And the safeguards against such dangers to the reputation and character of men and women should be impeccably followed in Congressional investigations.

My faith in the procedural guaranties of a fair trial in America is so abiding that I am convinced that any phase of alleged labor or employer racketeering, of labor or employer participation in vice conditions, or of labor and employer participation in any form of political corruption, can be proven or disproven beyond a question of a doubt on the record of any investigation or courtroom proceeding without resort to the use of any procedural shortcuts that deny the procedural guaranties to which I have referred.

Mr. President, I hold no brief for the people who have been called before the committee. But I do insist, as one who taught criminal law and criminal procedure for years, that the judgment of guilt or innocence should be determined by a jury of one's peers, within the provisional and procedural safeguards of an American courtroom.

That is why I have just said that I call upon the law-enforcement officials of my State to carry out their public duty, if they find that there is any basis in fact for any criminal charges against anyone involved in these hearings.

It is through such criminal prosecutions in the courtrooms of my State that the important question of guilt or innocence should be determined, and not in a Senate hearing.

I am making these remarks today as the senior Senator from Oregon, because in that capacity I have been barraged by questions from colleagues in the Senate, and from many people outside the Senate, who want to know if conditions in my State are as bad as the press paints them on the basis of this hearing.

Mr. President, no other Member of the Senate is more anxious than I am to have

cleaned up any criminality which may have woven its way either into the labor movement or into the employer movement or within the officialdom of my State. But, Mr. President, I know the great difference which exists between accusations and proof. I know that testimony by persons of questionable veracity, such as alleged prostitutes, procurers, ex-convicts or gamblers, before any legislative committee, where the precious safeguards of procedure so essential in determining the proof of guilt or innocence should prevail, may appear to be quite different when the same testimony is given by such witnesses in courtrooms on cross-examination under the procedures of a fair trial.

Therefore, Mr. President, in defense of my great State, not of individuals against whom allegations have been made, because I hold no brief for anyone who has been accused, or against whom allegations have been made, before the Senate committee, but in defense of my State I wish to say to my colleagues: reserve judgment, until in the judicial atmosphere of a fair courtroom, where these procedural guaranties are always available to those accused, judgment is finally rendered by a jury of one's peers.

Fellow Oregonians, that is what I said in essence on March 12. I will not read the rest of the speech because it was pretty much a reiteration of some of the points already made.

Well, now, I think you will be interested, in fact somewhat amused along with myself, when I tell you of some of the experiences I've had since these hearings have been conducted by the McClellan committee.

CBS and NBC called me the other day for a radio interview. And it was very interesting the questions that they asked me, and I think that I should tell you what the questions were and my answers to them.

The first question was: "Senator, were you supported in the 1956 campaign by the teamsters union of Oregon?" and I said "Yes," I was, and I was proud of it. I was supported by the union's members of the Oregon State Central Labor Council, of which the teamsters are members. I was supported by them in 1944, I was supported by them in 1950 when I was a Republican and the Republican Party was proud of it then as I'm sure the Democratic Party in this last campaign was proud of the fact that I brought to the party strong labor support.

The next question was, "Did you accept any money from the teamsters in your campaign," and I said that I hoped that the teamsters made some contributions to my campaign, because I sure needed the money. But I said as far as I knew any contributions came through the so-called Buck-for-MORSE drive, where over 13,000 individual workers in my State and elsewhere in the country made small contributions of a dollar or a few dollars to my campaign. And I said that I hoped that a good many thousand of those Buck-for-MORSE contributions came from the fine men who drive the trucks in the over-road trucking transportation industry of this country. Because, I said, when we talk about teamsters, let's talk about the men who do the work on the trucks and in the plants that are organized by the teamsters.

And it's so easy, you see, to sort of transfer to a few leaders, that may have followed a course of action that this committee will show is subject to severe criticism; it's easy to transfer to the rank and file the responsibility for the acts of those leaders.

And I said on this broadcast I was very proud that it was the rank and filers that contributed to my campaign.

And then I was asked if I spoke to the Teamsters Western Conference last spring in British Columbia, and I said, "Yes," I did, and I'd be very glad to speak to them next week if they invited me again. I said that, in fact, I'd have quite a speech to give to them if they invited me to speak to them again.

Now I said, would you like to hear what I said before the Teamsters Western Conference last spring in British Columbia? And it became perfectly clear that the interviewers didn't want that; that wasn't what they were seeking. They were seeking, of course, to see if they couldn't raise some embarrassing question, but when they discovered that the facts didn't warrant any embarrassment, they were rather pleased with the broadcast that I gave them.

Then, finally, they said, "What is your position, Mr. Senator, in regard to the investigation?" And I said it's now what it's always been. I want the fullest possible investigation of any labor racketeering, any connection on the part of labor leaders with activities that do great injustice to the cause of labor and to the cause of industry. But, I said, when it comes to a matter of charges of criminality, I want those charges taken to the courts of my State, and I want to make very clear that the courts of Oregon are open for any prosecutions where the evidence shows that people in labor or in industry or any other walk of life are guilty of criminal conduct.

I wanted to say these things on this broadcast today because I think this broadcast will help answer some of the mail I'm receiving that adds up to the question: What are you doing about the investigations of the McClellan committee?

Until next week this time, I bid you goodby.

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Is there further morning business? If not, morning business is concluded.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, several Members have expressed the desire to be present when the Senate votes on the treaty which it is about to consider. It has been announced that a yea-and-nay vote would be had on it. I therefore ask the cooperation of all Members of the Senate. I shall suggest the absence of a quorum. When a quorum has been established, I shall ask that the Senate go into executive session to consider the treaty. Then we shall have a yea-and-nay vote on it, as announced.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

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

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

EXECUTIVE REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MURRAY. Mr. President, from the Committee on Interior and Insular Affairs, I report, favorably, the nomination of Elmer F. Bennett, of Colorado, to be Solicitor for the Department of the Interior. I ask, Mr. President, that a letter from the junior Senator from Oregon [Mr. NEUBERGER] dealing with this nomination, be printed at this point in the RECORD.

The PRESIDENT pro tempore. The nomination will be placed on the Executive Calendar; and, without objection, the letter will be printed in the RECORD.

The letter presented by Mr. MURRAY is as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
May 9, 1957.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: I desire to be recorded against confirming the nomination of Mr. Elmer F. Bennett, of Colorado, to be Solicitor of the Department of the Interior.

This has nothing to do with Mr. Bennett personally, but because he is a symbol of present Interior Department policy which is pouring millions of dollars for costly Federal developments into the basin of the Colorado River, while not 1 penny is recommended for new Federal starts or authorizations in the Columbia River Valley.

The folly of such a policy is demonstrated by the fact that the Colorado River carries only about 17 million acre-feet of water to the sea, while the Columbia carries 180 million acre-feet of water to the ocean.

Mr. Bennett is one of the supporters of the so-called partnership power program. Under this program, the upper Colorado project has been the beneficiary of complete and even enthusiastic support from the Interior Department. This entire project will cost at least $800 million in Federal funds—perhaps far more. Already the largest single dam-construction contract in history has just been signed by the Department of the Interior for beginning the erection of Glen Canyon Dam, a sum of about $107 million. Glen Canyon is only one unit of the upper Colorado project.

By contrast, the Department has not backed a single penny in funds for commencing construction of John Day Dam on the Columbia River, a greater and more economical project which is fully planned and ready for development. In addition, the Department actually has opposed authorization of the great Hells Canyon project on the Snake River, major tributary of the Columbia. Furthermore, the Department has favored surrendering the valuable power facilities of such dam sites as John Day and Cougar to the private utility companies.

A policy of unlimited Federal benefactions for the Colorado Basin—as opposed to neglect of the Columbia Basin—can no longer be tolerated by representatives of the Columbia River Valley in Congress who are worthy of their paychecks. This policy is rank discrimination. It also is outright subservience to the private utilities, because the Colorado River sites are considered impractical for profit by the utilities whereas the far superior sites in the Columbia Basin are coveted by these utilities.

As a Senator from Oregon, I have voted for the last time to confirm appointees to the Interior Department who will work against Federal developments in the State which I help to represent—while at the same time these men strive to thrust a funnel into the Federal Treasury for vast benefactions to finance high-cost Federal developments in the basin of the Colorado.

Only this past week the Secretary of the Interior reaffirmed his faith in the partnership power policy. This is the program

which adds up to virtually unlimited bounty for the Colorado Basin but no new starts for the Columbia Basin. Indeed, Secretary Seaton, in that statement, repeated his support of the upper Colorado project, which he described as one too big for private enterprise to undertake. Evidently, the Secretary is undisturbed by the fact that private enterprise is failing to match the scope of the Federal dam at Hells Canyon which the Army engineers proposed in their 308 report. This is one more example of the double standard with which the Interior Department views the Colorado Basin as contrasted with the Columbia Basin. There are two separate sets of litmus paper for these two regions.

Mr. Bennett is not the Secretary of the Interior, but he is a close adviser of the Secretary—and he will be a still closer one if his appointment is confirmed. Furthermore, I confess that my attitude on the appointment of Secretary Seaton himself might have been vastly different had I known that he would dedicate himself to promoting nearly a billion dollars of Federal projects in a river basin with 17 million acre-feet of water, while opposing practically all new Federal projects in a river basin with more than 10 times this volume of water.

I must admit, in all candor, that the existing policy of starving the Columbia and catering to the Colorado has been encouraged by certain ill-starred, ill-advised, unrepresentative political leaders from Oregon. But I am not one of these people, and I refuse to encourage any such policy with my voice or vote.

As one of the supporters of the partnership power policy, Mr. Bennett undoubtedly will use his influential position in the Interior Department to continue what has existed for the past 5 years—namely, a policy of outright discrimination against the Pacific Northwest, where exists about 35 percent of all the potential waterpower in the whole United States.

Such a policy is against the best interests of my State, my region, and my country. I cannot vote to confirm for a high post in the Interior Department anyone who will advance or perpetuate that policy. Thus I desire to be recorded in committee against confirmation of the appointment of Mr. Bennett, and I shall seek a similar privilege on the floor of the Senate.

Let me again repeat that this involves a matter of public policy and nothing against Mr. Elmer F. Bennett personally. I want to stress the point that my objections, as voiced here, pertain solely in the field of public policy and programs and have no reference at all to the character and personal honesty of Mr. Bennett.

With high esteem, I am.

Respectfully,

RICHARD L. NEUBERGER,
United States Senator.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). If there are no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES TARIFF COMMISSION

The legislative clerk read the nomination of William E. Dowling, of Michigan, to be a member of the United States Tariff Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Russell E. Train, of the District of Columbia, to be a judge of the Tax Court of the United States for the remainder of the unexpired term of 12 years from June 2, 1946.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Bruce M. Forrester, of Missouri, to be a judge of the Tax Court of the United States for the remainder of the unexpired term of 12 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

APPRAISER OF MERCHANDISE

The legislative clerk read the nomination of Elie N. Khouri, of New York, to be appraiser of merchandise in customs collection district No. 10, headquarters at New York, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the Coast Guard be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard will be considered en bloc, and without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified of the nominations this day confirmed.

The PRESIDING OFFICER. The President will be notified forthwith.

PROTOCOL TO THE INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES, SIGNED AT WASHINGTON UNDER DATE OF FEBRUARY 8, 1949

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Executive F, 85th Congress, first session, a protocol to the International Convention for the Northwest Atlantic Fisheries.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the protocol Executive F (85th Cong., 1st sess.), a protocol to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, which protocol was signed at Washington under date of June 25, 1956, for the United States of America and nine other governments, which was read the second time, as follows:

PROTOCOL TO THE INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES, SIGNED AT WASHINGTON UNDER DATE OF FEBRUARY 8, 1949

The Governments parties to the International Convention for the Northwest Atlantic Fisheries signed at Washington under date of February 8, 1949, which convention is hereinafter referred to as the 1949 Convention, desiring to provide for the holding of annual meetings of the Commission outside North America, agree as follows:

ARTICLE I

Paragraph 5 of article II of the 1949 Convention is amended to read as follows:

"5. The Commission shall hold a regular annual meeting at its seat or at such other place in North America or elsewhere as may be agreed upon by the Commission."

ARTICLE II

1. This protocol shall be open for signature and ratification or for adherence on behalf of any Government party to the 1949 Convention.

2. This protocol shall enter into force on the date upon which instruments of ratification have been deposited with, or written notifications of adherence have been received by, the Government of the United States of America, on behalf of all the governments parties to the 1949 Convention.

3. The Government of the United States of America shall inform all Governments signatory or adhering to the 1949 Convention of all ratifications deposited and adherences received and of the date this protocol enters into force.

ARTICLE III

1. The original of this protocol shall be deposited with the Government of the United States of America, which Government shall communicate certified copies thereof to all the governments signatory or adhering to the 1949 Convention.

2. This protocol shall bear the date on which it is opened for signature and shall remain open for signature for a period of 14 days thereafter, following which period it shall be open for adherence.

In witness whereof the undersigned, having deposited their respective full powers, have signed this protocol.

Done in Washington this 25th day of June 1956, in the English language.

Mr. GREEN. Mr. President, the purpose of the pending protocol is to amend the 1949 convention on the Northwest Atlantic Fisheries, so as to permit the Commission established by that convention to hold its annual meetings outside North America, if the parties so desire.

The following countries have ratified the 1949 convention, and are also signatories of the pending protocol: Canada, Denmark, France, Iceland, Italy, Norway, Portugal, Spain, United Kingdom, and the United States. Six of these had already deposited their ratifications for this protocol by May 11, 1957.

At the present time, article II, paragraph 5 of the convention restricts the place of meeting to North America. But, inasmuch as eight other parties to the convention are not North American countries, attendance at the regular annual meeting of the Commission has proposed a disproportionate burden and expense upon them. Their shortage of dollar exchange has aggravated the hardship.

The pending protocol would correct this inequity by amending paragraph 5 of article II so as to permit the annual meeting to be held wherever the parties might determine.

As pointed out in the report of the Commitee on Foreign Relations, the effect of the protocol will be to increase the cost of United States participation by approximately $12,000 to $14,000, whenever meetings are held outside North America. On the other hand, it is an-

ticipated that there will be a certain amount of rotation of the conference sites, as between the North American and other countries.

The protocol will correct what is clearly an inequitable feature of the 1949 convention, and contribute to a more harmonious relationship between the parties. I therefore commend it to the Senate.

Mr. JOHNSON of Texas. Mr. President, in accordance with the procedure as to yea and nay votes previously agreed upon by the leadership in connection with treaties, I ask that the yeas and nays be ordered on the resolution of ratification.

The yeas and nays were ordered.

The PRESIDING OFFICER. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate without amendment.

The protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, 85th Congress, 1st session, a protocol to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, which protocol was signed at Washington under date of June 25, 1956, for the United States of America and nine other organizations.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. On this question the yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is, Will the Senate advise and consent to the resolution of ratification of Executive F, 85th Congress, 1st session, being a protocol to the International Convention for the Northwest Atlantic Fisheries.

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 Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Rhode Island [Mr. PASTORE] is absent on official business attending the Inter-American Symposium on Peaceful Uses of Atomic Energy, at Brookhaven, Long Island, N. Y.

I further announce that if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Connecticut [Mr. BUSH] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

If present and voting the Senator from Connecticut [Mr. BUSH] and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The yeas and nays resulted—yeas 82, nays 0, as follows:

YEAS—82

Aiken	Goldwater	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Murray
Beall	Hickenlooper	Neuberger
Bennett	Hill	O'Mahoney
Bible	Holland	Potter
Bricker	Hruska	Purtell
Bridges	Ives	Revercomb
Butler	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Stennis
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Yarborough
Flanders	McClellan	Young
Frear	McNamara	
Fulbright	Monroney	

NOT VOTING—13

Bush	Humphrey	Payne
Byrd	Jenner	Sparkman
Carroll	Langer	Symington
Church	Neely	
Gore	Pastore	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has agreed to the resolution of ratification.

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

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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 22) requesting the President to designate the third Friday of May of each year as National Defense Transportation Day.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 173) requesting the return of the enrollment of H. R. 1544 by the President to the House of Representatives for the purposes of reenrollment, in which it requested the concurrence of the Senate.

TREASURY AND POST OFFICE APPROPRIATIONS, 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 303, H. R. 4897, the Treasury and Post Office Department appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes, which had been reported from the Committee on Appropriations with an amendment.

THE PRESIDENT'S BUDGET

Mr. JOHNSON of Texas. Mr. President, anyone who followed the newspapers over the weekend could not fail to develop a great deal of sympathy for our President.

Tomorrow night he has scheduled an address to the entire Nation. It has been billed as a defense of his budget and his position that no substantial cuts can be made.

We are all looking forward to his statement with a great deal of anticipation. But apparently no one is looking forward with more anticipation than those members of his administration who have been assigned the task of making the administration's "economy" record.

They seem to have decided to get their final licks before that part of the administration which makes the "spending" record takes over.

The first development was a statement by a respected and honored Member of the House who has the responsibility of electing Republicans to Congress. He chided Democrats for not trying as hard as Republicans to cut the Republican President's budget.

Representative RICHARD M. SIMPSON, of Pennsylvania, chairman of the House Republican campaign committee, told a meeting in Wisconsin that Republicans were trying to cut the President's budget a lot harder than Democrats.

Then he said:

> It is absolutely essential to the American people that the control of Congress be returned to the responsible leadership of the Republican Party in 1958.

The second development was a speech by the wife of the Under Secretary of the Treasury, Randolph W. Burgess—a speech which was "entirely gone over by him." She produced a formula for cutting the budget.

Do not, she said, touch Foreign Aid or the United States Information Agency. Instead, take the cuts out of farmers, veterans, college students, and slum

dwellers. Then increase postal rates—in other words, increase one of the taxes upon our people.

Finally came a statement from the official whom many would regard as the most authoritative of all—the President's chief of staff, Sherman Adams, of the State of New Hampshire. Mr. Adams—who probably has closer contact with the individual components of our Government than any other man—told us yesterday over the radio the budget could be cut. He said it could be slashed to the tune of a billion and a half to two billion dollars.

And this could be done, he said, without impairing the "quality of the services" performed by our Government.

I would like to congratulate the President's distinguished chief of staff, Sherman Adams, for his statement.

Mr. Adams followed his customary course of speaking bluntly and to the point. Despite all the furor that has been created over the President's budget, he tells us that it can be cut up to $2 billion without impairing Government services.

Mr. President, it is a pleasure to have Mr. Adams identify himself with the economy wing of this administration. It may well be that he is forecasting the shape of the President's speech tomorrow night.

It may well be that the President will call and raise. It has been only a little over a month, however, that the President said there was no chance for a substantial cut such as $2 billion.

If Mr. Adams can find $2 billion, as he did on Sunday, possibly the President can find a little more by tomorrow night.

Mr. Adams spoke with equal bluntness—but apparently with less information—on the question of the legislative program. He seems to feel that there is some sort of lag.

It is evident that he is unaware of the fact that the Senate has already passed several hundred bills and is moving into a period of even more rapid activity. It is anticipated the Appropriations Committee alone will present us with four bills this week.

Steps have also been taken to bring such measures as those involving Hells Canyon, immigration and housing, to the floor this month. We will have a full program—and it was in the works before Mr. Adams thought it necessary to step in.

About the only contribution Mr. Adams and his administration have made to the legislative procedure is to send us—with apologies—a budget that has had to be completely revised.

Possibly we will now have to make another revision to accommodate his $2 billion cut.

Mr. President, on this point I think the confusion has now been completely compounded. A review of the revolving-door philosophy of budget making indicates clearly why the American people have been so completely bewildered by the developments.

It is understandable why even the members of the President's official family are somewhat confused. After all, it was not so very long ago—the fall of 1952—that this administration promised to cut the budget "to something like $60 billion within 4 years."

This is the fifth budget that has been submitted and we are still far from that $60 billion goal.

This budget—$71,800,000,000—came to us in January. At the time, the President told us that it was a "carefully balanced budget—well adapted to the needs of the present and the future."

The next day, the President's chief fiscal officer—Secretary of the Treasury Humphrey—said there are "a lot of places in this budget that can be cut." He inferred that we would have a hair-curling depression if we did not cut it.

On January 24, the President told us that Congress "has the duty to cut the budget." But by April 3 he said there was "no chance for a substantial cut such as $2 billion." That was the same day that Assistant Secretary of the Treasury Burgess said the budget should be cut "$2 billion to $3 billion."

The President has said since then that the budget is about right and that he intends to fight for it. But he himself has recommended cuts—including $500 million in foreign aid—despite the fact that our distinguished Presiding Officer, the Vice President, has said that "not one dollar" was approved for foreign aid unless it was "in the interests of American security."

Mr. President, I am not going to criticize an administration because it missed by nearly $12 billion a goal that was set 4 years ago. I recognize that times change and customs change.

But, Mr. President, in considering the budget we are supposed to be considering administration recommendations. Just what are they?

Are we to avoid a depression with the distinguished Secretary of the Treasury? Are we to cut farmers, veterans, college students, and slum dwellers with the distinguished Assistant Secretary of the Treasury?

Are we to help Republicans elect Republicans by fighting the Republican President's budget with the chairman of the House Republican campaign committee? Or are we to stand firm on the President's budget with our distinguished Presiding Officer, the Vice President?

Mr. President, as I said at the beginning, I have a great deal of sympathy for the President of the United States. He apparently must convince not only the country but the members of his own official family. Are we to cut $500 million from the foreign-aid budget, as suggested by the President of the United States, or are we to follow the distinguished Vice President and not take a dollar from it?

It is possible to convince some of the people all of the time that this administration has an economy and a spending record. It is possible to convince all the people some of the time that this administration has an economy and a spending record. But it is not possible to convince all the people all of the time that an administration can both economize and spend at the same time. In that sense, tomorrow night may well be a night of decision.

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

Mr. JOHNSON of Texas. I yield with pleasure to my friend from California.

Mr. KNOWLAND. In his remarks the distinguished Senator from Texas devoted a considerable amount of attention to the budget, which is an important issue, upon which people may honestly differ. In this body there are those who believe that some cuts can and should be made; and I believe they will be made in due course of the legislative consideration of the bill, since under the Constitution no funds can be voted from the Public Treasury without the approval of the Congress.

In his listing of the other bills for consideration I notice—perhaps by inadvertence—that my distinguished friend, the majority leader, had not mentioned the proposed civil-rights legislation, which is now before the Judiciary Committee. I think we are both mindful of the fact that this is a bill which is important, and with respect to which there are strong feelings. I think it should have due consideration.

We are now in the month of May. I was very hopeful that the distinguished majority leader might throw some light on the question as to when we could expect that proposed legislation on the floor. If the bill is pushed over into June or July, I am concerned because the bill may be seriously jeopardized, if the possibility of passage will not be lost entirely. I was hopeful that in the list of bills which were mentioned, the distinguished majority leader might indicate an order of priority for the civil-rights measure.

Mr. JOHNSON of Texas. Mr. President, my friend from California has asked me a question. I am not sure that he is really soliciting information, but for the record I wish to give him what information I have.

First, in my discussions with members of the Judiciary Committee within the hour, I was informed that a substantial number of members of that committee believe that some action will be taken before the end of the month.

Second, as I have informed the distinguished minority leader both privately and publicly on previous occasions—perhaps that fact slipped his memory because of the discussion relating to the budget—the House is considering the civil-rights legislation proposed by this administration, and is apparently making more progress with it than the Senator from California did in the entire 2 years of the 83d Congress, when he was majority leader, succeeding the late Senator Taft.

Third, while I was in Texas during the Easter holidays, I noted in the press a story to the effect that the distinguished minority leader was laying down ultimatums, which are rare exhibitions on his part. The story was to the effect that the minority leader had issued an ultimatum that if action were not taken by the end of the month he would make a motion to discharge the committee.

It is the view of the majority leader that the Supreme Court, in its decision, has gone further than any Member of Congress has ever dared to go in the field of civil rights, even in the introduction of a bill, much less its passage.

It is the view of the Senator from Texas that the Supreme Court has acted in connection with the education and transportation problem, and that all over the land the American people are doing their best to adjust themselves to the situation created by the Court's decision, and are attempting to evolve a workable solution in the light of that decision.

Nevertheless, the majority leader, although he does not agree with all the proposals made—and, indeed, does not agree with many of them—realizes that a substantial number of Members of both the House and the Senate wish to vote on some so-called civil-rights legislation, because to fail to do so would permit those who have no hesitancy in exploiting this political issue to continue to do so in the months ahead.

The majority leader has told the distinguished minority leader that he expects a vote this session, and that he would take no offense if the distinguished Senator from Missouri [Mr. HENNINGS], who has been very active in this field——

Mr. HENNINGS. Mr. President, I hope the Senator will yield to me at some point.

Mr. JOHNSON of Texas. I will yield as soon as I complete this statement.

As I have stated, the majority leader has told the distinguished minority leader that he would take no offense if the distinguished Senator from Missouri or the distinguished minority leader, after the committee had acted or failed to act, should make a motion to proceed to the consideration of this proposed legislation.

There is no reason why we must leave here by June 1 or even June 30. The Senator from California has indicated that he is prepared to make a motion to discharge the committee. My friend from Missouri has urged prompt action throughout the past several months——

Mr. HENNINGS. Several years.

Mr. JOHNSON of Texas. I believe this question will be acted upon.

Mr. HENNINGS. Mr. President, will the Senator yield for a correction?

Mr. JOHNSON of Texas. I yield.

Mr. HENNINGS. I have urged prompt action for several years, during the Republican 83d Congress, and during the last Congress, the 84th.

Mr. JOHNSON of Texas. I thank the Senator.

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

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Of course, we had 20 years of the New Deal during which promises of civil rights legislation were made and top-heavy Democratic majorities existed in the Congress, but there was no progress.

Mr. JOHNSON of Texas. Does the Senator want a question answered?

Mr. KNOWLAND. I am merely replying to my friend from Missouri.

Mr. HENNINGS. I shall comment upon that point when I reach it.

Mr. JOHNSON of Texas. There is no doubt that the Senator from Missouri, the Senator from California, or other Senators who feel that this program is very vital, and a "must" program, will see that some action is taken in this field. The Senator from Texas expects that some action will come by the early part of next month.

The Senator from Texas believes what he read in the press with respect to what the minority leader stated, namely, that the Senator from California is prepared to make a motion to discharge the committee.

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

Mr. JOHNSON of Texas. The Senator from Texas has assured the minority leader that he understood his position.

I now yield to the minority leader.

Mr. KNOWLAND. In the first place, the minority leader neither laid down nor made declaration of an ultimatum. He read the story to which reference was made. In reply to an inquiry—and the reply was in no sense an ultimatum—as to what the legislative procedure would be in the event no bill was reported from the committee, I stated that among the possible legislative procedures an amendment might be attached to some bill, or it might be possible to move to discharge the committee. A number of legislative procedures could be used. I hope that none of them will have to be used, because normally both the majority leader and the minority leader agree that the closer we can adhere to our customary legislative procedures the better the overall due process will be.

The gentleman whose story was published indicated to me that he had informed the staff on the majority side of the Hill that the article as published was not a correct interpretation of the minority leader's remarks.

Mr. JOHNSON of Texas. I think I understand the position of the minority leader. If the House acts, as it expects to do, in a very short time, and if the Senate committee does not take action after a reasonable time for deliberation, either the Senator from Missouri, the Senator from California, or some other Senator will proceed to make a motion which will result in some action. I have discussed that subject with the minority leader, and I understand his position.

I now yield to the Senator from Missouri, if he wishes to make a statement.

Mr. HENNINGS. I do not particularly care to have the Senator yield.

Mr. JOHNSON of Texas. I do not insist that the Senator make a statement.

Mr. HENNINGS. I thank the Senator for yielding. I find it devolves upon me to say something, and I propose to say it.

It is very gratifying indeed to find so many enthusiastic supporters of civil rights—or constitutional rights, as I prefer to call them. I am glad to find so many in support of such legislation during the past few weeks. I am glad to note that some gentlemen have at long last taken an interest in this subject, one which has been characterized as having been subjected to many failures during New Deal days.

The distinguished minority leader may or may not be right in that respect. However, I believe an examination of the RECORD might enlighten him and enable him to find that he is not entirely correct in that regard. I happened to be a Member of the House of Representatives during those days. I do not remember that the Senator from California was a Member of the Senate at that time. I refer to the days before the Second World War.

The Committee on the Judiciary met this morning. I am the chairman of the Subcommittee on Constitutional Rights. I have talked to the staff a number of times, and I will say to the distinguished Senator from California that I have never been advised by the counsel of the subcommittee or anyone on the staff that the Senator from California had decided to play the stellar role in this field he has now indicated he intends to play. I had not heard about it, and I am sure the Senator from Illinois will bear me out in that respect.

After considerable difficulty, and with the assistance of other Senators, following the holding of hearings on the subject, a bill was reported by the Subcommittee on Constitutional Rights. I repeat that was done with considerable difficulty and only after full and complete hearings had been held on the subject. I do not believe the Senator from California attended any of those hearings, and I do not recall especially that many other Senators appeared before the subcommittee to testify, in order to enlighten us on this very difficult and complex subject.

Mr. Brownell did mount guard and agreed to appear before us. We were delighted to have him. We found this year he was also a champion of civil rights, whereas last year when we examined him before the committee—and the cross-examination appears in the RECORD of the last day of the session—he stated that, in his opinion, action upon many matters relating to civil rights were not within the purview of the Department of Justice, or he refused to answer the subcommittee's correspondence altogether. This is a matter of record, and it happened on numerous occasions.

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

Mr. HENNINGS. I shall not yield at this time.

I also assume that the President of the United States expresses himself through the Attorney General. Therefore it is fair to say that no interest was taken in this matter until April of last year by the administration, although the subcommittee, of which I was chairman, had reported four constitutional rights bills, upon which the Attorney General had refused to give us any opinion whatever. It was then that the distinguished Attorney General, very late in the session, indeed, appeared before the committee.

I am very glad indeed that the distinguished Senator from California is now consulting, comforting, and aiding us. Perhaps I should say that he is giving us comfort, if not aid, in this matter.

I shall not be invidious. The Senator from Illinois will bear me out that this morning, when I moved that a time limit be set upon the discussions, and that action be taken by Thursday to vote up or vote down the proposed legislation, and to report it either favorably or unfavorably, with all substitutes and amendments in the nature of a substitute included, three Members from the Republican side were present and all

Members on the Democratic side were present.

Mr. DIRKSEN. There were five Republicans present.

Mr. HENNINGS. They may have come in and then departed. I am sure the Senator will recall that I asked, "Where are the Republicans?" The Senator from Illinois replied, "Some will be here later, and some will be here if we want them." However, I do not believe that more than three were present, including the distinguished Senator from Illinois. He will also recall that all the Democrats were present.

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

Mr. JOHNSON of Texas. Mr. President, who has the floor.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield for an observation?

Mr. JOHNSON of Texas. Mr. President, will the Senator from Missouri permit me to yield to the Senator from Illinois for an observation?

Mr. HENNINGS. Certainly.

Mr. DIRKSEN. There were five Republican Members present. When it became quite certain that we were going to be entertained and enlightened by copious reading from that celebrated case, Ex Parte Milligan, and that it would settle down into its traces, I respectfully suggested that everybody stay until 12 o'clock, because we all knew that the point of order would be made. Precisely on the stroke of 12 it was made.

Mr. HENNINGS. I should like to ask the Senator who made the motion, who conducted most of the discussion, and who asked the questions relating to reporting the bill?

Mr. DIRKSEN. The Senator from Missouri certainly did his very best to get expeditious action.

Mr. HENNINGS. I did not ask the question of the Senator because I wanted any laurels or any glory. After all, this subject—so-called civil rights legislation—is not especially popular with some people in my State. I asked it only to indicate that some of us, including the distinguished Senator from Illinois, had to listen to Ex Parte Milligan, although some of us had read it many times, and even though some of us had even heard of men like Ben Wade and Thad Stevens, and——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. JOHNSON of Texas. Will the Senator from Missouri yield so that I may yield to the Senator from California?

Mr. HENNINGS. I wish to say a little more, and I shall be very brief, as I said before, we all understand that this subject has been a political football. For many years the Republicans have charged the Democrats with not doing anything about civil rights, and the Democrats have charged the Republicans with not doing anything about them. The fact remains that nobody does anything about them. The agitation for civil rights legislation has been going on ever since I became a Member of the House of Representatives in 1935. There has been the same old hocus-pocus, and the same old claptrap, and the same old backing and filling.

I should like to say a word about the House acting first on this proposed legislation. I believe that the Committee on the Judiciary of the Senate should not abdicate its functions as a standing committee of the Senate. As a member of that committee for the past 6 years I do not for a moment concede that the House of Representatives is more capable of reporting a satisfactory and constitutional and workable and fair bill, which will not be punitive to the citizens who live in the Southland, and which will not visit reprisals upon the South. I have Confederate ancestry on both sides of my family and all of them fought in the war.

Mr. JOHNSON of Texas. Mr. President——

Mr. HENNINGS. Does the Senator of Texas wish me to go on?

Mr. JOHNSON of Texas. I merely wish to state that I do not contend that the House is any more able or that the House can do any better job than the Senate. I simply believe that the House is more likely to take action on a civil rights bill first, and that is what I have said in response to inquiries.

I do not mean to say by that that the Senate is not perfectly capable of carrying on its deliberations. The situation is similar to that in connection with other bills, when the House acts first. In view of the progress which has been made in the House, I rather suspect that my prediction will be borne out that action will be taken by the House of Representatives before the Senate finally concludes consideration of the subject. It is believed by some that the House may eliminate some of the more controversial sections of the bill and thus lighten the burdens and expedite rather than retard the work of the Senate.

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

Mr. JOHNSON of Texas. I am glad to yield to the Senator from California. However, I do not want to lose sight of the budget discussion. The Senator from California is a very able and astute former member of the newspaper profession, and I know he would like to take the bloom off the budget rose by causing us to become involved in a civil rights debate.

Mr. KNOWLAND. No, I do not want to take the bloom off the budget rose. On the contrary I want to see some substantial reductions made in the budget—in the neighborhood of $3 billion, I hope.

Merely to make the RECORD clear, I may say that the Committee on the Judiciary consists of 7 Republican members and 8 Democrats. Of the 7 Republican members, 2 are in the hospital. The distinguished senior Senator from North Dakota [Mr. LANGER] has been in the hospital for some time, as I am certain all Members of the Senate know. The distinguished junior Senator from Indiana [Mr. JENNER] also is in the hospital and will be there for a short period of time. Thus, as the distinguished Senator from Illinois has reported, 5 of the 7 Republican members of the committee were present. I merely state the fact to show that the Republicans were available, as the Democrats apparently were. I did not want the RECORD to show otherwise.

Mr. JOHNSON of Texas. I do not intend to discuss who attended committee sessions and who did not; I merely wish to ask the Senator from California this question: How long did the Senator from California serve as the majority leader of the Senate?

Mr. KNOWLAND. I held the nominal position of majority leader for approximately a year. I served for a part of one session and also for one full session because I came to the office at the close of the first session of the Congress to which I was elected to the position of majority leader.

I became the first majority leader in history who did not have a majority because with the defection of the distinguished Senator from Oregon [Mr. MORSE] and the death of the able and beloved Senator Taft, of Ohio, I became charged with the responsibility of the majority leader acting in a minority position in the Senate.

Mr. JOHNSON of Texas. Would the Senator from California care to recount to the Senate and to the country what he and his illustrious predecessor did to get action from the Committee on the Judiciary?

Mr. KNOWLAND. I know that the Senator from Ohio, Mr. Taft, was concerned with the problem. I quite agree with the Senator from Missouri [Mr. HENNINGS] that unfortunately, during periods of time when the respective parties have been in control of either the executive branch of the Government or of Congress, because of circumstances which it is not necessary to relate, or as to which it is not necessary to go into detail here, there was difficulty in getting the proposed legislation reported to the Senate; and when it was reported to the Senate, it became the subject of prolonged educational discussion in the Senate.

I am certain the Senator from Missouri and the Senator from Texas, and other Senators, realize that we are now trying to have a bill reported early enough so that there can be at least an opportunity on the part of the Senate to vote it up or down or to vote on amendments. I agree that every Senator has the right to express himself. There will be different points of view as to the wisdom of certain amendments.

I say again too my friend from Missouri that I will do everything that can possibly be done on this side of the aisle to assist him in having the bill reported to the Senate and, I hope, scheduled for early action in the Senate.

I hope the record under the present distinguished majority leader will greatly better the record of either the prior Republican or the prior Democratic leaders of this body, because the record has not been too successful to date.

Mr. JOHNSON of Texas. Mr. President, I yield now to the Senator from Missouri.

Mr. HENNINGS. I thank the Senator from Texas.

If the distinguished minority leader will give me a few minutes of his time, I shall be glad to tell him how he can

assist in the civil rights matter. Issuing statements to the press is all very well, but some of us have been bearing the burden of the battle. So I think I might undertake to suggest to the Senator from California what he might do to help in the fight, if he will be so gracious as to discuss the matter with me. I shall certainly be available to him for the purpose of such a discussion at any time which will suit his convenience.

Mr. JOHNSON of Texas. I now yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, as one who represents some of the people who are sought to be made guinea pigs under the civil rights bill, I wish to make a few observations.

The civil rights bill contains many controversial provisions. I have no idea that the Senate will act on the bill until after the House has acted on its bill. It seems to me that the sensible thing for the Senate Committee on the Judiciary to do would be to postpone action on the bill until the House has passed its bill. Then the Senate committee could sit down and mark up the bill in an orderly fashion. I would have no objection to that course of procedure.

Mr. EASTLAND. Mr. President, will the Senator from Texas yield, so that I might ask a question of the Senator from North Carolina?

Mr. JOHNSON of Texas. I yield for that purpose.

Mr. EASTLAND. Did not the Senator from North Carolina make that proposal in the Committee on the Judiciary?

Mr. ERVIN. I made the proposal this morning.

Mr. EASTLAND. Who turned it down?

Mr. ERVIN. The Senators from the other side of the aisle, who had a majority.

This is a serious bill. As the distinguished minority leader has said, people have been working on this matter for a long time. They started in 1867, and they have been trying to reconstruct us since that time.

As one whose ancestors spent 7 years fighting so that this country might have freedom under a written Constitution guaranteeing the rights of States as well as the rights of individuals, I feel that I was justified in standing up for an hour and a half this morning to tell the Judiciary Committee what is in the bill.

There have been many efforts to reconstruct us in devious and peculiar ways. But this is undoubtedly the worst bill that has ever been brought before Congress to effect that purpose. It ought to be entitled: "A bill to deprive Southern States and local officials of the right to invoke for their protection, in courts of justice, the basic constitutional and legal safeguards erected by the Founding Fathers and by Congress to protect all Americans from governmental tyranny."

That is what the bill seeks to do. It proposes to take away from Southern States and local officials a right which all of us, including the proponents of the bill, wish to preserve for everyone else, including persons who may be charged in the courts with being parties to the Communist conspiracy to overthrow the Government of the United States by force.

I do not apologize and I will never apologize for standing up and opposing proposed legislation which seeks to take from the people of my State basic rights which it is proposed that Communists shall keep.

Furthermore, the bill is designed not only to rob southern State and local officials of the right to trial by jury by circumventing and evading constitutional and statutory rights; but it also undertakes to delegate to one Federal official, namely, the Attorney General of the United States—whoever he may be—the power to nullify acts passed by State legislatures in the undoubted exercise of the power reserved to the States by the 10th amendment.

This is the most damnable bill, the most indefensible bill, that has ever been laid before a legislative body in America. It proposes to reduce the States, in this field, to meaningless zeroes on the Nation's map. It proposes to rob Americans of the right to trial by jury and of other constitutional rights.

The bill proposes to confer upon the Attorney General of the United States powers which befit the office of a commissar of justice in a totalitarian state, but which are incompatible with the office of the chief law officer of a republic which enjoys a government by laws rather than a government by men.

I have been working hard in the committee. I have had to stop everything else. I have been working "under a gun," in a sense, ever since the committee started to work on the bill. It seems to me that in view of the fact that our reconstruction has already been postponed for 89 years, it might be postponed a few days beyond the first of June until the House acts on the bill. It may be that the House will lighten the Senate's work by eliminating some of the highly controversial features of the bill. Then the Senate Judiciary Committee could sit down and mark up the bill in an orderly manner.

REQUEST FOR RETURN BY THE PRESIDENT OF HOUSE BILL 1544

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate, House Concurrent Resolution 173.

The PRESIDING OFFICER. The Chair lays before the Senate, House Concurrent Resolution 173, requesting the return by the President to the House of Representatives of the enrolled bill H. R. 1544 for the purpose of reenrollment, which will be read for the information of the Senate.

The concurrent resolution (H. Con. Res. 173) was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the House of Representatives the enrolled bill (H. R. 1544) to provide for the conveyance of certain real property of the United States situated in Cobb County, Ga., to the trustees of the Methodist Church, Acworth, Ga. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the enrollment of said bill, to make the following correction: On page 2, line 13, strike out the figure "9990.0" and insert in lieu thereof the figure "990.0."

Mr. JOHNSON of Texas. I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

STUDY OF CRITICAL RAW MATERIAL AND RESOURCES OF THE SOVIET UNION

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 78) to make a study of critical raw materials and resources of the Soviet Union and certain Eastern Hemisphere countries and the effect upon the United States.

TREASURY AND POST OFFICE APPROPRIATIONS, 1958

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of the Treasury and Post Office appropriation bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, if the distinguished Senator from North Carolina [Mr. ERVIN] has concluded his remarks, I should like to yield the floor, so that any other Members who may desire to address themselves to the Treasury-Post Office appropriation bill or to any other subject may do so.

First, I wish to call attention to the fact that this is the first of the regular departmental appropriation bills to come before the Senate this year.

The distinguished chairman of the subcommittee, the very able Senator from Virginia [Mr. ROBERTSON], has worked long and hard on the bill, which covers two of the great agencies of the Government.

The action the Senate will take today on this appropriation bill will have great significance in connection with the entire budget controversy.

I hope all Members of the Senate will attend the session this afternoon and will hear the distinguished Senator from Virginia give his explanation of the deliberations of his subcommittee.

Mr. ROBERTSON obtained the floor.

Mr. FLANDERS. Mr. President, will the Senator from Virginia yield to me?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. ROBERTSON. For what purpose does the Senator from Vermont request that I yield?

Mr. FLANDERS. I received from the leadership some assurance that I would be the next Member to be recognized, following the morning hour.

Mr. ROBERTSON. Mr. President, I am very sorry that I am unable to yield at this time to the Senator from Vermont. I myself have foregone making a very important trip to Jamestown, in connection with the great anniversary celebration of the settlement and founding of Virginia, to which reference has been made earlier today in the Senate. I have been waiting patiently to obtain the floor. So I am very sorry that I cannot yield for speeches, following the morning hour.

After I have presented my remarks on the appropriation bill, I shall yield the floor.

Mr. FLANDERS. Mr. President, will the Senator from Virginia yield for a moment to me?

Mr. ROBERTSON. For what purpose does the Senator from Vermont request that I yield to him?

Mr. FLANDERS. I wish to say that I misunderstood the arrangement which had been made. I cheerfully shall wait until the presentation of the appropriation bill has been made.

Mr. ROBERTSON. I thank the Senator very much. I promise to be very brief in presenting the bill.

Mr. President, as I was about to say, I have been waiting, on the assumption, from what I have read in the press and otherwise, that the subject of cutting the budget and then cutting taxes is the burning issue before the American people. But, Mr. President, apparently I am greatly mistaken. Evidently the burning issue is the bill being sponsored by the NAACP, which the distinguished Senator from North Carolina [Mr. ERVIN] says has not been properly named.

Mr. President, on this day, 350 years ago, Capt. John Smith and a little band of English settlers landed at Jamestown Island.

When speaking at the dedication of the Bunker Hill Monument, Daniel Webster said that so long as the Atlantic washes Plymouth Rock and so long as the James flows by Jamestown Island, "no vigor of youth, no maturity of manhood will lead the Nation to forget the spots, where its infancy was cradled and defended."

Mr. President, it is anticipated that this year 6 million persons will go to Jamestown to prove how correct Daniel Webster was.

Of course, Mr. President, no one in the South needs to prove that Webster was correct in his statement that the settlement of Plymouth, Mass., would not be forgotten, because the settlers in that section of the country always took a somewhat "holier than thou" attitude, and soon they were called Fathers. They were not called settlers, as in the case of those who established the colony in Virginia. Instead, the settlers at Plymouth Rock were called—or called themselves—Fathers. Furthermore, the settlers in New England got a head start with public-school education and got Harvard College started at Boston before William and Mary College was started in Virginia. Likewise, the New England settlers succeeded in having great attention called to the importance of Plymouth Rock.

However, Mr. President, all those matters boil down to this: The first settlements were started in the early part of the 17th century—that at Jamestown, Va., in 1607 and the one in Massachusetts in 1620.

Those who visit Jamestown will be able to see there 1 of the 3 original copies of the Magna Carta, which was enrolled into law by the British Parliament and in it one can read the guaranty of a trial by jury by one's peers.

Mr. President, I was going to discuss the budget, but I would as soon talk about civil rights. I can begin at Jamestown, and by the time I reach a discussion of Appomattox, the remainder of today and all of the several days following will have elapsed. [Laughter.]

Mr. President, much is involved in this discussion. For instance, next Wednesday will be the 111th anniversary of the birth of Gen. John Salling, of Scott County, Va., 1 of the last 3 survivors of the War Between the States. Think what he has seen happen. Think of the sacrifices he and the others on the Confederate side made in behalf of a principle of government—States rights. Where did it start, Mr. President? It started with the first little settlement at Jamestown.

I hope to go to Jamestown. The distinguished Vice President has gone there today, to make a speech. The British Ambassador will make a speech there today. Thousands of persons will be there, today, to celebrate, on May 13, 350 years of an experiment unique in all the world.

What is the essence of that experiment, Mr. President? It is the greatest measure of personal freedom under a written instrument, which divides the rights of the Central Government from those of the States and those of the people. State and local rights are specifically reserved in the 10th amendment to that instrument.

Mr. President, when we come here, we should give thanks that we have inherited a form of government under which we can raise as much as $71,800,000,000 of taxes, or whatever will be the amount of taxes which will be raised in the United States of America this year. No other nation has ever done that. The system we have inherited is a very great one. It is a system of the rights of State sovereignty. But, Mr. President, over and above all else, it is the system which guarantees the right of trial by jury; the system which guarantees "the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures"; the system which guarantees that one cannot be brought to trial without an indictment, and cannot be thrown into jail without having had a trial, and cannot be convicted in a kangaroo court.

Mr. President, I like to think of what the great General Bee said at the first Battle of Manassas. In fact, Mr. President, there are two things about the early part of the War Between the States that I often reflect upon. One of them I am sure the Presiding Officer, the junior Senator from Georgia [Mr. TALMADGE], has often read. It is the tribute to a Georgia volunteer who died at the Battle of McDowell, just west of Lexington, Va., where I live. The other is the statement by General Bee, at the first Battle of Manassas, when his troops were beginning to waver. Pointing to Thomas Jackson, General Bee cried, "Look at Jackson, standing like a stone wall. Rally behind the Virginians."

Mr. President, I cannot pay too high tribute to the flower of the youth of North Carolina who, in that conflict, since the battleground was chiefly in the Old Dominion, rallied around the Virginians, but received very little credit for the blood they spilled in defense of a principle of government.

I am thankful to say that so long as any breath is left to me, I shall ask the Virginians to rally around the North Carolinians, and, in particular, the senior Senator from North Carolina [Mr. ERVIN], in the fight about civil rights. Mr. President, if Senators desire to discuss civil rights, instead of the budget, I will join with the Senator from North Carolina, when the civil rights issue is brought before the Senate, to discuss it for as long as anyone wishes to have it discussed.

However, Mr. President, the majority leader asks us please to discuss the appropriation bill today. So I shall reserve the remainder of this speech—one which I had not planned to make.

Mr. HENNINGS. Mr. President——

Mr. ROBERTSON. I yield to my friend, the Senator from Missouri, for a question.

Mr. HENNINGS. I should like to ask an historical question.

I, of course, am always most interested in what the Senator from Virginia has to say about matters relating to the Confederacy, since I myself am descended from Confederates—Virginians, Georgians, and North Carolinians. In paying tribute and recalling that General Bee said, "There stands Jackson like a stone wall; rally behind the Virginians," I think it is most unfortunate that it was North Carolinian troops who committed the fatal error of shooting General Jackson as he was outside Chancellorsville, reconnoitering with his staff. To me, that was one of the great tragedies of the War Between the States.

Mr. ROBERTSON. The Senator from Virginia admits that the wounding of General Jackson was a tragedy——

Mr. HENNINGS. However, it was an accident.

Mr. ROBERTSON. But the Senator from Virginia, insists that if it was men from North Carolina who did it, they were only carrying out the order given by the general. He said, "If anyone comes here and does not halt when you say 'halt,' fire"; and they fired in the dark. No one was more distressed than were these troops when they found out they had fired at their beloved general.

As has been stated, the Senator from Virginia will have ample time later to

express his views about the iniquities of the civil rights bills, which would take away the rights we have claimed from the time of the Magna Carta and the Declaration of Independence down to the present hour. The Senator from Virginia will address himself to a rather unique situation in an appropriation bill. Ordinarily this appropriation bill is a simple bill. This is not a simple bill. It has become a frustrating and irritating bill in a number of ways.

In the first place, the Senate last year proposed a little more money for the Post Office Department than the House had allowed. On a compromise, the appropriation was $15 million less than the President had recommended.

Senators, think of a budget of more than $3 billion. There is not in the world a private enterprise, one of whose units spends $3 billion a year. Take the American Telephone & Telegraph Co., a $15 billion company. That company is broken down into units and agencies. Its efficiency goes down to a much lower unit. Take General Motors, United States Steel, or any other large industry. Not one of them, in one of its operations, handles $3 billion. One would think that if an agency got within $15 million of $3 billion, it could make both ends meet.

I like the Postmaster General. Far be it from me to speak of him as a Virginia Member of the Congress spoke of a bureaucrat in 1825. Times have changed. I refer to John Randolph, of Roanoke, who said of a bureaucrat he did not like.

His mind is like the Susquehanna flats, naturally poor, made less fertile by cultivation. Never has ability so far below mediocrity been so richly rewarded since Caligula's horse was named consul.

I am not speaking of anyone in that manner, especially a man I have known; but it does upset the junior Senator from Virginia when our Postmaster General comes before the committee on the 17th of April and says, "Volume is going to be increased 1.57 percent and I need so much more," and in less than 3 weeks comes before the committee and says, "No. The volume is going to be increased more than 4 percent." How can he be right both times? How can he be right in the middle of April, when he says volume is going to increase a little more than 1½ percent, and be right on the 8th of May, when he says volume is going to be increased more than 4 percent?

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

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. Is it not true—and I am speaking as a member of the full committee, and not as a member of the subcommittee—that what happened is that the committee voted for the same amount allowed by the House, without any of the $58 million the Postmaster General requested in addition, for a very practical reason? The Postmaster General requested $58 million on the information he received after the time the Senator said he appeared before the committee and stated he would need substantially more than $58 million to run the Post Office for the next fiscal year, because of the increased volume of mail. We allowed him the same amount as the House did, and left it up to the Postmaster General, the Budget Director, and the President to determine whether the Post Office Department would need all the money the Postmaster General has said he would need to run the Post Office Department and give the same service in 1958 that he is now giving. Is that not true?

Mr. ROBERTSON. I will give my distinguished colleague my wife's reaction to the situation. I told her Saturday evening the Postmaster General informed the committee he not only would have to have the $58 million which had been disallowed by the House, but another $17 or $18 million on top of that, because of the great increase in the volume of mail. She said, "Of course, there has been an increase in the volume of mail, because of protests against the President's budget. When the budget is settled, the volume of mail will drop again. I would not give him the money."

In reply to the question of the Senator from Massachusetts, I may say that we voted as we did because we did not know exactly what the increase would be. If we gave the Postmaster General all he asked for, he would probably still need $17 or 18 million. The committee decided to go along with the amount the House provided, and let requests be presented in a supplemental appropriation bill. Then we would go into the question of whether any economies could be authorized, whether Saturday deliveries could be halted, how much money was needed, and settle the question finally on the last supplemental bill.

Mr. SALTONSTALL. If the Senator will yield further, was not the committee in accord with the statements made that the amount which was finally given the Postmaster General for fiscal year 1958 would be used by him on an annual basis—in other words, budgeted on an annual basis—so he would not have to come back to Congress next April and so there would not happen again what occurred this April because he ran out of funds?

Mr. ROBERTSON. There is no doubt about that. The Postmaster General testified before the committee that he would absolutely live within the budget, whatever it was, and he would announce on July 1st what it would be, and he would stay within the amount appropriated. If we did not appropriate the money, he would announce curtailments in service.

In the meantime, the junior Senator from Virginia wrote a letter to the Comptroller General, inquiring about the Antideficiency Act and what the situation was with respect to the Post Office Department when the Postmaster General exceeded his appropriation for each quarter and then said, "I now have to have $27 million in order to complete the work or I am going to have to curtail service here, there, and yonder."

The Comptroller General informed me that the Department violated the Antideficiency Act.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter which the Comptroller General wrote to me.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, May 9, 1957.

Hon. A. WILLIS ROBERTSON,
United States Senate.

DEAR SENATOR ROBERTSON: Your letter of April 17, 1957, acknowledged April 18, enclosed an editorial from the Richmond Times-Dispatch which predicts that the action of Congress in voting a $41 million supplemental bill for the Post Office Department may set an embarrassing precedent concerning the violations of our antideficiency law. You request a letter stating just what the law is, how it is supposed to be enforced, and whether or not we think any additional legislation on the subject is needed.

The act, commonly referred to as the Antideficiency Act, is section 3679, Revised Statutes, as amended, 31 U. S. C. 665. The entire act was reenacted by an amendment contained in section 1211 of the General Appropriation Act, 1951, approved September 6, 1950, 64 Stat. 765. The primary reason for rewriting the act at that time was (1) to prevent the incurring of obligations at a rate which will lead to deficiency or supplemental appropriations or the curtailment of necessary activities if such appropriations are not made; and (2) to fix responsibility on those officers of the Government who incur deficiencies or obligate appropriations without proper authorization or at an excessive rate. The act prohibits:

(1) The making or authorization of an expenditure from or the creation or authorization of an obligation under any appropriation or fund in excess of the amount available therefor (subsec. (a));

(2) The involving of the Government in a contract or other obligation for the payment of money for any purpose in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law (subsec. (b));

(3) The acceptance of voluntary service for the United States or the employment of personal services in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property (subsec. (b)); and

(4) The authorization or creation of an obligation or the making of an expenditure in excess of either (a) an apportionment or reapportionment or (b) the amount permitted by regulations prescribed by the agency and approved by the Director of the Bureau of the Budget (subsec. (h)).

Any officer or employee of the United States who violates subsections (a), (b), or (h), referred to above in items (1) through (4), is subject to administrative discipline and, if knowingly and willfully done, he is subject, upon conviction, to a fine not more than $5,000 or imprisonment for not more than 2 years, or both (subsec. (i) (1)).

The Antideficiency Act also provides that all appropriations or funds, with certain exceptions, shall be apportioned by the Director of the Bureau of the Budget so as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations (subsections (c) (1) and (d) (2)). The apportionments or reapportionments may be divided and subdivided administratively, and the head of each agency, subject to the approval of the Director of the Bureau of the Budget, is required to prescribe, by regulation, a system of administrative control "which shall be designed to (A) restrict

obligations or expenditures against each appropriation to the amount of apportionments or reapportionments made for each such appropriation, and (B) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment [subsec. (g)]."

In order to carry out the foregoing provisions of the act, regulations have been issued by the Bureau of the Budget and the Treasury Department, and concurred in by the General Accounting Office, as sections 11 through 15 of the Budget-Treasury Regulation No. 1. These regulations, among other things, require periodic (usually monthly) detailed reports to be submitted to the Bureau of the Budget on the status of each appropriation account. Also, each agency has prescribed regulations for the administrative control of the funds under its control which have been approved by the Director of the Bureau of the Budget. In addition to these regulations and reports are the regular budgetary review and internal control processes of each agency, including in many cases internal audits, which aid in the enforcement of the act.

Moreover, our audits made at the site of agency operations include a review of the procedures, practices, form of organization and system of reporting, review, and inspection as well as other elements of internal control to determine, among other things, whether they assure reasonable compliance with the requirements of all applicable laws, regulations, and decisions. Any violation of the Antideficiency Act noted during our regular auditing processes that has not been reported to the Congress through the mechanism provided by that act is brought to the attention of the Congress through our audit reports. Also, the annual reports of all agencies on the obligations incurred under each appropriation or fund under their control, required by section 1311 (b) of the Supplemental Appropriation Act, 1955, 68 Stat. 800, 830, are reviewed by the General Accounting Office. While our audits and reviews generally would reveal any violation of the act, we want to emphasize that such audits and reviews are made only on an after-the-facts basis and would rarely, if ever, disclose an excessive rate of incurring obligations prior to the creation of a need for a deficiency or supplemental appropriation or the curtailment of activities.

It thus is clear that the Antideficiency Act prohibits the obligation and expenditure of appropriations or funds made available for a definite period of time in such a manner as to create a need for a deficiency or supplemental appropriation for such period, as existed in the Post Office Department this fiscal year (B-131361, April 12, 1957, 36 Comp. Gen. —). We do not believe that the deficiency in the appropriation for operations of the Post Office Department resulted from a weakness in the Antideficiency Act but rather from noncompliance with subdivision (c) (1) of the act.

The effectiveness and enforcement of the Antideficiency Act was studied by a temporary subcommittee of the House Committee on Appropriations during the 1st session of the 84th Congress, which issued an interim report to the committee on June 30, 1955. The subcommittee concluded that, with certain exceptions, the basic objectives of the Antideficiency Act were being achieved. One of the exceptions, however, related to the activities of the Post Office Department. We reviewed the effectiveness of the act at that time and advised the chairman of the Temporary Subcommittee To Investigate Effectiveness and Enforcement of the Antideficiency Act and Other Federal Fiscal Legislation by letter of June 26, 1956, B-123914, that we did not believe that amendment of the Antideficiency Act was required at that time.

This one instance where a deficiency appropriation was required for the Post Office Department does not, in our opinion, warrant any change in the law. Neither do we believe that this instance will set a dangerous precedent which will encourage the Post Office Department or other Government agencies to create deficiencies and thereby attempt to force the Congress to appropriate additional funds. In fact, the Post Office Department is in a unique position in that the curtailment of any of its activities affects such a large portion of the public. However, in cases of violations of the Antideficiency Act, such as that involved in the Post Office Department, it is our belief that public opinion, alone, is a more effective deterrent than any legislative changes which we could suggest.

We therefore have no suggestions for additional legislation on the subject at this time.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. ROBERTSON. The Postmaster General testified before our committee, and in that hearing we had printed the letter from the Comptroller General. It was said positively that next year there would not be any overspending in any quarter.

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

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. So the committee was perfectly clear that it would first consider a supplemental budget, if one were presented. If one were not presented, then the committee had to determine if Congress should provide additional money on its own responsibility. If it did not so determine, then the question was whether the Postmaster General should curtail postal services so that he could live within the amount appropriated to July 1.

Mr. ROBERTSON. The Senator is correct. The subcommittee felt it was acting under something in the nature of a mandate from the Congress.

Just before he went into the last quarter, the Postmaster General announced the Department was not going to handle any third-class mail, that there would be no mail delivery on Saturday, and that the money-order service and other services would be curtailed.

Congress quickly went to work on the supplemental bill. The Congress did not grant him $47 million, but they did grant him $41 million. That $41 million bill, so far as the junior Senator from Virginia knows, passed this body without a single vote against it, which would seem to indicate that at that time Congress wished to have delivery of mail on Saturday.

We should all bear in mind that since some time in the 1860's, there have been two mail deliveries a day in the residential areas of our towns and cities. During World War II that service had to be cut back, at the instance of certain postmasters, to one delivery. Now that is permanent; there is only one mail delivery a day.

Mr. DOUGLAS. Mr. President, will the Senator yield for a correction?

Mr. ROBERTSON. I have yielded to my colleague, the Senator from Massachusetts. I shall yield to other Senators in a moment.

Mr. SALTONSTALL. Were we not told that the present volume of mail was approximately 58 billion pieces, and that the research effort brought out a new estimated total of 61 billion pieces for the next fiscal year?

Mr. ROBERTSON. We were told that, but, as the Senator from Virginia has indicated, just 3 weeks before we had been given a very much smaller figure than we were furnished in May. It is quite disturbing to find that all of a sudden the postal authorities discover they have made a serious error in the estimate as to what the volume is and how many pieces of mail there will be.

It is true beyond any question that if the volume of mail goes up between 4 and 5 percent, as the Postmaster General now anticipates, he will not be able to handle that such a volume of mail with the amount of money which is provided in the pending bill, because so much of the money in this bill is for fixed allowances, such as salaries, payments to railroads, airplane companies, and truck operators for transportation, money for pensions, and items like that.

Mr. SALTONSTALL. And the Postmaster General could not conduct the Post Office Department as it should be conducted, even if we should give him the $58 million.

Mr. ROBERTSON. He said he could not do it.

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

Mr. ROBERTSON. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, the Senator from Virginia made the statement that when the Postmaster General was given $41 million for the current fiscal year in the deficiency appropriation there was no objection. I am sure the Senator from Virginia believed that was an accurate statement, but since I was in the Chamber at the time the action was taken I think I should say that on the voice vote I voted against the appropriation of the $41 million, and I shall vote against any other attempt by the Postmaster General to present a loaded pistol at the head of the Congress of the United States to compel us to do his bidding.

Mr. ROBERTSON. The Senator from Virginia, of course, stands corrected. I am sure the distinguished Senator from Illinois would not hold the Senator from Virginia responsible for not hearing every voice vote and not knowing how every Senator voted on every vote that is not recorded.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the chairman of the Committee on Post Office and Civil Service. I am going to quote the Senator later on some items.

Mr. JOHNSTON of South Carolina. Is it not true that in January 1956, the Postmaster General came before the committee and said that the service would handle 58.3 billion pieces of mail, but that he found, in January of this year, it was not going to handle that much mail? Is it not true he found himself some 300 million pieces of mail short of handling the 58.3 billion pieces; yet still at that time he came and asked

the Congress for an additional $41 million? In fact, he asked for $47 mililon.

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

Mr. ROBERTSON. I yield to the Senator from Oregon.

Mr. MORSE. Let me say to the Senator from Virginia that I congratulate him on the fight he is putting up on this appropriation bill. I am proud to stand with him.

I share completely the views just expressed by the Senator from Illinois [Mr. DOUGLAS]. I do not intend to respond to a so-called threatening demand from the Postmaster General. I certainly think we ought to give him our response by supporting the Senator from Virginia in this matter.

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

Mr. ROBERTSON. I yield.

Mr. CAPEHART. I wish to ask the able Senator from Virginia a question about the appropriation bill. I am not a member of the Appropriations Committee. If I were a member of that committee I am sure I would know the answer to the question I am about to ask.

Regardless of who is to blame for the post office situation, if the Department is not given sufficient money who is going to suffer? Will the employees of the Post Office Department suffer, or will the mail delivery suffer? Who is going to suffer? Whose responsibility is it going to be then; the responsibility of the Postmaster General or of the Congress of the United States?

Mr. ROBERTSON. The distinguished Senator has asked me a rather broad question.

Mr. CAPEHART. Does the Senator not think it is pertinent to the issue?

Mr. ROBERTSON. In the first place let me answer as to who has the responsibility.

Mr. CAPEHART. I asked, regardless of who is responsible, who will suffer?

Mr. ROBERTSON. Since 1953 the Congress of the United States has increased salaries of post-office workers by $1,350,000,000, and during that period of time the post-office revenues have not been increased by any significant amount. We still have a 3-cent first-class postage rate, which we have had for many years, and there have been only nominal increases in the rates on the other classes of mail matter. In answer to the Senator's question as to who would suffer, the bill before us, without another dollar, will, in the opinion of the chairman of the subcommittee, enable the Department to pay all of the regular workers their regular salaries. However, it is rather significant to note that during the course of the hearings I asked the Postmaster General this question:

House Report 1741 of the Committee on Post Office and Civil Service on page 16 says:

"Under the new reorganization on July 1, 1955, there were 1,530 officers and employees in the Department and 4,162 in the regional and district offices, a total of 5,692 people. This is an increase of 1,446 as of July 1, 1955, as compared to 4,246 people in 1953 under the old plan."

Now, Senator MAGNUSON and others are going to complain that your efficiency has been greatly lowered by this decentralization, but here we are talking now about the increased cost of it and the increased personnel. That is in the House Report 1741.

Mr. SUMMERFIELD. Can I just make this comment: In 1952 there were 523,757 persons on the post-office payroll. In 1956, Mr. Chairman, there was 508,587. I think the record speaks for itself.

This is a part of the record which was not introduced, and therefore does not speak for itself: There are two columns relating to personnel. One is headed "Positions at the Close of the Year." In 1952 there were 523,779; in 1956, 508,000.

Then there is the right-hand column, headed "Man-Years." That is what we pay for. That figure represents the amount of work being done.

How many man-years were there in 1952? There were 489,992. How many man-years of average jobs were there in 1956? There were 517,612. How many man-years is the Postmaster General asking for fiscal year 1958? He is asking for 536,509, an increase of 46,517 over the time when he took over this job.

There are two ways of computing the costs involved. However, the payroll must be measured in terms of man-years. I believe that what we are providing in the bill would be enough for the scheduled personnel, but not enough for the man-years involved. The Postmaster General would have to cut the number of man-years. He could not put substitutes on the roll at Christmas. He could not expand facilities in rapidly developing areas, and so forth.

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

Mr. ROBERTSON. I yield.

Mr. CAPEHART. Do the man-years take into consideration overtime?

Mr. ROBERTSON. Yes.

Mr. CAPEHART. Those figures include both regular and overtime?

Mr. ROBERTSON. They include regular time, overtime, Christmas jams, extensions, and all that.

Mr. CAPEHART. I am not a member of the Appropriations Committee. The point is this: What will the Postmaster General have to do if he does not get this money? Will he lay off employees? Will he reduce overtime? Where will he cut, and who will suffer?

Mr. ROBERTSON. He will lay off temporary employees; he will reduce overtime; he will cut here, there, and yonder, or else go to jail; and he told us that he did not propose to go to jail. He will curtail the services.

The Senator asks who will suffer. Of course the American people will suffer in the end. Some of the temporary jobs will be affected. Some of the overtime will not be paid. The regular postmasters will receive their salaries. Rural carriers who do not go over their routes on Saturday will not receive equipment allowances for the mileage they do not travel. That will reduce their compensation. The salaried employees will be cut, because the $58 million below the budget estimate represents a cut of 1.78 percent. That is not enough to prevent the payment of regular employees. However, the Department will not be able to paint mail boxes red, white, and blue. There will be no new lighting systems installed in post offices. There will be no quick sorting machines installed. There will be no Saturday delivery. Money orders might be eliminated, which would effect a saving of $8 million a year. Many items will be reduced. How can we tell what items will be reduced? There are 450 men in the Budget Bureau studying these figures. I said, "Give me a breakdown showing how much the Postmaster General overspent in 3 quarters." The answer was, "The figure is so vast that we could not begin to tell how the money was spent." We brought witnesses before the committee and they said, "We cannot tell." So there we are.

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

Mr. ROBERTSON. I yield.

Mr. CAPEHART. Will Congress have to take the responsibility for reduced service, and for laying off certain employees, or will the Postmaster General accept it?

Mr. ROBERTSON. Let me read some suggestions from the Committee on Post Office and Civil Service, bearing on the question of whether or not Congress must assume the responsibility. This is what the committee says:

First, take a look at the activities of regional and district offices which are reputed to have increased postal costs by over $15 million a year.

I do not know whether that has been done or not. The committee says, "Take a look at the activities." If the increased cost is $15 million a year, going back to the old system would account for $15 million of the $18 million.

Total cumulative cost of operation of regional and district offices from November 24, 1953, to November 16, 1956, was $51.6 million.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JOHNSTON of South Carolina. I invite the attention of Senators to the fact that the Postmaster General came before the Committees on Post Office and Civil Service of the House and Senate, and asked that legislation be enacted giving him permission to establish district offices. The committees and the Congress refused to give the Postmaster General this permission. Later he went ahead and established the system anyway, regardless of the action of Congress.

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

Mr. ROBERTSON. I yield to my distinguished colleague. He served on the subcommittee with us. He knows our problem.

Mr. DIRKSEN. We pursued the subject of regional costs before the subcommittee. I believe that the table on page 82 of the printed hearings is quite expressive and enlightening. It shows that after compensating for employees reduced at the departmental and other levels, there was a saving of nearly $172 million by reason of the creation of district and regional offices. That is the record. Anyone who cares to examine the record can look at the figures.

Mr. ROBERTSON. That was the testimony before our committee; but also

in that connection the chairman called attention to the other table, which was later submitted to us, showing the number of man-years, which means average positions. The request is for an estimated 536,509 man-years for 1958. That is the workload.

The chairman of the Committee on Post Office and Civil Service also had this to say:

For 1958 the Department requested $33,166,000, an increase of $2,775,000 over 1957, for salaries, travel and related expenses of the 15 regional organizations. On page 81 of the Senate hearings Mr. Stans said they were studying the question of the whole regional structure and may reduce to some extent the number of district offices that they have under the regions.

That is one thing the Committee on Post Office and Civil Service said it would look into, before we can reach any final conclusion as to how much the Department needs, and what it can get in the year to come, as well as the question of who will take the responsibility for what is not done. We have no way of answering the question at this time.

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

Mr. ROBERTSON. I yield.

Mr. CAPEHART. I am sure that the question of an increase in postal rates comes under the jurisdiction of the Committee on Post Office and Civil Service.

Mr. ROBERTSON. We looked into that question. The President took credit for $560 million in his budget. There was involved an increase in airmail rates, as well as other increases. The proposed 4-cent rate for first-class mail would produce $450 million.

Mr. CAPEHART. Mr. President, will the Senator yield, in order that I may ask the chairman of the Committee on Post Office and Civil Service if there is any likelihood that his committee will report favorably a bill to increase postal rates? Is there that possibility?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Virginia ask unanimous consent to yield for that purpose?

Mr. ROBERTSON. I ask unanimous consent to yield in order that the Senator from Indiana may ask this collateral, but pertinent, question of the chairman of the Committee on Post Office and Civil Service, which has under consideration the legislation referred to.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. CAPEHART. My question is this: Is there a possibility that the Committee on Post Office and Civil Service will report favorably to the Senate this year a bill providing for an increase in postal rates, in time for the bill to be passed by the Congress and signed by the President?

Mr. JOHNSTON of South Carolina. We have taken the position in committee, both when the Republicans were in charge of the committee and when the Democrats were in charge of the committee, that this is a revenue matter, and that when the House acts on the subject the Senate committee will immediately act on it thereafter.

Mr. CAPEHART. The answer is that the Senate committee will take no action until the House acts; is that correct?

Mr. JOHNSTON of South Carolina. We will take up the bill for consideration after the House has acted.

Mr. CAPEHART. But the Senate committee will take no initiative to report a bill to the floor of the Senate until the House acts first?

Mr. JOHNSTON of South Carolina. That is the position of the committee, and that has been its position heretofore.

Mr. CAPEHART. I do not know whether the Senator can answer this question. However, is it the Senator's best judgement that the House will report a bill at this session to increase the postal rates?

Mr. JOHNSTON of South Carolina. For the information of the Senator from Indiana, I should like to say that the House is progressing at the present time along that line. Its committee has already passed on certain sections of the bill, as I understand.

Mr. ROBERTSON. That is correct.

Mr. JOHNSTON of South Carolina. It looks as if the committee will report a bill to the House within the next few days.

Mr. CAPEHART. If the House committee does not report a bill favorably to the House, and the House fails to pass a bill, the Senate committee will not consider any increase in postal rates. Is that correct? In other words, does that mean that if we pass the pending appropriation bill in its present form, and no deficiency bill is passed later, it will be necessary to curtail postal services and to lay off some people in the Post Office Department?

Mr. JOHNSTON of South Carolina. I should like to have the Senator from Indiana understand that laying off employees does not depend entirely on the revenue of the Department. All the postal receipts go into the Treasury, of course.

Mr. CAPEHART. Yes; I understand that. In fairness to the chairman of the Committee on Post Office and Civil Service, I should say that he is correct in that regard. My point is that if an increase in the postal rates were provided, we might then be able to maintain the present postal services.

Mr. JOHNSTON of South Carolina. That would not affect this matter at all, for the simple reason that the additional amounts thus obtained would go only to cut down the deficit in the Post Office Department.

Mr. ROBERTSON. As I understand, the chairman of the Committee on Post Office and Civil Service has stated that since the House committee has already acted on the most controversial part of the postal rate increase bill, namely, that relating to the 4-cent first class postage, there is very good reason to believe that the Senate will pass a postal rate increase bill also. However, as he has pointed out, that will not amount to more than $450 million, and the deficit without any increase in the postal rate, is estimated to be $650 million.

If the $58 million is restored, and if the $7 million is restored, the deficit, without any increase in postage rates, will be in excess of $700 million.

The pending bill carries $166,660,000 more than was provided for the current year. That is not a small sum. It will take care of a great many functions. As the Senator from South Carolina has stated, we do not know whether it will be sufficient to provide full Saturday deliveries, or everything that is needed for Christmas deliveries, or to take care of the rapid expansion in urban areas, where, as soon as an additional 3,000 homes have been built and streets provided, everyone wants immediate mail delivery.

The committee takes the position that we will ask the Post Office Department to look into every phase of economy that can be developed.

I am sure Postmaster General Summerfield wants to cooperate with us. I do not think he wants to be nasty and mean and say, "Oh, well, no matter what you do about it, you must give me more money, or I will curtail postal services where it will hurt the most."

I think he will look into all ways of economizing.

Even if we were to put back into the bill all the money the House has stricken from it, he says it still will not be enough.

Since we must have a supplemental bill anyway, why not let us consider it all at one time? Therefore, we should go ahead and pass the pending bill for both the Treasury and Post Office Departments, exactly as the bill came from the House; then we can look further into the matter if, as, and when the President sends to the House—because the House must act first—a supplemental estimate, which will be in the neighborhood of $132 million, I believe.

Mr. CAPEHART. Are we to understand, then, from the able Senator that if we pass the pending bill as is and it can be proven later that the Post Office Department needs additional money, it will be provided in a deficiency appropriation bill?

Mr. ROBERTSON. The decision will then be made. If the Department will then need more money to give the kind of service it is giving now, we will have an opportunity to vote for that service or vote to curtail it and take the responsibility, if we do so.

Mr. CAPEHART. I should like to ask one further question.

Mr. ROBERTSON. The Senator does not have to vote for more money.

Mr. CAPEHART. The Congress will then be faced with the decision of appropriating, in a deficiency appropriation bill, more money, or saying that we want postal services to be curtailed.

Mr. ROBERTSON. That is according to the testimony, of course. We will ask the Postmaster General if more economies cannot be effected.

I appreciate the courtesy and patience of my two distinguished colleagues, the Senator from New Jersey [Mr. SMITH] and the Senator from Vermont [Mr. FLANDERS]. I have spoken much longer than I had intended to.

At this time I ask unanimous consent to have printed in the RECORD at this

point some suggestions that have come to me from the distinguished chairman of the Commitee on Post Office and Civil Service.

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

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

First, Post Office should take a look at the activities of regional and district offices which are reputed to have increased postal costs by over $15 million a year. On page 81 of Senate hearings Mr. Stans said they were studying the question of the whole regional structure and may reduce to some extent the number of district offices that they have under the regions.

Second, Post Office Department should examine transportation methods to find out just how many empty or half-empty cars are carrying the mails at other than peak periods.

Third, it should go over its transportation costs and negotiate new contracts.

Fourth, reduce or abolish "public relations" activities unconnected with keeping the public informed on mail services.

Fifth, eliminate the "red, white, and blue" paint program.

Sixth, eliminate "public opinion" polls to find out reaction to rate increases.

Seventh, check over postal inspectors to find out how many are merely looking for ways to create vacancies to be filled by apostles of the great crusade.

Eighth, reschedule the workloads to permit handling deferred types of mail during slack periods and eliminate much overtime and substitute employment.

(Of the $2,385,212,465 requested for 1958 for total personal services, $1,714,656,985 is for basic salaries for regular employees. $555,691,903 is for basic salaries for substitute employees and $42,094,164 for overtime, $36,916,223 for nightwork differential.)

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a summary of the pending bill.

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

SUMMARY OF THE BILL

Titles I, II, and III of the accompanying bill contain a total of $3,884,927,000 for regular annual appropriation items. This is the same amount recommended by the House, an increase of $209,652,150 over the 1957 appropriations and $80,364,000 under the estimates for 1958. Approximately $191.1 million of the increase results from statutory requirements, principally the contribution to the retirement-fund requirement which totals to approximately $154.6 million. This is required by Public Law 854, 84th Congress. This item does not represent a new item insofar as the total expenditures of the Federal Government are concerned, since an appropriation covering the aggregate contribution for Federal employees was included in 1957 in the Independent Offices Appropriations Act.

For the Treasury Department, the committee recommends concurrence in the action of the House and the bill recommends an appropriation of $691,467,000, a decrease of $22,364,000 under the budget estimates for 1958 of $713,831,000 and an increase of $42,897,150 over the 1957 appropriation. Of the increase approximately $23 million are required for contribution to the retirement fund.

For the Post Office Department, the bill recommends an appropriation of $3,192 million, the same amount as recommended by the House and a decrease of $58 million under the budget estimates for 1958 of $3,250,000,000. The amount recommended is $166,660,000 over the appropriation for 1957. Approximately $131,482,059 are required for contribution to retirement fund.

For the Tax Court of the United States, the bill recommends an appropriation of $1,460,000, the budget estimate for 1958, and the amount recommended by the House. The increase of $95,000 over the 1957 appropriation is primarily to cover the contribution to retirement fund.

Mr. ROBERTSON. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont has sought recognition for some time. The Chair recognizes the Senator from Vermont.

Mr. MANSFIELD. I have an amendment to offer to the pending bill.

Mr. FLANDERS. If the Senator from Montana wishes to make a speech on his amendment, I would appreciate it if he would wait until I have finished my very brief talk. I wish to express my gratitude to the Senator from Virginia [Mr. ROBERTSON] for yielding the floor when he did.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

A MIDDLE EAST PROGRAM

Mr. FLANDERS. Mr. President, I have adopted the title of "Middle East" program to head the manuscript of this talk. I have used this title so as to conform to the terminology of the "Middle East" doctrine, but this has been done in some bewilderment. What has become of the old and familiar geographical area known so long as the "Near East"? Has this territory sunk without trace? Where does the Middle East begin? Where does it end? What are the limits of the Far East? It is clear that we live in a period of rapid and confusing change.

But after all, these questions are unimportant. What is important is that confusion and conflict is rife in an area comprising Egypt, Israel and the Arab world, no matter by what name we choose to call this area. We have given this area a doctrine. It needs more than this. It needs a program. A program requires that the area, its governments, and its people be looked at as a whole. That we have not been doing. We have been looking at crisis after crisis, and have sought limited solutions for each crisis as it has arisen. Is it not far better to examine the lesions which produce the crises? If we can mitigate and control the lesions perhaps the crises will diminish.

The elements of a suggested program have already been set forth in the two preceding talks. It will be remembered that they are based on the long-range self-interest of governments, races, and particularly of the peoples of the area. Only on the basis of such long-range self-interest is there any hope of constructive solutions.

For Egypt and its people there are proposed the following benefits:

First. Recognition of the fact that the Nasser government is the government of Egypt.

Second. World acceptance of the nationalization of the Suez Canal, based on a recognition by Egypt of the commercial world's stake in its efficient and evenhanded administration.

Third. Assurance of a steady income from operation of the canal, on terms acceptable to the commercial world and therefore promoting maximum use.

Fourth. A reopening of the Aswan Dam project or consideration of an alternative project to find the most efficient means of increasing the agricultural production of the Nile Valley, such project to have our support.

Fifth. Use of our influence to assure the flow of an enlarged agricultural production to the increasing of the living standards of the people of Egypt.

Sixth. Offer of our hearty support of the expansion of education as part of a general program for the Arab world.

Seventh. Promotion of peaceful relations with Israel so that the attention of the Egyptian government may be focused on raising the well-being of its citizens.

For Israel and the Israelis there are proposed the following benefits:

First. Recognition of Israel as a sovereign nation, dwelling within fixed and known boundaries.

Second. Support for Israel in negotiating for the Gaza Strip as new area required for settling Jews newly displaced from adjoining territory.

Third. Stabilization which will end raids and counterraids over established borders.

Fourth. Opening the Suez Canal to the passage of Israeli shipping.

Fifth. Support of the United States for internationalization of the Gulf of Aqaba and its approaches.

Sixth. Improved prospects for the joint development of the Jordan Valley.

Seventh. A recognized place for Israel among the nations of the Middle East, by virtue of its technical leadership in the development of Middle East natural resources.

For the whole Arab world there are proposed the following benefits:

First. Assurance that the recognized boundaries of Israel are established and that population increase in the future will be supported by technical improvements in the use of natural resources.

Second. The status of Israel made clear as a nation among nations, not motivated by ideologies unacceptable to mankind in general.

Third. A general release of tensions permitting successful negotiations for the development of the Jordan Valley to the benefit of Jordan and Syria.

Fourth. The pioneer technology in the Israeli use of Middle East resources made available throughout the area.

Fifth. Encouragement for the regional use of the great capital resources flowing from the oil wells, so that the Middle East may become economically independent.

Sixth. An expanded economy resulting from the application of new technology and new capital, furnishing opportunities for the profitable resettlement of present refugees.

Seventh. Our assistance in supporting education to benefit the whole population.

Eighth. All the preceding elements, combined, definitely to check Communist infiltration which, if it were successful, could only result in a stagnation in production and the destruction of desirable social and political institutions.

To the whole family of nations the following advantages would accrue:

First. The world interest in the Suez Canal would be recognized, and established. Unrestricted transit would be assured.

Second. Compensation for nationalization would be reinstituted.

Third. Negotiations for adding the Gulf of Aqaba and its approaches to the list of international waterways, as an alternative route between the Red Sea and the Mediterranean.

Fourth. Stabilizing of a large and threatening area of conflict.

Fifth. Specifically for Great Britain the status of the Suez Canal, assured by international agreement with Egypt, makes the maintenance of Cyprus as an armed camp no longer necessary. She can be relieved of the great expense and the political problems with which she has hitherto been burdened.

Mr. President, this is a program. It is not a loose assemblage of separate projects. While some specific elements of the total program might successfully be negotiated, the usefulness of such a partial procedure is very limited.

Therefore this program, or some similarly inclusive one, should be announced by the United States. It should be supported officially by the United Nations. Negotiations should then proceed vigorously as to details on all fronts, with all elements viewed in the light of the whole undertaking.

Mr. SMITH of New Jersey. Mr. President, I commend the distinguished Senator from Vermont for his very interesting presentation concerning the situation in the Middle East.

Mr. FLANDERS. I thank the Senator from New Jersey.

THE BUDGET

Mr. SMITH of New Jersey. Mr. President, I shall try to restore some of the bloom of the "budget rose," which is so dear to the heart of the majority leader; in other words, for a few minutes I wish to discuss the budget.

During the past few weeks, there has been a rather insistent clamor from all over the country for a reduction in Federal expenditures and an appeal from many quarters for a lowering of taxes. This public demand has arisen primarily from statements by some that the administration has submitted the "largest peacetime budget in history," and from rumors that there are differences within the administration as to whether or not the budget can be cut—differences primarily between the President and the Secretary of the Treasury.

The size of the administration's budget has concerned us all, and the administration has been subject to sharp and critical attacks by the Democratic majority and suggestions from both sides of the Senate aisle for drastic appropriations cuts. Cuts which have been imposed upon appropriations by the House have received understanding consideration by the Senate Appropriations Committee.

On the other hand, a few days ago the Senator from New York [Mr. JAVITS], the Senator from Connecticut [Mr. BUSH], the Senator from Kentucky [Mr. COOPER], and various other Senators came to the defense of the Administration and the budget submitted this year. I commend my colleagues for their fine presentation of the issues and shall add a word of explanation of this fiscal situation as I visualize it.

As a part of his remarks, the Senator from Connecticut [Mr. BUSH] incorporated in the CONGRESSIONAL RECORD, on page 6283, the text of the letter sent by President Eisenhower to Mr. SAM RAYBURN, the Speaker of the House. It is not my purpose to quote this letter in full, but I do wish to reemphasize its content.

PRESIDENT EISENHOWER'S LETTER TO SPEAKER RAYBURN

In his letter to Speaker RAYBURN, the President divided the estimated expenditures for the coming fiscal year into three categories. The first consists of legally prescribed expenditures which total $17.6 billion, or 24 percent of the total expenditures. The second and largest portion of the estimated expenditures for the coming year is in direct support of our national defense, some $45 billion, or 63 percent of the total. The remainder constitutes only 13 percent of the budget and only $9 billion.

Mr. President, legally prescribed expenditures, such as interest on the debt, public assistance, veterans' pensions, and similar items, must be paid unless Congress decides to repeal the laws requiring those payments. Failure to appropriate adequate funds for these obligations now will merely necessitate supplemental appropriations at a later date.

As to that large portion of the budget which is devoted to our national defense and security, President Eisenhower in his letter warned that "a cut of any appreciable consequence in current expenditures for national security and related programs would endanger our country and the peace of the world." It is the President's judgment that there is no foreseeable "early lessening of international tensions and dangers as would justify a significant downward revision in our defense and related programs."

Thus with legally fixed costs and national defense expenditures totaling 87 percent of the proposed budget, any large-scale reduction in the 1958 budget must be made at the expense of the $9 billion which provides for all the other activities of the Government. The activities in this area of the budget, as described by the President, are "such activities as public health, the various housing programs, all operations of most executive departments, the civil functions of the Corps of Engineers, the nationwide functions of the General Services Administration, the worldwide functions of the Department of State," and others. As the President stated, "a multibillion-dollar reduction would destroy or cripple many essential programs if concentrated in this limited area of the budget."

The President concluded, concerning the expenditures for fiscal 1958:

> It is clear that a "substantial reduction" in Federal expenditures next fiscal year * * * whether in any one or a combination of these major segments of the budget, would weaken the Nation's defenses, or cut back or eliminate programs now required by law or proposed in the public interest, or both. That forces the conclusion that a multibillion-dollar reduction in 1958 expenditures can be accomplished only at the expense of the national safety and interest.

In the same letter, however, the President did propose a number of items of new spending authority which he felt Congress could reduce. He recommended that a total of $1.8 billion of new spending authorizations could be eliminated or postponed without serious detrimental effect. Included in the President's proposals were reductions of $500 million in the military assistance program of the mutual security program, $200 million in military public works, and a $516 million possible reduction in Army procurement and production.

I should emphasize that these reductions proposed by the President are in future spending authority. They will not all reflect reductions in actual expenditures during fiscal 1958. Yet they will materially assist in alleviating budgetary expenditures in future years.

SECRETARY HUMPHREY SUPPORTS THE PRESIDENT

Mr. President, there has been some discussion about a difference between President Eisenhower and Secretary Humphrey. The Secretary of the Treasury, Mr. Humphrey, is in complete accord with President Eisenhower's approach to this budget.

On the same day when President Eisenhower sent his letter to Speaker RAYBURN, Secretary Humphrey addressed the National Industrial Conference Board in New York, and stated:

> The President's letter of this morning puts into proper perspective the problems about the budget which have been the subject of discussion since the budget was sent to the Congress in January.

While confirming the proposed reductions which the President proposed in future spending authority, Secretary Humphrey continued:

> The President * * * stated that actual spending in the coming fiscal year cannot be cut by multi-billion-dollar amounts without danger to the national safety or interest, or the modification of some of the existing programs now authorized or required by law.

Then said Secretary Humphrey—and I emphasize these words:.

> I urge every citizen to earnestly consider and support the President's direct and simple analysis of the principles involved in our budget problems. The President's position not only guards the Nation against ill-considered or dangerous slashing of the budget, but it also points the way to well-considered

steps toward holding future Federal spending down. Controlling the upward march of total Government spending is of greatest importance to us all.

Mr. President, in that connection I may say that I have talked personally with Secretary Humphrey about this matter, and I can state that he is glad to have me emphasize this point. What he is driving at is future spending and the enactment of programs which require ever-increasing appropriations.

Mr. DOUGLAS. Mr. President, will the Senator from New Jersey yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. DOUGLAS. Then do I correctly understand that Secretary Humphrey is opposed to any significant economies in the President's budget?

Mr. SMITH of New Jersey. No. I shall come to that point later in my remarks.

Mr. DOUGLAS. Is the Secretary of the Treasury opposed to any significant economies, or is he in favor of them?

Mr. SMITH of New Jersey. The Secretary of the Treasury is supporting the President's position.

Mr. DOUGLAS. And what is the President's position?

Mr. SMITH of New Jersey. Mr. President, I would rather not yield further and get into an involved discussion. I wish to make my presentation with continuity. I am sorry, but I must defer the Senator's question for the present.

Mr. President, I fail to see any difference of opinion between the President and Secretary Humphrey over the present budget.

As a further illustration of the misunderstanding throughout the country of Secretary Humphrey's position and what he actually said with regard to the budget, I ask unanimous consent to have printed at this time in the RECORD, as a part of my remarks, an article entitled "The Distorted Hair Curling Issue." The article was written by David Lawrence, and was published in the Washington Evening Star last Friday, May 10. The article explains clearly what Secretary Humphrey meant by his now famous "hair curling" remarks.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Is there objection?

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

THE DISTORTED HAIR CURLING ISSUE—RECORD QUOTED TO SHOW THAT HUMPHREY DID NOT USE PHRASE ON 1958 BUDGET

Secretary of the Treasury George Humphrey has been bearing the brunt of a good deal of criticism lately throughout the country. Some accuse him of attacking the President's budget. Others say he predicted a depression that will curl your hair unless the 1958 budget recommended by the President is cut by many billions of dollars. Partisans on Capitol Hill have been twitting the administration and seeking to exploit the alleged contradictions.

But, if ever a man in public life was misquoted or quoted out of context, misunderstood and misrepresented, it is the present Secretary of the Treasury in relation to his comments at a press conference of January 16 last.

Fortunately, a stenographic record was kept and was issued to the press that same day.

This correspondent has just completed a study of what was distributed by the various wire services and what was printed in most of the newspapers immediately after the press conference of January 16. The only conclusion that can be reached is that the text of what the Secretary really said and the impression conveyed by some of the wire services is considerably different. Here is the exact text of the question that drew the response about hair curling:

"Mr. Secretary, isn't nearly all the talk here today about cutting spending and cutting taxes largely academic, as long as the world situation remains what it is? Looking at this budget, I find that the lion's share of the increased expenditures is for mutual security and defense. Is there any hope anywhere in the world situation that you can do any cutting in defense spending in the next few years?"

It is to be noted that the questioner inquired about "any hope anywhere in the world situation" and referred specifically to the "increased expenditures for mutual security and defense." Here is the exact text of Humphrey's answer:

"I think there is—yes, I do . I think there is some hope you can reduce expenditures all along the line, I would certainly deplore the day that we thought we couldn't ever reduce expenditures of this terrific amount, the terrific tax take we are taking out of this country. If we don't over a long period of time, I will predict that you will have a depression that will curl your hair, because we are just taking too much money out of this economy that we need to make the jobs that you have to have as time goes on."

Humphrey spoke not of this year's budget but of what has to be done over a long period of time. He was talking directly about reducing expenses for armament. So are Prime Minister Macmillan and Premier Mollet and Chancellor Adenauer. All over the world statesmen are talking of the back-breaking burdens of armament.

None of the dispatches written on January 16 that this correspondent saw emphasized sufficiently the difference between Humphrey's comments on the long-range prospects due to the armament burden arising out of the world situation and the particular budget submitted that week by the President.

The public didn't get the impression at all that Humphrey was really supporting the existing budget, but that he was differing with the President. Yet in the text of the transcript occurs the following comment by the Secretary:

"I think this budget as now drawn has been prepared with the very greatest care, and I think it is the best that we can possibly do right now. Now, my whole point is this: That it is 18 months before we get through living under this budget, and I think there are a lot of economies and a lot of savings that we ought to be able to make if we pay strict attention to our business and work at them hard enough during the next 18 months. I don't think there is anything in sight at the moment that can be done better than is now proposed in this budget, but I think we ought to improve it as time goes on."

Asked whether the Secretary and the President differed about the budget, Humphrey said in that same press conference:

"There is no division or difficulty in the administration at all on this subject. This is a thing that we all are in accord on. This budget was made up, as I say, with the very greatest care and a great deal of time spent on it, and this is apparently the best we can do at the present time. But I just believe that over 18 months we ought to keep doing better."

The improvement process has already been begun. The agitation has, therefore, in some respects been salutary, but some of the talk and criticism is going to extremes and could harm the effectiveness of America's international influence in a critical period in history if appropriations for necessary programs are curtailed or abandoned through mistaken acts of Congress.

Partisans have been able to distort and twist what Humphrey did say. A complicated subject, such as the budget really is, has been made a football of politics. Unless corrected by an informed public opinion, the momentum of the entire economy can be slowed down and a recession precipitated.

PUBLIC CONCERN OVER THE BUDGET

Mr. SMITH of New Jersey. Yet, Mr. President, there exists, and it is gratifying to me, a widespread public concern over the expenditures of Government; and I share the feelings of those who desire to see the budget reduced. It is confusing, however, to discover the degree of public misunderstanding which surrounds the budget and the belief that it can be painlessly reduced by many billions of dollars.

The budget should be of vital concern to all of us who have a deep interest in the level of governmental services provided for the people, the cost of such services, and the ability of the economy to progress, as well as to support the necessary expenditures of Government. However, we must never lose sight of the vital fact that the budget is not merely a sum of money to be extracted from the taxpayers and devoured by the Federal Government. To view only the total number of dollars contained in the budget is to overlook the vital consideration that these dollars represent the implementation of programs and policies.

INFLATION SINCE 1939

An alarmed emphasis has been placed upon the total of estimated expenditures under the fiscal year 1958 budget—$71.8 billion. It has erroneously and unfavorably been compared with the highest prewar budget of $9 billion in 1939, as evidence of the outlandish extravagance included in the President's proposals. But such comparisons are misleading at best. Such comparisons fail to take into consideration the effect of inflation, the rapid expansion of our economy, with a resultant rapid advancement in our gross national product and our national income, and the vastly different situation of the United States in relation to that of the rest of the world.

All of us are aware of what inflation has done to our cost of living. The same is true of the Government's cost of operation. To compare the budgets of 1939 and 1958, it is necessary to attribute over $41 billion of the present budget to the subtle operation of intervening inflation. This means that in terms of 1939 dollars, the budget of the fiscal year 1958 would total $30.6 billion, and not the $71.8 billion we have been discussing.

GROSS NATIONAL PRODUCT AND NATIONAL INCOME

We should also realize that the proposed budget does not represent any increase in the proportion of our gross national product or national income which is devoted to Federal expenditures. In fact, the $71.8 billion expenditures included in the budget represent only about 16.2 percent of our gross national product, as compared with 16.5 percent expended during fiscal year 1956, and 16.3 percent estimated to be expended during fiscal year 1957. In relation to the national income, the 1958 budget represents only 19.8 percent of our total national income, as compared with 24.7 percent expended during the fiscal year 1953, 22.7 percent in the fiscal year 1954, and 20.9 percent in the fiscal year 1955. With the advancing level of prosperity and expansion in this country, the Federal budget represents a smaller burden upon the Nation's wealth than those of recent years. The creation of wealth within this country is advancing at such a fast rate that a stable level of taxation returns more than sufficient revenues to meet our national expenditures.

BALANCED BUDGET AND SURPLUSES

Mr. President, this is the third consecutive budget President Eisenhower has presented to the Congress and the people which is based on an estimated surplus of income over outgo. For the first time in 25 years, the country is in the financially sound position of managing governmental expenditures on a balanced budget for 3 years in a row. In spite of the fact that during the Eisenhower administration there has been the largest general reduction of taxation in the country's history, an anticipated surplus of $5 billion has been predicted as a result of the budgets for the fiscal years 1956, 1957, and 1958. None of the burden of the present budget will be placed upon the shoulders of our children, for future payment. The Government is paying its way as it goes. At the same time, the national debt is being reduced.

DUTY OF CONGRESS TO REDUCE BUDGET

Mr. President, as I stated earlier, I am in favor of reducing the budget, where possible. Congress has the responsibility to eliminate waste, inefficiency, duplication, and fat of any kind, wherever it is found. However, such paring of the budget must be done carefully, responsibly, and without panic. We must not lose sight of the fact that this is a cold-war budget, not a so-called peacetime budget. We must not endanger our national security or the peace of the world for the sake of a temporary financial benefit. If it were not necessary for this country to maintain its present Military Establishment against the Communist threat to our independence, the budget could be drastically reduced. However, the persistent threat of Communist aggression is a fact, and we cannot ignore it.

As to the nonmilitary, or nonsecurity, portion of the budget, we must recognize that we in the Congress have saddled future budgets with expenditures which we are committed to pay. We have written into law provisions which require that certain financial benefits be paid to various groups of our people. The expansion of our public-assistance programs necessarily means higher future expenditures of our national Government. The various agricultural-support programs necessarily mean substantial expenditures for our farm community. Expansions of medical service and care benefits for our veterans necessarily mean that the costs of our veterans programs will be increased in future years. We must face the fact that we cannot consistently expand benefits and programs when legislation is before us, and then balk at paying the price of the programs. The Secretary of the Treasury has been emphasizing this point when he has stated that the Congress must reduce, eliminate, or halt expansion of governmentally financed programs before it can expect the future trend of Government expenditures to turn downward.

Secretary Humphrey has been taking that position right along.

We must reconsider policy determinations which require many of these benefits if we wish to make substantial reductions in the total budget, particularly since the absolute necessity of defense preparedness and technological advance requires enormous, continuing expenditures for our own national security.

Mr. President, the Congress is now considering the appropriations bills, and will be proceeding with them during the coming months. I urge my colleagues to achieve whatever reductions can be prudently accomplished and I shall join them in it—but I also urge them to realize the limitations which are inherent in dealing with appropriations as a means of altering policies established by law. I urge them to consider President Eisenhower's letter to Speaker RAYBURN and the fact that substantial cuts can only be applied to 13 percent of the total budget, when legally prescribed expenditures and national security items are excluded. To take a meat ax to that $9 billion portion of the budget will have disastrous effects.

MUTUAL SECURITY PROGRAM

Some members of this body have suggested that there are substantial reductions which can be made in the mutual security program. I am particularly interested in that program.

The President has already revised his authorization request downward, from $4.4 billion to $3.9 billion. I sincerely hope that my colleagues will not seize upon the mutual security program and make it the "whipping boy" in a relentless drive for budgetary reductions. We cannot afford drastically to undercut these relatively small expenditures upon which we rely for the long range peaceful development of the world. While maintaining our military national defense, we cannot afford to eliminate those programs, which are working for the benefit of this country, and other countries throughout the world, for a peaceful international situation.

Mr. President, in this connection, I ask unanimous consent to have printed in the RECORD an editorial by David Lawrence in the April 26 edition of the U. S. News & World Report. This thoughtful editorial is entitled "Penny Wise and Pound Foolish."

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

[From the U. S. News & World Report of April 26, 1957]

PENNY WISE AND POUND FOOLISH

(By David Lawrence)

For centuries, back to the days when we still used the English pound instead of the dollar, the expression quoted in the headline above has been used to warn against economizing unwisely.

From one end of the country to the other in recent weeks there has arisen a proper demand that government spending be curtailed lest it get out of hand in future years. This demand is in itself a warning against the dangers of a loss of public confidence in the dollar—a possible forerunner of an inflation panic.

But the other extreme can be equally dangerous. We must not ruin the effectiveness of the dollar we are spending by slashing the budget recklessly. It has often been said that any building can be toppled over if one is permitted to select and tear out just 10 percent of the bricks anywhere in the structure.

Many citizens, eager to see their taxes reduced, are joining a chorus which, in effect, says, "Let's cut the budget, irrespective of the consequences."

Other citizens, urged on by well-intentioned associations and organizations seeking early tax reduction, denounce as wasteful certain categories of expenditure, such as "foreign aid," or blandly classify as "boondoggling" many an item with whose purpose they are unfamiliar. There are also those who, without examining all the facts, just call the whole spending program a reversion to "new dealism."

There must soon be a turn to common sense and realism. The agitation for a reduced budget is, of course, salutary. It is one of the healthiest symptoms of public interest in a complex subject that has been manifested in a long time. But we must nevertheless proceed on the basis of facts and not just wishful thinking.

How many newspapers will give the necessary space to print the full text of the letter on this subject just written by President Eisenhower to Speaker RAYBURN of the House of Representatives?

Without a knowledge of the viewpoint and the facts contained in that letter, no citizen can argue intelligently about the cuts that ought to be made in the Federal budget. The readers of this magazine will find the letter on pages 91–94.

The President wants to cut the budget. But it cannot be done with a hatchet, as Congress is doing. For this will prove far more costly in the long run than the sums allegedly saved now.

Take, for instance, the unwise cut made by the House of Representatives last week in the $144 million requested by the President for the use of the United States Information Agency. The amount was reduced to $106 million. That's a reduction of almost one-third. Isn't it obvious that what the House really did was to disapprove a policy?

The projects recommended originally were the result of months of study of how America might combat Communist propaganda in different parts of the world. Men expert in the field of transmitting ideas to peoples in various countries worked out the plan but, in a few hours, a majority of the Members of the House, who could not possibly be familiar with the specific conditions abroad in which America is fighting the spread of international communism, slashed the program with a meat ax. An information agency of the Government which seeks to prevent war by reaching the hearts and

minds of other peoples was frustrated. Yet its cost represents only one-third of 1 percent of what we have to spend for armament.

If we do not win the cold war we will find ourselves in the midst of a hot war. And who will have to fight that war, and what will it cost? Not only will our sons be drafted and the lives of many of them sacrificed, but in a nuclear war the civilian population will be decimated—and the budget will skyrocket.

The American people cannot afford meat-ax cutting of the budget. Federal spending, as the President says in his letter to the Speaker of the House, can be reduced and he points the way. But, with $45 billion for armament and national protection and $17.6 billion for fixed items like veterans' pensions and interest on the public debt, only $9 billion remains for all the other activities of the Government. Hence, the President says, "a multibillion-dollar reduction as evidently envisaged by the House resolution would destroy or cripple many essential programs if concentrated in this limited area of the budget." He declares that a substantial reduction in 1958 expenditures can be accomplished only at the expense of the national safety and interest.

The President is right. His letter is supported in its entirety by Secretary of the Treasury Humphrey. Certain cuts in spending authority for future years are recommended by Mr. Eisenhower, together with a sensible procedure to achieve a system of economical spending.

This is not a time to play politics. It is a time for commonsense. We must not be penny wise and pound foolish.

CONCLUSION

Mr. SMITH of New Jersey. Mr. President, in our legitimate desire to see that the expenditures of the Government are reduced insofar as is possible, we must not let our eyes be clouded to the extent that we neglect the inescapable facts of our world situation. If we could forget the threat of international communism to our freedom and independence; if we could ignore the necessity of developing and maintaining close understanding relationships with the other free countries of the world, and especially with those additional peoples who are yearning for freedom, independence, and self-determination; if we could ignore these aspects of developing peace in the world, I would be in the vanguard of those who would, and could, reasonably achieve gigantic reductions in Federal expenditures. However, Mr. President, we lose sight of these facts only at the peril of our freedom and independence. We cannot risk the sacrifice of our priceless heritage for the sake of meat-ax economy.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CASE of New Jersey. I wish to commend my senior colleague from New Jersey for the splendid address which he has just delivered to the Senate. It is a real contribution toward clarification of a situation which many persons, for partisan and unworthy purposes, have attempted to cloud. It is directly in line with the President's straightforward and clear exposition in his letter to the Speaker of the House. I am confident it will be directly in line with what the President will say when he addresses the country on the subject, as he expects to do tomorrow night, I think, and again next week.

I desire to associate myself completely with my senior colleague from New Jersey. I know he represents the views of the people of our State in regard both to their desire not to have any unnecessary expenditures, and to provide all the expenditures that are necessary in regard to defense, in regard to our foreign policy, and in regard to our domestic programs.

I join with the Senator, and wish again to commend him for the splendid statement he has made.

Mr. SMITH of New Jersey. I thank my colleague.

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

Mr. SMITH of New Jersey. I yield.

Mr. BUTLER. With the exception of the foreign-aid program, has the administration made any definite recommendation as to where cuts can be made?

Mr. SMITH of New Jersey. I should have to look at the President's letter for the details. In that letter mention was made of a cut in foreign aid of $500 million. The total reduction came to a total of approximately $1,800,000,000.

Mr. BUTLER. This morning's Times quotes Presidential Assistant Sherman Adams as saying the budget could be cut as much as $2 billion without interfering with the quality of the services by the Government. Have recommendations to that extent been made?

Mr. SMITH of New Jersey. That is the figure I arrived at.

Mr. BUTLER. In other words, there is a spending budget of $71.8 billion and a proposed budget of new programs amounting to $73 billion plus. Is it in the latter area in which the cuts would be made by the President?

Mr. SMITH of New Jersey. I am hoping the President, in his message to the country tomorrow night, will cover those details again, because they have been the subject of considerable discussion.

Mr. BUTLER. The reason I call this to the Senator's attention is that confusion has arisen in reference to this matter. I am confused. One Cabinet officer says one thing, and another says another thing.

Mr. CASE of New Jersey. Mr. President, will the senior Senator from New Jersey yield to me so that I may reply to the Senator from Maryland?

Mr. SMITH of New Jersey. I yield.

Mr. CASE of New Jersey. In the letter which the President wrote to Speaker RAYBURN, the President suggested a total of $1.8 billion might be eliminated from the present budget, or postponed. I think the Senator has the same thought in his mind. That is practically the same as what the assistant to the President mentioned in his television remarks over the weekend. There is no inconsistency at all about it. They seem to me completely in line with each other.

Mr. BUTLER. Mr. President, will the Senator yield further for a question?

Mr. SMITH of New Jersey. I yield.

Mr. BUTLER. In other words, the administration is prepared at this time to forego any new spending and cut back the foreign-aid program to the extent of $500 million. Is that correct?

Mr. SMITH of New Jersey. I think that is correct. When the Senator says "any new items," I do not know what he means.

Mr. BUTLER. The difference between the spending budget and the requested budget.

Mr. SMITH of New Jersey. The cut for foreign aid would amount to $500 million.

Mr. BUTLER. But the administration would forgo at this time any additional expenditures on programs in which we have not spent money before.

Mr. CASE of New Jersey. If the Senator will yield so I may answer, I think that is not quite correct. The budget totalling $71.8 billion includes certain programs recommended, but not yet adopted. It includes funds for the proposed school-construction bill. The President does not, in his letter to the Speaker, suggest eliminating that item from his program. Items included in the $1.8 billion cut include approximately $500 million in so-called foreign aid, but I point out that is in the military-assistance item and not the economic-assistance item. There is another figure of $200 million for military construction. There is another figure of about $500 million from the defense budget. The others are rather small items.

Mr. SMITH of New Jersey. I will say to the Senator from Maryland that what I have been trying to do is analyze this matter and to reduce the existing confusion. There is much misunderstanding in the popular mind.

Mr. BUTLER. I do not know whether my mind is of the popular variety or not, but I have been confused by the seemingly different statements of administration officials.

Mr. SMITH of New Jersey. The Senator's mind is just the same as my mind. I have been trying to analyze this problem in order to reduce confusion and misunderstanding. I hope what I have said will be helpful.

Mr. President, I yield the floor.

TREASURY AND POST OFFICE APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

The PRESIDING OFFICER. The committee amendment will be stated.

The amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department," on page 9, after line 7, to insert:

GENERAL PROVISIONS—TREASURY DEPARTMENT

SEC. 102. Not to exceed 5 percent of any appropriation herein made to the Treasury Department for the current fiscal year, except for the appropriations made to the United States Coast Guard, may be transferred with the approval of the Bureau of the Budget, to any other appropriation of the Treasury Department, but no appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Committees on Appropriations of the Senate and House of Representatives.

Mr. ROBERTSON. Mr. President, I ask concurrence in the committee amendment. It will facilitate the action of the Treasury Department in adjusting itself to some of the cuts proposed in this bill.

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

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. I wish to compliment the Senator from Virginia for his work on this bill. I should like to ask the Senator from Virginia whether it is true that some $3 billion which the Treasury has on deposit with the banks of the country draws no interest?

Mr. ROBERTSON. The Senator is correct.

Mr. DOUGLAS. That is, no interest is paid by the banks upon the deposits which the Federal Government has with them, most of them being classified as demand deposits.

Mr. ROBERTSON. Of course, under the law, national banks cannot pay interest on those accounts.

Mr. DOUGLAS. I understand.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I feel like a lonely man this afternoon, because it is difficult to offer to an economy minded Congress an amendment which seeks to raise the appropriation reported by the Appropriations Committee. However, while I approve of the feeling of the Congress, I consider it is my duty at this time to invite the attention of the Senate to a situation which exists in the State of Montana relative to the customs buildings on the American side of the Canadian-American frontier.

Mr. President, the Treasury and Post Office Departments appropriations bill the Senate is considering today is substantially the same as that passed by the House. Considering the economy mood which now prevails, I feel that the funds contained in this bill are generally adequate. However, I wish to take exception on one item.

The bill does not provide construction funds under the Treasury Department appropriation for the construction of 16 new customs-immigration stations along the Mexican and Canadian borders. The budget request of $450,000 has been disallowed by both the House and the Senate Appropriations Committees. The funds would have allowed the Customs Bureau to pay its share of the cost of construction of these small stations, in cooperation with the Justice Department. Among those stations scheduled to be constructed were four Montana stations—Del Bonito, Opheim, Turner, and Morgan.

Normally I might say that this work could be postponed until next year, but the conditions at these stations in Montana are deplorable. The Bureau and the Immigration Service have inspected the stations, and have recognized the need for extensive buildings to replace antiquated structures and to provide enlarged facilities at places where there has been a considerable increase in vehicular and passenger traffic. As we all know, the amount of travel and commerce between northern States and our Canadian neighbors is ever-increasing.

At the Turner station two trailers are being installed as a temporary expedient. Budgetary economies are understandable but not to the point that necessary facilities such as these customs stations are ignored.

Mr. President, I hold in my hand a newspaper clipping from the Glasgow Courier, Glasgow, Mont., showing photographs of the Canadian and American Customs Buildings at Turner, Mont. The American station consists of two trailers equipped to be used on the Mexican border. Drinking water must be brought in and there are no modern sanitary facilities.

As a matter of fact, the picture I hold in my hand shows the trailer, as well as the outside toilet, on the American side, used by the American Customs Service, whereas on the Canadian side is shown the luxurious building which will be used by the Canadian customs officers. There are 14,000 crossings made annually at this border station.

In contrast, the Canadian customs office represents an investment of around $100,000. It is designed for 24-hour service, and is complete with all modern conveniences.

It has come to my attention that the House granted over $2 million in construction funds for 5 border stations to house customs and immigration facilities in California; Texas, 2; Maine; and New York. Yet, we refuse to grant $900,000 for 16 smaller border stations, including those in Montana. Four hundred and fifty thousand dollars of these funds was originally requested by Treasury in the budget requests considered in this bill.

I am sure there is great need for the larger units, but I am distressed at the prospect of denying funds for the smaller units, all in the name of economy.

Mr. President, I ask that a letter dated May 8, 1957, which I have written to the Administrator of the General Services Administration be printed at the conclusion of my remarks.

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

See exhibit 1.

Mr. MANSFIELD. The other customs stations which are included in the $900,000 program are located in the States of North Dakota, 5; New Hampshire; Minnesota, 3; California; Arizona; and Idaho.

I am sure that the conditions at these stations are no better than at those in Montana.

EXHIBIT 1

MAY 8, 1957.

Mr. FRANKLIN G. FLOETE,
Administrator, General Services Administration, General Services Building, Washington, D. C.

DEAR MR. FLOETE: It has come to my attention that GSA has been granted construction funds by the House in the independent offices appropriation bill, which would provide five border stations to house customs and immigration facilities in California, Texas (2), Maine and New York. Your budget request was reduced by $375,000 and is now pending before the Senate Appropriations Committee.

I am very interested in the improvement and construction of customs facilities throughout the country but as you may know the $900,000 request for 16 smaller border stations was rejected by the House—several of these in my State of Montana. As you can understand I am very desirous of having these smaller stations constructed, especially in view of the extremely poor conditions that now exist on the American side of the Canadian border.

My purpose in writing to you is to ask for a statement explaining why GSA does not have the jurisdiction over the construction of the smaller customs stations, as well as the larger units.

Thanking you for your courtesy, and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

Mr. MANSFIELD. Mr. President, I have sent to the desk an amendment to H. R. 4897, which will restore $450,000 to the appropriation for the Treasury Department. I ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 10, it is proposed to strike out "$48 million" and insert in lieu thereof "$48,450,000."

Mr. ROBERTSON. Mr. President, the subcommittee and the full committee are sympathetic to the request for the 16 additional immigration customs stations. Fourteen of them, as the Senator from Montana said, are requested for the Canadian border, and two are requested for the Mexican border. Of the latter two, one would be in Arizona and one would be in California.

The Treasury Department recommended these stations, and the Bureau of the Budget recommended them to the House. However, when the Secretary of the Treasury came before us, after these items had been stricken out, he said, "I am asking for no restoration."

The committee was very sympathetic, because there is merit in this proposition, but the committee felt that if we opened up this bill for this item, we would have to consider an item of $8,205,000 for more airplanes, an item for shrimp boats, and a number of other requests. The committee said, "We will have an austere program. We will have to defer some of these items."

I hope very much our distinguished colleague will realize the situation in which the committee was placed, and in which the Senate is now placed, and take my assurance that next year, if there is any chance for a reconsideration of this matter, the project for the customs stations in Montana, will be very fully considered.

Mr. MANSFIELD. Mr. President, I am very happy to have the assurance of the distinguished chairman of the subcommittee, the junior Senator from Virginia. I hope that there is a possibility it can be considered next year. I know if it is, it will be consdered sympathetically, because the chairman and his subcommittee have been generous in both their time and understanding. I express the hope that if there comes before the Congress this year a supple-

mental appropriation bill, in connection with which there is a possibility that these border stations may be considered, appropriate consideration will be given at that time.

Mr. President, on the basis of the assurances given by the distinguished Senator from Virginia, I will withdraw my amendment. I should like, at the same time, to ask that the article to which I have referred, from the Glasgow Courier, be printed as a part of my remarks.

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

CANADIAN, AMERICAN CUSTOMS BUILDINGS PROVIDE CONTRAST

View shows the American customs and immigration office 12 miles north of Opheim in the top photo. The two trailers were placed in position in November 1956. The offices had been in Opheim since 1925.

In contrast are the modern Canadian facilities at the border, shown in the lower photo. Funds are being sought for new American buildings, but fate of the appropriation in Congress is uncertain.

The American location is on a 60-foot public reserve paralleling the international boundary. Negotiations are under way to acquire land next to the new State road being built from Opheim to the border.

The trailers are equipped with 1-ton electric air conditioners and were intended for use on the Mexican border. Oversize propane heating equipment has been installed to make the trailers comfortable. Drinking water must be brought in. There are no modern sanitary facilities, but there is a reasonable facsimile of the two-hole WPA buildings of the 1930's.

Hours are 9 a. m. to 6 p. m. daily, including Sunday. Men who staff the offices live in Opheim. Unofficial sources estimate that 14,000 crossings of the border are made annually.

The American flag being flown is a nylon test. Ordinarily flags are blown to shreds in about 30 days in the prevailing northwest wind.

The Canadian West Poplar River customs office was established in 1916. The plant represents an outlay of around $100,000. It is one of the best along the 750-mile Montana border and is designed for 24-hour service.

Nearest is the administration building, about 24 by 36 feet, with full basement and living quarters above the offices. The other two buildings are residences for the staff. All have modern plumbing and heating equipment. There is an ample supply of good well water. Hours are the same as the American offices. There are also two substantial garages.

Electricity is furnished by the Northern Electric Cooperative at Opheim to plants of both countries and telephone service is provided by the Rural Telephone Cooperative of the United States.

Canada's No. 2 highway leads from Prince Albert National Park through Watrous, Moosejaw, and Rock Glen, Saskatchewan, to West Poplar port of entry. The northern terminus is near a primitive area in the Lac LaRonge district, a popular fishing resort. Canadian road officials are pleased to see the Americans improving roads at the southern terminals of their important and most popular routes.

Mr. MANSFIELD. I am only sorry that the pictures portrayed here, which show the disparity between the trailers and outside toilets on the American side and the facilities on the Canadian side, cannot be printed, so that the contrast with what are, in comparison, luxurious Canadian customs and immigration buildings could be depicted.

I thank the Senator from Virginia.

Mr. ROBERTSON obtained the floor.

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

Mr. ROBERTSON. I yield, with pleasure.

Mr. HOLLAND. Mr. President, I wish to say to the distinguished Senator from Virginia that I compliment and congratulate him upon the manner in which he has approached this bill. I think his approach is highly realistic and I think it is highly responsible. I noticed in one of the newspapers over the weekend a rather perfervid editorial suggesting that the approach was irresponsible. I call attention to a few figures which, at least in my judgment, show conclusively that the approach is reasonable, responsible, and cautious, and should be highly commended.

Speaking of the Post Office Department only, the appropriation for fiscal year 1957, the year which is about to end, was $3,025,000,000 plus, and that includes the $41 million of extra appropriations made only a few weeks ago in the deficiency bill. That $3,025,000,000 plus, the total of the appropriations for 1957, when compared with the amount of the bill reported and now under debate, namely, $3,192,000,000, shows an increase of $166 million plus, according to the committee report, which represents a 5½ percent increase over the entire budget for the current year 1957. I call attention to the fact that that is not only a very substantial increase, but that it is a greater increase than the percentage of increase in the amount of mail to be handled, according to the Postmaster General.

Let us look at another part of the picture. The budget request was for $58 million more than the committee report and recommendation. In addition, the Postmaster General has stated publicly that he will require an additional amount, in the nature of a supplement, of somewhere between $70 million and $90 million. That amount, added to the $58 million, which would be denied under this action, would bring the total request for an increase to about 10 percent, or a little more, as contrasted with the 1957 budget.

I think the Senator from Virginia is to be congratulated, first, for his courage in coming forth with a request for a reasonable increase. Everyone knows that the volume of mail has increased.

Second, he is to be commended most for his refusal to allow the Senate to be drawn at this time into a discussion of the request for an additional $58 million, plus the additional $70 million to $90 million, with respect to which we are placed on notice that in a few days we shall be confronted with it.

I think the Senator from Virginia displayed excellent judgment in insisting that the question of the additional $58 million, plus the additional $70 million to $90 million, should be discussed at one time, in connection with a single supplemental bill, so that we may know, first, what the definite amount is—and it has not been definitized yet.

Second, there is the question of what decrease in services, if any, would be involved by reason of our failure to grant the additional amount requested.

In closing, I invite attention to the fact that the bill, as reported, with an increase of 5½ percent, or $166 million plus, will allow for each quarter of 1958 more than $41 million over and above the average per quarter for this year, even after including the increased amount which we granted for the fourth quarter.

I think the Senator from Virginia has exhibited great responsibility, great reason, and every possible generosity. I commend him for his insistence that we shall know what we are considering in the way of a total increase, and know just how the public will be affected by it before we allow this question to become the subject of a great debate either on the floor of the Senate, the floor of the House, or in conference, or in all three of those places.

The Senator from Virginia has done a fine piece of work, for which I commend him warmly.

Mr. ROBERTSON. Mr. President, I very much appreciate the complimentary remarks of my distinguished colleague from Florida. As he has stated, our subcommittee thought that we should add enough to the House bill to enable the Department, on the basis of an estimated increase of 1½ percent in volume, to continue the same type of service we are now receiving.

I told the Postmaster General, 2 days before we marked up the bill, just what I would recommend. On the day we were marking up the bill he asked for the opportunity to come before us to give us some "after-discovered evidence," as we lawyers call it, to the effect that there would be an increase in volume not of 1½ percent, but nearer 5 percent, and that he would still need from $70 million to $90 million more.

As the distinguished Senator from Florida has said, the logical thing for us to do is to go along with the House bill, and consider requests for additional funds in connection with a supplemental bill, assuming that the Budget Bureau will approve them. The Budget Bureau has 450 men to look into the subject. Our committee has no such staff. The President will send the request to us, and the great debate will begin in the other House. After the House has completed action, we will take another look at the subject.

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

Mr. ROBERTSON. I yield.

Mr. POTTER. I wish to commend the distinguished Senator from Virginia for his leadership in bringing to the floor, for the first time in my memory, an appropriation bill with respect to which the Senate committee did not restore at least a portion of the reductions made by the House of Representatives. This is the first appropriation bill reported to the Senate at this session. It is one in which restorations have not been made. I hope it will serve as a warning to our colleagues on the other side of the Capitol that when they make drastic cuts in

the budget they cannot expect the Senate to make restoration of the cuts made by the House. I think it is a healthy sign, and I hope the same principle will be followed in connection with other appropriation bills.

First, I wish to commend the Secretary of the Treasury, after reductions were made in the House in the appropriations for his Department, for coming before our committee and stating that he would not ask for any restoration of the funds. There was a polite reference by the Treasury Department relative to a proposed increase of about $8 million plus for airplanes for the Coast Guard, but the request was not formally presented to the committee. Knowing the temper of the committee, the Secretary did not stress the request.

I sincerely hope that the Secretary of the Treasury will not come forward with a supplemental request for $8 million for airplanes for the Coast Guard, or any other item which was not recommended in connection with the regular appropriation bill.

So far as the Post Office Department is concerned, the Postmaster General has done a businesslike job with a greatly expanding Department. I am sure the chairman of our subcommittee feels as I do. It is difficult for any member of the subcommittee, on the basis of the evidence presented, to place his finger at any point and say, "You can cut here," or "You can cut there."

As the Senator has stated, this is the largest Department in the Government. It is the largest agency of its kind in the world. Our committee—and probably the same is true of the corresponding committee on the other side of the Capitol—spends a few days reviewing the appropriations with representatives of the Department, in an effort to determine where cuts can be made.

When reductions are made, if they are to be effective, they require a dedicated effort on the part of the administrator in charge to bring about economies in Government. We can do all the cutting we wish, but what is required is dedication on the part of the administrator in charge in order to place economies into full effect.

I sincerely hope that all concerned will recognize the temper of the Congress and the temper of the country, and see that substantial reductions are made in the budget.

I commend the distinguished Senator from Virginia for a job well done.

Mr. ROBERTSON. The Senator from Virginia appreciates very much the kind remarks of the Senator from Michigan. It is only fair for him to say that on this bill, as in true of all other bills at this session of Congress, when it comes to cutting the budget, it will be necessary to draw very liberally on our friends for glass eyes, and that if any sympathy shows up, it will be coming out of those glass eyes. [Laughter.]

Mr. CARLSON. Mr. President, I shall speak on another subject, but first I wish to say that I commend the chairman of the Subcommittee on Appropriations which handled the appropriation bill dealing with the Treasury and Post Office Departments.

Under the Reorganization Act, the chairman and the ranking minority member of the Committee on Post Office and Civil Service have an opportunity to sit on the Committee on Appropriations when it considers this bill. In this instance such an opportunity was afforded, and so, as ranking minority member, I sat with the committee. I know some of the problems involved in recommending this appropriation. The distinguished chairman, the Senator from Virginia [Mr. ROBERTSON], has handled the bill very well.

There is no question in my mind that it will be necessary to pass a deficiency appropriation bill for the Post Office Department. When that bill comes before the Senate the committee will again have an opportunity to determine how much money is needed, and we ourselves will have an opportunity to determine how much service we want. When those questions are taken care of, I am sure we will reach an agreement under which the work of the Department will continue and the funds it needs will be provided.

I repeat that the Senator from Virginia has done a splendid job in connection with this bill.

Mr. ROBERTSON. The chairman of the subcommittee wishes to express his appreciation and to say that the distinguished Senator from Kansas was very helpful in the work of the subcommittee.

ERROR IN TRINITY PROPOSAL

Mr. KUCHEL. Mr. President, earlier this year the Secretary of the Interior recommended legislation amending the Trinity project law so as to permit the Pacific Gas & Electric Co., for the next 50 years, to produce and market the electricity to be generated by that project. Last week, the Secretary announced that there was error in his Department's data upon which he made his recommendation. Accordingly, he has asked Congress to delay all consideration of his proposal until he has had an opportunity to rectify the error and restudy his position in the matter.

A portion of the error in the Secretary's recommendation is disclosed by a Congressional staff study which I requested. This study shows that the Department substantially underestimated the increased costs which Federal and other public agencies would be compelled to pay for their power from the company during the recommended half-century proposal. Instead of an estimated $86 million additional cost, the staff study indicates that this figure should be revised upward to more than double this amount, or to an additional cost in excess of $200 million.

Exclusive of power used by the Central Valley project for pumping water through its system, Federal agencies—military bases and atomic energy and missile installations—presently purchase more than one-third of CVP power used by public agencies. On this ratio, a third or more of increased power costs would be borne by the Federal Treasury during the period of the proposed partnership contract. This would amount to increased annual Congressional appropriations to these Federal agencies of considerably more than $55 million; indeed, the increased costs for their power could well exceed $70 million. One of the allegations made by the Secretary in his original recommendation is that a $55 million saving to the Government would be obtained if the company were to install the generating equipment. This saving is thus illusory. What the Government would allegedly save in one pocket it would certainly pay—and more—from another pocket. And at the end of the contract period, the Government, to obtain the generating equipment, would be compelled to appropriate money to buy it from the company, at whatever value would then be placed on it.

This situation is demonstrated now in the request to Congress for additional appropriations for the Ames Laboratory of the National Advisory Committee for Aeronautics in California. This agency deals in research for guided missiles. Testimony demonstrated that this laboratory has previously received all its electric power from the Central Valley project at about 5 mills per kilowatt-hour. Expansion of the Ames Laboratory defense research requires additional electric power that cannot now be supplied by the project and will have to be secured from the Pacific Gas & Electric Co. at about 13 mills. In the case of this one installation, company service will cost the Federal Treasury about $1,720,000 more per year than equivalent service from CVP, of which Trinity, under present law, would be an integrated part. Congress this year will add that amount to the budget for this one agency for the next fiscal year. Other Federal defense agencies will be faced with exactly the same problem.

Why should Congress turn over to a private company the hydroelectric capacity of a publicly built Trinity Dam and then appropriate millions of additional dollars to California defense bases to pay for resulting increased power bills? Why should the Congress authorize a private utility to generate power on a publicly developed public reservoir only to purchase at a premium electricity its own agencies require?

RECIPROCITY IN FOREIGN TRADE

Mr. CARLSON. Mr. President, last year when the Senate was considering a bill to amend and extend the Sugar Act of 1948, I discussed the importance of the principle of reciprocity in connection with such legislation. I said then, and I repeat it today, "If reciprocity is to have a real meaning in our foreign trade, it must be a two-way proposition."

There are few, if any, of my distinguished colleagues here today who would not agree with that statement, I am sure. It seems so basic and almost elementary that it is hard to realize it does not appear to be accepted so generally as we might expect.

The reason why I mentioned this matter last year and am bringing it up again today is to make the record quite clear

and to sound a note of warning for those foreign countries who are interested in the United States as a market for their products, especially agricultural, such as sugar. All sovereign countries, of course, are quite free to take any domestic action they might wish to take in the interest of their national welfare. If action is taken, however, which is directed at United States imports, particularly of basic agricultural commodities, or which hurts such trade, especially in those commodities which have had a long background of trade in the country and in trade agreements developed on a reciprocal basis, then I believe Congress should make corresponding adjustments in United States import quotas or should adopt other measures to reduce access of such countries to the United States market.

Let me give a specific example of what I have in mind. Cuba, our good neighbor to the south, has been a traditional supplier of sugar to the United States. In turn, Cuba has been a major market for wheat flour from the United States. Both commodities have been included in the preferential trade treaties negotiated between the two countries over a long period of time, and they provide the type of reciprocity in trade which I have already mentioned. Each commodity represents an industry which is basic to the country and for which it has many natural advantages for production and export.

Our sugar legislation has clearly recognized that there are certain limits which should be placed upon the uneconomic production of sugar in the United States, even though technically we might be able to become a self-sufficient producer of sugar, especially with our island territories. Accordingly, we have developed a carefully balanced supply situation involving a limited share of domestic production, with the balance of United States requirements being imported under special quotas assigned to foreign suppliers. The system has worked quite well, and it has provided a guaranteed market for most of the countries exporting to the United States—something quite unusual in these days of a buyer's market for most commodities.

Apparently some businessmen in Cuba now believe that they can have their cake and also eat it at the same time. They are proposing to build a big flour mill in Santiago, Cuba, under special concessions and protection which they hope to receive from the Cuban Government. Another group, not to be outdone, are proposing a mill at Cienfuegos. If approval and special assistance shall be granted for these flour mills by the Cuban Government, United States flour exports to that country, as we have known them in the past will come to an end. This will mean a permanent loss of much of the Cuban market for United States wheat as well as flour, because the record clearly shows that when a flour mill is built in a foreign country, imports of United States flour are not automatically replaced with United States wheat.

So then what happens? We all know the story well. United States farmers are asked to reduce their acreage of wheat a little more, and we provide soil banks, special disposal legislation, and so forth, costing hundreds of millions or even billions of dollars. In my great State of Kansas in 1952, for example, the farmers harvested 14.6 million acres of wheat with a crop out turn of over 307 million bushels. This acreage and production even exceeded that of most foreign countries, including such well-known exporters as Australia and Argentina, and was almost equal to the average out turn in Canada. In 1956 only 9.2 million acres of wheat were harvested, with a crop of 143 million bushels, and further reductions in acreage and production are in prospect for this year.

Why have millions of United States farmers been forced to curtail their production of wheat, and why have flour millers had to close their mills in recent years after being called upon three times in my generation to go all out to save the world with food? It is primarily because as soon as the emergency is over, the countries that called so loudly for United States supplies of wheat and flour to meet their bread rations, raise import barriers, and try to produce wheat or flour themselves. At the same time, of course, they want to continue to send their products to the United States.

I say there should be a limit to how far the United States will continue to grant access to its large and expanding market for a commodity, like sugar, to countries which in turn impose quota limitations and other restrictions on imports of a United States basic commodity, such as wheat flour. I know of no case in which local mills have been built or wheat production has been encouraged so that the consumers of that country have received any benefits in the form of lower bread prices or better quality products. On the contrary, every report that has come to my attention shows that it is the large mass of consumers who pay the bill with higher prices or taxes to offset the concessions granted, and usually with poorer quality products.

I was quite impressed during the sugar hearings last year with the number of foreign countries which wanted to participate in the United States sugar market. The list seems to grow steadily. Most of these countries are also markets for products which the United States produces in surplus, notably basic food items such as wheat and flour, for which we have unusual natural advantages and which our farmers and millers want to supply.

When the Sugar act or other similar legislation comes before our committee and the Congress again for renewal and amendment or other action, I propose to find out how each foreign supplying country has been treating United States exports, and what sort of reciprocity of trade we are actually getting. If more countries realize that access to the United States market also means some obligations on their part not to adopt measures that will hurt or restrict the market for United States commodities, especially those which have been included in trade agreement negotiations, we will be making some progress, I believe, toward a real reciprocity of trade.

AUTHORIZATION TO SIGN BILLS, ETC.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Vice President or the President pro tempore be authorized to sign, during the adjournment of the Senate, bills and joint resolutions examined and found to be truly enrolled.

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

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

Mr. DOUGLAS. Mr. President, I wish to discuss the Treasury and Post Office appropriation bill, which is now under consideration.

I think the House and Senate committees have done well by cutting the combined budget for the two departments of the Treasury and the Post Office by a little more than $80 million, or by a little more than 2 percent, but I believe the Senate can do still better, because the appropriations which are here presented to us are still $250 million, or almost 7 percent more than the amount which was appropriated last year.

As the discussion this afternoon has shown, $58 million of the $80 million reduction is being made in the Post Office Department appropriation. It has developed that the Postmaster General has already stated that not only will he demand a restoration of this amount in a few days, when he submits a supplementary appropriation request, but that he will probably ask for from $70 million to $90 million more. So we shall be confronted in a few days with a requested appropriation of from $128 million to $148 million.

The Postmaster General got away with such tactics a few weeks ago, when his appropriation had been cut by $47 million. By threatening to curtail postal services, he clubbed the House and Senate into restoring $41 million of this amount.

We can be certain that—having tasted blood once—he is out for more. Unless we stiffen our resistance to the big spenders in this administration, we shall wake up to find that either we have made only nominal reductions in the Treasury budget, or that we will have actually appropriated more for the two departments than the administration originally requested. That is the situation which faces us today.

Mr. President, I think we should do better than that. In a series of amendments which I shall offer—and I hope that at that time there will be a larger attendance of Members than is here at the moment—I shall propose further cuts of approximately $162 million—$12 million from the Treasury and $150 million from the Post Office. I shall develop

these points as I go along by a series of amendments.

Suffice it to say that, in the main, these changes would be effected by a reduction in the amounts paid out by the Treasury and Post Office Departments in huge hidden subsidies. They could be carried out without the slightest decrease in services; and they would be of great benefit to the taxpayers.

Added to the cuts already made, and which should be held, they would permit total savings of approximately $242 million—or a reduction of a little over 6 percent from the budget as submitted by the Eisenhower administration.

Mr. President, I send to the desk the first of these amendments and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 2, in line 9, it is proposed to strike out "$3,088,000" and to insert in lieu thereof "$2,988,000."

Mr. DOUGLAS. Mr. President, this is a proposal to cut the appropriation for the Office of the Secretary of the Treasury by an additional $100,000.

Mr. President, much has been made of the fact that the House of Representatives voted to cut the appropriation for the Office of the Secretary of the Treasury by $36,000, as compared to the original amount requested for that Office, and that the Secretary of the Treasury did not ask for the reinstatement of the larger sum. Mr. President, this would seem at first sight to be very generous, until we review the past appropriations for that Office, and then we see how large is the increase the Secretary of the Treasury requested, in terms of the past record, and how great an increase the approved amount would still be.

Let us use the appropriation for that Office for the year 1955 as a base. In that year, the appropriation for that Office for expenditure for salaries was $2,648,463. For the fiscal year 1958, the Secretary of the Treasury requested, for the same Office, $3,124,000, which is approximately $475,000 more than the appropriation for 1955, or approximately 19 percent more than the appropriation for 1955, and 7 percent above the amount allowed last year, which was $2,900,000.

Mr. President, the well-known statement of the Secretary of the Treasury has been quoted many times; I refer to the statement made by him at his press conference on Tuesday, January 15, 1957, which he held to announce the fiscal year 1958 budget. Secretary Humphrey said that "governmental expenditures and the number of Government employees are now increasing. This trend should promptly be stopped."

Later, he complained that expenditures have "been creeping up ever since," the budget of 3 years ago. "It just kept creeping up on us" was his plaintive cry. He finally stated that, "If we don't"—cut expenditures—"I will predict that you will have a depression that will curl your hair."

My purpose in rising today is to help keep Secretary Humphrey's hair from curling. And there is no better place to do that than right in his own office—the Office of the Secretary of the Treasury.

Personally, I shall be very happy to help Mr. Humphrey "stop this trend." I want to keep it from "creeping up."

Perhaps, Mr. President, I should offer an amendment to cut back to the 1957 figure of $2,900,000. However, I wish to be fair and to be generous.

My amendment would allow him $88,000 more than the amount allowed for this purpose last year, or approximately 2 percent more.

I am aware of the fact that in regard to the proposed increase, there is advanced the justification that $157,000 will be required for the added benefits under the Civil Service Retirement Benefit Fund, as required by Public Law 854 of the 84th Congress. I also realize that included is an additional $10,000 for the 261st working day in 1958, and also an additional $12,000 for the increased cost of steam heat which the General Services Administration is expected to charge the Treasury Department. Furthermore, I realize that $8,800 additional is included for a program of the replacement of office equipment.

I am proposing that some of that total amount be allowed, but not all of it.

In the first place, as salaries have increased and as efficiencies have gone into effect, there should have been some general gain in productivity in the Secretary's Office. Unless people work more efficiently as time goes on and produce more, there is no real economic justification for higher salaries and wages. It is interesting to note that with 71 fewer people in the Secretary's Office since 1955, the cost of salaries and expenses has increased from $2.64 million to $3.08 million, or by almost $440,000, or by over 16 percent, or over 5 percent per year. Surely, at least 3 percent of this yearly 5-percent increase could be absorbed by the Office in increased productivity. Three percent of last year's appropriation is approximately $87,000, and that amount should be assumed and absorbed by the Department in increased productivity of its higher salaried employees.

The same is true, Mr. President, of the 261st working day. Should not this item of $10,000—which is equal to less than four-tenths of 1 percent of the expenses involved in the entire year for salaries and other expenses because of the extra working day—be absorbed by an efficient and competent office under the jurisdiction of a man who is determined to stop this trend of increasing Government expenditures? These efficiencies, when added to the $87,000, should save a total of $97,000.

Furthermore, Mr. President, during the hearings in both House and Senate, much was made of the fact that the Treasury Department had made big savings owing to carrying out certain recommendations, following a survey of this office. The savings were said to have amounted to $8 million initially, and $6 million on an annual basis which will continue.

Mr. President, the total Treasury budget is $691.4 million. The Secretary's office is receiving $3,088,000, or approximately one-half of 1 percent of the total. One-half of 1 percent of the $6 million savings, which the Secretary of the Treasury has said he has made would be $30,000, which, if applied equally, should be the amount the Secretary's office should save under these departmental efficiencies. That, added to the 3-percent productivity increase, plus the absorption of another four-tenths of 1 percent in the figure for an extra working day, would bring to $127,000 the total savings which would be made by a person as able and as determined to save money as the Secretary is alleged to be.

My amendment calls for a reduction in the Secretary's budget for his office of only $100,000, which leaves ample room for any miscalculations. That would still give his office nearly $90,000 more than the amount allowed last year.

Surely he should be prepared to take such a small cut under existing circumstances, and it would seem to be a very small contribution which the Secretary could make to the general cause of efficiency and economy.

Mr. ROBERTSON. Mr. President, I wish very much that I were in a position to agree with the views of the distinguished Senator from Illinois, because the junior Senator from Virginia is just as much dedicated to economy as is the Senator from Illinois, and would welcome a chance to reduce appropriations, if they appeared to be larger than necessary.

However, Mr. President, the actual fact is that in this particular office, six jobs have already been eliminated. The actual fact is that when the House of Representatives cut this particular item $36,000, it did not leave one penny for any increase in pay. The actual fact is that although $188,000 more than was allowed last year will be allowed this year, all of it—except for a very nominal sum for office equipment—will be required for mandatory increases which the Secretary of the Treasury cannot avoid. One is the retirement fund. That is $157,200. The next one is the $10,000 cost for the 261st working day in fiscal year 1958.

Another item is $12,000 for more steam. I do not know why they are running out of steam, but General Services Administration says it will need $12,000 for more steam. How can we say they do not need more steam or that it is going to cost less than $12,000?

These are mandatory increases, and if the Senate adopts an amendment to cut $100,000 from an item of $188,000, all mandatory, the Department cannot absorb what it does not have. That is the unfortunate situation about this amendment.

If there were involved an item of $6,000 or $7,000 for furniture, the suggestion could be made to use the same tables and chairs they now have, and that no new furniture should be bought; that they should patch up their old sofas, or whatever other furniture is in need of repair. We might go along with such a suggestion, but the proposal is to cut the heart out of increases over which the Secretary of the Treasury has no control.

Therefore, I hope the amendment will not be adopted.

Mr. DOUGLAS. Mr. President, I am quite well aware of the mandatory provisions which were passed by the Congress in the last year and specifically referred to them. But what I was trying to say was that the Secretary of the Treasury, if he would only increase the efficiency of the operations of his office, could economize and absorb the major portion of the mandated increases. We are merely asking that the Secretary of the Treasury should practice some of the efficiencies which he is forever demanding others to practice. Thus, he could keep down the cost of his office to the American taxpayers. That is all we are proposing.

If we believe that George M. Humphrey is not capable of achieving what the average working man of this country has achieved, namely, increase productivity by 3 percent a year, then we should vote for the requested amount, and vote down my amendment; but I have greater confidence in him than that. I think his abilities are at least up to those of the average working man, and that he can absorb a 3-percent reduction. It would mean that he would have to effect a 3 percent a year increase in productivity, and hence there could be a reduction in the budget which he has submitted amounting to that much. So I think we should give to Mr. Humphrey an opportunity to exercise what he preaches, instead of having him criticize others all the time, and we should give him the chance to save money on the operations of his own office.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I send another amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 6, line 10, to strike out the numeral "$7,795,000" and insert in lieu thereof the numeral "$5,795,000."

Mr. DOUGLAS. Mr. President, this is a proposal to reduce the appropriation for the Coast Guard, under the heading "Acquisition, construction, and improvements," by $2 million.

Although it appears that great savings have been made by reducing the Coast Guard estimates by $8.2 million, it also appears that Congress will probably replace some or all of this money in a future supplemental appropriation, when the Coast Guard submits its study of its aircraft situation. At least, this appears to be so from the language in the House report.

The figures in the report of this year, however, do not tell the whole story as to what the Coast Guard is expected to spend in 1958. We must look at the detailed tables in the House hearings to find the true picture. From the figures introduced there, it appears that, although we may appropriate only $7.79 million, the Coast Guard is expecting to spend over $15 million—or almost double the amount of the appropriation. This is due to the backlog and carryover from previous years to be spent in fiscal 1958, which amounts to $10,653,684. On the other hand, of course, all the money that is obligated under this appropriation will not be spent in fiscal year 1958. From the figures in the House hearings, at page 301, it would appear that only $4,991,000 of the $7,795,000 which we shall obligate this year will be spent in fiscal 1958.

Therefore, the figures in the appropriations bill and the figures given to us in the budget do not reflect what actual spending will be. The spending will be in the order of $15 million—or the costs to be incurred from previous authorizations, $10.6 million, plus that portion of this appropriation which is to be spent in fiscal 1958, $4,991,000, or a total of $15.6 million.

I ask unanimous consent that two tables which I have prepared analyzing the Coast Guard appropriations for equipment be printed at this point in the RECORD.

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

TABLE I.—*Carryover from previous years to be spent in 1958*

Item:	*Amount*
Vessels	$465,756
Aviation facilities	9,236,595
Shore stations and navigational aids	938,875
Repair and supply facilities	12,458
Total carryover (to be spent in fiscal year 1958)	10,653,684

TABLE II.—*1958 obligations which will not be spent in fiscal year 1958*

Item	1958 obligation not to be entirely spent	Amount to be spent in 1958	Not to be spent
Construction of 10 95-foot boats to replace 83-foot overaged boats	$4,000,000	$1,500,000	$2,500,000
Miscellaneous aids to navigation	500,000	280,000	200,000
Selected aids to navigation projects	623,000	594,000	29,000
Replace portion of bulkhead depot, St. Petersburg, Fla	133,000	78,000	55,000
Total	5,256,000	2,452,000	2,804,000

Source: House hearings, p. 301.

Mr. DOUGLAS. Mr. President, it is said that this is a time of inflation. Certainly that is true in selected parts of our economy. The administration continues to claim that we are in the greatest prosperity we have ever known.

Surely, we can all agree that in times of great prosperity we should have a balanced budget and a surplus, and that we should either lower our public debt or grant tax reductions, or a combination of both. We should save our public works construction for times of recession. In times of great prosperity and at the peak of the business cycle we should cut back on public works.

If we do not save money in times of peak prosperity and apply some of those savings to the public debt, when will we ever do so? If we believe in so-called "compensatory fiscal policies," we must be willing to have a surplus in times of peak prosperity. The policy should not work only one way—to spend for public works in times of recession—and then spend again for public works in times of great prosperity.

Mr. President, I believe that of the $8 billion in both military and civilian public works in the budget this year—and there is yet another $12 billion for direct military needs such as planes, tanks, guns, and military hardware—we should cut back by at least one-quarter, or a total of $2 billion. I am not proposing to cut back on vital military equipment, but I am proposing that military public works, not directly affecting our military supplies—such as navigation aids, bulkhead depots, warehouses and so forth—should be among the items to be postponed or cut this year.

The Coast Guard in fiscal 1958 will spend—even though the item for procurement of aircraft has been knocked out of this appropriation—approximately $15.6 million this year. That will be the actual spending.

The appropriation for fiscal 1958 in this bill is $7.79 million for acquisition, construction, and improvement of Coast Guard facilities. I believe we should cut that back and postpone some of these items, and I therefore am moving to cut this item by $2 million or by approximately one-quarter.

In asking that $2 million be cut from this year's appropriation, I believe I am being overly generous. As I have pointed out, $15.6 million is the amount to be spent by the Coast Guard. Of the $7.79 million we are actually appropriating, some $2.8 million will not actually be spent in fiscal 1958, but will be carried over. Therefore, I think we should cut the appropriation by $2 million, with the understanding that the Coast Guard cut their actual spending by a like amount, and have another look at these items next year when inflationary pressures may not be so great.

Mr. President, we cannot have and should not expect to have everything we want at the same time. Even if the Congress cuts the President's budget by a considerable amount, almost every Department will actually be spending more money than last year.

Even though we have held the amounts to be spent in this bill to that appropriated by the House, we are still appropriating some $250 million more than in fiscal 1957, of which the Treasury gets an increase of $42.9 million, the Post Office an increase of $207.6 million, and the Tax Court an increase of $95,000.

As the Secretary of the Treasury, Mr. Humphrey, has said, these items just keep creeping up on us, year by year. My amendment would cut back on those items, relating to public works, which are most inflationary, and some of which should be postponed.

Even if this should be done, we would not be hurting or cutting the Coast Guard or any other agency to the bone, for they would still be spending more than they spent last year, and more than should be spent if we are to make a sizable dent in the huge Federal budget.

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

Mr. DOUGLAS. I am happy to yield.

Mr. LAUSCHE. Is the Senator from Illinois declaring the principle that in order to fight the inflationary spiral it is incumbent upon us, in dealing with the projects he is discussing, to begin dispensing with those public works projects which are not absolutely essential for the day; and that that is the theory under which the amendment is offered?

Mr. DOUGLAS. The Senator is correct. The inflation which has occurred has been primarily in the field of capital goods, particularly in those commodities which enter into the building program, such as lumber, cement, steel, electrical equipment, and so on. It has been because of the rush of investment into those fields that the prices have been driven up.

The most effective way of dampening down the inflation which has occurred is to reduce the rate of spending on public works, and to hold ourselves ready, if a recession should come—which we hope will not occur—to accelerate construction during that period.

I think this reduction should be carried out not only in this small item now before the Senate, but in the big items, such as highways, military public works, rivers and harbors projects, and so on. In this way we can effect a reduction of at least $2 billion in the budget without hurting anybody.

It is perhaps unfortunate that we have such an unattractive item as this on which to first lay down the principle of a 25-percent cut, but it is the first item that comes before us.

Mr. LAUSCHE. Will the Senator yield further, for a statement?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. I should like to point out that while I was mayor of the city of Cleveland there was established the Cleveland Postwar Planning Council. That council had its origin in the fear that following the war there might be large-scale unemployment. We called in economists to advise us what to do. Practically everyone who appeared before the council advised that in the period of scarcity of labor and material plans and specifications ought to be prepared for public works to be constructed when the scarcity of labor and material disappeared. That policy was adopted generally by the council.

Regrettably, however, the advice which was given was completely disregarded in the period of prosperity. I think that has been generally true throughout the Nation.

As a Senator from Ohio, I wish to subscribe to the principle enunciated by the junior Senator from Illinois. What we have here is a principle. The fact that the Senator's recommendation involves a saving of only $2 million is inconsequential. I wish to declare today that I shall subscribe to this principle, as we proceed with the consideration of the various appropriation bills which will come before the Senate.

Mr. DOUGLAS. I thank the Senator from Ohio. I wish to say that when he was mayor of Cleveland, five times a governor of Ohio, he gave a distinguished administration. He was noted for being extremely careful with the people's money, and he did not spend money in periods of prosperity if such expenditure could be deferred to a period of recession.

I believe in spending more money in a period of recession. I believe public-works projects should be speeded up in a period of recession. But the corollary of this is that such projects should be slowed down in a period of prosperity. They should not be speeded up at both times. If we are to use public works as a balance and a compensatory policy, we have to accept a slowdown in a period of prosperity as well as a speedup in a period of recession. That is the principle behind the amendment which I offer.

I thank the Senator from Ohio for what he has said. We have fought side by side thus far in this session. I look forward with great pleasure to continuing to fight side by side with him.

Mr. ROBERTSON. Mr. President, I concede the truth of the theory of my distinguished friend from Ohio that $2 million is a small item, but that a reduction of $2 million involves an important principle. I agree with that.

I agree with my friend from Illinois that from the standpoint of those who live in the Great Plains the Coast Guard is inconsequential, but for those who have to travel up and down the Atlantic coast it is a very essential agency of our Government. I agree with that.

I am sure a man starting from here to Chicago could reach Chicago without the help of the Coast Guard; but if he went by boat from Baltimore to Norfolk, and the Coast Guard did not restore the light on the lighthouse station, which recently burned down, on the coast of Virginia, he might not get back to Baltimore.

Considering all the cuts which were made, amounting to $22 million, $12 million of them were taken from this small agency. Let us consider what was cut. Operating expenses were cut $3 million. Acquisition and control funds were cut $8,205,000. Reserve training funds were cut $1 million. That is $12,205,000 from the funds for this small agency.

The Senator from Illinois referred to what they may spend. We have no control over what they may spend next year. There have been appropriated and accumulated $70 billion-plus which are available for expenditure if the President wishes to turn them loose. We cannot control that.

We can control, however, what is considered to be necessary for a continuing program of the very necessary service of the Coast Guard. That budget was carefully prepared. When it came to us, it had been very severely cut. As I said, of the $22 million, $12,205,000, far more than half, was taken out of this one little agency.

I never did find out why that was done. This agency ought to be in the Navy, I assume. Anyway, it is under the Treasury Department because it helps enforce the laws against smuggling and rum running and other illegal activities. The Coast Guard is also engaged in protecting those at sea. They have boats and they have some airplanes. They have boats, as my friend from Florida [Mr. HOLLAND] knows, to protect American fishermen on the Gulf of Mexico engaged in shrimp fishing.

We on the coast of Virginia know how valuable the Coast Guard is. Everybody who lives on the coast of the United States knows how valuable it is.

Several Members of the House told us, "We think we have a good bill, which we have sent over to you, but we may have cut the Coast Guard too much."

Then, again, when they heard that the Treasury Department had asked that we permit the Department to take from and add to the accounts as much as 5 percent, they told me, "If you come back into conference with a permission for the Treasury Department to cut the Coast Guard as much as 5 percent, we will never agree to it."

That is the reason we exempted the Coast Guard from the 5 percent provision, because the House had told us they would never agree to it.

What else happened? Much praise has gone to the Secretary of the Treasury for saying he did not ask for restoration of the funds, but he did ask for restoration. He wrote me a letter and said that he asked very earnestly that we restore $8,205,000 for an airplane replacement program which he thought was very vital and necessary.

Our committee took the position that, as we had not taken any testimony on this report, which was later available, the proper thing to do would be to tell the distinguished Secretary of the Treasury to ask for a supplemental appropriation and request hearings on the House side on the report, showing that the Coast Guard absolutely needed $8,205,000 as a start on an airplane replacement program.

So, while I am imbued with the theory of economy, and wish to make reductions wherever it is practicable, I think it would be utterly impracticable to cut the Coast Guard appropriation, unless I were to move out to Illinois, or some other Great Plains State, and then it would not make so much difference.

I hope the amendment will be defeated.

Mr. DOUGLAS. Mr. President, the distinguished Senator from Virginia was very gentlemanly in not making the direct charge that it was the desire of the Senator from Illinois to cut the Coast Guard appropriations by $2 million, because the fact that the Coast Guard does not operate on routes between Washington and Chicago.

There are Coast Guard stations on the Great Lakes. I frequently took walks in the shadow of the Coast Guard station on the shores of Lake Michigan. I frequently wondered if there was any real purpose in its being there.

When appropriations for public works come up for my State of Illinois, I shall be perfectly willing to have the same standard applied to them that I am now seeking to apply to the Coast Guard appropriations. I ask for no special

treatment nor have I every asked for any such treatment.

It so happens that the immediate item is the Coast Guard appropriation. That happens to be the one that is before us when it is sought to establish a precedent. Whenever any appropriation for highways through the Midwest, or through my State, or other forms of public construction which affect my State, is under consideration, I shall be perfectly willing to have the same cut applied as I am now seeking.

So my good friend from Virginia can make his remarks as strong as he wishes.

Let the galled jade wince,
Our withers are unwrung.

Mr. ROBERTSON. Mr. President, I wish to point out to my distinguished friend that so far as concerns the Virginia Coast Guard station which burned down, it is being rebuilt with current funds. If it were not rebuilt, there would be left unprotected 25 miles along the Atlantic Coast We shall get our Coast Guard station restored from existing money. We should like to see others who need the same facilities get them.

The amount proposed is far below what the Bureau of the Budget recommended. It is below what the Treasury Department recommended, and said should be done.

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

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. Let me say to my good friend from Virginia that even with the $2 million cut there would still be $5.9 million appropriated, so that in all probability, if the need for that lighthouse is as great as has been stated, it would still be included. I also take the liberty of reminding him of something which I am sure he knows quite well, namely, that it was the intention of the Coast Guard and the Treasury Department to use only some $4.9 million of this appropriation during the coming year, and not use $2.8 million of the appropriation. So I am merely reducing the backlog by $2 million, which would not have the effect of cutting down the amounts actually spent by the Treasury.

Mr. ROBERTSON. Mr. President, I ask for a vote on the pending amendment.

Mr. POTTER. Mr. President, does the distinguished Senator from Virginia agree with me that one thing of which we cannot accuse the Coast Guard is the extravagant use of appropriations? I have cited an example in the State of Michigan, namely, the Coast Guard barracks at Sault Ste. Marie. Many of the Coast Guard men refuse to remain in the service because their parents see the conditions under which those men live in the barracks, and they will not allow them to remain in the service.

I will go along with the distinguished Senator from Illinois in opposing an air wing for the Coast Guard. Every branch of the service seems to want an air wing. I will support the Senator from Illinois in opposing the Coast Guard's modernizing its air fleet. I think the evidence will show that long-distance off-shore sea rescues are practically nil.

But when it comes to public works, I know that there have been many projects in connection with which representatives of the Army or the Navy have camped at the doors of Congress. The Coast Guard has never done that. If there is one place in our Government where we could spend some money wisely, not only for morale, but as a matter of decent treatment of the men we ask to serve, it is in connection with housing facilities for members of the Coast Guard. I regret to say that if the amendment of the distinguished Senator from Illinois should prevail, it would further intensify the present situation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 14, following line 22, and preceding the words "passed the House of Representatives February 20, 1957,", it is proposed to insert a new title IV, as follows:

TITLE IV

INTEREST ON GOVERNMENT DEPOSITS

The total amounts of the remaining indefinite appropriations of the Treasury Department for fiscal year 1958 are hereby reduced by the amount collected by the Treasury Department for interest on deposits of Federal moneys in the commercial banks throughout the United States, not to be less than $10 million.

Mr. DOUGLAS. Mr. President, this is one of the most important issues which can be discussed in conjunction with the pending bill. The amendment which I have offered would reduce, and lay the basis for the ultimate elimination of, a hidden subsidy which the Treasury now pays to banks by making huge deposits of public funds without receiving any interest payment in return. These are, in effect, interest-free loans made to the banks of the country.

The amounts of the funds which are thus deposited by the Treasury in the banks of the country are, indeed, huge. During the past 4 years they have constituted very large sums. I should like to read the amounts.

In December 1953 public-demand deposits with all the insured commercial banks amounted to $4,116,000,000; in June 1954, $5,562,000,000; in December 1954, $4,154,000,000; in June 1955, $5,064,000,000; in December 1955, $3,697,000,000; in June 1956, $5,221,000,000; in December 1956, $3,292,000,000.

I am informed that the most recent report, for the week of March 27, 1957, indicated total Treasury deposits of $3,469,000,000, although the latter figure includes some time deposits, which usually represent only about 7 percent of the total.

I ask unanimous consent that a table on this matter be included at this point in my remarks.

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

United States Government demand deposits (total for all insured commercial banks)

Date	Millions of dollars
December 1953	[1] $4,116
June 1954	[1] 5,562
December 1954	[2] 4,154
June 1955	[2] 5,064
December 1955	[2] 3,697
June 1956	[2] 5,221
December 1956	[3] 3,292

Source:

[1] Federal Reserve Bulletin, December 1955, p. 1343.

[2] Federal Reserve Bulletin, December 1956, p. 1331.

[3] Member bank call report No. 142, p. 12.

Most recent call (Mar. 27, 1957) indicated total Treasury deposits of $3,469,000,000 (including time and demand).

Mr. DOUGLAS. It was established in hearings before the Joint Economic Committee some years ago, and by discussion on the floor of the Senate, notably led by the senior Senator from Virginia [Mr. BYRD], that no interest is paid on such deposits. The able junior Senator from Virginia [Mr. ROBERTSON] stated at the outset of the debate on the pending bill that this is still the case.

Yet there is no doubt that banks make large sums of money from the deposit of these public funds. They can lend the major portion on short-time notes to private commercial interests and they can also buy short-time Treasury notes and bills which yield a good return.

I hold in my hand a Wall Street Journal for this morning. I quote from page 19, column 3, of that issue, on money rates, as follows:

MONEY RATES

NEW YORK.—Banker acceptance rates on 30-90-day bills were quoted at 3⅜ percent to 3¼ percent, 120-day bills are 3½ percent to 3⅜ percent and 180-day bills 3⅝ percent at 3½ percent.

Federal funds bid at 3 percent.

Call money lent dealers on bills and Treasurys was quoted at 3½ percent to 3¾ percent.

Call money on stock-exchange collateral was 4¼ percent to 4½ percent.

Commercial paper sold through dealers 4 to 6 months' maturity was 3⅝ percent to 4 percent.

Commercial paper placed directly by the major finance companies 1 to 9 months' maturity was 3¼ percent to 3¾ percent.

In effect, this means that the Treasury is furnishing enormous sums of money to the private bankers, which the private bankers can then invest in short-time securities. They do not have to keep this money in cash. They can keep a small portion of the money in cash, but they can invest the remainder in short-time securities, upon which they can get a good return.

It seems to me that, at the most conservative figure, banks are able to increase their earnings at a minimum of approximately $100 million a year by these interest-free deposits, and that in years past they have made net earnings of approximately $150 million a year.

I have been collecting figures on these deposits for some time. It should be

noted that the overall figures for the country as a whole are contained in the quarterly member bank call reports published by the Federal Reserve System, and in the Federal Reserve Bulletin, and in the material which I am inserting in the RECORD.

Furthermore, the New York Times publishes every Thursday a clearinghouse statement which, in addition to giving the total demand deposits for all the main New York banks, also gives the United States demand deposits. Some of those figures for individual banks are quite striking.

I ask unanimous consent that tables which I have prepared for years in the past, from January 1, 1953, to the present time, by weeks, be inserted in the RECORD at the conclusion of my remarks on this amendment.

There being no objection, the tables were ordered to be printed in the RECORD.

Mr. DOUGLAS. Mr. President, in order that it may be clear that I am not intending to pillory any individual bank, instead of giving the actual names of the banks I shall do the same thing I did in conjunction with the tax avoidance policies of the oil companies, and shall designate the banks by letters, beginning with "A."

Let us take one New York City bank, which we will call "C."

On April 3d the Government had on deposit with that bank $234,991,000. On May 8—that is last week—it had on deposit $152,854,000.

Let us take bank "B." Last September 5 the Government had deposits with that bank of $251,077,000. On May 8, 1957, it had deposits with that bank "B" of $155,988,000.

Let us take bank "E." On April 3, 1957, the Treasury had deposits with this bank of $173,612,000. On May 8 it had deposits of $104,648,000.

Let us take bank "D." In the week ending September 5, 1956, it had Federal deposits of $134,116,000. On April 3 of this year it had deposits of $175,339,000. On May 8, 1957, it had Federal deposits of $95,376,000.

To indicate the huge sums into which these deposits run, let me take the latest figures of some other banks in New York. Here is a bank which on May 8 had Government deposits of $8,023,000. Bank "D" had Federal deposits of $95,376,000. Bank "F" had Government deposits of $59,776,000.

Another bank had Government deposits of $66,949,000.

Another bank had Federal deposits of $58,503,000.

Still another bank had Federal deposits of $81,111,000.

Another bank had deposits of $14,894,000.

Another had $30,132,000.

Then we come to a famous firm of private bankers, whose name I shall not give, because it might be recognized if I were to give the name, that had Federal deposits of $35,688,000. A small bank had only $267,000.

Another bank had $2,745,000. Still another bank had deposits of $3,613,000.

The total deposits in the New York banks—and limited to a small number of banks at that—for last Wednesday were $870,622,000 interest free.

Compared with this, the interest free loans we have heard so much about in committee meetings recently are small potatoes indeed.

Let me point out that these demand deposits credited to the Government are very different from the demand deposits credited to individuals and to corporations. In the case of demand deposits credited to the account of individuals and corporations, we find that in the vast majority of instances they arise from previous loans made by the bank.

What happens is that the banks and the banking system create credit. They make the loan in the form of a deposit, which they set up to the account of the individual or the corporate borrower. In other words, such loans and the demand deposits which flow from them are not made out of savings; they are made out of borrowings. Bank credit created by the bank and by the banking system is borrowed.

The demand deposits credited to the account of the Government are a very different thing. They are amounts collected in taxes from individuals and corporations, thereby diminishing the income of the taxpayers, and in that way cutting down their capacity to buy, and then deposited by telegraph on order of the Treasury in the particular banks.

In the case of demand deposits placed in the banks by the Treasury, the withholding taxes on income and on the forced savings of individuals and corportations come first and create the deposit. In the case of private demand deposits and corporate demand deposits, the loan of the created bank credit comes first and creates the deposit.

Those of us who know anything about State and local governments—and I think that would include virtually every Senator in the Chamber—also know of the enormous sums of money which are deposited by municipal, county, and State governments in the banks; and about the fact that although the subject is unexplored, and indeed almost never mentioned, a very large proportion of such funds are interest free.

We have had some experience with that situation in my own State of Illinois in the last year. There have been some very unpleasant revelations, but they have thrown a shaft of light upon a practice which is not confined to my State. Anyone who has been mayor of a city, governor of a State, member of a county board of supervisors, or treasurer of a city, a State, or a county, knows how widespread the practice is.

The banks make large amounts of money on the interest-free deposits. I do not know how much the local and State governments deposit, but certainly the amount runs into the billions of dollars. We have seen Federal figures of more than $3 billion in demand deposits, and at times in past years more than $5 billion.

We know also that this practice offers the opportunity for political abuse. We know that upon occasion the local and State politicians who have the power to sway the deposit of these funds will shake down the bankers, either politely or directly. We know also that upon occasion some of the banks which are anxious to have deposits will contribute directly or indirectly to the campaign funds of the politicians or the parties which the politicians represent. This is one of the cesspools of politics into which the prying mind is not supposed to peek, but which is a common source of contamination.

Let me make it clear that I make no such charges in connection with the deposit of Federal funds. As of the present moment, I know of no evidence to support any such charge. But I do say that the deposit of huge amounts of Federal funds, interest free, in gigantic sums to individual banks and in lesser sums to smaller banks, offers the possibility of abuse, and it is a waste of public funds which needs to be checked.

I shall not go into the question whether public funds should be deposited in private banks at all, or whether they should be kept in the Federal Reserve banks, checks upon which are already issued for the payment of Government obligations. There has been a long, historic debate on that question from the time of Andrew Jackson, but I shall not go into it. That would stir up too many hornets' nests.

Believing myself to be a mild-mannered man, and wishing to take one step at a time, I shall not for the moment question whether these funds should be deposited in private banks, although I would be less than frank if I did not say that I have a serious doubt in my mind as to the extent to which these deposits should be made in such banks.

Admittedly, this practice was carried on during the war and during the period after the war. That is true. During the war there were two excuses offered for it which I think had a good deal of validity. The first was that the banks were performing a large volume of unpaid services to the Treasury in connection with the sale of war bonds. Many other people were performing unpaid services for the Government. The banks did very well. They created tens of billions of monetary purchasing points. This was profitable for them. It might be argued in addition that it would be a sort of rough justice; that if the banks did a certain amount of unpaid service for the Government, the Government would give them this privilege in return. But I should prefer that a balance be struck, and that the costs which the banks were not willing to assume be charged to the Government, and the interest rate be paid to the Government.

It was also said that the interest rate was very low; that short-term Government bonds were yielding no more than 1½ percent interest. In some cases, I believe, the effective interest rate went down to less than 1 percent on short-term Government notes and bills and therefore the sums realized did not amount to very much. But with the great decrease in the unpaid services

performed by the banks, and the fact that the big issues of long-time securities are diminishing and that only refunding operations remain in which the banks, in general, seem to be only too willing to participate, this excuse no longer operates to anywhere near the same extent as before.

Furthermore, the interest rate has risen well above 3 percent on short-time Governments, so that the earnings which the banks are able to make are much greater than they would have been when the interest rate was only seven-eighths of 1 percent on short-time Governments, or even 1½ percent.

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

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. How did the discussion arise in which excuses were given for the nonpayment of interest on Government deposits? Were those discussions in connection with a bill which was introduced? Would the Senator mind discussing that question?

Mr. DOUGLAS. I came to the Senate only in 1949, so I am not able to give at first hand the discussion prior to that time. I think it was in 1954 that Representative PATMAN raised this question in the course of an examination of the Secretary of the Treasury, Mr. Humphrey, before the Joint Committee on the Economic Report, and he stressed this point. I then took up the subject and asked further questions. Then the senior Senator from Virginia [Mr. BYRD] discussed the matter in a very able speech on the floor of the Senate.

It was said, I think, during the course of the discussion that this practice had been in effect for some time, and that these had been the excuses offered for it in the past.

What I am trying to say at this moment in my speech is that these excuses may have been partially valid 15 years ago, when the Nation was in the midst of a great war, but they do not seem to me to be valid now, when the unpaid services of the banks to the Treasury are not great, and when the earnings which the banks can make from the investment of these funds in short-term borrowings either by the Government or by private borrowers are so much higher than they were then.

There is a very ironical feature connected with this fact. Suppose the Treasury deposits in a given bank $100 million, interest free. The bank, in effect, knows that the Treasury will not call for the cash, and that the checks deposited in the bank by persons who have claims against the Government will not exhaust the cash balance. So the bank invests $90 million in short-term Governments and draws 3¼ percent. This is a really ridiculous situation. The Government lends to the bank money which the bank then gives back to the Government, and gets 3¼ percent for giving the Government its own money. That is the ironical feature of the whole transaction. It may seem funny but I think it is tragic.

Let me make it clear that I am not indicting the banks. This is a system which simply developed; but the banks receive what amounts to a hidden subsidy. Now, when we are being forced by the pressure of events to economize, this is a good place to begin—a very good place indeed.

Personally, if I wished to be rigid in my position about the matter, I could insist that virtually all this money be deposited on time, and that the time rate of interest be paid to the Government. I believe that at present this is approxmately 2½ percent.

However, Mr. President, I wish to be very mild in my suggestions; I try to be as mild and as gentle as possible. I have studied the recent statements of the New York banks, and I have found that the smallest amount deposited by the Government in the New York banks during any period in the past 4 years—the very smallest amount, the bedrock minimum, in the case of the New York banks—when added together has been approximately $134 million. Such deposits in the New York banks tend to be approximately 27 percent of all such deposits in banks throughout the country as a whole. So I am proposing that at least $500 million of this amount shall be switched from demand deposits to time deposits; and that the Government shall receive 2 percent a year upon that amount. This would net the Government $10 million a year. This is a bedrock minimum. Personally, I think probably the Government should be paid a larger amount. But this will be a beginning. After we do this, then, on the basis of the figures collected and the evidence which develops, in later years we can feel our way to a more just settlement, if there be one.

In any event, Mr. President, if we begin on the economy game, we should move without fear or favor. I do not believe in cutting the attempts to meet vital human needs. I believe that such human needs are not postponable, although I believe that material needs are postponable. I believe that subsidies, particularly those to the wealthy, should be discontinued, or at the very least should be reduced.

This item represents a tremendous hidden subsidy, amounting to a minimum of $100 million a year, and in some years it may possibly amount to $150 million to groups which are already doing very well indeed. I am proposing that the Government get back merely $10 million.

Mr. President, as Warren Hastings once remarked in another connection, I am astonished at my own moderation.

Weekly statistics on United States deposits in selected New York banks, January 1953 to August 1955

[In thousands]

Date	A	B	C	D	E	F	G	H	I	J	K
1953											
Jan. 7	$17,260	$29,493	$149,462	$77,732	$112,322	$58,239	$63,318	$16,229	$39,341	$61,773	$149,028
14	14,186	23,891	102,605	61,697	69,924	47,604	36,205	14,376	23,851	45,512	95,849
21	12,384	21,775	94,839	53,588	61,126	49,241	34,485	13,723	20,376	39,692	83,029
28	12,344	21,745	94,861	52,292	59,619	53,095	34,659	14,116	20,681	38,806	83,562
Feb. 4	12,621	23,971	97,201	59,198	73,121	57,231	36,678	15,674	26,648	43,455	101,239
11	12,881	25,328	97,321	61,631	77,695	60,223	37,989	16,914	27,999	45,866	109,775
18	13,826	33,592	109,788	68,952	97,165	71,053	45,102	21,615	32,293	51,309	130,649
25	13,098	35,113	110,037	67,135	95,443	73,069	49,635	22,412	31,071	49,671	130,096
Mar. 4	11,038	31,569	100,088	59,562	82,609	72,574	43,584	20,940	26,599	43,488	115,522
11	7,960	23,762	81,252	43,781	58,113	58,498	31,101	16,649	18,268	32,061	84,674
18	7,072	23,937	108,007	47,056	67,243	53,397	42,849	17,144	21,228	35,184	98,719
25	11,260	32,788	243,598	89,650	139,206	81,981	111,981	22,150	47,772	65,506	216,051
Apr. 1	9,876	35,715	220,306	96,616	123,705	79,645	94,679	21,395	45,049	58,350	205,363
8	7,994	30,271	150,410	76,727	85,745	65,569	64,141	18,704	31,292	42,307	153,982
15	6,010	24,177	104,271	49,373	56,133	53,859	40,008	18,250	18,859	29,813	105,019
22	4,625	18,437	79,900	30,855	37,641	51,589	31,179	16,684	11,454	21,106	71,693
29	3,106	12,458	59,283	20,748	25,561	38,138	21,914	11,256	8,477	14,309	52,517
May 6	15,322	18,149	94,982	53,761	83,335	40,528	30,484	11,681	25,992	22,377	107,177
13	15,439	17,026	90,563	49,392	79,401	34,405	24,315	10,014	22,672	19,691	98,975
20	9,336	20,078	80,118	42,167	65,338	42,023	24,143	12,234	27,429	20,718	107,477
27	6,373	18,526	69,560	36,381	49,510	39,997	25,151	11,804	26,651	17,535	94,313
June 3	6,649	11,275	60,795	23,155	25,179	33,135	14,311	8,047	18,704	10,576	61,592
10	18,610	----------	90,852	14,100	13,159	43,416	8,579	5,595	27,032	6,012	64,602
17	9,418	15,832	79,977	26,657	24,077	33,190	15,302	8,352	20,819	12,749	57,487
24	7,326	24,857	134,057	50,231	70,847	50,987	46,002	13,009	44,927	29,962	115,736
July 1	8,919	27,122	155,528	63,912	99,763	62,871	68,854	13,525	41,605	38,409	143,778
8	5,853	22,998	110,753	49,666	58,105	49,451	40,460	12,045	23,138	25,871	91,993
15	11,360	29,546	139,296	48,040	79,450	52,349	39,828	13,206	69,311	39,558	117,476
22	40,049	83,654	378,434	109,783	267,421	128,578	126,972	25,991	214,199	137,657	357,741
29	35,845	75,225	342,872	98,942	239,434	117,459	114,869	23,977	193,471	124,200	327,733
Aug. 5	32,402	71,109	316,553	98,041	229,371	110,037	107,376	22,833	179,116	117,213	317,460
12	28,035	63,163	277,951	92,720	207,298	100,269	94,604	21,970	154,903	103,153	283,885
19	24,763	61,554	261,248	98,048	206,560	107,028	92,537	24,155	137,490	96,965	281,882
26	23,445	61,170	252,694	104,736	206,428	106,377	95,648	24,942	128,853	100,425	281,479

Weekly statistics on United States deposits in selected New York banks, January 1953 to August 1955—Continued

[In thousands]

Date	A	B	C	D	E	F	G	H	I	J	K
1953											
Sept. 2	$20,875	$56,193	$252,548	$111,138	$201,503	$99,887	$90,993	$24,019	$118,167	$103,559	$268,603
9	16,208	44,485	228,800	102,645	185,336	82,646	76,415	19,950	103,502	88,737	235,711
16	13,378	39,687	205,277	91,709	164,004	74,778	64,984	19,821	97,121	77,635	208,619
23	12,065	40,126	201,967	92,112	173,162	81,341	86,930	21,067	85,114	75,001	222,688
30	12,157	43,860	336,274	107,048	239,637	82,627	93,047	23,181	83,767	74,689	253,937
Oct. 7	10,268	40,638	314,541	105,624	213,770	76,868	82,318	24,030	81,117	68,3[illegible]	230,032
14	7,710	31,008	245,181	82,069	159,787	59,774	60,714	19,566	59,702	51,485	204,392
21	6,424	25,651	203,425	67,983	149,816	46,031	52,967	16,084	53,981	37,736	192,506
28	7,377	20,779	161,861	68,358	126,377	41,734	48,285	12,924	45,699	29,672	162,657
Nov. 4	6,771	19,496	151,439	77,384	126,666	40,603	46,239	12,609	48,138	31,716	155,440
10	19,735	34,393	168,788	87,737	146,610	54,355	58,746	15,054	63,429	45,672	191,289
18	28,486	54,750	207,475	103,270	175,034	77,039	74,850	21,218	81,330	64,237	244,679
24	25,694	53,655	195,267	96,411	159,912	79,380	73,217	21,945	73,472	60,700	223,978
Dec. 2[1]	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
9	13,579	32,512	145,541	65,228	96,944	62,245	52,488	16,051	43,501	37,650	144,057
16	8,582	24,478	115,253	48,988	67,400	55,492	37,555	14,159	29,888	29,117	104,411
23	8,056	27,472	115,650	50,726	65,784	59,963	42,664	16,242	29,732	31,344	104,793
30	8,263	27,888	120,833	51,610	65,833	61,596	44,208	17,814	29,414	32,198	107,070
1954											
Jan. 6	7,438	24,662	125,234	50,800	63,544	55,947	41,821	16,295	26,303	37,456	100,899
13	4,784	16,829	96,953	35,066	42,656	39,438	29,251	11,858	16,597	27,872	68,557
20	4,642	16,865	95,798	34,842	42,228	44,053	30,042	12,513	16,363	27,915	67,442
27	4,570	17,081	95,904	34,748	41,688	45,680	31,999	13,037	17,067	27,821	68,806
Feb. 3	5,184	18,628	103,658	46,383	54,134	46,825	32,969	13,121	22,898	35,035	88,858
10	5,648	18,273	97,176	46,596	55,124	44,284	32,030	12,981	24,377	34,685	88,226
17	6,561	23,945	107,186	55,307	62,940	55,311	38,189	16,546	28,745	40,645	107,015
24	7,364	26,878	112,382	57,124	69,023	63,781	44,712	18,320	29,979	42,032	112,667
Mar. 3	6,196	24,330	117,011	60,457	68,789	63,870	43,214	21,296	28,224	38,506	104,876
10	4,170	17,218	93,644	46,364	49,372	49,344	33,492	17,870	19,096	27,191	74,749
17	5,430	21,751	100,678	54,545	60,423	56,419	36,894	19,243	21,183	32,227	88,199
24	8,962	34,110	157,923	78,193	108,627	76,455	92,040	25,132	36,812	53,399	171,701
31	10,445	38,727	167,856	87,942	114,205	74,962	96,362	24,952	35,974	55,521	187,053
Apr. 7	9,903	39,778	173,073	91,855	110,382	78,972	86,210	24,718	34,545	50,985	178,727
14	6,874	28,274	119,824	66,481	69,072	65,113	47,068	19,712	21,586	31,592	108,866
21	5,779	22,850	101,841	53,995	51,661	56,592	38,812	16,503	16,153	24,694	83,886
28	8,941	19,180	92,532	76,581	43,569	51,111	35,145	14,570	42,986	22,732	77,307
May 5	12,695	14,932	94,780	112,394	52,943	41,784	33,091	16,129	86,725	26,584	85,719
12	8,112	9,416	79,827	73,713	40,384	25,571	24,224	13,153	58,731	20,116	59,377
19	20,388	29,837	128,502	92,754	98,454	52,474	42,302	20,823	66,085	45,664	96,167
26	28,014	41,385	156,283	99,306	128,537	72,633	54,892	23,477	69,556	58,827	175,581
June 2	23,637	37,000	158,625	89,875	119,719	71,509	51,878	21,140	59,840	58,138	160,712
9	15,889	26,931	132,202	67,215	88,872	56,467	39,390	16,352	41,931	45,348	118,863
16	9,469	20,356	106,683	47,917	58,805	42,405	26,163	13,040	26,720	33,340	83,028
23	7,087	23,643	123,619	51,381	74,057	47,447	57,874	12,940	34,131	32,949	111,683
30	9,121	33,434	196,364	86,029	137,242	71,699	90,924	17,318	47,831	50,454	197,077
July 7	10,277	35,721	216,451	94,891	145,540	75,855	93,826	20,365	50,885	54,998	208,387
14	8,516	30,050	170,060	72,274	99,550	63,985	64,853	19,073	37,022	43,333	145,476
21	6,903	24,776	133,547	54,477	67,049	52,346	48,358	17,222	26,742	34,490	100,495
28	5,588	20,148	115,647	44,562	51,914	44,296	41,293	14,516	22,894	28,274	82,211
Aug. 4	10,545	29,650	166,454	74,805	124,695	58,588	53,950	15,991	47,150	51,425	167,507
11	13,594	34,157	196,174	86,731	165,388	68,488	59,949	15,368	58,080	61,878	212,691
18	14,084	37,627	197,377	88,853	167,660	73,269	61,507	19,435	56,478	64,008	210,760
25	13,106	37,858	182,044	83,442	154,341	72,839	62,160	21,082	51,647	59,456	193,582
Sept. 1	11,260	34,674	168,168	76,815	137,208	76,859	58,342	20,458	45,402	55,982	172,016
8	9,233	29,905	154,499	68,340	117,988	70,740	54,173	18,124	38,477	52,214	147,853
15	6,900	23,342	128,282	52,542	85,403	56,059	38,959	15,417	28,572	40,683	110,108
22	7,946	25,877	128,537	58,759	79,842	61,161	43,559	17,691	29,964	40,806	110,906
29	7,978	26,729	132,760	58,816	78,474	63,665	44,705	19,027	29,405	41,103	113,679
Oct. 6	22,221	61,350	247,408	119,322	186,475	90,239	78,985	26,042	73,781	72,145	210,449
13	30,470	79,668	288,163	142,039	239,115	96,290	92,144	27,957	95,683	83,847	248,021
20	27,986	70,731	261,580	148,638	207,535	86,838	82,851	82,779	72,413	216,573	167,805
27	24,807	62,277	236,888	131,237	179,767	77,618	75,193	72,468	63,467	192,697	146,580
Nov. 3	21,822	58,113	225,601	131,311	172,277	72,845	69,381	(2)	72,242	60,785	186,970
9	20,275	55,444	212,470	128,723	166,133	70,731	67,269	----------	70,659	58,711	181,675
17	27,343	58,773	238,404	134,442	179,174	79,132	66,310	----------	82,679	68,252	191,395
23	29,124	57,096	229,230	126,883	165,048	78,959	64,992	----------	78,806	66,417	181,258
Dec. 1	26,232	52,768	214,208	122,009	150,051	77,010	62,165	----------	71,038	64,725	173,183
8	21,673	45,844	193,649	110,386	129,575	71,743	55,618	----------	60,363	61,142	155,629
15	17,078	38,490	166,450	94,881	105,013	63,248	44,765	----------	48,310	51,830	130,561
22	13,970	36,151	146,209	88,008	88,441	59,450	45,317	----------	40,560	46,456	118,187
29	11,812	31,969	136,125	77,907	74,339	54,433	41,807	----------	33,800	40,774	104,099
1955											
Jan. 5	9,028	26,721	132,091	75,524	67,806	49,926	42,345	----------	27,841	34,638	91,042
12	6,096	18,037	103,070	54,395	47,134	36,896	30,446	----------	18,197	23,419	63,005
19	4,960	13,703	86,393	39,083	33,025	29,369	23,848	----------	12,189	16,865	48,336
26	8,789	14,458	95,012	42,336	60,264	34,839	27,112	----------	22,991	26,594	61,476
Feb. 2	8,693	17,790	111,819	52,018	78,985	37,709	32,539	----------	29,688	32,214	82,284
9	7,992	18,221	115,839	55,905	82,863	38,571	35,006	----------	31,404	33,160	89,634
16	8,130	21,863	123,174	62,436	83,311	44,296	35,663	----------	32,848	35,680	97,590
23	8,497	25,590	126,184	71,690	80,277	49,024	42,657	----------	30,713	37,548	103,073
Mar. 2	7,368	24,515	128,696	72,329	78,672	51,456	42,679	----------	29,349	40,056	103,323
9	5,365	19,597	119,467	66,878	64,272	47,990	35,159	----------	24,700	35,614	86,491
16	4,491	19,200	114,501	61,249	56,318	46,697	29,674	----------	22,714	34,743	84,231
23	6,640	31,053	157,674	80,332	74,676	58,346	48,945	----------	30,013	46,313	126,127
30	5,282	27,330	154,059	69,931	63,387	48,921	42,986	----------	39,563	113,268	43,633
Apr. 6	12,551	(3)	325,107	142,665	199,439	84,811	88,630	----------	88,690	138,610	302,162
13	12,380	----------	314,838	130,551	197,743	77,635	82,866	----------	85,089	153,024	277,837
20	10,378	----------	261,624	105,838	157,660	64,184	70,339	----------	(4)	68,420	224,795
27	9,850	----------	246,127	101,066	144,631	61,490	69,330	----------	----------	64,154	212,675
May 4	11,361	----------	262,786	113,952	163,623	67,215	79,975	----------	----------	71,542	233,159
11	10,840	----------	248,825	109,458	155,929	65,446	78,783	----------	----------	67,867	223,117
18	13,329	----------	232,058	104,096	155,909	68,370	75,628	----------	----------	57,667	262,523
25	17,536	----------	213,807	100,432	158,875	67,114	67,700	----------	----------	44,264	321,250
June 1	15,098	----------	198,317	95,465	139,040	66,360	60,005	----------	----------	44,765	288,617
8	10,924	----------	174,017	80,779	106,941	59,156	56,618	----------	----------	41,418	222,741
15	6,276	----------	134,855	60,639	67,051	45,752	34,594	----------	----------	31,682	142,099
22	5,953	----------	151,084	72,421	75,998	51,999	41,177	----------	----------	35,583	148,147
29	7,867	----------	198,804	82,571	104,514	38,202	61,321	----------	----------	45,407	200,633
July 6	8,040	----------	223,660	98,840	116,158	66,685	65,574	----------	----------	55,602	203,707
13	5,393	----------	160,504	76,765	78,125	53,207	43,156	----------	----------	39,563	136,504
20	8,317	----------	227,773	86,736	122,415	63,233	50,866	----------	----------	49,180	209,956
27	14,032	----------	293,095	105,874	164,017	70,787	101,910	----------	----------	58,593	333,922
Aug. 3	11,871	----------	268,798	107,108	155,373	58,202	90,545	----------	----------	54,512	299,612
10	8,852	----------	222,503	93,070	130,289	52,887	75,629	----------	----------	45,404	241,911

[1] No listing was made for the week due to newspaper strike.
[2] Merged with bank D.
[3] Merged with bank K.
[4] Merged with bank C.

Source: New York Times.

Weekly statistics on United States deposits in selected New York banks, Aug. 17, 1955, through Sept. 5, 1956

[In thousands]

Date	A	C	D	E	F	G	J	K	L	M	N	O	P	Q	R	Total
1955																
Aug. 17	$8,798	$203,322	$92,222	$120,242	$56,574	$66,581	$45,623	$225,177	$102,999	$17,532	$35,614	$71,227	$4,858	$5,303	$3,834	$1,059,906
24	8,558	186,584	90,008	107,297	57,869	63,165	43,486	210,197	96,291	16,877	36,056	57,540	3,789	4,606	2,982	985,305
31	8,259	180,910	88,792	103,127	59,415	61,659	44,538	202,180	92,907	17,670	34,283	54,370	3,568	4,389	2,957	959,024
Sept. 7	6,937	174,489	81,805	94,554	57,687	59,210	47,390	180,015	80,966	16,329	28,117	50,797	2,814	3,488	2,508	887,106
14	4,876	133,452	59,281	64,419	44,829	40,916	36,180	126,677	56,188	12,455	18,614	35,003	1,788	2,679	1,652	639,009
21	4,053	112,026	55,068	51,507	41,264	33,742	30,717	101,521	48,439	12,273	17,629	17,462	1,213	2,375	872	530,161
28	4,393	130,042	67,164	64,247	50,994	45,061	37,649	130,477	60,271	12,583	21,609	22,562	1,202	2,445	855	651,554
Oct. 5	4,286	152,699	84,558	72,129	57,386	53,116	40,144	146,469	66,500	13,213	22,135	29,469	1,105	2,253	857	746,319
11	7,663	167,616	83,017	80,770	54,106	57,656	38,372	146,602	74,855	14,179	24,878	45,014	3,569	3,396	2,571	804,264
18	13,414	259,348	114,781	147,542	71,213	94,733	55,765	230,475	134,715	25,114	49,962	100,758	11,469	8,227	8,128	1,325,644
26	11,562	222,682	96,152	124,284	59,312	81,289	46,785	195,284	113,534	21,607	45,675	85,322	9,863	7,094	6,989	1,127,434
Nov. 2	9,927	209,751	92,667	121,685	57,457	72,136	46,834	183,520	107,908	19,634	41,321	77,358	7,998	5,859	5,664	1,059,710
9	7,866	185,882	84,205	109,276	50,340	60,415	41,180	159,267	94,769	16,046	33,669	64,424	5,771	4,454	4,063	921,627
16	7,441	184,428	83,515	104,829	55,466	53,869	41,945	161,943	92,373	16,547	33,531	58,206	4,467	4,359	3,243	906,162
22	8,582	186,954	88,261	104,466	60,797	58,853	44,229	168,074	94,125	17,326	34,613	54,675	4,103	4,271	2,838	932,167
30	7,785	172,306	81,844	92,227	58,044	54,419	42,007	153,840	84,251	16,005	30,745	47,109	3,540	3,873	2,407	850,402
Dec. 7	5,521	152,818	75,259	69,058	51,950	45,127	39,674	129,783	63,156	12,022	24,505	35,511	2,234	3,164	1,480	711,282
14	3,410	114,882	54,352	40,756	39,721	26,904	27,666	85,493	37,869	7,767	15,591	19,528	1,049	2,309	635	477,932
21	33,199	159,411	52,586	165,833	42,922	22,221	36,881	86,106	31,518	23,766	15,858	50,786	995	4,466	3,268	729,816
28	31,050	150,806	53,679	154,894	43,304	25,400	36,005	87,355	33,073	22,113	15,767	46,870	888	4,168	2,948	708,320
1956																
Jan. 4	22,713	156,116	63,427	147,143	44,315	31,363	36,859	95,915	38,532	16,968	14,956	45,579	650	3,205	2,141	719,882
11	12,231	113,659	46,389	75,378	28,447	23,792	21,414	64,236	26,662	9,695	7,200	26,815	410	1,787	1,133	459,248
18	3,278	78,923	28,538	32,361	20,417	17,290	12,104	42,908	17,606	3,550	3,534	12,998	169	505	238	274,419
25	1,941	62,845	23,620	21,444	17,580	17,040	9,715	36,538	13,210	2,679	2,637	8,194	119	295	96	217,953
Feb. 1	2,597	73,719	35,088	33,212	21,668	21,562	15,273	57,427	22,249	4,073	4,316	13,526	544	586	172	306,012
8	2,952	86,439	42,874	46,178	25,268	24,386	19,370	70,301	30,122	5,165	6,906	19,941	1,209	1,078	257	382,446
15	2,523	81,090	40,756	40,343	29,159	17,911	17,524	68,994	32,237	6,165	9,641	15,706	1,026	1,807	180	365,062
21	3,996	101,344	60,582	52,659	45,374	31,807	27,555	101,817	50,530	9,122	17,808	18,338	687	2,341	110	524,070
29	3,881	114,949	67,791	57,948	51,078	36,617	32,153	112,292	54,870	9,082	19,696	21,643	598	2,193	400	585,191
Mar. 7	2,985	123,295	69,290	57,572	51,392	35,316	37,616	108,150	56,124	8,209	18,928	24,741	461	1,840	536	596,455
14	3,783	90,022	45,731	32,554	38,751	19,375	26,278	69,477	36,337	6,088	12,000	14,798	229	1,755	283	397,461
21	8,602	89,768	88,949	89,560	68,009	58,676	58,358	165,168	96,013	14,869	34,201	34,273	446	3,037	232	910,161
28	10,692	275,236	121,762	138,917	85,977	92,685	85,868	264,696	152,383	19,521	50,884	58,135	632	3,460	201	1,361,049
Apr. 4	9,433	263,848	116,514	126,492	87,572	73,064	74,827	250,689	134,173	19,035	44,909	61,484	560	3,753	321	1,266,674
11	6,289	194,415	83,839	87,030	50,458	61,861	50,938	170,926	89,379	12,983	28,528	45,510	414	2,652	285	885,507
18	5,585	168,113	71,910	72,117	43,764	53,007	44,080	142,220	74,516	11,135	22,647	37,997	345	2,159	239	749,834
25	6,050	166,357	73,316	73,551	44,996	57,600	43,772	144,415	73,938	11,591	22,728	37,155	346	2,572	239	758,626
May 2	7,204	211,848	99,153	109,888	56,640	75,034	59,772	194,246	96,953	16,435	30,489	54,011	356	3,285	252	1,015,566
9	7,146	211,294	100,860	114,211	56,933	75,763	60,125	197,276	97,787	17,894	30,318	57,162	337	3,285	209	1,030,600
16	37,490	203,094	104,211	113,642	64,015	71,099	59,523	204,163	97,997	19,455	32,770	51,815	319	3,948	184	1,033,725
23	8,570	206,321	115,909	120,624	73,041	78,471	62,511	218,948	105,442	20,706	37,624	48,409	298	4,306	167	1,101,347
29	7,995	207,349	116,518	119,627	74,607	78,833	62,041	220,463	107,361	19,208	37,375	47,498	268	3,966	149	1,103,258
June 6	8,168	180,388	98,781	93,456	63,606	59,686	54,076	175,610	85,480	18,210	27,286	40,844	248	3,364	121	909,324
13	6,770	128,071	66,861	58,886	46,169	36,536	36,560	113,646	56,826	13,756	16,676	26,065	227	2,673	75	609,797
20	6,889	120,607	68,744	58,130	47,740	42,372	36,403	116,417	57,941	14,617	19,159	18,455	533	3,062	55	611,124
27	7,917	201,316	92,350	105,265	61,007	97,284	62,777	200,326	93,750	15,582	33,893	32,506	1,369	2,947	38	1,008,327
July 3	10,724	236,989	106,906	122,041	69,568	102,008	73,534	221,850	108,566	16,692	37,240	44,514	2,003	2,807	34	1,155,476
11	8,602	190,865	87,071	96,338	55,033	72,908	56,337	170,335	82,876	12,099	28,095	42,349	1,717	1,981	23	906,629
18	7,588	155,342	69,361	75,901	46,559	58,942	43,649	135,209	63,850	10,358	21,402	32,464	1,440	1,576	17	723,658
25	6,362	128,259	55,291	58,298	37,344	49,361	34,150	105,930	52,393	8,736	16,446	24,235	1,129	1,278	14	579,226
Aug. 1	6,139	123,232	58,441	55,526	34,432	42,643	33,023	101,723	48,334	8,544	16,516	24,369	1,313	1,314	70	555,629
8	5,829	111,421	58,435	55,994	30,603	33,260	29,513	95,259	41,481	8,005	14,758	24,692	1,610	1,425	130	512,415
15	7,910	146,816	75,563	73,641	47,076	35,070	36,944	136,484	57,851	11,391	22,624	33,481	3,825	3,325	547	692,548
22	23,209	286,716	161,845	166,797	103,963	83,405	74,835	319,142	140,098	27,101	57,460	83,025	13,485	8,649	2,371	1,552,101
29	21,243	258,593	145,795	147,887	94,845	75,470	66,202	285,691	125,029	25,035	51,314	72,892	12,074	7,813	2,127	1,392,010
Sept. 5	17,583	233,303	134,116	134,137	86,956	70,473	66,503	251,077	110,894	24,266	44,172	65,811	9,771	6,376	1,720	1,257,158

Source: New York Times.

Weekly statistics on United States deposits in selected New York banks, Sept. 5, 1956, through May 1, 1957

[In thousands]

Date	A	K	C	D	E	F	G	H	L	M	N	O	P	Q	R	Total
1956																
Sept. 5	$17,583	$251,077	$233,303	$134,116	$134,137	$86,956	$70,473	$66,503	$110,894	$24,266	$44,172	$65,811	$9,771	$6,376	$1,720	$1,257,158
12	10,494	167,275	166,614	90,939	90,306	62,514	49,424	50,753	73,242	16,624	27,913	43,891	5,724	4,240	999	860,952
19	8,912	145,134	145,577	79,411	72,308	61,607	41,172	45,354	63,555	16,684	27,087	28,639	3,789	4,425	662	744,316
26	9,389	171,917	163,659	95,262	85,486	70,869	51,837	52,467	74,927	17,710	32,357	31,261	3,536	4,828	639	866,144
Oct. 3	8,950	195,223	185,042	112,628	95,375	76,783	62,621	57,947	83,977	17,728	36,123	37,802	3,329	4,569	601	978,698
10	6,305	144,241	144,966	83,838	70,093	56,816	49,460	42,854	62,700	13,255	25,298	29,687	2,284	3,136	407	735,340
17	9,027	100,986	108,924	86,923	47,820	41,206	46,378	65,925	42,603	10,922	26,489	26,834	6,581	2,209	282	623,109
24	22,866	65,772	76,436	114,149	30,558	27,965	62,899	148,071	27,877	9,539	43,649	36,729	30,104	1,473	186	[1] 718,273
31	17,348	64,800	78,323	127,772	32,871	26,967	55,123	126,396	28,336	7,815	37,706	31,815	14,568	1,628	115	651,583
Nov. 7	13,825	72,999	90,622	105,594	47,007	27,412	44,252	95,333	38,354	9,944	31,170	31,001	9,894	2,935	76	620,418
14	9,813	63,705	82,526	74,102	38,417	26,594	29,230	61,309	35,685	9,988	21,851	22,015	6,209	3,118	47	484,609
20	15,774	97,500	96,338	130,629	50,098	56,961	38,441	163,387	114,531	36,487	62,419	60,925	4,058	3,612	30	931,190
28	15,698	90,360	83,124	134,367	42,528	58,872	39,434	176,308	125,315	40,224	66,383	66,168	2,580	2,958	20	944,339
Dec. 5	10,695	93,481	88,098	111,579	43,007	51,199	37,005	128,504	92,092	27,944	49,340	48,648	1,511	2,098	12	785,213
12	4,437	64,106	69,614	63,735	25,911	32,285	22,186	55,141	41,387	11,200	21,186	20,821	564	1,082	15	433,670
19	30,064	71,339	149,027	47,366	88,771	34,271	18,814	25,146	30,327	18,757	57,715	7,473	122	1,574	13	580,779
26	48,826	86,695	214,364	52,544	142,235	39,361	24,796	23,754	35,940	25,494	94,706	6,992	68	1,842	12	797,629
1957																
Jan. 2	39,308	79,388	186,778	53,908	116,322	36,740	23,748	24,736	37,187	21,962	74,466	10,668	69	1,742	10	707,032
9	19,626	53,038	124,568	42,778	63,442	24,834	16,401	17,118	27,009	11,694	33,900	12,321	65	1,079	7	447,880
16	3,448	30,071	68,842	24,851	21,649	14,652	8,801	8,801	14,358	2,757	6,700	8,278	99	381	2	213,690
23	1,211	20,691	51,203	12,371	11,600	10,718	9,828	5,241	8,838	1,916	5,362	3,689	102	378	1	143,149
30	1,175	25,813	50,063	14,522	10,690	12,764	8,387	6,396	7,319	1,919	6,335	3,031	130	813	1	149,358
Feb. 6	2,079	54,868	76,771	34,011	37,488	19,030	15,984	27,723	23,353	6,262	10,494	17,067	2,629	1,793	1	329,553
13	2,102	27,721	55,125	18,775	16,306	14,287	6,702	13,200	13,633	6,465	4,271	7,239	2,401	1,442	1	189,670
20	3,239	62,620	71,223	41,732	32,033	31,671	15,403	21,288	32,439	8,799	15,038	6,955	2,574	2,613	1	347,628
27	3,423	69,243	71,048	45,458	35,745	33,364	21,840	21,223	37,039	8,021	15,894	6,898	2,291	2,307	1	373,795
Mar. 6	3,422	76,454	89,808	51,376	41,408	32,491	27,715	30,754	36,689	6,375	11,546	15,921	1,346	1,403	1	426,709
13	2,522	49,127	68,570	32,396	23,957	23,384	15,862	20,433	20,599	3,382	5,178	11,335	325	632	1	277,703
20	5,756	122,477	123,738	75,383	62,898	45,878	59,427	46,281	52,908	11,604	24,938	13,859	518	3,625	1	649,291
27	7,356	163,181	162,671	93,678	89,572	50,371	92,798	63,876	69,871	13,540	34,038	23,007	607	4,445	81	869,092
Apr. 3	18,224	233,124	234,991	175,339	173,612	102,708	129,647	95,515	146,259	21,776	58,939	43,298	628	5,564	8,050	1,447,674
10	12,983	151,269	168,363	119,280	122,887	76,071	84,287	65,235	103,795	14,059	38,256	31,875	441	3,692	7,012	999,505
17	9,428	111,486	131,587	86,671	88,951	58,144	62,678	47,611	74,040	10,515	26,974	23,214	365	2,606	5,172	739,442
24	8,091	104,275	117,119	76,012	75,779	51,968	59,068	40,790	64,389	9,426	23,253	19,586	328	2,208	4,402	656,694
May 1	8,010	127,492	135,143	85,200	87,725	55,466	60,739	49,273	70,934	11,477	27,205	26,323	327	2,599	4,429	752,342

[1] As reported in source. Detail does not add to total.

Source: New York Times.

Mr. ROBERTSON. Mr. President, the distinguished Senator from Illinois has been discussing a subject in which I am very much interested. However, I would have enjoyed his presentation more if I had not had to wait until the end of his remarks, in order to have the Senate complete its action on the pending appropriation bill.

Mr. President, I am sure the Senate Finance Committee will take note of the presentation the Senator from Illinois has made; and unquestionably it will look into the ideas which have so cogently been advanced by the Senator from Illinois, who has stated that there should be a law requiring the banks to pay as much as 2 percent or some other percentage on the deposits of Federal Government funds.

I know the Secretary of the Treasury is embarrassed by the necessity of refunding a large amount of the Government loans in what is called the tight money market. However, that situation is not a new one. The other day I was preparing a speech to be made last Friday before bankers in North Carolina. I found that in 1861, when Lincoln called for volunteers, he also called for additional funds; he wanted the Federal Government to borrow $10 million. He asked the banks to make bids in that connection. I wonder whether the distinguished Senator from Illinois would hazard a guess as to the lowest interest rates the banks would offer. It was 12 percent, and the bids went from that percentage up to 35 percent, for 9 months net. The Government took all the 12 percent money it could obtain from the banks, but was able to sell only $3 million of the $10 million desired.

Then President Lincoln had to have Congress pass a bill authorizing the issuance of greenbacks. By the time the War Between the States had ended, the greenbacks had fallen in value 45 cents on the dollar. There was great agitation to have them redeemed. Later, Bryan called for the use of silver at a ratio of 16 to 1; and in 1896, Bob Ingersoll said "I want every greenback to be able to stand on end and say, 'I know that my redeemer liveth.'"

Although today the Government is supposed to have a gold fund as a basis for the currency of the United States, that is a fiction; the Government is still using greenbacks.

Mr. President, these are matters to be considered by the Finance Committee, if we are to deal with these policy questions.

Therefore, I make the point of order that the amendment of the Senator from Illinois is out of order, first, because it is legislation on an appropriation bill; and, second, because it proposes that a reduction of $10 million be made in the appropriation on the contingency that the Senate passes the bill and that the deposits referred to are made, and that 2 percent be paid on the deposits. So the amendment is legislation subject to a contingency, and such an amendment is prohibited by the rules of the Senate.

Mr. DOUGLAS. Mr. President, will the Senator from Virginia yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Virginia yield to the Senator from Illinois?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. If my amendment is out of order as an amendment to this appropriation bill, in connection with what appropriation bill would the amendment be in order?

Mr. ROBERTSON. The amendment would not be in order as an amendment to any appropriation bill. The amendment would have to be offered to a bill reported by the Finance Committee, a bill requiring the Treasury Department to deposit some of the money of the Federal Government in the form of time deposits, rather than as demand deposits, deposits subject to a checking account. In that connection, the banks in which the funds were to be deposited could be specified.

Let me point out that the North Carolina law requires that the treasury of North Carolina receive from the State banks in North Carolina, in the case of North Carolina funds deposited therein, the equivalent of the interest rate on short-term notes. When the interest on short-term notes went higher than the 3 percent the State banks were authorized to pay, the treasurer of North Carolina took $93 million of State funds out of the State banks and put them into short-term notes. Then there was passed in North Carolina a law requiring the treasurer of the State to leave the funds in the State banks, unless the interest on short-term notes exceeded 9¾ percent.

Mr. DOUGLAS. Mr. President, will the Senator from Virginia yield for a further question?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. On page 16 of the House committee report, there is a table which gives a comparative statement of the appropriations for 1957 and the estimates for 1958. The heading is "Permanent Indefinite Appropriations"; and at that point there is listed the interest on the public debt; and the estimate for 1958 is $7,300,000,000. The total of other items brings all of these permanent indefinite appropriations to $8,085,923,970. Is it the contention of the Senator from Virginia that these items are beyond the control of Congress?

The corresponding figures appear in the Senate committee report on page 8.

Mr. ROBERTSON. I do not contend that they are beyond the control of Congress. But they are not covered by this appropriation bill.

Mr. DOUGLAS. By what appropriation bill would they be covered, if not by the pending appropriation bill?

Mr. ROBERTSON. On page 3 of the report accompanying House bill 4897, the Senate committee states:

> Permanent indefinite appropriations are not carried in the bill. The 1958 estimates of the Treasury Department in this category are $8,085,923,970. This is an increase of $88,635,452 from the 1957 estimate of $7,997,288,518.

Most of that is interest on the national debt, but that is not included in the bill. The law fixes the debt limit, and the Treasury issues the necessary bonds. The bonds are purchased by the people, and the bonds pay a certain rate of interest. At the present time, the interest on the national debt amounts to almost twice the total annual expeditures of the Government in 1932, when the junior Senator from Virginia was elected to Congress. The interest alone on the national debt amounts to nearly $8 billion.

Mr. DOUGLAS. That is correct.

Mr. ROBERTSON. But what can we do about it?

Mr. DOUGLAS. I propose that the Government obtain a return on the money the Government deposits in private banks, in view of the fact that at the present time such deposits are interest free. My amendment would save the Government $10 million. I hope the Senator from Virginia will not persist in his point of order.

Mr. ROBERTSON. I am bound to operate under the rules of the Senate. I do not challenge the statement of the Senator from Illinois that perhaps it would be a good thing to require that the banks in which such funds are deposited pay interest to the Government. I do not challenge the statement of the Senator from Illinois that it might be a good thing to have legislation requiring the Treasury to deposit some of the Government's money as long-term deposits.

I only say that the distinguished Senator from Illinois should introduce such a bill, and should have it referred to the appropriate committee, and hearings should be held on the bill, and the matter should be handled in the orderly way.

On the spur of the moment we cannot bring up fiscal legislation of this kind and call it an appropriation. The amendment of the Senator from Illinois is legislation on an appropriation bill, and such an amendment is contrary to the Senate rule. It is legislation on an appropriation bill. It is against the rule of the Senate, and the distinguished Senator from Illinois knows that as well as does anybody else. He made a fine speech, and the Senator from Virginia withheld his objection—although he was becoming very impatient to complete action on the bill—until the Senator from Illinois had concluded his remarks. Now he must insist on his objection.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Is it permissible for the Senator from Illinois to request that his amendment be read, before a ruling is given, and is it permissible for the Senator from Illinois to discuss the question prior to the ruling by the Chair?

The PRESIDING OFFICER. Without objection, the amendment will be read. The Chair will hear the Senator briefly on the point of order.

Mr. ROBERTSON. I am glad the Chair made that statement, because I would have objected to any monetary speeches.

The LEGISLATIVE CLERK. It is proposed, on page 14, following line 22 and preceding the words "Passed the House

of Representatives February 20, 1957," to insert a new title IV, as follows:

TITLE IV

INTEREST ON GOVERNMENT DEPOSITS

The total amounts of the permanent indefinite appropriations of the Treasury Department for fiscal year 1958 are hereby reduced by the amount collected by the Treasury for interest on deposits of Federal moneys in the commercial banks throughout the United States, not to be less than $10 million.

Mr. DOUGLAS. Mr. President, I shall speak briefly on this question. The amendment which the Senator from Illinois is proposing is an amendment to an appropriation bill which diminishes the total amount appropriated by $10 million. It does not give to the Secretary of the Treasury a mandate to shift any stated proportion of the demand deposits to time deposits, but it may be frankly said that by requiring him to get $10 million from interest, it does put fiscal pressure upon him to do that, within his discretion; but it does it by amendment to an appropriation bill rather than through a direct legal mandate to the Secretary of the Treasury.

The PRESIDING OFFICER. The Chair desires to ask a question of the Senator from Virginia, for information, before ruling. Is there any authority of law for collecting interest on Federal moneys deposited in commercial banks at this time, or would this proposed amendment change the law?

Mr. ROBERTSON. There is no law of which the Senator from Virginia knows that requires commercial banks, or even permits commercial banks, to pay interest on demand deposits. There is a law—and we discussed it when my bill to codify the banking laws was under consideration—about which there was a difference of opinion between the FDIC and the Federal Reserve System as to what constituted payment of interest on a checking account. The question was thoroughly discussed, and the Senator from Illinois, as a member of the Committee on Banking and Currency, knows this as well as I do. There was not any proposal to change the law that prohibits national banks and members of the Federal Reserve System from paying interest on checking accounts. The funds deposited by the Secretary of the Treasury in a bank are in a checking account. The banks are prohibited by law from paying interest on them. Therefore, the Senator from Virginia made the point that the amendment represented legislation.

There is another objection. The amendment contemplates a contingency, and the Treasury Department would never know, until another law was enacted, how much money it would have at the end of the year, even though the year was divided into quarters. We are prohibited from making appropriations which are subject to contingency in the future.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator from Illinois address the Chair?

Mr. DOUGLAS. I rise briefly to discuss the parliamentary ruling.

My good friend from Virginia did not observe the same restraint concerning the brevity of the discussion which both he and the Chair enjoined upon the Senator from Illinois; but again I reiterate, this is not new legislation. It is an amendment to an appropriation bill which can be effected by a change in the deposit policies of the Treasury Department in shifting deposits from demand to time deposits, but without requiring any specific amount to be so shifted. Further, although there may be no law requiring the Treasury to receive interest on its demand deposits, I know of no law preventing it from doing so.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Virginia.

The bill is open to further amendment.

Mr. ROBERTSON. Mr. President, if there are no more amendments——

Mr. DOUGLAS. Mr. President, I have another amendment, which I send to the desk. I may have two more amendments and I ask to have this one stated.

The PRESIDING OFFICER. The amendment proposed by the Senator from Illinois will be stated.

The CHIEF CLERK. It is proposed, on page 12, in line 12, to strike out "$648,000,000" and insert in lieu thereof "$548,000,000."

Mr. DOUGLAS. Mr. President, this is an amendment to reduce the funds for transportation of the mails by $100 million.

I should like to point out that the Postmaster General has always said that he was unable to effect economy because, as he said, the pay scales are fixed by Congress and the transportation rates are fixed by the Interstate Commerce Commission. "Therefore," he has said, in effect, "I am helpless, and if you do not give me the money that I ask I will cut down on service," knowing full well that if services should be reduced patrons of the post office would come to Members of the House of Representatives and the Senate and demand that the appropriation be restored.

Mr. President, that has worked once. It will be attempted again. But what the Postmaster General ignores is the fact that he can effect operating economies, and he can also, as I shall show, take steps, within the letter of the law, to reduce the amounts given to the railways for transporting the mails, both fourth class, on the one hand, and first, second, and third class, on the other.

Mr. President, the Postmaster General ignores the operating economies which he could make without any added legislation. I do not like to point too much attention to economies which I have suggested in the past, but I hope I may be permitted to point these out briefly for the RECORD. In past years I have urged motorization of letter carrier routes with motor scooters, so that letter carriers could take larger loads, and hence the Department could reduce the number of letter carriers. This could be done by not replacing some of those who die or retire. It would permit heavier mail loads and larger routes, covered in a shorter time, with less stress and strain upon the carriers themselves.

I have read in the newspapers recently that the Department is experimenting with motor scooters. It should have been an accomplished fact by now.

For years I have urged the use of mail-sorting machines. An employee of the Chicago Post Office, Mr. Sestak, developed one of the most efficient mail-sorting machines I have ever seen, which enormously reduces the amount of work in the big metropolitan offices, and yet does the work accurately.

The Department is still experimenting with this.

For years I have urged the consolidation of rural routes laid out in the horse and buggy days. Mr. President, the rural free delivery was established, I believe, in the administration of Grover Cleveland. That was a horse and buggy period, and the roads were muddy and the mail routes were short.

Two things have happened. The automobile has come in and roads have become hard roads. So now a rural mail carrier, in one-quarter or one-half of the time, can cover the same route that was covered in 1890.

There have been some consolidations of routes, I know, but not anywhere near as much as could be done. I know mail carriers who finish work in 2 to 2½ hours, and then act either as farmers or businessmen or insurance agents. One of them I know has become one of the most cultivated, able men in the State of Illinois. He knows all the great books. He has done his studying in the 6 to 7 hours a day that he does not have to use to cover the rural mail route. All this could be done by not filling all the vacancies.

The Department is still dragging its feet on the consolidation of these rural routes. The Post Office also uses trucks with different truck bed heights, although obviously they should be standardized with the height of the loading platforms. Thus does the Post Office continue to lag behind the entire Nation, as our private enterprises develop increased efficiency and productivity. It will never get on its toes so long as we in Congress sit by supinely permitting the Postmaster General to trample over us as he pleases and resist internal economies. Let us cut his budget, and hold to it.

All the information I can get is that the service under the Post Office is now extremely inefficient. Business and professional men in Chicago have told me that it takes longer for them to send an airmail letter to New York and have it delivered than it takes to send an airmail letter to Paris and have it delivered. And an airmail letter to Paris will be delivered at its destination before an airmail letter from Washington to Chicago. These men are reputable men, and I do not think they would make loose or wild statements.

Mr. President, the amendment which I propose, is, as I have said, to reduce the Post Office appropriation for the transportation of mails by $100 million. I am offering this amendment because such savings can easily be made, and they are not now made because of the failure of the Post Office Department

and the Interstate Commerce Commission to carry out the clear intent of the law as provided in title 39, United States Code, section 557. That section provides:

The Postmaster General shall, from time to time, request information from the Interstate Commerce Commission as to the revenue received by railroad companies from express companies for services rendered in the transportation of express matter, and may—

Now, note these words—

may, in his discretion, arrange for the transportation of mail matter other than of the first class at rates not exceeding those so ascertained and reported to him, and it shall be the duty of the railroad companies to carry such mail matter at such rates fixed by the Postmaster General.

Mr. President, this clear and unquestioned provision of law has remained unenforced. There is an abundanec of evidence that if it were enforced, it would result in a saving of at least $100 million a year in transportation costs. In fact, that is a reasonable estimate of the amount of money which the Federal Government pays to the railroads for parcel post in excess of the amount of revenues the railroads charge themselves for the exactly comparable service of the Railway Express Agency.

I shall cite a few supporting sources of this estimate of $100 million in a few moments, although that figure and the failure to apply the law are not in contention.

The effect of this, Mr. President, is a direct, although hidden, subsidy to the railroads, which was not only not intended, but in fact expressly forbidden by law. There is no justification for this unwarranted subsidy, and Mr. Summerfield and the Post Office Department, if my amendment is passed, would be required to act to stop it in fiscal 1958. In view of Mr. Summerfield's numerous complaints about the lack of money, his failure to act in this field at this time makes his protestations of lack of funds appear feeble indeed.

Mr. President, although this failure to enforce the law, as well as the amount of subsidy involved, are not in contention, I nonetheless wish to present some facts about these two aspects before getting to the heart of the argument.

First of all, Mr. President, the law has never been repealed and is still on the books. It is still a basic part of the Railway Mail Pay Act of 1916, and to my knowledge no one denies that. The basic principle involved is that the Government should not be required to pay more for a particular kind or class of service than was charged to a private firm or individual for the same or comparable class of service.

Second, Mr. President, the Post Office Department itself does not deny that it is paying more to the railroads for parcel post than the railroads charge themselves for comparable service of the Railway Express. This is not denied to my knowledge, and is emphasized by the fact that in an ancillary proceeding to the Railway Mail Pay, 1951, page 283, ICC 503, which began in 1947, the Postmaster General requested the information from the ICC, which section 557 imposes a duty on the ICC to furnish.

Now, Mr. President, a bit of historical comment is needed here. This action was instituted in 1949 when Robert Hannegan was Postmaster General. Mr. Hannegan has been attacked on many grounds, and I am not here to defend every act of his during his life. I do wish to say in this instance Mr. Hannegan was extremely brave in pushing the case before the Interstate Commerce Commission. A great deal of credit is due to him, and also to the Solicitor of the Post Office Department at that time and for some years thereafter, Mr. Frank J. Delany, who devoted himself with great efficiency, energy, and courage—and it required courage—to pushing this case.

The Postmaster General requested this information from the ICC, which section 557 imposes on the ICC a duty to furnish. Failing to get it, the Postmaster General requested the information again in October 1948. At that time I believed Mr. Hannegan was still Postmaster General.

The present Postmaster General requested the information again in 1954; and again in the Railway Mail case, 1956. ICC Docket 9200, which is still pending before the Commission.

Thus there is no question that the Postmaster General believes he is entitled to the information which the ICC is required to furnish under section 557, 39th United States Code. Thus the Post Office Department itself, by its many actions, sustains the view that this section is not now being enforced.

Third, the amount involved is estimated to be at least $100 million a year. On page 36 of the Report of the Citizens' Advisory Council of the Committee on Post Office and Civil Service, which our very esteemed colleague, the Senator from South Carolina [Mr. JOHNSTON] set up as chairman of the Senate Committee on Post Office and Civil Service, the Council estimates the "subsidy" at $100 million a year.

In a statement by Roy C. Frank, former Associate Solicitor of the Post Office Department, before the Postal Policy Subcommittee of the Senate Committee on Post Office and Civil Service, a figure of $100 million was submitted as the estimate of the subsidy because of the failure to enforce section 557.

Further proof is given in the original transcript of the proceedings before the Senate Committee on Post Office and Civil Service, by the testimony of the Deputy Postmaster General of the United States, Maurice H. Stans, which appears on pages 60 and 61 of the transcript, which I hold in my hand and from which I now read. Mr. Stans was being questioned by Mr. Brawley, the very efficient Executive Director of the Committee over which the Senator from South Carolina so ably presides. Mr. Brawley asked:

Do you believe after working at this thing for 4 years that there is any substance of facts in this statement that they—

And "they" means the railways—

probably are overcharging the Post Office Department if you compare it to the charges they make to the railway express agencies?

Mr. STANS. I would like to answer in this way, that they are obviously getting more from us for carrying the mails.

I may point out here that this shows that section 557 is not being enforced, for under section 557 the Postmaster General is to arrange for the carrying of parcel post "at rates not exceeding those" charged to the express companies.

The questioning continued. I ask Senators to listen to this colloquy:

Mr. BRAWLEY. If the Interstate Commerce Commission would grant petition how much do you think it would save the Post Office Department currently?

Mr. STANS. It would be considerable. I would have to make some computations, but it would be a very considerable amount of money.

Mr. BRAWLEY. Apparently close to the hundred million?

Mr. STANS. I would not be surprised (p. 61).

Thus, Mr. President, there is no doubt that section 557 remains unenforced. This is proven by the numerous requests of the Post Office Department to the ICC for the information by which section 557 could be enforced, as well as the testimony of those who are close to this matter.

Further, there is little question that the amount is in the neighborhood of $100 million, that according to the Citizen's Advisory Committee the Post Office pays the railroads approximately 60 percent more for this service than the railroads charge to comparable customers—in violation of law—and that this is a pure subsidy to the railroads which is unreasonable and unconscionable, and expressly forbidden by law.

Finally, the Post Office Department's Cost Ascertainment Report of 1955—page 97, table 70, account 321—shows that the Post Office Department paid the railroads $242,083,899 in that fiscal year for carrying non-first-class mail. It appears that in that year, without making adjustments for slight differences in service, the Post Office Department overpaid the railroads by some $121,041,950. If adjustments are made for variations in service, and so forth, it would appear from the facts that the estimate of $100 million made by the Citizen's Advisory Council and substantially concurred in by the Deputy Postmaster General, is as reasonably accurate and correct as can be estimated without specific figures from the ICC.

Thus, Mr. President, there is no question that section 557 is not being carried out and that the cost to the Government in terms of a subsidy to the railroads—a subsidy not provided by law and apparently expressly forbidden by law—is approximately $100 million per year.

Now, Mr. President, no one, I believe, will deny the facts which I have presented thus far. I now wish to deal with two questions: First, why has section 557 not been enforced, and second, what can be done to see that it is enforced?

Basically, there are two reasons why section 557 has not been enforced. The first is the absolute unwillingness of the ICC to furnish the required information under section 557. Further, their refusal appears to be based on the flimsiest

of reasoning and is unwarranted in the light of section 557's clear language. Perhaps behind this basic reason is the fact, as we all know only too well, that the Commissions which we have set up from time to time to regulate a particular industry have come more and more to disregard the public interest and to actively and aggressively represent the very interests of those they were designed to regulate. This has been done in particular by packing the regulatory commissions with individuals from the industries they are supposed to regulate. It has also been done by a variety of other means, some of which are unethical and others of which come very close, to if they do not violate, the law. Among these are private representations to the Members of the Commissions by groups with cases before them; social activities by the industries for and on behalf of Commission members, and the temptation to highly placed or key employees of the commissions of lucrative positions with the regulated industries. Mr. President, I merely state this for the RECORD. I know of numerous instances in which such events have occurred, but as my main objective today is to argue the facts, I shall not dwell on these related matters.

Nonetheless, the first reason why section 557 has not been enforced is the abject refusal of the ICC to provide information. When compared with the statute, their reasoning is as flimsy as any could possibly be and, in my opinion, could not stand the test of judicial review.

Let me be specific.

The basic refusal of the ICC to give the Postmaster General the information required by title 39, United States Code, section 557, was given in "Railroad Rates on Express Matter, 1949 (274 ICC 683, 687)." This was a ruling which grew out of the 1947 petition of the Postmaster General and which was finally completed in 1951. In that petition the Postmaster General requested the ICC to furnish information as to the revenues received by the railroads from the express companies. This was to be stated in units of service common to the carriage of express and mail matter—excluding first class—and the information was to be given with adjustments to reflect the differences in services which were performed.

The ICC denied this request. It wrongfully and mistakenly claimed that section 557 did not impose any duty on the Commission to make an investigation and study of the operation of the railroads and the Railway Express Agency in connection with the transportation of express matters, and the revenues received therefrom, for the purpose of formulating rates, when the law, which I have read, specifically so provides. The Commission claimed, secondly, that since express matter is not performed under rates or a system of rates, any investigation of and determination made by the Commission would be for a given period of time in the past and would have no prospective effect or application.

Mr. President, how absurd can one get? What the Commission said was that since the railroads get their express revenues from the Railway Express Agency under operating agreements based on the variable net earnings of the express agency, rather than on a formal system of rates, the ICC will not provide information as to the revenue received by railroad companies for services rendered in the transportation of express matter—section 557.

In other words, the law prescribes that the ICC furnish information as to the revenues received so that the Postmaster General can arrange for the transportation of parcel post "at rates not exceeding those so ascertained and reported to him."

The ICC, in denying the information, says:

First. The law does not impose any duty on us to make a study and investigation.

Second. They then beg the point by stating that it does not impose the duty in connection with the transportation of express matter, and the revenues received therefrom, for the purpose of formulating rates; and

Third. They say that because the railroads do not perform their service for Railway Express by a system of rates, but rather by a system under which the railroads receive their revenues under operating agreements based on "variable net earnings," the ICC will not provide the revenue information or the comparable rates.

That, Mr. President, is a clear refusal of the ICC to grant information and it gives the law a meaning it does not have on any clear reading of it. On the face of it it is absurd. At best it shows an inability of the Commission to read; at worst it shows the Commission as a willing servant of the railroad industry.

In fact, under this interpretation, if the railroads had been receiving revenues from the railway express under a rate structure, all they would have needed to do to avoid the clear provisions of section 557 and to gain a substantial subsidy would have been to shift from a rate structure to a charge based on railway express net earnings.

I wish to repeat, Mr. President, that the refusal of the Commission would not stand the test in a court of law.

Now let me turn to the second reason why section 557 has not been enforced. This flows from the fact that the Post Office Department, in the face of the absurd ruling of the ICC, has been willing to roll over and play dead. The Postmaster General has merely accepted this ruling. He has done nothing to test its legality. He has accepted it and has used it as an excuse to perpetuate this unwarranted and unconscionable subsidy to the railroads in violation of the law.

In testifying before the Senate committee on March 21, Mr. Stans of the Post Office Department criticized the contention of the Citizens' Advisory Committee that $100 million in subsidies was being paid the railroads because section 557 was not being enforced on the following grounds; and I quote Mr. Stans' brief:

> Here the council, apparently confused regarding the contractual agreement between the railroads and the Railway Express Agency, believes that the Department is subsidizing the railroads by $100 million by paying rates that are double those paid by that agency. The council intimates that it is the Department's fault that United States Code 39, section 557, passed in 1916, has never been enforced.

Mr. Stans then continues by citing the various petitions of the Postmaster General to the ICC and the ICC rulings, and concludes:

> Under the law the ICC prescribes the rates of compensation to be paid the railroads. It has ruled twice that the contention adopted by the council on page 36 is not valid.

Mr. President, there is proof again that the Post Office Department merely rolls over and plays dead in light of the ICC ruling. Of course, it is the Department's fault as well as the fault of the ICC for the Department has failed to take legal action.

Of course, the ICC prescribes rates to be paid the railroads. What is wanted in this instance are the revenues which the railroads receive from the Railway Express Agency and the comparable equivalent rates which the ICC and the ICC alone is able to determine.

Here is another example of how the Post Office passes the buck to the ICC. There is no question that the ICC has refused to provide information which, by law, it is required to give. There is no question, further, that, notwithstanding its reasons, the ICC is quite capable of determining the revenues the railroads receive and what the equivalent rates would be for parcel post. As Mr. Frank, the former associate solicitor of the Post Office Department, pointed out:

> Despite the fact that the railroads do not charge the Railway Express Agency a fixed rate for the transportation of express matter, revenues attributable to the different units of comparable service of mail and express matter can be determined by the Commission's apportionment technique which it exercises regularly.

The method by which this can be done was stated very simply in the brief in support of the 1949 petition by the Solicitor of the Post Office Department. This is what it said—Railroad Rates on Express, 1949, 274 ICC 68, pages 21–22:

> The result will be a determination of (1) the service furnished to express which is also furnished mail:

That, Mr. President, should be quite simple for the ICC, with its staff and experience, to do, and—

> (2) The revenues received by the carriers for such service.

That, Mr. President, is equally simple and some, if not all, of that information is available in published sources. The statement continues:

> These two determinations, placed together, will constitute a ratio of revenue to service, i. e., a rate for service. It will be a rate capable of application to non-first-class mail, being in terms of a unit of service common to both.

Mr. President, the more I look at the ICC refusal to give the information which the Department has requested, and which section 557 imposes on the

ICC, a duty to give, the more I believe the ICC is saying something like this:

Sir, the information you request would require two simple calculations. We have not made those calculations. Therefore, we will not give you the information.

Of course, the ICC has to do some work to establish a comparable rate. They do this day in and day out. How else do they establish initial rates except to take the kind of service which is performed and fix a rate based on that service?

But what seems even more absurd than the ICC refusal is the willingness of the Post Office Department to accept this refusal and their rulings without a fight. I believe they are remiss in that and I shall now propose what can be done and what should have been done several years ago.

The Post Office Department should renew its petition immediately. As there is a rate case pending and as the information was requested there, it may be that the request does not have to be renewed—1956, ICC Docket No. 9200, Railway Mail Pay.

But if it does have to be renewed, the Post Office could act within a matter of hours. Their previous briefs have been adequate and have stated the case. They must do so again, and it could be done quickly—this week if they really wish to do so.

Then, Mr. President, as we all know the Supreme Court has decided that rulings and decisions on petitions before the ICC are retroactive to the date of their filing. Thus, if successful, the savings of $100 million could be made retroactive to the 1956 filing or the filing which could occur in a few days.

In the meantime, Mr. President, the Postmaster General should withhold from the railroads the $100 million subsidy which his own deputy agrees is paid to the railroads. That would give a basis for a test in the Court of Claims.

The Post Office Department has had, in the past, exactly the same problem with the CAB over airline mail subsidies as it is now having with the ICC over railroad subsidies. The Post Office, failing to breach the industry-dominated CAB, has gone to court. They have claimed savings of literally millions of dollars by court action. From time to time they take credit for the airmail savings brought about by court action. Yet, Mr. President, when faced with an absurd ruling of the ICC, instead of going to court, as they should have gone years ago, and as in all probability they would have done had Bob Hannegan remained as Postmaster General, or instead of seeking the active aid of the Comptroller General, they throw up their hands and say nothing can be done.

The ICC and the Postmaster General have both said, in effect, that title 39, United States Code, section 557, is without meaning or effect. Now, who is the ICC to say that? Are they a court of law? Are they not required to carry out the statutes as passed by the Congress?

And who is the Postmaster General or his deputy to say that when the clear meaning of the law is not enforced by an independent agency, that the post office is required to sit back, roll over, play dead, and just take it?

Mr. President, I believe we should pass my amendment to cut out this subsidy for a variety of reasons.

In the first place, it would bring action by the post office in the courts, action which is far too long overdue. This would be done by withholding the $100 million subsidy from the railroads.

Second. It would show both of these agencies that laws of the Congress are meant to be enforced and carried out. And since there is no question either about the intent or the meaning of the law, this should not take long to bring about.

Third. As we have seen on numerous other occasions, some quasijudicial, administrative, or independent agency, such as the CAB, has overpaid carriers in violation of the law. When this has happened, millions have been recaptured in the public interest by court cases.

Fourth. The present situation gives a windfall profit, expressly forbidden by law, to the railroads. This is against the public interest, in violation of the law, and is special-interest administration at its very worst.

Fifth. The $100 million which my amendment would cut out is not needed now and if, by some stretch of the imagination or because the post office failed to prepare its case adequately in the courts, a test case was lost, the Congress could then make up these sums, if necessary, at a later date.

Mr. President, when one views these outright abuses of the law on the part of independent agencies and departments of the Government, one is often moved to cynicism. This is a test of whether power and wealth are going to remain in the saddle, or whether Government activity is to be carried on in the interest of the public at large who now pay these absurd and illegal overcharges through excessive mail rates or through taxes.

Mr. ROBERTSON. Mr. President, the amendment offered by the Senator from Illinois [Mr. DOUGLAS], although technically different from the previous amendment, is actually the same. The amendment would cut $100 million from the overall amount for transportation. What is transportation? That is what we pay the railroads, the airlines, the trucks, and the rural carriers. It is assumed by the distinguished Senator from Illinois that we can make the railroads carry their part of the burden for $100 million less. Suppose they refuse to do it? I hope the Senator from Illinois will be fair enough to pull down all the rural routes in Illinois before he pulls them down in Virginia.

What are the facts? We are giving the Post Office Department for this transportation item $2 million less than it is actually spending this year. We are giving them $9,737,000, which is less than they said would be necessary, and irrespective of the latest testimony that, instead of there being a 1½-percent increase in volume, there will be an increase of between 4 and 5 percent.

The greater the volume, the heavier the weight, and the more the railroads and the airlines and the other carriers will charge.

The Senator has a fine theory that someone can tell the ICC, "Quit being the tool of the railroads. We don't like it." That is a fine theory to be able to say to the ICC, "Come on, now; give us an enforcement of this section, and we will save $100 million that the railroads are overcharging us."

What are the facts? The facts, testified to by the Department, are that pending right now are applications from the eastern and southern railroads for a rate increase of approximately 63 percent. It would amount to $103 million more than is being paid now. That fact is not taken into consideration at all in any of the figures contained in the bill. We are giving the Department for this item, which it may not be able to control at all, $2 million less than it is spending this year.

We are giving the Department $9,737,000, without considering any further increase in volume. Yet the amendment proposes to say, "Let's cut them $100 million."

In order to save the rural routes in Illinois and in Virginia, I ask that the amendment be defeated.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. O'MAHONEY. Mr. President, before the amendment is acted upon, I wish to ask the chairman of the subcommittee a question, which may have nothing to do with the pending amendment. I do not believe it has anything to do with it, but I wish to get this question into the RECORD.

I have been watching some of the activities of the Post Office Department, and I am not at all adverse to the request of the Postmaster General that there should be an increase in postal rates. I know that some reforms which are needed are not being carried out.

However, I became aware that the Post Office Department has undertaken the policy of transshipping by air 3-cent mail in large quantities. In other words, mail for the transportation of which the letter writer has paid 3 cents was placed upon airplanes and carried by the airplanes, thus giving it a preference over the mail for which the writers had purchased 6-cent stamps. This amounted to a preference right for the airplanes over the railroads for the transportation of this type of mail, and a defeat of the promise which the 6-cent airmail stamp makes to the person who buys it for the purpose of securing more rapid transportation.

I noticed on page 55 of the House hearings on the Treasury-Post Office Department appropriation bill for 1958 that Mr. GARY, the chairman, when Mr. Stans was testifying, asked this question:

What is the current status of the carrying of 3-cent mail by air?

Mr. STANS. Mr. Siedle?

Apparently Mr. Siedle is one of the Post Office employees.

Mr. ROBERTSON. He is the transportation man.

Mr. O'MAHONEY.——

It is the same, Mr. Chairman, as it was last year. We have not extended the operation. We continue to just about break even on it from a cost standpoint, when compared with the previous method of moving it by surface transportation.

That is all I find on this subject in the hearings in the House. I do not know whether anything was developed in the Senate hearings or not.

Mr. ROBERTSON. Nothing was brought out on that subject in the Senate hearings. We understood that such movement was an experiment and was in connection with a recommendation of the Post Office Department that the first class mail rate be set at 5 cents, and that such mail then would be carried either by plane or by train, whichever was quicker.

But the Department abandoned the proposal for 5 cents and went back to 4 cents for first class mail, and proposed to set the air mail rate at 7 cents.

This was to be a limited experiment, to determine whether it would be very much more expensive, and to ascertain whether or not a great volume of mail would be carried at 5 cents.

In Great Britain and in Canada such mail is carried for 5 cents, and it is sent by the quickest means of transportation.

Mr. O'MAHONEY. Does the Senator from Virginia know what charge is made by the airlines for transporting 3-cent mail by plane?

Mr. ROBERTSON. As I recall, that figure is not broken down. The Government subsidizes the airlines. The chairman of the subcommittee, in his statement today, which was placed in the RECORD, included one of the things which he asked the Department to look into, namely, the charge which was made by the Committee on Post Office and Civil Service that the post office hires mail cars, dispatches them only half full, or a third full, or sometimes not filled at all, but pays the full rate on them, and in that way pays the railroads far more than the railroads are entitled to receive. We want the Post Office Department to investigate that matter. We cannot guess at what is happening. We cannot simply cut the budget by $100 million and say, "You are getting $100 million too much."

Mr. O'MAHONEY. The question I should like to have the Department answer is how much the Department is paying the airlines, in subsidies or otherwise, for the transportation of 3-cent mail by airplane, while on the same plane there are being transported hundreds of pounds of mail bearing the 6-cent airmail stamps, as against the ordinary 3-cent first-class postage stamps.

Mr. ROBERTSON. The first time I met my distinguished colleague he was an Assistant Postmaster General, and was doing a good job.

Mr. O'MAHONEY. The Senator from Virginia is very kind.

Mr. ROBERTSON. Someone said to me the other day, "I cannot recall when we had as good a Postmaster General as Jim Farley." The Senator from Wyoming worked with Mr. Farley, I believe.

Mr. O'MAHONEY. I did.

Mr. ROBERTSON. Mr. Farley had excellent morale in his Department, but he did not have some of the present-day problems. The pay of postal employees has increased, and the volume of mail has increased. Many other things have occurred.

If the distinguished Senator from Wyoming will submit his request in the form of a letter, the chairman of the subcommittee will do all he can to get the information and will place it in the RECORD.

Mr. O'MAHONEY. I shall be glad to comply with the Senator's request, and I hope we shall get an answer from the Department.

Mr. ROBERTSON. I hope so, too, but I cannot guarantee that we will.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

PUBLIC HEARING ON OIL INVESTIGATION REPORT

Mr. O'MAHONEY. Mr. President, the press has been asking me in various way for some indication as to when a report will be available concerning the oil study which was made while I was the acting chairman of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary.

The subcommittee held 18 days of hearings upon that matter. A great volume of testimony was taken. There is available much more information which perhaps we should get, but it is important that a report should be prepared and submitted to Congress and the country. I have taken up this matter with the subcommittee, by whose authorization I made this statement this morning:

An open, public hearing on the preparation of the report on the oil investigation recently held by the Senate Judiciary Subcommittee on Antitrust and Monopoly will be called before the end of this month.

I am deferring the fixing of the date until it can be determined what is the most convenient time for the members of the staff, who are engaged in the preparation of their presentation. I have called upon certain members of the staff who handled the study to prepare summaries of the factual information which was gathered. My hope is to have a factual, constructive report made by the staff members, who will present to the members of the subcommittee the facts which were obtained in the 18 days of hearings. This will be done in an open, public session.

I shall take pleasure in inviting to attend the session the representatives of the various oil companies that carried on the European oil lift and that cooperated with the committee in answering the questions which we propounded. I shall ask the representatives of the Government agencies to attend, and I shall notify also all witnesses who appeared before the committee that they will be welcome to be present while the facts are being presented to the subcommittee and the full committee by the staff. This will be done because with the great welter of information which comes to all the different committees of Congress, Members of the Senate frequently have very little time available to read the reports which are afterward written. The method I am proposing will, I think, result in giving greater publicity not only to the facts which were presented in the open public hearings which were held, but also to the answers which were submitted to the inquiries which the committee made by sending staff members to visit certain companies, and by getting certain information and answers to questionnaires from certain companies.

The subject matter revealed at the hearings, and secured from Government sources and from the oil companies concerned, constitutes, in my opinion, one of the most important subjects before the country today. As long ago as February 5, in opening this matter, I stated that the oil problem is as close to the people of the United States as the nearest filling station; as close as the nearest draft board; because the oil problem deals with matters which are at the basis of the international controversies which are now disturbing the whole world.

It is of the utmost importance, therefore, not only that the report upon these hearings shall be factual and constructive, but that the facts be made speedily and broadly available to Congress and the country.

I know of no better way to handle public business than to handle it in public, and not behind closed doors.

I thank the Senator from Illinois for yielding to me at this point.

TREASURY AND POST OFFICE APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 4897) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, in line 12, it is proposed to strike out "$648,000,000" and to insert in lieu thereof "$598,000,000."

Mr. DOUGLAS. Mr. President, this amendment is directed to the same clause of the appropriation bill as the preceding amendment, but is based on a different set of economies. It proposes to effect some of the economies by shifting transportation from rail to trucks in a larger percentage of the cases.

We just had a discussion indicating that, at least in part, the Post Office Department has been shifting the transportation of mail from railroads to the airlines. To the degree that that has occurred, of course a higher rate has been involved, and hence there has been a greater cost to the Post Office Department. There is very clear evidence of which I shall shortly produce, the fact

that at the present time the Department is carrying by rail a very large volume of mail which could better be carried by truck, and therefore at lower cost. So apparently the slogan of the Post Office Department is "Use the method of transportation which is most costly to the Government."

The Citizens' Advisory Council, to which I have previously referred, and which was appointed by the distinguished Chairman of the Senate Committee on Post Office and Civil Service, whom I see on the floor at the present time, and which had as its staff director the clerk and expert for the Senate committee, Mr. Brawley, estimates that a yearly saving of $85 million could be made by diverting to trucks much of the mail moving within a 300-mile radius and now carried by rail. The council estimates that at the present time approximately 90 percent of the mail is still moved by rail, and only 10 percent thereof is moved by truck. Figures which have been presented show that the ordinary commercial business uses trucks for approximately 25 percent of its transportation operations. This means that the Post Office Department has been reluctant to shift from a system set up before trucks became a major factor in our economy, and has continued to use the railroads because its system was originally established around the railroads, and has continued on that basis.

Mr. President, I know that this claim has been disputed by the Deputy Postmaster General. He states that only 75 percent of the mail is moved by rail, and that 25 percent moves by truck or by other methods. I am not quite certain what the statistical basis for that statement is. On the whole, I prefer the analysis made by the Citizens' Advisory Council. Nevertheless, I am more than willing to give some effect to Mr. Stans' testimony before the Post Office and Civil Service Committee. I suggest that we call for a saving of half of the $85 million estimated by the Citizens' Advisory Council as a fair one. That will mean a saving of $42,500,000 in the case of that item alone.

ROUND-TRIP PROVISIONS

Mr. President, there are a number of other transportation practices of the Post Office Department in regard to which the Department could make definite savings, if it had any real desire to reduce the transportation costs. One of them would be in the complete elimination of the round-trip provisions. I thought we had done away with the scandalous situation whereby the Post Office Department was paying many millions of dollars for unused space. I have before me a print of the Senate committee report on this subject, issued in 1950. It includes the report of the General Accounting Office and the Comptroller General. We thought this practice had virtually been done away with. We know how scandalous it was, for in a study made by the House Post Office Committee in 1948—Report No. 1242—it was shown that in April 1946 a little less than 20 percent of the deadhead movements on railway cars was unoccupied. Thus, the total cost of unoccupied space in that month was in excess of $1.5 million, and for both the initial movement and deadhead movement, approximately 22.82 percent of the space paid for was not actually used.

While it is true that the worst of these practices have probably been diminished, yet they still exist to some extent, because of the laxness of the Interstate Commerce Commission, in the absence of more positive action by the Post Office Department. That situation has been clearly demonstrated. For example, in Railway Mail Pay Docket 9200, which was decided on December 4, 1950, and is the prevailing situation, the Commission states, on the one hand, that "in the proposed rate structure all provisions with respect to payment for service in storage cars and lesser storage units on a round-trip basis will be eliminated;" but then it continues, on the other hand, by stating, "The rates will apply only for loaded movements, and include compensation for empty return movements." In other words, the Government was not charged directly for the empty return movements. However, the loaded-car movements were to have applied to them an additional rate loading for the empty return movements. So the Government paid for them just the same. Thus, what the Commission took away with one hand it largely gave back with the other hand.

So, Mr. President, although as a result of the ruling of the Interstate Commerce Commission, some of the worst practices in this respect have been done away with, many of them still prevail; and, of course, this situation increases costs and is against the public interest.

FEATHERBEDDING PRACTICES

Mr. President, at this point I wish to refer to numerous practices in the Post Office Department which can only be called featherbedding. They increase by many millions of dollars the amounts paid by the Post Office Department to the railroads.

Let me be specific. First, there is the same unit rule. This rule is still in effect at least in the eastern and southern divisions, and may, in fact, be incorporated in the rate for the western division, even though it is not included in the agreements with these railroads.

Stated simply, it is a "peak load rule." It requires that the same unit of closed pouch and storage space be authorized every day of the week in which any one unit is required. Thus, if on a regular run from Washington, D. C., to New York City, 15 feet of space is authorized on 1 day of the week, the same amount is authorized on all other days of the week, even though as little as 3 feet may be used on some other day, or on all other days of the week.

As the Comptroller General has said:

> The peak day of the week determines the service. Except in closed-pouch service, these rules apply to the (authorized) returned empty space as well as the going loaded movements and necessarily increase the payments for deadhead service.

Thus, if service is used only one way, and if it is based on the peak day of the week, resulting in excessive authorized initial service, the extra space authorized, but not used on the initial service, is paid for, as well as the deadhead space based on this excessive authorization, which is returned.

Let us take an example from personal life. Let us suppose that a man and his wife and their five children take a trip by rail from Washington to New York. Even though he and his wife and the five children make the trip to New York, and only the man and wife return from New York, he is obligated to buy space to and from New York for his entire family.

Then, if he were to make the trip every day of the week, but if he left his family at home on all but one day of the week, he would be required to pay for 7 tickets to New York and 7 tickets back from New York on the days when he traveled alone and left his family at home. That is what this "peak load" authorization system means.

Second, Mr. President, there is the "more than 50 percent rule." Under this rule, the Postmaster General authorizes and pays for, in the current month, the quantity of space—whether needed or not—which was inherited from the previous month.

The quantity of space inherited from the previous month is based on the 50 percent rule. That means that in estimating the next month's needs, the Department figures as an average unit of space what will accommodate the mail authorized on the high 50 percent of the days in the preceding month.

Inasmuch as the amount authorized in any month is based on the "same unit" or "peak load" rule—which, of course, "beefs" up the space paid for, even though unused—and inasmuch as the next month's needs must be based on the mail "authorized" on the high 50 percent of the days in the previous month, there is a pyramiding of unused space which is paid for.

In other words, the "peak load" system means that the authorized space for a week is the largest amount of space used in any one day. Then the figure for the month is based on the highest 15 days—or, really, the highest 2 weeks. So, on the basis of 2 days' high peaks, which establish the rule for the 2 weeks, the authorized space for those highest 2 days could become the authorized space for the next month.

Thus, if our family of man and wife and five children are charged in excess for 1 week—because he must pay for in every day of the week what he actually uses on only 1 or 2 days of the week—and if he then finds that in the next month he must pay for the amount based on the high 15 days of the preceding month, we can get some idea of the "featherbedding" involved.

Not only that, Mr. President, but if by chance the Post Office authorizes too little space for the next month—under the more than 50 percent rule—it must pay for the extra space used. But if the Department authorizes too much space, then it gets no rebate or return from the excess space not used.

Thus, the system pyramids on itself, and the Post Office is charged excessive amounts for its transportation by rail.

Mr. President, this situation need not continue. It continues because the ICC has allowed it to continue, and by the assertion of its jurisdiction takes into account these items when fixing the rates at which mail is paid for.

The Post Office has acted as though its hands were tied on this subject and that it had no recourse except to accept the ICC decision or to try again before the ICC to have it changed.

This is not true. The Postmaster General, in this case as in the section 557 situation should make the economies and if they are upset by the ICC he should take this matter to the courts.

He has a very strong case as well, for he has the Comptroller General behind him on this situation.

For in a Comptroller General's report of April 28, 1950, the General Accounting Office had this to say about the relative jurisdictions of the Postmaster General and the ICC. I hold that report in my hand and I shall read from pages 17 and 18.

I may say that was when a great American, Mr. Lindsay Warren, the distinguished statesman from North Carolina, was Comptroller General. He was one of the most honorable men in the Government, and one of the greatest fighters for the public interest. He served both in the House of Representatives and as Comptroller General.

Listen to what Mr. Lindsay Warren had to say on this point:

> Congress has established two necessary standards for the payment of railway mail service:
>
> 1. The service must be prescribed by the Postmaster General (39 U. S. C. 545).
>
> 2. The service is to be increased, reduced, or discontinued (necessarily by the Postmaster General) with pro rata reductions as the needs of the postal service required (39 U. S. C. 564.)

Then the Comptroller General discusses several items—the "round trip" provisions, the more than 50-percent rule, and the same unit rule, and he states, as follows:

> These rules cause service to be rendered and paid for, not as actually needed by the postal service but in excess of the actual needs of the Department.

On the one hand the Comptroller General has said that the service is to be prescribed by the Postmaster General based on the needs of the postal service. On the other hand he has said that these practices cause service to be paid for which is not needed. What could be clearer.

Therefore, it is no excuse, under this opinion, for the Post Office to say that the ICC ties its hands. The ICC sets rate, but it is clear that the Postmaster General has full authority to determine the particular service he requires, or the needs of his office, without interference from the ICC.

I wish to emphasize again that this matter has not been taken to the courts. Given the law, the Comptroller General's opinion, and the outrageous practices for which the Post Office pays for services not actually rendered—which private business does not pay—there is little question that he could win in the courts.

To help him do this, I believe we should cut this appropriation by this amount, so that the Postmaster General can get busy and make an effort to support the public interest.

Mr. ROBERTSON. Mr. President, when the Appropriations Committee reported the bill to the Senate, the committee decided to allow for transportation, because of an anticipated increase in mail in fiscal 1958, $2 million more than had heretofore been provided. The committee went on record as stating that if economies could be effected, that should be done. The testimony of officials of the Post Office Department was that they could not economize that much. The testimony was that even on the basis of a 1½-percent increase in volume, transportation costs would be increased by $10 million. But the committee was desirous of bringing about some economy and stated, "Let us see if we cannot squeeze here and there. Let us see if we cannot handle mail in 1958 for a little less than it cost in 1957. Let us try $2 million."

The pending amendment in effect states that $2 million is not enough, and that it should be made $52 million. It proposes to add $50 million to the cut. On the basis of any known facts, that is not a realistic approach.

I must ask that the amendment be voted down.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. DIRKSEN. Mr. President, I am mindful of the admonition in Scripture, "Let your communication be Yea, yea; Nay, nay: for whatsoever is more than these cometh of evil." I shall speak very briefly in behalf of the Postmaster General. I think he is the fairest, the most vigilant, and the most efficient businessman we have had as Postmaster General in a long time.

I believe his record speaks for itself. I note that in the 5 years he has been Postmaster General, 5 million homes have been built in America and have been serviced by the mail carriers. In the 5 years Arthur Summerfield has been Postmaster General there has been an 18-percent increase in the mail volume. In the 5 years he has been Postmaster General the number of personnel in the Post Office Department has remained what it was in 1952. So notwithstanding the mail increase and the serving of 5 million additional homes, the same number of personnel has given that service. I think that is a record of efficiency in the Post Office Department that has been unequaled by any of his predecessors.

I might say further that the deficit in the Post Office Department was actually brought down to $363 million. For fiscal 1958 it is estimated it will be $651 million; and if the southern and eastern rail carriers secure rate increases from the ICC, the deficit for the Post Office Department in fiscal 1958 will be, in round figures, three-quarters of a billion dollars.

That is pretty difficult to swallow. Yet that is the kind of problem with which the Postmaster General has wrestled. In my judgment, he has done a phenomenally good job. Congress has not helped him in the revenue situation. The postal pay increases have made his job a little more difficult. The pay increases since he has been Postmaster General aggregate nearly $1,200,000,000, either in actual pay increases or fringe benefits.

I rise in defense of the Postmaster General and to assert his cause, because I think he is right, and I think too often Congress has been wrong.

I did not go along in the subcommittee with the cut of $58 million. The reason I did not go along with it is that I know what is going to happen on the day this fiscal year is over, or when Congress reconvenes in January.

I am willing to lay all the cards on the table. This is a service institution, employing in excess of a half million persons, who service nearly every home and business establishment in the United States. When the Postmaster General needs funds in order to carry on that operation, I am willing to put them in a package which the whole world can see, and not take refuge in a supplemental or deficiency appropriation when the heat is off and the publicity is no longer operating.

I concurred with the distinguished chairman in restoring $32 million, but the full Appropriations Committee had other ideas. Frankly, I do not quarrel about that, because the additional funds will have to be added, in my judgment, to a supplemental appropriation that must be considered before this Congress leaves Washington, if we are going to maintain the kind of service we have at the present time.

On the fiscal 1957 bill, the distinguished chairman of the subcommittee will bear me out. He and I fought with the House conferees. We told them, in effect, when they cut the bill, that they were inviting a deficiency, that they were inviting the necessity for a supplemental appropriation bill. That is precisely what happened. Early in the year there came from the Bureau of the Budget a supplemental request for $47 million for the Post Office Department.

It was said that the Postmaster General first tasted blood and that probably it made him rather heady. I know of no more gracious person, I know of no more humble person, and I know of no person high in the councils of Government who tries harder to avoid disagreeable and distasteful things which sometimes happen because of the little frictions between the executive and legislative branches.

But in that case he was absolutely right, and the Congress was, in my judgment, absolutely wrong. I think the

time has come for the Congress to embrace fully its responsibility.

The Congress created the Post Office Department and made provision for the Postmaster General; indeed this whole sprawling service into every section of the country is the creature of Congress. If we do not give the Postmaster General the money to maintain the service, all we have to do is tell him to "cut your service." But we should accept the responsibility for it, so he can say to the country, "Go to Capitol Hill. The Congress took away the money I thought I ought to have, so lay your protest and lodge your complaint at the door of Congress where it properly belongs."

That is the issue here today, it seems to me. We have under consideration a $58 million cut by the House, and we in the Senate committee have concurred, although I did not concur. I presume now this action will be approved, but I wish to remind the Senate that there will have to be a supplemental appropriation bill, or otherwise, in all honesty, in all fairness, in all decency and in all courage we simply must say to the Postmaster General, "This is all you will get. Do the best kind of job you can with it."

When that time comes, let us not throw any dead cats and hatchets at him. If he has to put numerous post offices out of business, if he has to close up post offices in little towns or do something about rural free delivery, or cut service in one class or another, there will be plenty of complaint and protest from the country when the time comes.

The real problem confronting the Post Office Department is a problem of volume, and we have not appreciated it. From 1952 to 1953 there was an increase of 1 billion pieces of mail. From 1953 to 1954 the increase was 1.3 billion pieces. That increase alone is equal to the whole mail volume of the Republic of France for a period of 7 months. From 1954 to 1955 the increase was 3 billion pieces of mail. From 1955 to 1956 there was an increase of 1.2 billion pieces. From 1956 to 1957 the increase is 2.4 billion pieces of mail. From 1957 to 1958 it is anticipated that the increase will be 2.3 billion pieces of mail.

So since 1952 the volume of mail has gone from 49.9 billion pieces of mail per annum to 61.1 billion pieces. How is it going to be delivered? We cannot let it lie in railroad stations and airports. We cannot throw it in the Senate Post Office or elsewhere and leave it there. There would be a rebellion in the country if we did that, because this is a service that is utilized by all the people. Either we must mechanize, or we must give the Postmaster General the personnel. We must do those things that are necessary.

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

Mr. DIRKSEN. I yield.

Mr. HOLLAND. The Senator will note, by looking at page 2 of the report, that the amount allowed in the bill as reported is $166,660,000 more than the entire appropriation for 1957, including the deficiency appropriation, which represents an increase of 5½ percent. Does the Senator not believe that is a substantial increase, and one which is greater than the increase in the reported volume of mail?

Mr. DIRKSEN. Yes, Mr. President, but we must consider what is involved. All the increasses under the Classification Act, and the mandatory increases under Public Law 68 have not been straightened out. There is a question of uniforms, for which they must be reimbursed. There is a question of supplies, a question of facilities, and a question of extensions. In addition to that, there is $163 million in this appropriation for the retirement fund, under the new program in which every Department takes care of its own contribution to the retirement fund.

I simply point out that the Post Office Department is a growth institution and there is no way of stopping it. Our population increases at the net rate of four million a year.

Houses go up at the rate of one million a year. They must be served.

Either we must give the Postmaster General the money which is necessary or we must say to him in language he can understand, "Here is the limit beyond which Congress will not go so far as appropriations are concerned; do the best you can with it."

When he has done his best, let us not shunt the responsibility onto him. Let us accept our full share, because in all truth it is "our baby."

There is one other thing I wish to say, and then, since the hour is getting late, I shall bring my remarks to an end.

The Postmaster General has done an efficient job. The mail handling cost was 5.14 cents per mail piece back in 1952. That has been reduced, up to last year, to 4.66 cents per mail piece. The amount of mail that is handled by the handlers and the clerks has increased from 238,000 pieces a year to 279,000 pieces a year. I think they have done a good job.

But they need no particular defense from me. I simply say, "Let us lay all the cards upon the table so that we do not have to go through this thing again." If the mail increase meets the expectations of the Post Office Department—and the last 4 weeks indicate that the mail increase is now running at the rate of 4.9 percent—then there can be no question that a supplemental appropriation will be required if we are going to keep the mail service at the level which now pertains.

If we wish to let the mail service drop, and if service is to be curtailed, well and good; then let us say so. Let us embrace the responsibility. Let us say to the Postmaster General, "It is your baby; you do the best you can." And I am confident he will do so.

But as I look back on the operations of the Department during the last 4 years-plus, I think in all fairness it must be said that Art Summerfield has assembled an excellent business staff. He has done a perfectly superb, honorable job, and I think he deserves a pat on the back not only for the job he has done but for his intense desire not to incur a deficiency, and, secondly, to operate the Post Office Department within the guidelines established by the Congress.

Mr. JOHNSON of Texas. Mr. President, this is the first of the departmental appropriation bills that the Senate has considered this year. Therefore, our decision on its merits has considerable significance in terms of the whole budget.

This measure covers two of the great agencies of our Government—the Post Office and the Treasury. There are no other agencies which have such a direct impact upon the daily lives of our citizens.

The Appropriations Committee considered this measure very carefully. After due deliberation, it was decided to go along with the figures approved by the House.

I was author of the motion in the full committee to reduce the subcommittee bill to the House figure. I am perfectly willing to give the Postmaster General a pat on the back. But I want the pat to come after he has carefully considered the recommendations of the Committee on Post Office and Civil Service and the Committee on Appropriations, and after he has reviewed some possible ways of effecting savings.

First, I should like to pat the Postmaster General on the back after he takes a look at the activities of his regional and district offices which are reputed to have increased postal costs by over $15 million a year.

In other words, under this efficient management, and under the so-called regionalization, the cost to the taxpayers allegedly has been increased approximately $15 million a year.

Second, I should like to have the Postmaster General examine transportation methods to find out just how many empty or half-empty cars are carrying the mails at other than peak periods.

I hope it will not be necessary for individual Members of the Senate to come to the Senate Chamber, as the Senator from Illinois [Mr. DOUGLAS] attempted to do today, and try to write in amendments to get the Postmaster General to do his duty.

Third, I should like to see the Postmaster General go over his transportation costs and negotiate new contracts to effect possible savings in the taxpayer's dollar.

Fourth, I should like to see him reduce or abolish "public relations" activities unconnected with keeping the public informed on mail services.

Fifth, I should like to see him eliminate the "red-white-and-blue" paint program.

Sixth, he could eliminate "public opinion" polls to find out reaction to rate increases.

Seventh, he could check over his postal inspectors to find out how many are merely looking for ways to create vacancies to be filled by this administration.

Eighth, he could reschedule the workloads to permit handling of deferred types of mail during slack periods and eliminate much overtime and substitute employment.

The distinguished senior Senator from Georgia [Mr. RUSSELL] made a suggestion in the committee the other day which I think may be worth pursuing.

He suggested that the Postmaster General give consideration to opening post offices, particularly in certain areas, 15 or 30 minutes later in the morning, and closing them 15 or 30 minutes earlier in the afternoon, in the hope that something could be saved in connection with the substitute payroll, and that economies could be effected in the operation of the building, utility bills, and so forth.

Mr. President, the reductions made in the bill are a relatively modest step in the direction of economy. The principal controversy involves an economy of 1.8 percent of the total Post Office budget.

It is difficult to believe that a competent, efficient businessman's administration cannot absorb a cut of that size in its budget. The task should be made easier by the fact that the House figures represent a 5.5 percent increase over the amount of the Post Office budget for the current year.

There are many areas that could be examined by the Postmaster General before he makes any decision to curtail services. These areas have been outlined by the junior Senator from Virginia.

Mr. President, I would concede that the economies outlined by the junior Senator from Virginia might be impossible if this Government were run by impractical dreamers or visionaries. But we have been assured time and time again that this is not the case.

We all recall how in Birmingham, Ala., in September 1952, we were promised—

> The best kind of business management that the business brains of this community, this Nation, can produce.

We all recall how a few weeks later, in St. Louis, Mo., were were told that—

> The people who pay the taxes will know where we are going. They will know that we are on our way toward a balanced budget, toward reduction in the national debt, toward lower taxes.

The men who head the agencies involved in this bill are the outcome of the promises made in Birmingham and in St. Louis in 1952. They assuredly must represent "the best kind of business management," as the distinguished Senator from Illinois [Mr. DIRKSEN] has just testified in behalf of the Postmaster General. They are the original members of the "businessman's team." I believe we can entrust to them the task of finding ways and means of absorbing reductions in a businesslike manner by achieving greater efficiency without curtailing adequate services and by achieving economies that will result in a 1.8 percent saving.

We can help in the march toward economy and efficiency by giving these businessmen the incentive to do the job. I hope the Senator will stand by the figures of the House and the figures of its committee. I think the only difference will be a minor amendment which will allow a 5-percent adjustment from one appropriation to the other. I am extremely hopeful that this will be one of the few occasions in history when it will not be necessary even to send this appropriation bill to conference.

I remind my colleagues that the Postmaster General has already made it clear that he intends to ask for extra appropriations at a later date. I hope that before he appeals either to the Budget Bureau or the House of Representatives, he will have made a careful review of the suggestions which came from the committee headed by the able Senator from South Carolina [Mr. JOHNSTON] and the subcommittee headed by the able Senator from Virginia [Mr. ROBERTSON].

For many years the junior Senator from Virginia has been bringing to the floor early in the session a thoroughly thought out, well-prepared bill, with prudent recommendations. I congratulate him on the outstanding job he has done again this year. We have been a little later than usual, because of the great confusion which has existed. But I am hopeful that when we pass the bill the House can accept the minor amendment to it, that it can then go to the President, and that we can expect that example to be followed in connection with other appropriation bills.

Mr. President, it is our hope that on Wednesday we can have another appropriation bill ready for consideration by the Senate, and possibly another on Thursday.

If there are no further speeches to be made, I hope the Senate can take action on the bill, after which I shall be prepared to ask that the Senate adjourn until Wednesday.

Mr. DIRKSEN. Mr. President, I should like to make a final observation. When we speak of a cut of 1.8 percent in a bill of this magnitude, that seems like a very small amount of money. Offhand, I suppose anyone would feel that in a budget of more than $3 billion, such a reduction could be easily absorbed. But when we analyze the Post Office Department budget, the case is entirely different. In the first place, the items of personnel services, including salaries, travel, post office clerks, retirement, insurance, and contributions to social security, add up to 78.4 percent of the budget. That percentage is uncontrollable. It is mandatory. It is established in the law. The Postmaster General has not an iota of control over 78.4 percent of his own budget, because it was the Congress which wrote it into law and made it mandatory. All he can do is to administer the law.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. There is nothing in the law which makes it mandatory that he employ all the substitutes he has working. There is nothing in the law to prevent him from effecting efficiencies which would result in a reduction of personnel.

Mr. DIRKSEN. We are talking about the pay of those who work in the Post Office Department.

Mr. JOHNSON of Texas. Yes; and if they do not work they are not paid.

Mr. DIRKSEN. He has reduced the payroll in the Post Office Department by 14,000 employees.

Mr. JOHNSON of Texas. He has done such a good job that we want him to reduce a little further, and absorb a reduction of 1.8 percent.

Mr. DIRKSEN. As I pointed out, in that time there was an 18 percent increase in mail volume. There comes a point when the two sides come together, and there are no further opportunities for economies.

With respect to rents, utilities, and communications, they represent 1.8 percent of this budget. The Postmaster General has no control over such items. They include leases, contracts with the Western Union, and with telephone companies, and all that sort of thing.

With respect to transportation, rates are fixed by the Interstate Commerce Commission.

Included, of course, are rural carriers, the special-delivery allowance, and the contract vehicle hire. That takes up to 15½ percent of his budget.

What is left for the Postmaster General? How much of his budget is under his control? One hundred and thirty-nine and nine-tenths million dollars. That is 4.3 percent. If we take out $58 million, he has, roughly, about $80 million under his control, for expenditure for supplies, and so forth.

We speak about 1.8 percent. It is a big item, indeed, when there is only a little more than 4 percent that the Postmaster General can spend and which he can direct as a controllable item. Therefore, in cold print, 1.8 percent in a budget of $3 billion does not look very great. However, when we put aside all the mandatory items, and consider what the Postmaster General has control over, then it becomes as big as the moon that comes up over Rockaway Beach.

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

Mr. DIRKSEN. I am glad to yield.

Mr. LAUSCHE. This morning figures were given which showed that there was a reduction in the number of men working in the Post Office Department, accompanied with the statement that that is not a correct reflection of the number of man-years for which the Post Office Department had to pay compensation.

The junior Senator from Virginia pointed out that the man-years worked have gone up enormously, while the number of employees has gone down. For purposes of information, is it not a fact that while the number of workers is less, the number of man-years worked is tremendous?

Mr. DIRKSEN. It could be. There are lapses, and not all the positions are always filled. Sometimes they are not annualized. Therefore, how to harmonize a huge Department like this becomes a real responsibility.

There is one other point I should like to make. My distinguished and agreeable friend, the majority leader, mentioned the regionalization of the Post Office Department, and what it costs. Sometimes I have a little difficulty reading with my bifocals, but on page 82 of the hearings there is inserted a table which shows what the cost of regionalization was, and the accumulated savings that resulted. Instead of a lack of economy, it shows an economy of $17.4 million. It will take something more than the purchase of red, white, and blue paint in order to balance this budget in the Post Office Department and get it on good solid ground.

Mr. JOHNSON of Texas. Mr. President, I agree with the Senator in that respect. It will require a desire and determination on the part of the Postmaster General to attempt to absorb this very small reduction. The distinguished Senator from Illinois is always very prudent in his recommendation to the Senate, and he has associated with him some very able men under the leadership on his side of the aisle.

I wish to be helpful to them in their obtaining their objective to reduce the budget by some 4 or 5 percent under what the President has recommended. I believe the distinguished minority leader has recommended that the budget be cut by at least $3 billion. I know that the distinguished chairman of the minority policy committee has recommended a reduction of some $3,300 million.

If we attain that goal we will have to apply an average cut of approximately 4 percent to the entire budget. Of course, there will be some items which will be cut more and some which will be cut less. I know that we cannot cut the interest on the public debt under present policies. The interest is going up every day. However, if we can effect a 1.8 percent reduction in the Post Office Department budget, it may be that we can effect a 6 or 7 percent cut somewhere else.

I appeal to the Postmaster General and to his able advocate, the distinguished and delightful Senator from Illinois [Mr. DIRKSEN], to provide the incentive in trying to come within the bounds of the appropriations that Congress provides.

The House heard the Postmaster General's case. The House gave thorough consideration to his case. The House has acted. The Senate committee has held its hearings, and the committee has acted. The full committee, by unanimous vote, recommended that the bill be reported to the Senate in its present form. That was done in the hope that some of the suggestions made by our Appropriations Committee would be brought to the attention of the Postmaster General, and in the hope that it would encourage, not discourage, him to absorb the relatively small amount he is being asked to absorb.

Mr. DIRKSEN. Mr. President, I concur in the sentiments expressed by the majority leader. I am simply trying to make the point that it is so easy to throw a lot of hammer handles and dead cats at an administrative officer in the executive department of the Government, and to get the RECORD all clobbered up with misinformation.

There was a colloquy on the floor of the Senate this afternoon on the question of sending first-class mail by plane. The fact of the matter is that that mail went by plane only on a space-available basis. In most cases the cost was below the contract cost.

It is such things that can cause this whole situation to become confused. I say for the Postmaster General, let Congress give him guidelines. We have set up the agency, but we make it difficult for him at times. We should give him a little encouragement, and say, "This is what you get. You make it do." Then let us not squawk when complaints come to us from the people because there has been a curtailment in postal service.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on the passage of the bill.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, I ask for a division on the final passage of the bill.

On a division, the bill (H. R. 4897) was passed.

Mr. DOUGLAS. Mr. President, I should like the RECORD to show that I voted against the final passage of the Treasury and Post Office appropriation bill. I did so because I thought that further economies should be made. I am very glad that the Committee on Appropriations stood fast and did not increase the House appropriations. I think the committee deserves a high degree of appreciation for its efforts.

But, as I showed in the amendments which I offered, it would have been possible to effect further economies of at least $12 million in the operations of the Treasury Department and of at least $150 million in the transportation items of the Post Office Department. All this could have been done without affecting the service, and, in the main, by reducing the huge hidden subsidies which are now paid by those Departments to the banks and the railroads, respectively.

I believe, although I am not quite certain, that I was the only Member of the Senate to vote against the passage of the bill. I make no reflection on my colleagues. I merely say that I am not despondent or ashamed of the fact that I was in opposition. I hope to renew the fight on another occasion.

STUDY OF CRITICAL RAW MATERIALS AND RESOURCES OF THE SOVIET UNION

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 78) to make a study of critical raw materials and resources of the Soviet Union and certain Eastern Hemisphere countries and the effect upon the United States.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 13, 1957, he presented to the President of the United States the enrolled bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests.

ADJOURNMENT TO WEDNESDAY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand adjourned until Wednesday next at 12 o'clock noon.

I should like the RECORD to show that the State, Justice, Judiciary, and related agencies appropriation bill are to be before the Senate for consideration on Wednesday.

The motion was agreed to; and (at 6 o'clock and 57 minutes p. m.) the Senate adjourned until Wednesday, May 15, 1957, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13, 1957:

UNITED STATES TARIFF COMMISSION

William E. Dowling, of Michigan, to be a member of the United States Tariff Commission; term expiring June 16, 1963.

TAX COURT OF THE UNITED STATES

The following-named persons to be judges for the remainder of the unexpired term of 12 years, from June 2, 1946.

Russell E. Train, of the District of Columbia.

Bruce M. Forrester, of Missouri.

APPRAISER OF MERCHANDISE

Elie N. Khouri, of New York, to be appraiser of merchandise in customs collection district No. 10, headquarters at New York, N. Y.

IN THE COAST GUARD

The following-named persons to be commanders in the United States Coast Guard:

Paul E. Burhorst
Walter R. Lewis

The following-named person to be a lieutenant commander in the United States Coast Guard:

Robert P. Chirnside

The following-named persons to be lieutenants in the United States Coast Guard:

William R. Jenkins
Philip R. Sherman

The following-named persons to be lieutenants (junior grade) in the United States Coast Guard:

William P. Kozlovsky	William F. Boucher
Mark J. Millea, Jr.	James L. Howard
Arthur J. St. John	Francis H. Molin
Edwin L. Parker	Kenneth A. Long
Paul E. Schroeder	Richard B. Wise
Ralph W. Judd	Alfred F. Bridgman, Jr.
Richard V. Elms, Jr.	George T. Seaman
Francis C. Lottridge	John R. Kirkland
Raymond J. Boyd, Jr.	Henry Lohmann
William T. Sheppard	Milton Y. Suzich
John G. Schaefer, Jr.	Carlton W. Swickley
Edward A. McGee	Arthur E. Ladley, Jr.
James C. Morrow	Jack E. Coulter
William M. Sillers, Jr.	Richard T. Brower
James I. Doughty	Raymond J. Copin
Roger A. Eastman	Guy W. Mizell
Robert C. Chanaud	Clyde "E" Robbins
Crook Stewart, Jr.	Verne E. Cox
Earl W. Clark, Jr.	Robert B. Bacon
Ernest J. Mayer, Jr.	Philip J. Danahy
Richard G. Kerr	Terry "F" Blair
James F. Culbertson	Joseph A. McDonough, Jr.
John M. Wilkinson	William C. Nolan
Robert R. Houvener	Clyde T. Lusk, Jr.
William J. Tillo	George H. Wagner
George W. Dick, Jr.	Billy E. Richardson
Gerald J. Budridge	Thomas R. Tyler
Dwight T. Ramsay	Albert C. Tingley, Jr.
Paul A. Trimmer	James A. Wilson
Walter E. Mason, Jr.	Wayne C. Stansill
Charles L. Clark	

Norman G. Cubberly
Arthur H. Edmunds
Charles F. Hahn
John E. Moseley
Donald L. Stivender
William A. Publicover
Albert E. Reif, Jr.
Addison S. Jennings
Rex R. Morgan
Lawrence D. Levine
Victor R. Robillard
Arnold M. Danielsen
John F. Comes
Donald K. Dorini
Donald M. Thomson, Jr.
Richard C. Groepler
Michael T. Brock
John P. Skillings
Robert C. Benson
James L. Fear
John W. Reece
Robert L. Guibord
Paul Totten
James M. Fournier
Henry J. Roehner, Jr.
Robert T. Getman
Louis H. Mense
Eugene P. Baumann

The following-named persons to be ensigns in the United States Coast Guard:

Matthew Joseph Ahearn
William Robert Babineau
Ernest Jacob Bader
Arnold Bruce Beran
Russell Charles Bishop, Jr.
Louis King Bragaw, Jr.
James Elro Brown, Jr.
Frederick Clemmons Bruner
Richard Buell
Robert Jean Cardinal
John Michael Cece
Richard Joseph Collins
Thomas DeWitt Combs, Jr.
Carol Eugene Conry
Everett Larry Crowell
Donald Bower Davis
Ralph Zachary DelGiorno
Robert Lawrence DeMichiell
John Richards Erickson
Harold Edward Fallon, Jr.
Thomas Wallace Finnegan
John Patrick Flaherty, Jr.
Terrill Morgan Gloege
Richard John Green
Harlan Denis Hanson
Henry John Harris, Jr.
Robert Arthur Johnson
Paul Theodor Kaufmann
John William Kime
John Brownell Lynn
Ronald George Malone
John Ignatius Maloney, Jr.
Richard Joseph Marcott
David Ross Markey
Thomas Tracy Matteson
Ronald Allen McClellan
David Joseph Meskell, Jr.
Richard Walter Michaels
John Roger Mitchell
Donald McGregor Morrison, Jr.
Charles Solomon Niederman
Thomas Patrick Nolan
James Clifford Osborn
William Carlus Parish
George Donald Passmore
Ralph Nicholas Pennacchini
Harry Jack Reckitt
Keith Doyle Ripley
Andrew Raymond Rippel
Peter Joseph Rots
Albert Donald Super
Richard D. Thompson
Douglas Barnes Thurnher
George Paul Vance
John Carl Wirtz
Tommy Gene Woodworth

The following-named persons to be chief warrant officers, W-2, in the United States Coast Guard:

Merrill W. Allison
Edward H. Baird
Donald H. Bangs
Thomas O. Cameron, Jr.
Edmond S. Cinq-Mars
Frederick D. DuBrucq
Osborne Estelle
Earl R. Gard
Herman H. Korf
Henry N. Marsh
Peter J. Monk
Buford A. Morris
Harry W. Near
Kenneth T. Outten
Santiago P. Quinones, Jr.
Paul M. Seiler
Kenneth A. Snow
James D. Walters
Norman M. Zelck

HOUSE OF REPRESENTATIVES

MONDAY, MAY 13, 1957

The House met at 12 o'clock noon.

Rev. Thomas B. Ogden, Downingtown Methodist Church, Downingtown, Pa., offered the following prayer:

O God, our Heavenly Father, we give humble thanks for the privilege of prayer in this Nation's House of Representatives.

Cleanse, we pray Thee, the minds, the hearts, and the very souls of these who are now assembled, that they may dedicate themselves anew to the high calling and duty which this country and its people have with honor bestowed upon them. Cause them to be true to their convictions and to those whom they represent, and yet unfailing in their willingness to be led by Thy spirit into action that points out Thy will for all men as revealed in Jesus Christ. We ask this for our country and for our world: That Thy purpose in Thy Son, Jesus Christ, as Saviour and Lord for all men, will be brought one step nearer to that day when Thou shalt see fit to send Him again to establish His kingdom of perfect peace. In His name do we pray it. Amen.

The Journal of the proceedings of Friday, May 10, 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.

CONVEYANCE OF REAL PROPERTY OF THE UNITED STATES IN COBB COUNTY, GA.

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 173) requesting the return of the enrollment of H. R. 1544 by the President to the House of Representatives for the purpose of reenrollment.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the House of Representatives the enrolled bill (H. R. 1544) to provide for the conveyance of certain real property of the United States situated in Cobb County, Ga., to the trustees of the Methodist Church, Acworth, Ga. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the following correction: On page 2, line 13, strike out the figure "9990.0" and insert in lieu thereof the figure "990.0".

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MACARTHUR MINING CO., INC.

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House:

MAY 13, 1957.

The honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith bill for the relief of the MacArthur Mining Co., Inc., in receivership, received on Friday, May 10, 1957, from the Court of Claims of the United States in obedience to House Resolution 241 of the 85th Congress, adopted by the House of Representatives on April 30, 1957.

Respectfully yours,
RALPH R. ROBERTS,
Clerk, United States House of Representatives.

The communication and accompanying papers were referred to the Committee on the Judiciary.

A STUDY OF ELIMINATING FEDERAL GRANTS-IN-AID

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I take this means of calling my colleagues' attention to House Joint Resolution 326, which I introduced last Friday, May 10, 1957.

This resolution would amend section 139 (d) of title 1—relating to changes in the rules of the Senate and House of Representatives—of the Legislative Reorganization Act of 1946. Its purpose is to authorize and direct the Appropriations Committees of both Houses to study the possibility of the Federal Government relinquishing to each of the several States of the United States the power to levy and collect taxes now levied and collected by the Federal Government to the extent that the respective States can assume complete responsibility for financing and managing projects and programs receiving Federal grants-in-aid which properly should be the responsibility of State and local governments.

Mr. Speaker, as House Joint Resolution 326 sets forth, the Federal Government over an extended period of years and during eras of world crisis and war and in the interest of peace and national defense, has become increasingly dominant in the field of taxation and the collection of revenue from the American taxpayer.

As a result of this trend, the States have become dependent upon Federal aid to finance projects which under the Constitution and historically were local responsibilities. The mounting billions annually of these Federal grants carry with them management and a degree of standards and control which are costly

and likewise emasculate the functions and importance of political subdivisions and government closest to the people.

I trust, therefore, Mr. Speaker, that the Rules Committee will schedule an early hearing on House Joint Resolution 326. Federal grants-in-aid in the fiscal 1958 budget amount to $5.5 billion, which is $1 billion over the previous year. Since it costs approximately one quarter of the amount returned to the States to federally collect and administer the program, it is obvious that great economy can be effected if the States could collect the funds themselves and manage their own projects. House Joint Resolution 326 will not reduce this year's budget, but if the Congress is going to cut Federal spending and reduce taxes in the future, the policies which directly influence the size of future budgets must be established now. The fact that this year's budget for fiscal 1958 is so huge is because previous Congresses failed to allow emergency legislation to lapse, but rather from year to year have encouraged the aid programs both as to their number and amount of money.

Mr. Speaker, I know of no greater achievement the 85th Congress could accomplish than to enact a measure looking toward reversal of the trend away from concentration of financial and bureaucratic control on the national level.

AMERICANS IN THE UNITED STATES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article from the Boston Globe.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, Lord Mayor Briscoe, of Ireland, is reported to have been amazed at how few Americans there are in the United States. He has been pretty much all over the country since his arrival here. He said he had found that there were "Irishmen, Germans, Jews, Poles, Franchmen, and so forth, but very few Americans. In Ireland everybody is Irish." He said it in passing jest, but it gives us food for thought. People of almost every national strain have had a great deal to do in making up America. They have made great contributions to this country.

We are shortly going to consider a veterans' compensation bill. When war is at stake they are all Americans. Men and women of every national strain fought and died for this country and were wounded and badly disabled.

We will show our deep gratitude to these brave veterans by voting for the bill unanimously.

The editorial is as follows:

Lord Mayor Briscoe is reported to be amazed at how few Americans there are in the United States. He has been pretty much all over the country since his arrival here. The other day he flew into New York in the morning from Miami, Fla., and took off in a plane early that afternoon for Texas. The lord mayor is quoted as having said that he has met ever so many Irishmen, Germans, Jews, Italians, Poles, Frenchmen, etc., but very few Americans. In Ireland, he added, everyone is Irish.

Bob Considine, nationally known sportswriter and famous war correspondent, said at the Catholic, Protestant, and Jewish dinner, where he received one of the awards, that he was an Irish Catholic who was educated at a masonic college and once narrowly escaped being shot as a Jew.

"If that isn't brotherhood," he added, "I'll eat it."

THE VALUABLE CONSEQUENCES OF DEEPENING OF GOWANUS CREEK CHANNEL

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, the United States Army Engineer Division, North Atlantic, has recently prepared a report concerning the water-resources development activities of the Army Corps of Engineers in the State of New York.

Of particular interest not only to the people of Brooklyn but to the people of the country should be the Gowanus Creek Channel project which has been completed.

Gowanus Creek is a tidal waterway on the east side of upper New York Bay, in the Borough of Brooklyn, in the Congressional District I have the honor to represent, about 4 miles by water southeast of the Battery, New York City. It extends 1.8 miles northeasterly from the north end of Bay Ridge Channel in Gowanus Bay and includes the 1-mile upper portion known as Gowanus Canal.

This highly important project was authorized by Public Law 551 of the 82d Congress following the passage of a bill bearing my name which was enacted into law through the cooperation of my distinguished colleague from New York, Representative CHARLES A. BUCKLEY, present chairman of the House Public Works Committee. Congressman BUCKLEY was chairman at the time this legislation was approved by his committee and passed by the House and Senate and approved by former President Truman.

As a member of the House Appropriations Committee, I introduced an amendment from the floor of the House in the 83d Congress to obtain the necessary funds for deepening this channel after the Subcommittee and the full House Committee on Appropriations had refused to approve the requested expenditure. The argument was that President Eisenhower had not submitted a budget estimate. But with the cooperation and support of the Members of Congress from the Borough of Brooklyn the amendment was adopted.

Gowanus Creek Channel had been a vital artery in Brooklyn's commercial and industrial life for many years. But prior to the approval of the legislation and appropriation for the project it was a bottleneck for modern shipping. The Army engineers' deepening of the waterway remedied a situation which restricted waterborne commerce along this waterway.

It should be interesting to now note that the average annual amount of commerce transported over this 1.8-mile waterway during the 10-year period prior to this improvement amounted to 4,342,800 tons. Following the improvement and during calendar year 1955, the transported tonnage amounted to 5,596,300 tons. This represents a tremendous increase, highly important to the longshoremen, the steamship companies, the teamsters, the maritime employees, and the economic life of Brooklyn. It is a genuine satisfaction to have had the opportunity to play a part in securing this long-needed improvement. Gowanus Creek Channel is not only important to Brooklyn, but also to the whole port of New York, as well as to our national defense. I express the thanks of the citizenry of Brooklyn to all those Members who voted for this improvement.

UNIFORMED SERVICES CONTINGENCY OPTION ACT OF 1953—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Armed Services:

To the Congress of the United States:

Pursuant to the provisions of section 8 of the Uniformed Services Contingency Option Act of 1953 (Public Law 239, 83d Cong.), I transmit herewith for the information of the Congress the second annual report of the operation of the Uniformed Services Contingency Option Act of 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 13, 1957.*

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, at the request of Mr. HARRIS, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during debate the balance of this week.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This is District Day.

CALL OF THE HOUSE

Mr. DAVIS of Georgia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 68]

Anderson, Mont.	Barrett	Broyhill
Anfuso	Bass, N. H.	Buckley
Ashley	Beamer	Chudoff
Ayres	Boland	Coffin
Barden	Bow	Cole
	Bowler	Cooley

Corbett	Hays, Ohio	Murray
Coudert	Healey	Nimtz
Curtis, Mass.	Hébert	O'Brien, N. Y.
Dawson, Ill.	Holland	Patterson
Dempsey	Holt	Philbin
Derounian	Holtzman	Powell
Diggs	Horan	Prouty
Dingell	James	Rivers
Dollinger	Kearney	Rodino
Donohue	Kelley, Pa.	Roosevelt
Durham	Kelly, N. Y.	Sadlak
Eberharter	Keogh	Santangelo
Elliott	Kilburn	St. George
Evins	King	Scherer
Fallon	Kluczynski	Selden
Farbstein	Landrum	Sheppard
Fino	Lane	Sieminski
Fogarty	Lennon	Stauffer
Frelinghuysen	Lesinski	Teague, Tex.
Fulton	McConnell	Tuck
Garmatz	McCormack	Utt
Gary	Magnuson	Watts
Granahan	May	Wharton
Green, Pa.	Michel	Williams, Miss.
Griffin	Morano	Wilson, Calif.
Gubser	Morgan	Wolverton
Gwinn	Morrison	Yates
Harden	Multer	Zelenko
Harris	Mumma	

The SPEAKER. On this rollcall 330 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RETIREMENT OF PUBLIC SCHOOL TEACHERS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6454) to amend the act for the retirement of public-school teachers in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An Act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946 (60 Stat. 875, ch. 779), as amended, is amended as follows:

Section 1, as amended, is amended by striking the first sentence thereof and inserting in lieu thereof "Beginning on the first day of the second month following the enactment of this Act, there shall be deducted and withheld from the annual salary of each teacher in the public schools of the District of Columbia an amount equal to 6½ percent of the teacher's annual salary."

Section 3, as amended, is amended by striking from subsection (a) thereof the word "fifteen" and inserting in lieu thereof the word "five"; by striking from subsection (b) thereof the word "one-fourth" and inserting in lieu thereof the word "one-twelfth"; by striking from the last sentence of subsection (c) thereof the word "ten" and inserting in lieu thereof the word "five"; by adding at the end of the section, the following paragraph:

"(d) Any teacher who completes 25 years of service or who attains the age of 50 years and completes 20 years of service shall upon involuntary separation from the service, not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 5 (a) of this Act reduced by one-twelfth of 1 percent for each full month not in excess of 60 and by one-sixth of 1 percent for each full month in excess of 60 such teacher is under the age of 60 years at date of separation."

Section 4, as amended, is amended by striking from the first sentence thereof the word "ten" and inserting in lieu thereof the word "five."

Section 5, as amended, is amended by striking the first sentence of subsection (a) thereof and inserting in lieu thereof, "Except as otherwise provided in this Act, every teacher who shall be retired under the provisions of section 3 or section 4 of this Act shall receive an annuity composed of (1) the larger of (A) 1½ percent of the average salary as defined in section 13 of this act, multiplied by so much of the total service as does not exceed 5 years, or (B) 1 percent of the average salary, plus $25, multiplied by so much of the total service as does not exceed 5 years, plus (2) the larger of (A) 1¾ percent of the average salary multiplied by so much of the total service as exceeds 5 years but does not exceed 10 years, or (B) 1 percent of the average salary, plus $25, multiplied by so much of the total service as exceeds 5 years but does not exceed 10 years, plus (3) the larger of (A) 2 percent of the average salary multiplied by so much of the total service as exceeds 10 years, or (B) 1 percent of the average salary, plus $25, multiplied by so much of the total service as exceeds 10 years"; by striking the second sentence of paragraph (1) of subsection (b) thereof and inserting in lieu thereof, "The life annuity of the teacher making such election, excluding any increase because of retirement under section 4 of this Act, shall be reduced by 21 percent of so much thereof as does not exceed $2,400 and by 10 percent of so much thereof as exceeds $2,400."

Section 6, as amended, is amended to read as follows: "The annuity of a teacher retiring under section 4 shall be at least (1) 40 percent of the average salary of (2) the sum obtained under section 5 after increasing his total service by the period elapsing between the date of separation and the date he attains the age of 60 years, whichever is the lesser."

Section 8, as amended, is amended by striking item (d) from the second sentence thereof and inserting in lieu thereof, "(d) periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States (but not the National Guard except when ordered to active duty in the service of the United States) prior to the date of the separation upon which title to annuity is based; except that, if a teacher is awarded retired pay on account of military service, his military service shall not be included, unless such retired pay is awarded on account of a service-connected disability (1) incurred in combat with an enemy of the United States or (2) caused by an instrumentality of war and incurred in line of duty during an enlistment or employment as provided in Veterans Regulation No. 1 (a), part 1, paragraph 1, or is awarded under title III of Public Law 810, 80th Congress."; by striking from the fourth proviso thereof the words "in time of war"; by adding at the end of section 8 the following paragraphs:

"A teacher who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service, as defined in this section, shall not be considered, for the purposes of this Act, as separated from his teaching position by reason of such military service, unless he shall apply for and receive a lump-sum benefit under this Act, except that such teacher shall not be considered as retaining his teaching position beyond 6 months after the date of the approval of this Act or the expiration of 5 years of such military service, whichever is later.

"Nothing in this Act shall affect the right of a teacher to retired pay, pension, or compensation in addition to the annuity herein provided."

Section 9, as amended, is amended by striking from the first sentence of subsection (a) the word "ten" and inserting in lieu thereof the word "five"; by inserting after the word "widow" wherever it appears in subsection (b) paragraphs (1) and (2), the words "or dependent widower"; by striking from the first sentence of subsection (b), paragraph (1) thereof the phrase "or following the widow's attainment of age 50, whichever is the latter" and adding at the end of such subsection the phrase "or upon the widower's becoming capable to self-support."; by striking the last 2 sentences of subsection (b), paragraph (2) thereof; by striking paragraphs (3) and (4) of subsection (b) thereof and inserting in lieu thereof the following paragraph:

"(3) If any teacher to whom this Act applies shall die after completing 5 years of service in the public schools of the District of Columbia or after having retired under the provisions of section 3 or section 4 of this Act and is survived by a wife or husband, each surviving child who received more than one-half of his support from the teacher shall be paid an annuity equal to the smallest of (a) 40 percent of the teacher's average salary divided by the number of children, (b) $600, or (c) $1,800 divided by the number of children. If such teacher is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (a) 50 percent of the teacher's average salary divided by the number of children, (b) $720, or (c) $2,160 divided by the number of children. The child's annuity shall begin on the first day of the month after the teacher dies and such annuity or any right thereto shall terminate upon (a) his attaining age 18 unless incapable of self-support after age 18, (b) his becoming capable of self-support after age 18, (c) his marriage, or (d) his death. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the teacher.";

Section 9 is further amended by changing the number of paragraph (5) of subsection (b) thereof to (4), striking from such paragraph the phrase "by a widow, widow and children, or children" and inserting in lieu thereof the phrase "by a widow, a dependent widower, and or children."; and by changing the number of paragraph (5) of subsection (c) thereof to (6) and inserting the following new paragraph:

"(5) The term 'widower' means the surviving husband of a teacher who was married to such teacher for at least 2 years immediately preceding her death or is the father of issue by such marriage. The term 'dependent widower' means a 'widower' who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such teacher."

Section 13 is amended by adding at the end of the section "The term 'average salary' shall mean the largest annual rate resulting from averaging, over any period of 5 consecutive years of creditable service in the public schools of the District of Columbia, a teacher's rates of annual salary in effect during such period, with each rate weighted by the time it was in effect."

The effective date of this act shall be October 1, 1956.

With the following committee amendments:

Page 2, line 2, immediately before the period, insert the following: "and by inserting the following immediately before the period at the end of the second sentence: ': *Provided*, That such interest shall not be credited after December 31, 1956, except that in the case of a teacher separated before

he has completed five years of teaching service interest shall be credited to the date of separation'."

Page 3, line 23, strike the figures "21" and insert in lieu thereof "2½."

Page 4, line 3, strike the word "of" and insert in lieu thereof "or."

Page 4, line 24, immediately before the word "by" insert the following: "by inserting the words 'Air Force' after the word 'Navy' in item (e) of the second sentence of section 8, and."

Page 5, line 22, strike the word "latter" and insert in lieu thereof "later."

Page 7, strike line 25 and insert in lieu thereof the following:

"SEC. 2. The amendments made by this Act shall not apply in the case of teachers retired or otherwise separated prior to its effective date, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if this act had not been enacted.

"SEC. 3. No person retiring subsequent to the effective date of this act and pursuant to its provisions shall be entitled to any benefits accruing by reason of the provisions of Public Law 648, 84th Congress, approved July 2, 1956 (70 Stat. 487).

"SEC. 4. The effective date of this act shall be October 1, 1956."

The committee amendments were agreed to.

Mr. McMILLAN. Mr. Speaker, the purpose of the bill is to give to teachers and supervisory personnel under the Board of Education of the District of Columbia substantially the same benefits to which employees of the Federal and District Governments are entitled under the Civil Service Retirement Act, as amended by Public Law 854, 84th Congress, approved July 31, 1956.

The bill increases annuities for school employees and for widows of such employees on the average approximately 25 percent and for surviving children approximately 150 percent.

PRINCIPAL PROVISIONS OF THE BILL

(a) The rate of contribution by employees is increased from 6 to 6½ percent.

(b) Optional retirement is permitted at age 62 after 5 years of service instead of after 15 years.

(c) The reduction factor for retirement before reaching age 60 is changed from 3 percent to 1 percent for each year the retiring employee is under age 60 and 2 percent for each year he is under age 55.

(d) The present requirement that an employee have at least 10 years of service to be eligible to retire for disability or for other reasons is changed to 5 years of service.

(e) An immediate annuity is granted upon involuntary separation from the service after attaining the age of 50 years with 20 years of service, or upon involuntary separation after 25 years of service, regardless of age.

(f) Under present law annuities are based upon 1½ percent of the highest average annual salary over a period of 5 consecutive years times the total years of service or 1 percent plus $25 whichever is greater. The bill changes the formula so that the annuity will be based upon 1½ percent for the first 5 years of service, 1¾ percent for the next 5 years of service, and 2 percent for the remainder, multiplied by the years of service—or 1 percent plus $25 in each case, whichever gives the greater annuity.

The annuity of an employee electing a survivor's annuity would be reduced by 2½ percent of the first $2,400 and 10 percent of the balance. At present the reduction is 5 percent of the first $1,500 and 10 percent of the balance.

(g) Disability benefits are liberalized by providing a minimum of 40 percent of the average salary or the annuity computed under the general formula after adding the years elapsing between the date of separation and attainment of age 60, whichever is the larger. An annuity larger than the minimum is payable if earned by the retiring employee.

(h) Present law credits honorable military service in time of actual war only. The bill allows credit for all honorable active military service if the employee is not receiving retirement pay based on such service. The bill also allows credit for military service if the employee is receiving retirement pay for military service if such retired pay is first, based on a service-connected disability incurred in combat with an enemy or caused by an instrument of war, or, second, awarded under title III of Public Law 810, 80th Congress.

(i) Under existing law, if an employee, after rendering 5 years of service, dies, an automatic annuity, equal to 50 percent of the employee's earned annuity is payable to the widow. The bill extends similar benefits to dependent widowers.

(j) The bill increases benefits for children of deceased employees as follows:

First. If a wife or husband survives, each child's benefit would be the smallest of, first, 40 percent of the employee's average salary divided by the number of children; second, $600; or, third, $1,800 divided by the number of children.

Second. If no wife or husband survives, each child would receive the smallest of, first, 50 percent of the employee's average salary divided by the number of children; second, $720; or, third, $2,160 divided by the number of children.

Under present law, if a widow survives, each child receives the smallest of, first, one-fourth of the employee's earned annuity; second, $900 divided by the number of children; or third, $360.

Under present law, if no widow survives, each child receives the smaller of, first, one-half of the employee's earned annuity; second, $1,200 divided by the number of children; or, third, $480.

EFFECTIVE DATE

The benefit provisions take effect October 1, 1956. The provision for increasing contributions by the employees would be effective on the first day of the second month following the enactment of the bill.

COST

The additional cost to the District government for the first few years would be negligible. However, section 6 of the present Teachers Retirement Act requires that a level financial reserve be maintained through adequate annual appropriations—in addition to the employees' contribution. The benefits provided by this bill would require an additional annual appropriation of $867,200 to provide such a level reserve. This additional amount would have to be appropriated annually beginning with the fiscal year 1959. This amount would have to be appropriated in addition to the present cost to the District which, for the fiscal year 1957, is $2,655,000.

AMENDMENTS

Amendment (a), designed to provide a cutoff date for the granting of interest on deposits of employees, is inserted to make the Teachers Retirement Act consistent in this respect with the Civil Service Retirement Act.

Amendment (f), inserting the new section 2 in the bill, is designed to make clear that the bill does not affect employees retired prior to the effective date of the bill.

The insertion of new section 3 is designed to prevent the possibility that employees retiring after the effective date of the bill—October 1, 1956—and before December 31, 1957, from becoming entitled to an increase in their annuities over and above the annuity to which the employees would be entitled under the bill. Such a possibility might otherwise exist by reason of the operation of Public Law 648, 84th Congress, which granted certain increases in annuities for the period ending December 31, 1957.

Mr. McMILLAN. Mr. Speaker, I ask uannimous consent to insert in the RECORD during the consideration of each bill from the Committee on the District of Columbia today a statement explaining that bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The bill was ordered to be engrossed and read the third time, was read the third time and passed.

The title was amended so as to read: "A bill to amend the act for the retirement of public-school teachers in the District of Columbia, and for other purposes."

A motion to reconsider was laid on the table.

METROPOLITAN POLICE FORCE BAND

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 4932) to amend the act of July 11, 1947, to increase the maximum rate of compensation which the director of the Metropolitan Police force band may be paid, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of the first section of the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force," approved July 11, 1947 (D. C. Code 4–182), is amended by striking out "lieutenant" and inserting in lieu thereof "captain."

Mr. McMILLAN. Mr. Speaker, I move to strike out the last word for the purpose of explaining the bill.

The purpose of this bill is to increase the compensation of the present director of the band of the Metropolitan Police Department from a salary of a lieutenant in the Metropolitan Police Department to that of captain in the Department.

The salary of a lieutenant is $6,460 and that of a captain is $7,085. The present director of the Metropolitan Police band retired from the United States Navy in January 1942 as director of the Navy Band. He organized the band of the Metropolitan Police Department in May of 1943 and served without compensation from 1943 until the latter part of 1947. In July of 1947 the Congress authorized the establishment of a Metropolitan Police Department band and authorized the Commissioners of the District of Columbia to employ, without reference to the civil-service laws, a director of such band to receive compensation to which a lieutenant in the Metropolitan Police Department was entitled. The present director has served in this capacity since this time.

This legislation has the approval of the chief of the Metropolitan Police Department and the Board of Commissioners for the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA STADIUM

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 1937) to authorize the construction, maintenance, and operation by the Armory Board of the District of Columbia of a stadium in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "District of Columbia Stadium Act of 1957."

SEC. 2. In order to provide the people of the District of Columbia with a stadium suitable for holding athletic events and other activities and events of a nature requiring such a facility, the Armory Board (hereinafter referred to as the "Board"), created by section 2 of the Act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948 (D. C. Code, sec. 2-1702), is hereby authorized to construct, maintain, and operate a stadium (including necessary motor vehicle parking areas) with a seating capacity of not to exceed 50,000, on a site in the District of Columbia determined in accordance with provisions of section 3 of this act. The cost of constructing such stadium shall not exceed $6 million, and such amount shall be deemed to include interest during the construction of the stadium and for 12 months thereafter and all engineering, legal, financial, architectural, and other expenses incident to the construction of the stadium.

SEC. 3. The Secretary of the Interior is authorized and directed to acquire by gift, purchase, condemnation, or otherwise, all real property within the boundaries of the East Capitol Street site, as established in the first paragraph under the heading "(2) East Capitol Street Site" contained in the National Capital Planning Commission report entitled "Preliminary Report on Sites for National Memorial Stadium" dated November 8, 1956, and thereafter upon the request of the Board, the Secretary of the Interior shall transfer to the Board, all right, title, and interest of the United States in and to all real property within the boundaries of such East Capitol Street site.

SEC. 4. (a) The Board is hereby authorized to provide for the payment of the cost of such stadium by an issue or issues of negotiable bonds of the Board, bearing interest, payable semiannually, at the rate of not more than 6 percent per annum, the principal and interest of such bonds shall be payable solely from the funds provided in accordance with this act, and such payments may be further secured by mortgage of the stadium. All such bonds may be registered as to principal alone or both principal and interest, shall be payable as to principal within not to exceed 30 years from the date thereof, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the Board may determine, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the stadium constructed pursuant to this act, but such cost shall not exceed $6 million. The Board may reserve the right to redeem any or all of the bonds before maturity in such manner and at such price or prices not exceeding 105 percent of the face value and accrued interest as may be fixed by the Board prior to the issuance of the bonds. The Board when it deems advisable may issue refunding bonds to refinance any outstanding bonds at maturity or before maturity when called for redemption, except that such refunding bonds shall mature within not to exceed 30 years from the date thereof, or not to exceed 50 years from the date of enactment of this act, whichever shall first occur, and shall not exceed in principal amount the principal amount of outstanding bonds replaced by such refunding bonds. The Board may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Board with respect to acquisition, construction, maintenance, operation, repair, and insurance of the stadium, the conservation and application of all funds, the security for the payment of the bonds, safeguarding of money on hand or on deposit, and the rights and remedies of such trustee and the holders of the bonds, restricting the individual right of action on the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper.

(b) The bonds may be sold at not less than par. If the proceeds of the bonds shall exceed the cost, the excess shall be placed in the fund created by section 6 for the payment of the principal and interest of such bonds. Prior to the preparation of definitive bonds the Board may, under like restrictions, issue temporary bonds, or may, under like restrictions, issue temporary bonds or interim certificates without coupons, of any denomination whatsoever, exchangeable for definitive bonds when such bonds that have been executed are available for delivery.

(c) All bonds, or other obligations, issued by the Board under authority of this act, shall be exempt both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, or by the District of Columbia.

SEC. 5. In order to carry out the purposes of this act, the Board is hereby authorized, without regard to any other provision of law—

(1) to determine all questions concerning the use of the stadium for the purposes of this act;

(2) to enter into contracts and agreements with the District of Columbia and the Federal departments, bureaus, establishments, and offices, and the act of March 4, 1915, as amended (31 U. S. C. 686), is hereby made applicable to such contracts;

(3) to acquire by purchase or lease, equipment, appliances, facilities, and property of any kind necessary or desirable to carry out the purposes of this Act, and to sell or dispose of any such property so acquired when in its judgment it shall be advantageous to do so, except that no contract for more than $3,000 shall be entered into for the purpose of this paragraph without competitive bidding;

(4) to make such structural and other changes in the stadium as it may deem necessary or desirable for carrying out the purposes of this Act;

(5) to prepare, maintain, light, and operate motor-vehicle parking lots on such land as is provided for that purpose by the Secretary of the Interior under section 3 of this Act;

(6) to operate or contract for the operation of such concessions, including the checking of clothing and the sale of nonalcoholic beverages and food as the Board may deem appropriate to the purposes for which the stadium may be rented or leased;

(7) to furnish such services to renters, lessees, and other occupants of the stadium as in its judgment are necessary or suitable for carrying out the purposes of this Act;

(8) to rent or lease from time to time for any of the purposes of this Act, all or any part or parts of the stadium including any or all structures, equipment, or facilities of the stadium, at such rental values and for such periods of time as the Board shall determine;

(9) to carry public-liability insurance protecting the Board, and the members, officers, and employees thereof engaged in operating and maintaining the stadium; and to require tenants or lessees of the stadium to carry public-liability insurance protecting the interests of such tenants or lessees;

(10) to accept the gratuitous services of such persons as may volunteer to aid in the conduct of its activities.

SEC. 6. (a) The Board shall place into a fund all receipts derived from the exercise by the Board of the powers granted by this Act. This fund shall be used for operating, maintaining, and repairing the stadium and to pay the principal and interest of bonds issued under authority of section 4 of this act as they fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as provided in section 4 of this Act. All revenues and receipts from the rental or lease of the stadium are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all cost of maintenance, repair, and operation and the reservation of an amount of money estimated to be sufficient for the same purpose during the ensuing period of not more than 6 months, the remainder of receipts received from rental or lease of the stadium shall be placed in a fund to be used to pay the principal and interest of the bonds. An accurate record of the cost of the stadium, the expenditure for maintaining and operating it, and of rentals and lease receipts shall be kept and shall be available for the information of all interested persons.

(b) Within a reasonable time after the construction of the stadium, the Board shall file with Congress and the Board of Commissioners of the District of Columbia a sworn itemized statement showing the cost

of constructing the stadium, and the amount of bonds, debentures, or other evidences of indebtedness issued in connection with the construction of such stadium.

SEC. 7. After payment of the bonds and interest or after a sinking fund sufficient for such purpose shall have been provided and shall be held solely for that purpose, but in any event not later than 50 years from the date of enactment of this Act, the Board shall deliver deeds or other suitable instruments of conveyance of the interest of the Board in and to the stadium to the Board of Commissioners of the District of Columbia, for the District of Columbia and the stadium shall thereafter be properly operated, maintained, and repaired by the District of Columbia.

SEC. 8. (a) The Board is authorized to employ and fix compensation of such personnel as may be necessary to carry out the purposes of this Act, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

(b) Under the direction of the Board and with the written authorization signed by the members thereof, an employee of the Board may exercise such of the powers vested in the Board by section 5 of this Act as the Board shall determine.

SEC. 9. Nothing contained in this act shall be construed to authorize or permit the Board or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this Act. No obligation created or liability incurred pursuant to this Act shall be a personal obligation or liability of any member or members of the Board but shall be chargeable solely to the funds contemplated to be provided by this Act. No indebtedness created pursuant to this Act shall be an indebtedness of the District of Columbia or the United States.

SEC. 10. The Board shall file with the Congress in January of each year a financial statement certified as to the accuracy by the auditor of the District of Columbia, a report of the activities and business at the stadium during the preceding fiscal year and recommendations to Congress as to future control and use of the stadium.

Mr. McMILLAN. Mr. Speaker, I move to strike out the last word for the purpose of explaining the bill.

The purpose of this legislation is to authorize the District of Columbia Armory Board to construct, maintain, and operate a 50,000-seat stadium, including parking facilities, in the District of Columbia suitable for holding athletic and other events. The overall cost including interest, engineering, legal, architectural, and other incidental expenses shall not exceed $6 million. The bill directs the Secretary of the Department of Interior to acquire and transfer to the Board all the real property within the boundary of the East Capital Street site contained in the National Capital Planning Commission report entitled "Preliminary Report on National Memorial Stadium," dated November 8, 1956.

The National Capital Planning Commission was requested to comment on 4 available sites within the District of Columbia and of the 4 the site recommended in the bill, H. R. 1937, is one of the two which received favorable consideration in this report.

The bill authorizes the Board to issue 6-percent, 30-year bonds secured by a mortgage on the stadium on conditions determined by the Board calculated to produce the cost of the stadium, that is, $6 million. Such bonds may be redeemed before maturity at not to exceed 105 percent of face value and accrued interest or may be refinanced by the issue of refunding bonds limited to 30 years but in no case more than 50 years from date of enactment of this act. The bill authorizes the Board to enter into a trust agreement with any bank or trust company covering the financial arrangements for constructing, maintaining, and operating the stadium with the usual types of provisions protecting the rights and remedies of bondholders.

The bill also provides that bonds are to be sold at not less than par. If the proceeds realized exceed the cost, the excess shall be placed in a fund created by section 6 hereof for payment of the principal and interest on such bonds. The bill authorizes the issuance of temporary bonds and interim certificates exchangeable for definitive bonds when such bonds are executed and available.

The bill provides that all such bonds and other obligations shall be exempt from all taxation now or hereafter imposed by the United States or the District of Columbia.

The bill authorizes the Board, without regard to any other provision of law—

First, to determine all questions concerning use of the stadium;

Second, to enter into contract with the District of Columbia and the Federal departments, bureaus, and so forth, under title 31, United States Code, section 686, which regulates the purchase or manufacture of stores or material or the performance of services by one Federal bureau or department for another bureau or department;

Third, to purchase or lease the necessary equipment and facilities and to sell the same but negotiated contracts regarding the same shall be limited to $3,000 or less;

Fourth, to make structural and other changes when deemed necessary for the purposes of this act;

Fifth, to prepare, maintain, and operate parking lots on the land provided by the Secretary;

Sixth, to operate or contract for the operation of concessions deemed appropriate;

Seventh, to furnish suitable services to renters, lessees and other occupants of the stadium;

Eighth, to rent or lease from time to time all or part of the stadium for such rentals and for such periods as shall be determined by the Board;

Ninth, to carry public-liability insurance on the stadium and to require tenants and lessees to do the same; and

Tenth, to accept gratuitous services from volunteers to aid in the conduct of its activities.

This legislation requires the Board to place all receipts from its activities under this act in a fund to be used for operating, maintaining, and repairing the stadium and the payment of the principal and interest on the bonds issued under section 4 hereof. The costs of maintenance, repair, and operation and the establishment of a 6 months' reserve shall be paid out of the fund first. The remainder of the fund shall be used to pay the principal and interest on the bonds.

The bill requires that within a reasonable time after construction the Board shall file with the Congress and the District of Columbia Commissioners a sworn statement of the cost of construction and the amount of bonds issued.

The bill requires that after payment of the bonds or establishment of a sinking fund for that sole purpose, but in any event not later than 50 years from date of enactment of this act the Board shall convey the stadium to the District of Columbia Commissioners and the stadium shall thereafter be operated, maintained, and repaired by the District of Columbia.

The Board is authorized by this legislation to employ the necessary personnel without regard to the civil-service laws and the Classification Act of 1949, as amended.

The bill provides that under the direction of the Board and with a written authorization signed by its members, an employee of the Board may exercise the powers vested in the Board by section 5 of this act.

The bill provides that the liabilities created by the Board and its members shall be restricted to those chargeable solely to the funds contemplated by this act. No indebtedness created pursuant to this act shall be an indebtedness of the District of Columbia or of the United States.

The bill further provides that in January of each year the Board shall file with the Congress, a financial statement certified by the District of Columbia Auditor, a report of activities and business at the stadium for the preceding fiscal year, and recommendations respecting future control and use of the stadium.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. SIMPSON of Illinois. Mr. Speaker, the gentleman from Arkansas [Mr. HARRIS] has put in a great deal of time and much hard work on this Stadium Commission bill, and is entitled to the support of the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. GROSS. Can the gentleman tell me what the provision on page 2, section 3, means? Let me read the language of that section to the gentleman:

SEC. 3. The Secretary of the Interior is authorized and directed to acquire by gift, purchase, condemnation, or otherwise all real property within the boundaries of the East Capitol Street site, as established in the first paragraph under the heading "(2) East Capitol Street Site" contained in the National Capital Planning Commission report entitled "Preliminary Report on Sites for National Memorial Stadium," dated November 8, 1956, and thereafter, upon the request of the Board, the Secretary of the Interior shall transfer to the Board all right, title, and interest of the United States in and to all real property within the boundaries of such East Capitol Street site.

May I ask the gentleman this question? Is the Government now about to

buy land to provide a site for this stadium?

Mr. McMILLAN. They have approximately 192 acres of park land which is proposed to be used in connection with the armory. This stadium is supposed to use the same parking space that the Army has at the present time. If any additional land is required, I imagine it is supposed to come out of this $6 million issue of bonds.

Mr. GROSS. But the bill does not provide that.

Mr. McMILLAN. It provides $1 million here for the purpose of purchasing 4 acres of land. That is all.

Mr. GROSS. Let me ask this. Is the Government to be reimbursed for the land that will become the site for the stadium?

Mr. McMILLAN. I do not see any place in the bill where there is any reimbursement.

Mr. SIMPSON of Illinois. They are to issue bonds for a period of 50 years. The Government can be repaid out of the earnings from the stadium during that time.

Mr. GROSS. If they are never paid for, what would be the answer?

Mr. SIMPSON of Illinois. I cannot answer 50 years from now.

Mr. McMILLAN. Would the gentleman from Iowa like to offer an amendment?

Mr. GROSS. I have an amendment prepared. I am trying to find out whether the Government is to be reimbursed.

Mr. McMILLAN. I do not know where it is to be recompensed unless it is from these bonds.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. KEARNS. The gentleman understands the Washington Baseball Club and the Redskin Football Club will pay rent for the use of this facility, and we hope to get it much sooner than 50 years. Now the National Capital will have a stadium that will be a compliment to the Nation's Capital.

Mr. LANKFORD. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. LANKFORD. This stadium will be placed on land which is now occupied by temporary Government buildings which are slated to be torn down. This is a part of the overall plan that has been created for the East Capitol Street site. It is true there are some few—I do not know the exact number—dwellings in this block that have to be purchased. Otherwise the land is there, occupied presently by temporary buildings which are slated for demolition, and there is no other use slated for this land.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. MARTIN. Just how valuable is this land that the United States Government is going to give?

Mr. McMILLAN. I do not know the value in dollars.

Mr. KEARNS. The armory site is there at present.

Mr. MARTIN. Following up the question of the gentleman from Iowa [Mr. GROSS], it looks to me like a good idea, but where does the United States Government get in? Is there any chance to get any compensation for this land that we donate?

Mr. KEARNS. I think the revenue from the stadium will compensate the Federal Government for their privilege to build a stadium there in the overall picture.

Mr. MARTIN. We do not get any taxes.

Mr. KEARNS. No.

Mr. MARTIN. Where will we get it?

Mr. KEARNS. The land is not producing any revenue at the present time.

Mr. MARTIN. It is not doing any harm because we do not pay taxes on it.

Mr. McMILLAN. This land was purchased for a stadium site under the late Bilbo provision several years ago. The late Senator Bilbo was very active during the time he was chairman of the Senate Stadium Committee and District of Columbia Committee.

Mr. MARTIN. We bought it for that purpose?

Mr. McMILLAN. That is the information I have.

Mr. MARTIN. How much did we pay for it?

Mr. McMILLAN. I do not know.

Mr. KEARNS. I think about $25,000.

Mr. CELLER. Will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. CELLER. Do I understand that in this stadium professional baseball and football will be played?

Mr. McMILLAN. Yes. They propose to rent the stadium for that purpose.

Mr. CELLER. For instance, the Washington American League Senators will play there?

Mr. McMILLAN. That is correct.

Mr. CELLER. Do I understand that the bonds to be issued are tax exempt?

Mr. McMILLAN. That is correct.

Mr. CELLER. Do I understand further that the interest on the bonds is at 6 percent?

Mr. McMILLAN. That is what the bill proposes.

Mr. CELLER. In other words, we have the Commission issuing tax-exempt bonds bearing interest at 6 percent.

Mr. McMILLAN. For the purpose of paying for this stadium.

Mr. CELLER. Has that ever been done before; namely, Congress approving the issuance of tax-exempt bonds bearing 6 percent interest?

Mr. McMILLAN. I do not know.

Mr. CELLER. I doubt very much whether we have ever done that before. That is a very high rate of interest, a high yield on a tax-exempt bond.

At what rate are these bonds redeemable?

Mr. McMILLAN. 105 is par.

Mr. CELLER. In addition to bearing 6 percent, in addition to being tax exempt, they are redeemable at 105.

Mr. McMILLAN. Yes, sir.

Mr. CELLER. That also is an advantage which I doubt very much we have ever granted to the holder of any bonds issued by the Government or with the Government's approval.

Mr. McMILLAN. I do not know, but I would say to the gentleman that almost every day we grant the District some privilege that we do not grant to any of the States.

Mr. CELLER. But we do not grant power to issue bonds that are tax exempt bearing that rate of interest and redeemable at 105. I doubt that very much. And then think of the great advantage I am sure brokerage houses will take of this matter; they will make a very nice killing on this. I do not object to having brokerage houses make commissions, but here it strikes me we are going very far on this matter in order to get a stadium.

Mr. McMILLAN. I realize that we will have to go pretty far and grant many concessions in order to get a stadium here.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. SIMPSON of Illinois. I will say to the gentleman from New York that there have been no contracts entered into with any Washington ball club or football club, but authority will be granted the Commission to make these contracts, if this legislation is passed.

Mr. CELLER. It is undoubtedly within the realm of probability that the Senators will play in this stadium as well as the teams of the American League.

Mr. SIMPSON of Illinois. But the contracts have yet to be let.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. COLMER. I am interested in pursuing the line of questioning started by the distinguished gentleman from Massachusetts [Mr. MARTIN]. Where does the Federal Government come into this? Does this bill merely authorize the transfer of this land to the Stadium Commission?

Mr. McMILLAN. To the Armory Board.

Mr. COLMER. I am not sure I understand.

Mr. McMILLAN. The District Armory Board controls the District Armory. This proposed stadium is to be operated in connection with the District Armory by the same Board.

Mr. COLMER. How many acres of land are involved?

Mr. McMILLAN. I think the land purchased by the late Senator Bilbo Stadium Commission was 192 acres.

Mr. COLMER. Do I understand that the Federal Government purchased land for this purpose?

Mr. McMILLAN. This is part of the parks system at this time. However, I understand it was originally purchased for a stadium site.

Mr. COLMER. Then the so-called Bilbo Commission was not set up for the purpose of starting the stadium?

Mr. McMILLAN. Senator Bilbo was chairman of the commission to select a site for a stadium.

Mr. COLMER. If it was purchased for this purpose why do you need legislation?

Mr. McMILLAN. This is legislation to give the Armory Board authority to get the stadium started.

Mr. COLMER. As to these bonds that will probably be issued, as brought out by the gentleman from New York [Mr. CELLER] does the Federal Government have any liability in connection with them?

Mr. McMILLAN. No, it does not.

Mr. COLMER. In other words, the bonds are not underwritten by the Federal Government.

Mr. McMILLAN. That is correct.

Mr. COLMER. And the cost to the taxpayers of this country would be the 192 acres of land?

Mr. McMILLAN. The Armory is using that land at the present time or the part that is not covered with old tempo buildings, you know. The baseball park patrons would use the same parking space that the Armory is using in addition to the idle land there at the present time.

Mr. COLMER. The Armory uses it now?

Mr. McMILLAN. Yes.

Mr. COLMER. Will the Armory continue to use it?

Mr. McMILLAN. Absolutely, when they need it.

Mr. COLMER. When they need it.

Is that safeguarded in the legislation?

Mr. McMILLAN. The Armory Board is administering both, so I suppose they would certainly take care of the Armory.

Mr. COLMER. Do I understand from that the Armory Board would have authority to displace the Armory if it so decided to expand this stadium?

Mr. McMILLAN. I do not think the site selected by the Stadium Commission would reach over into adjoining territory to interfere with the functions of the Armory.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from New York.

Mr. CELLER. What is the Armory Board, what constitutes the Armory Board?

Mr. McMILLAN. They have 3 members on the Armory Board. They are not paid members. They are appointed, one by the President, one by the Commissioners and one by the Congress of the United States.

Mr. CELLER. In answer to a question propounded by the gentleman from Mississippi, I believe the gentleman said there was no obligation on the part of the Federal Government with reference to the issuance of these bonds?

Mr. McMILLAN. That is my information.

Mr. CELLER. So that the primary obligator is the Armory Board?

Mr. McMILLAN. Yes, sir.

Mr. CELLER. No Federal agency has any obligation with reference to liquidation or payment of interest or principle on these bonds?

Mr. McMILLAN. No, sir.

Mr. CELLER. Does the gentleman feel that the bonds need to be tax exempt to enable them to be sold since they yield a rate of 6 percent?

Mr. McMILLAN. The Commission who wrote this bill seemed to think so. I did not write the bill.

Mr. CELLER. I do not want to press the gentleman, but I think we are entitled to have some information as to whether or not it is necessary in order to induce the sale of these bonds to make the bonds tax exempt.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. The gentleman from Texas [Mr. TEAGUE] is a member of the Commission; so am I. We feel it would work like the stadium in Cleveland where the Cleveland Indians use the stadium. It is used by football and baseball. The Nation's Capital does not have a stadium today, and I think we have to have some incentive to build it. We have Government free land here that was bought at a nominal fee, at an almost negligible amount so far as dollars and cents are concerned. We have the highways leading to the Armory where we can bring in the avenues of traffic there. It is an ideal situation so far as site and everything else is concerned. The Commission only brings its findings to the Congress with its recommendation as to evaluation of the whole Armory project. The gentleman brings up the 6-percent bond matter which is a very fine issue because we could build schoolhouses in America with 6-percent bonds tax free and we would not have to have any school-construction bill. We are going to let private industry do it.

Mr. CELLER. I welcome the idea that private industry shall do it, but I question whether or not it is essential to offer all of these inducements in order to get these bonds sold. If we pass a bill such as this, in many of the cities that have baseball parks, they are going to make a track to the door of Congress or some other Federal agency and say: "Look here, the Armory Board was authorized by the Congress to issue bonds which are tax exempt and are to be redeemed at 105, and bearing 6 percent interest. We want to have the same privilege. We do not want you to make fish of one and fowl of the other."

I assure you that within 30 days after we pass a bill of this character you are going to have all kinds of agitation to have this type of bond issue by some sort of authority in these various cities so that they can have new baseball parks and so forth. I am for a new baseball park; I am not opposed to that. I believe that in many cities, like the city of Brooklyn from whence I come, the baseball parks are inadequate. There may be other cities in a similar situation. But I wonder whether we are on the right road when we allow some entity, public or private, quasi public or private, to issue these bonds and we say that they shall be tax exempt. That is a very serious thing, and I think we should think twice before we leap at this matter.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. KEARNS. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, we are not trying to bring in anything new here. We are trying to build a stadium. You can very well imagine if you were serving on this Commission, you would be groping for many angles on the stadium, with the many sites presented and so forth. The Senator from Missouri, Hon. Mr. STENNIS, chairman of the Commission, of which I happen to be secretary, and I have asked the Congress to go along with this proposal so that we can go to the conferees and consider it intelligently. I do not say we will insist on 6-percent bonds, but let us build the stadium. Then, I think, if we can rent out the stadium to the Redskins and to the Senators and give them the privilege of playing there, that we are going to reduce those bonds quickly. And, the site is eventually returned to the Federal Government. They own the land now.

Mr. CELLER. Mr. Speaker, if the gentleman will yield further, your report on the first page says that the bill authorizes the board to issue 6 percent, 30-year bonds secured by a mortgage on the stadium on conditions determined by the board calculated to produce the cost of the stadium; that is, $6 million. Now, if you have an authorization like that, that is intended to establish that you are going to sell these bonds bearing 6-percent interest. There is no question about that. They will never be less.

Mr. KEARNS. We have a Commission and we have the District Committees of the Senate and the House, and we are trying to work out a problem. I think the bonds are a good investment.

Mr. CELLER. Why do you not have your bill read that it shall be in accordance with some sort of an agreement worked out between the two groups?

Mr. KEARNS. Would the gentleman agree to try to work it out in conference, sir?

Mr. CELLER. I did not hear the last.

Mr. KEARNS. I know the chairman of the District Committee will agree that we will try to work out those questions in conference before we bring it back.

Mr. CELLER. Oh, I think we have a right to act here for ourselves independently of the other body. If we feel it is improper to do it this way, we should say so and not leave it to the conferees.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Kentucky.

Mr. CHELF. What I would like to ask, is there not some way that you can offer an amendment, a slight perfecting amendment, and say "not to exceed 6 percent." At least, set some ceiling wherein and whereby the Congress shall set the prevailing rate. I would like to go on record now, so far as one Member of the House, and say that this shall not in anywise be considered as a precedent for any other town or hamlet throughout the country. I feel that the committee is trying its best to confine this to the Nation's capital, as I understand it.

Mr. KEARNS. Would the gentleman from New York agree to that?

Mr. MULTER. I have just presented to the desk an amendment which will strike out the words "not more than 6 percent" and insert in lieu thereof "to be approved by the Secretary of the Treasury."

Mr. CHELF. In other words, the then going interest rate.

Mr. MULTER. I am sure whoever the Secretary will be he will not approve a rate higher than the going rate.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Maryland.

Mr. HYDE. These bonds are not going to be guaranteed in any way, shape, or form by the Federal Government. The Federal Government will not be in it at all. So why should the Secretary of the Treasury be in it?

Mr. MULTER. There is no doubt that any time we authorize the issuance of bonds, to be guaranteed by the Government or otherwise, particularly where they are tax free or tax exempt, as these bonds will be, they have an impact upon the entire monetary policy of the Government and certainly have an impact upon the rate that the Government will have to pay on any Government obligations. Certainly the Secretary of the Treasury should be consulted on a problem so important as this.

Mr. KEARNS. Would the gentleman be willing to leave that to the jurisdiction of our counsel and also the conferees of the Senate and the House, sir? I think we will do a very fine job.

Mr. McMILLAN. I will take the responsibility for accepting the amendment.

The SPEAKER. Is the gentleman from New York offering his amendment now?

Mr. MULTER. I offer an amendment, Mr. Speaker.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 3, lines 3 and 4, strike out "6 per centum per annum" and insert "to be approved by the Secretary of the Treasury."

Mr. KEARNS. Mr. Speaker, may I speak to the amendment, please?

The SPEAKER. Does the gentleman rise in opposition to the amendment?

Mr. KEARNS. No. Would you be willing to amend your amendment to read "at the acceptance of the Secretary of the Treasury to consider this."

Mr. MULTER. Mr. Speaker, will the gentleman yield to me?

Mr. KEARNS. I yield to the gentleman.

Mr. MULTER. Mr. Speaker, I cannot understand the distinction the gentleman draws between the suggestion that this be acceptable to the Secretary of the Treasury and the language I have offered, that he approve the rate. I think we are talking about the same thing.

Mr. KEARNS. Mr. Speaker, for our side, we accept the amendment and hope to iron it out in conference.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was agreed to.

Mr. GROSS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 3, line 1, after the word "stadium", insert a comma and the following "including the land upon which said stadium is located."

Mr. GROSS. Mr. Speaker, I am very much interested in the land features of this proposal. I have not had a good answer to my question as to the amount of the land, and the value of the land that is to be turned over to the Board. According to the language in the bill on page 2, lines 20 through 24, the Federal Government apparently surrenders all right, title, and interest in a substantial amount of land and with no reimbursement to the Government.

My amendment provides for payment for the land presently owned or which may be acquired by the Government as a site for this stadium.

Mr. McMILLAN. Mr. Speaker, the committee agrees to the gentleman's amendment.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

NATIONAL DEFENSE TRANSPORTATION

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 22.

The Clerk read as follows:

Whereas the United States of America has the greatest transportation system ever developed and maintained anywhere in the world, and it is of the greatest importance that it be so recognized and maintained; and

Whereas the growth and development of all of the areas of the United States, the expansion of our commerce, trade, and cultural relations among the various sections of our country and with the nations of the world, are directly attributable to and their continuance dependent upon the transportation mobility of our people and the products of our farms and factories, serving adequately and effectively all our people; and

Whereas this great transportation system, by land, by sea, and in the air, has been so expansive and comprehensive as to become somewhat commonplace in its acceptability, and the true importance and significance of this great transportation system in the community life and security of all our people, and as a bulwark in support of the Armed Forces in a national emergency or preparedness in the defense of our country, is not given the full recognition to which this national development is entitled; and

Whereas without effective transportation, all logistic effort collapses, and without effective logistics, all defense collapses: Now, therefore, be it

Resolved, etc., That the President of the United States is authorized and requested annually to issue a proclamation designating the third Friday of May of each year as National Defense Transportation Day, and urging the people of the United States, including labor, management, users, and investors, in all communities served by any of the various forms of transportation by land, by sea, and by air, to observe this occasion by appropriate ceremonies which will give full recognition to the importance to each and every community and the people thereof of our transportation system and the maintenance of its facilities in the most modern state of adequacy to serve our needs in times of peace and in national defense.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. KEATING. Mr. Speaker, reserving the right to object, may I ask the gentleman from Tennessee if it is not a fact that this joint resolution was unanimously approved by the Committee on the Judiciary?

Mr. FRAZIER. That is correct; and it was passed unanimously by the Senate.

Mr. KEATING. As I understand it, it is approved by the armed services as being desirable?

Mr. FRAZIER. I understand that all transportation people, representing the railroads, the airlines, and the steamship companies, as well as the Department of Defense, approve the resolution.

Mr. KEATING. Mr. Speaker, I think it is a desirable resolution.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The joint resolution was read a third time and passed, and a motion to reconsider was laid on the table.

INCREASING RATES OF COMPENSATION FOR SERVICE-CONNECTED DISABILITIES

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 244 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 52) to provide increases in service-connected disability compensation and to increase dependency allowances. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. DIES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. DELANEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

Anderson, Mont.	Fogarty	Morano
Anfuso	Fountain	Morgan
Ashley	Frelinghuysen	Morrison
Ayres	Fulton	Mumma
Bass, N. H.	Garmatz	Murray
Beamer	Gary	Nimtz
Boland	Granahan	O'Brien, N. Y.
Bow	Green, Pa.	Patterson
Bowler	Griffin	Philbin
Broyhill	Gubser	Powell
Buckley	Gwinn	Prouty
Carnahan	Harden	Reed
Chudoff	Harris	Rivers
Cole	Hays, Ohio	Robeson, Va.
Corbett	Healey	Rodino
Coudert	Holland	Roosevelt
Cunningham, Nebr.	Holtzman	Sadlak
Curtis, Mass.	James	Santangelo
Dawson, Ill.	Kearney	St. George
Derounian	Kelley, Pa.	Scherer
Diggs	Keogh	Selden
Dollinger	Kilburn	Sieminski
Donohue	Kluczynski	Stauffer
Dooley	Landrum	Teller
Durham	Lane	Tuck
Eberharter	Lennon	Utt
Elliott	Lesinski	Vursell
Engle	McCarthy	Watts
Evins	McConnell	Wharton
Fallon	McCormack	Whitten
Farbstein	Magnuson	Williams, Miss.
Fascell	May	Wilson, Calif.
Fino	Michel	Wolverton
	Miller, Nebr.	Yates
	Montoya	Zelenko

The SPEAKER. On this rollcall 321 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INCREASING RATES OF COMPENSATION FOR SERVICE-CONNECTED DISABILITIES

Mr. DELANEY. Mr. Speaker, I yield one-half of my time to the gentleman from Massachusetts [Mr. MARTIN], and at this time yield myself such time as I may use.

Mr. Speaker, House Resolution 244 makes in order consideration of the bill, H. R. 52, which was unanimously reported by the Committee on Veterans' Affairs. An identical bill passed the House in the 84th Congress but died in the Senate.

This Resolution 244 provides for an open rule and 1 hour of general debate. I understand that last year the bill passed without a single vote being cast against it.

Mr. Speaker, there is no further time requested on the rule.

Mr. MARTIN. Mr. Speaker, there are no requests for time on this side of the aisle. We are in favor of the rule.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 52) to provide increases in service-connected disability compensation and to increased dependency allowances.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 52, with Mr. MACK of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TEAGUE of Texas. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the bill which we are considering today relates entirely and exclusively to compensation for service-connected disabled veterans. It is identical to the bill (H. R. 12038) which was approved by the House on July 12, 1956, by a record vote of 391 to 0, 1 Member voting present.

The bill, last year, unfortunately was not passed by the other body for reasons not necessary to discuss at this time.

The bill generally increases all rates of compensation below 100 percent by 10 percent, rounded to the nearest dollar. For example, the present 10 percent disability is paid at the rate of $17 per month. The bill would increase this to $19.

In the case of a man totally disabled, the rate is increased from $181 to $225. This was done because the President's Commission—the Bradley Commission—found that the men totally disabled constituted the one group which was not receiving as much compensation as they should be receiving based on the amount other veterans, suffering from service-connected disabilities, were receiving. The bill also increases the rates for the more severely disabled by $30 in each different category to make the ceiling on all disability compensation $450 a month rather than $420 as exists today.

The so-called statutory award rate of $47, which are in addition to the rates of percentage disability, are not increased, nor is the minimum rate for arrested tuberculosis of $67. All those veterans receiving a percentage disability payment today would receive an increase under this bill.

Section 2 of the bill applies this same sort of increase to World War I veterans who are rated on the 1925 schedule for rating disability and involve so-called protected award cases. This is a limited group of veterans who are unable to meet the criteria set forth in the 1945 rating schedule.

Section 3 increases the rates provided in Public Law 877 of the 80th Congress, which authorized additional compensation for veterans 50 percent or more disabled and who have dependents. For example, a veteran today rated 100 percent or more disabled receives $181 monthly. If he has a wife, she would receive $21 additional. Under this bill that amount would be increased by 10 percent to make it $23. If the veteran is rated 50 percent disabled, for example, he would receive 50 percent of $23. This provision does not apply to those rated less than 50 percent disabled.

The first year's cost of this bill is estimated to be $169,707,000 and would decrease slightly in the fifth year to $164,586,000. Unlike the pension estimates, compensation cost generally will decrease as the years advance.

	Law [1]	H. R. 52
(a) 10 percent disability	$17.00	*$19.00*
(b) 20 percent disability	33.00	*36.00*
(c) 30 percent disability	50.00	*55.00*
(d) 40 percent disability	66.00	*73.00*
(e) 50 percent disability	91.00	*100.00*
(f) 60 percent disability	109.00	*120.00*
(g) 70 percent disability	127.00	*140.00*
(h) 80 percent disability	145.00	*160.00*
(i) 90 percent disability	163.00	*179.00*
(j) Total disability	181.00	*225.00*
(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by	47.00	*47.00*
Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by	47.00	*[2] 47.00*
(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind, both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation	279.00	*309.00*
(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation	329.00	*359.00*
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation	371.00	*401.00*
(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation	420.00	*450.00*
(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of	420.00	*450.00*
(q) Minimum rate for arrested tuberculosis	67.00	*67.00*

[1] Peacetime rates are 80 percent of wartime rates.
[2] But in no event to exceed $450.

Additional disability compensation because of dependents [1]

	Wife, no child	Wife, 1 child	Wife, 2 children	Wife, 3 or more children	No wife, 1 child	No wife, 2 children	No wife, 3 or more children	Dependent parent or parents
Service on or after June 27, 1950 World War II World War I Spanish-American War, Philippine Insurrection, Boxer Rebellion Civil War Indian wars Peacetime service (under combat or extrahazardous conditions)	$21.00 *23.00*	$35.00 *39.00*	$45.50 *50.00*	$56.00 *62.00*	$14.00 *15.00*	$24.50 *27.00*	$35.00 *39.00*	$17.50 (1) *19.00* 35.00 (2) *38.00*
Regular peacetime service	16.80 *18.00*	28.00 *31.00*	36.40 *40.00*	44.80 *50.00*	11.20 *12.00*	19.60 *22.00*	26.00 *31.00*	14.00 (1) *15.00* 23.00 (2) *30.00*

[1] Above rates are for 100-percent disability. If and while rated partially disabled, but not less than 50 percent, additional compensation is authorized in an amount having the same ratio to the amount specified in the applicable table, above, as the degree of disability bears to the total disability; e. g., war service-connected disability of 50 percent, compensation rate, $100. If veteran has a wife, his compensation is increased as follows: $100+$11.55=$111.55.

NOTE.—Rates in italics as in H. R. 52.

Mr. GRAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY. Mr. Chairman, I want to take this opportunity to congratulate the distinguished chairman of the Veterans Affairs Committee, the gentleman from Texas, [Mr. TEAGUE] and the members of his committee for reporting out H. R. 52.

Out of the hundreds of letters I receive weekly, a score of them are from sick and disabled veterans and their families who are experiencing undue hardships. A 10 percent increase in service-connected disability compensation will not mean a considerable amount of money. However, I can assure you that it is genuinely appreciated and sorely needed in most instances. I could not help but notice the Veterans' Administration request to defer action on this bill until the President's report had been submitted to Congress. In my opinion this is just another stall and I for one appreciate the committee going ahead and doing its duty in behalf of the needy veterans and their families.

The report accompanying this bill estimates the cost for the first year at $169,707,000 with each succeeding year seeing a reduction. Mr. Chairman, if we would stop our foreign aid give-away program this expenditure could be made to our veterans and scarcely be missed. I am hopeful that the other body will take prompt and favorable action on this bill so that some of the human suffering can be alleviated by those who have given so much.

Again, I want to congratulate the chairman and the committee on their efforts in reporting out H. R. 52.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no requests for time. This bill passed the House unanimously in the last session of the Congress, but the other body did not act upon it. The sooner we get it through, the better off the disabled veterans will be. I think the Members would be interested to know that this is in part the recommendation of the Bradley Commission. I am delighted because I have long felt some of the ratings were too low. I still believe some should be raised. For instance the single amputees.

H. R. 52 would increase, by 10 percent in most cases, the rates of compensation payable to veterans for service-connected disabilities and the rates of additional allowances for dependents which are payable to veterans whose disabilities are rated 50 percent or more. The bill would provide a greater percentage increase in the basic rate payable for totally disabled cases. Such rate would be increased from $181 to $225 monthly. This greater increase is consistent with one of the findings of the Bradley Commission which indicated that there is a greater inadequacy in the present rate for total disability than in the other basic rates. The bill would also increase the so-called statutory awards for certain specific disabilities, with the maximum rate payable for combinations of the most severe disabilities increased from $420 to $450 per month. The specific amounts that I have mentioned are those payable in wartime cases. Peacetime disability cases are paid 80 percent of the wartime rates, and the bill would similarly increase the former rates.

As previously mentioned, the bill provides a 10-percent increase in the additional allowances for dependents. The original law on this subject required a disability rating in the case of 60 percent or more. This requirement was reduced to 50 percent in 1949 by Public Law 339, 81st Congress. However, the latter law was not a direct amendment of the original law. The amendment proposed by section 3 (c) of H. R. 52 is, therefore, merely a technical one and would have no substantive effect.

The Congress has long recognized that our primary obligation in the field of veterans' benefits is with respect to those with disabilities that were incurred in or aggravated by military, naval, or air service, and this obligation has been recognized in the form of a monetary benefit called compensation. The rates of such compensation have not been increased since 1954. In August of that year the Congress granted a 5-percent increase by Public Law 695, 83d Congress. The rates of additional allowances for dependents have not been increased since they were originally established in 1948. There can be no question but that the rates of compensation authorized to meet our obligation to the service-disabled veterans must be reasonably adequate. I believe the increases proposed by H. R. 52 are fully justified and strongly urge its approval by the House.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That (a) all monthly wartime rates of compensation payable under public laws administered by the Veterans' Administration for disability less than total (not including special awards and allowances, dependency allowances, or subsistence allowances), are hereby increased by 10 percent.

(b) All rates of compensation increased by subsection (a) shall be further adjusted upward or downward to the nearest dollar, counting 50 cents and over as a whole dollar.

(c) In adjusting the rates of peacetime disability compensation under part II of Veterans Regulation No. 1 (a) because of the increases provided in subsection (a) and the adjustments provided in subsection (b), such rates shall be further adjusted upward or downward to the nearest dollar, counting 50 cents and over as a whole dollar.

(d) Paragraph II (j) of part I of Veterans Regulation No. 1 (a) is amended to read as follows:

"(j) If and while the disability is rated as total the monthly compensation shall be $225."

(e) The maximum rates of compensation set forth in paragraph II (k), II (o), and II (p) of such part I are increased to $450 per month.

(f) The rate of compensation payable under paragraph II (l) of such part I is increased to $309.

(g) The rate of compensation payable under paragraph II (m) of such part I is increased to $359.

(h) The rate of compensation payable under paragraph II (n) of such part I is increased to $401.

SEC. 2. (a) The basic rate of compensation provided by section 202 of the World War Veterans' Act, 1924, as amended, for any disability rated as total is hereby increased to $225 per month.

(b) The rate of compensation payable under section 202 (3) of the World War Veterans' Act, 1924, as amended, for the loss of the use of both eyes is hereby increased to $309; the rate payable under that section for the loss of use of both eyes and one or more limbs is hereby increased to $401; the rate payable under that section for double total permanent disability is hereby increased to $401: *Provided*, That in no event shall the rate of compensation received hereunder plus the amounts payable under any other provision of the World War Veterans' Act, 1924, as amended, exced $450 per month in any case.

SEC. 3. (a) Paragraph (1) of the first section of the act entitled "An act to provide increases of compensation for certain veterans with service-connected disabilities who have dependents," approved July 2, 1948 (38 U. S. C., sec. 740), is amended to read as follows:

"(1) If and while rated totally disabled and—

"(A) has a wife but no child living, $23;

"(B) has a wife and one child living, $39;

"(C) has a wife and two children living, $50;

"(D) has a wife and three or more children living, $62;

"(E) has no wife but one child living, $15;

"(F) has no wife but two children living, $27;

"(G) has no wife but three or more children living, $39;

"(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, $19 for each parent so dependent."

(b) Paragraph (1) of section 2 of such act (38 U. S. C., sec. 741), is amended to read as follows:

"(1) If and while rated totally disabled and—

"(A) has a wife but no child living, $18;

"(B) has a wife and one child living, $31;

"(C) has a wife and two children living, $40;

"(D) has a wife and three or more children living, $50;

"(E) has no wife but one child living, $12;

"(F) has no wife but two children living, $22;

"(G) has no wife but three or more children living, $31;

"(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, $15 for each parent so dependent."

(c) Such act is further amended by striking out "60 percent" wherever it occurs and inserting "50 percent."

SEC. 4. This act shall take effect on the first day of the second calendar month which begins after the date of its enactment.

The CHAIRMAN. Are there any amendments? If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COOPER] having assumed the chair, the gentleman from Illinois [Mr. MACK], Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 52) to provide increases in service-connected disability compensation and to increased dependency allowances, pursuant to House Resolution 244, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days to extend their remarks in the body of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all other Members may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. SHUFORD. Mr. Speaker, I am very much in favor of the provisions of H. R. 52, which was the first bill reported by the Committee on Veterans' Affairs during the first session of the 85th Congress. It is indeed appropriate, in my opinion, that this should be the first action of our committee because it deals entirely and exclusively with service-connected compensation.

The bill before us today provides, generally, a 10-percent increase in the basic rate of compensation for our veterans who have received disabilities in the service of our country. The only higher rate is the one applicable for those who have become totally disabled, and in line with the findings of the President's Commission, the so-called Bradley Commission, we have increased this group to $225 monthly, or a 24-percent increase over the existing rate.

It is encouraging to know that this bill is supported by all our veterans organizations, and in view of the action of the House in the 84th Congress in approving this legislation unanimously on a record vote, I hope that we will have no difficulty in speedily enacting this legislation into law.

Mr. FASCELL. Mr. Speaker, I would like to take this opportunity to emphasize my wholehearted and enthusiastic approval of the bill just approved by the membership to increase service-connected disability compensation and dependency allowances. I was proud to cosponsor this proposal last year and again this year. Approval of this increase is long overdue and I hope the measure will receive the prompt and favorable action of the other body.

Mr. EDMONDSON. Mr. Speaker, I am very pleased to see House action on this much-needed legislation at this early point in the session of the 85th Congress.

This increase in compensation for our disabled veterans and their dependents has been urgently needed for many months, and each increase in the cost of living has increased the urgency of the problem confronting many deserving American families dependent upon these payments for their daily bread.

Mr. Speaker, I hope the House will soon follow the precedent set by this bill to make appropriate adjustments in other fields, where the impact of the cost of living rise is being felt just as painfully by deserving citizens.

Mr. WHITENER. Mr. Speaker, I commend the distinguished chairman of the Veterans' Affairs Committee for the leadership which he has given in both the 84th and 85th Congresses in the consideration of legislation to provide increases in service-connected disability compensation and in increasing dependency allowances for dependents of service-connected disabled veterans.

I strongly urge the passage of H. R. 52 which we now have before us. An identical act was passed by the House on July 12, 1956, under the designation H. R. 12038. Unfortunately, the other body did not act upon H. R. 12038 during the 84th Congress.

H. R. 52 deals entirely and exclusively with the subject of compensation for service-connected disabled veterans. Generally, it increases all rates of compensation below 100 percent by 10 percent, rounded to the nearest dollar. The increase for those totally disabled amounts to a 24 percent increase.

The need for a revision and increase of compensation rates for these partially and totally disabled veterans and their dependents is indicated by the commonly recognized increase in cost of living. The modest increases provided in H. R. 52 will not, in my opinion, be commensurate with the accelerated expenses of existence which confront our disabled veterans, but at least it will show to them that the people of this Nation are still aware of the great sacrifice which these disabled men made for their country in time of international crisis.

I want to impress upon the Members of the House that this bill is a very conservative piece of legislation. It has been thoroughly considered by our Veterans' Affairs Committee. It is worthy of the support of every Member of this body.

EXEMPTION FOR DEPENDENTS

Mr. CHELF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHELF. Mr. Speaker, on January 18, 1954, I introduced a bill to increase the yearly income tax exemptions of a dependent from $600 to $1,200. Later on, or about March 20, 1955, I introduced H. R. 2569, which changed this exemption from $1,200 to $1,000. On January 3, 1957, I introduced H. R. 590, which again sought to allow at least a $1,000 tax credit to our hard-pressed taxpayers. Today, Mr. Speaker, I am introducing legislation to change the $1,000 to $900. Here is why I have been so persistent in my fight to reduce Federal taxes. A person earning less than $1,200 a year, or $100 a month, has absolutely no business whatsoever of paying any income tax, either to the Federal Government, State government, or the District of Columbia. A person just simply cannot live on $1,200 a year, especially since inflation has cut the dollar to 50 percent of its former purchasing power. Then why have I offered legislation today to give the taxpayers a $900 exemption instead of the $1,200 that I sought for them under my first bill? I am realistic enough to know that in order to secure any help at all at this session for the taxpayer,

especially the little taxpayer, I will just simply have to accept that which can be actually obtained. In other words, I had hoped to get an exemption of $1,200. That having failed, I introduced legislation seeking a $1,000 exemption. When I became convinced that the $1,000 exemption request was getting nowhere, I decided to introduce this bill authorizing an exemption of $900 instead of the $600 income tax exemption allowed to dependents under existing law. In my previous bills I also sought an $1,800 a year tax exemption for each dependent child under 21 years of age who was attending any recognized college, university, or other legitimate institution of learning. Upon realizing that this amount was likewise making no headway, I have changed it to $1,200 exemption. Since I cannot get a whole loaf for the taxpayer, I am willing to accept a half, or even a quarter loaf, which is far better than nothing at all.

I am sure there are those who will argue that it is impossible to cut taxes in view of the $72 billion budget the President has submitted to the Congress. Frankly, if no reduction were made in the budget, this would make good sense. However, the House of Representatives has already, this year, cut the first seven appropriation bills for the coming fiscal year by more than $1 billion, or 7.3 percent of the amount requested by the President. Now even the President agrees we can safely cut the budget by nearly $2 billion. I shall vote to cut wherever it is possible without impairing our national defenses. I have vigorously supported most of the reductions already made and I have every reason to believe that when the final cuts in the budget by the 85th Congress have been totaled, a sufficient amount will have been reduced so as to allow a reasonable income tax reduction. One of the most comforting signs that this 85th Congress will reduce the budget, and thereby cut taxes, is the action taken on May 9, 1957, by a Senate committee in supporting previous House cuts. This is most heartening. It is indeed a good omen. If we keep on trimming the President's all-time high peacetime budget—not by the meat-ax approach but in an orderly manner—it can and will be cut without danger to our defenses and a reasonable tax cut voted for our people. I repeat, we must act carefully and prudently in this matter. We must be wise budgeteers and not foolish bludgeoneers.

It is my sincere belief that if we can wisely cut the budget, and we can, the savings passed on to our people in the form of tax reduction would strengthen our entire economic structure. It will enable the little fellow, the laboring man, to pay his debts and to spend more, all of which would put more money in circulation, create more buying power, more jobs, give a shot in the arm to little business, help our farmers who are hanging on the ropes financially, and actually return more money into the Treasury through the medium of excise taxes in lieu of income taxes. This would help us to cut the national debt and help us to reduce our vast stocks of surplus food and other commodities as well. A tax reduction would also restore incentive and act as an inducement to all business and industry—even to private individuals.

To make a long, sad story short, if we will only reduce the budget and with it the Federal spending, we can reduce not only the income tax but most of these wartime taxes that are still on the books. This would greatly help to balance the budget of the average taxpayer. Once he is balanced on his feet and not on his head, the Federal budget can be balanced with far more ease, and payments made on the national debt.

FARM POLICIES

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I have noted with increasing interest the remarks of my colleague across the aisle, the gentleman from Iowa [Mr. COAD], who seems to be taking a belated interest in the farm situation by attacking the Secretary of Agriculture every other day or so.

Last Monday, for example, the gentleman from Iowa [Mr. COAD] attacked the administration's farm policies and called for the resignation of Secretary Benson. Mr. COAD took issue mainly with Mr. Benson's proposal to overhaul the Nation's basic farm laws which the Secretary believes are obsolete and unworkable. More specifically, Mr. COAD disagreed with the Secretary's request for greater discretion in fixing price supports than is presently provided by law.

Mr. Speaker, when a Secretary of Agriculture, who incidentally has been a farmer most of his life, calls some 25 years and nearly $12 billion worth of Federal farm programs a flop, I believe it is time for the Congress to sit up and listen. Mr. Benson said, in effect, that these vast expenditures have made "little or no contribution to the problem of the low-income farmers" and he served notice that unless Congress begins to take a more realistic attitude toward agriculture, the problems will get bigger rather than smaller.

Although his views on farm policies are considerably misguided, I am nonetheless happy to see that the gentleman from Iowa is finally waking up to the fact that something must be done for the farmers. He offers no solution other than firing Secretary Benson. If Mr. COAD had awakened early in this session to the farm problem, perhaps he would not have opposed, and helped to defeat the Republican sponsored emergency corn legislation which was designed to assist the farmers in the corn producing areas of his district. That legislation would have increased corn acreages this year from 37.3 million acres to 51 million acres and enabled corn farmers to place acreages equal to 15 percent of their allotment in the soil bank.

In my judgment, the gentleman voted against the best interests of his farmers by supporting the so-called Cooley bill. A bill which would have opened the soil bank to growers of basic crops as well as feed grains, cost $1 billion a year and would have destroyed the soil-bank program. He knew that President Eisenhower would veto the Cooley bill even if the Congress passed it. In short, the gentleman from Iowa talks a lot about helping the farmers of his district but votes against them.

AN ACCELERATED DOMESTIC ATOMIC POWER PROGRAM

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the Joint Committee on Atomic Energy has recently concluded hearings required by section 202 of the Atomic Energy Act of 1954, and also on bills calling for Federal indemnification for atomic energy users. We have listened with a great deal of interest to honest and sincere persons from the Atomic Energy Commission, industry, labor, universities, and many others, giving us their opinions concerning the development and state of the atomic art and possible ways to encourage greater utilization of this vast new energy for the betterment of all our fellowmen.

Throughout these hearings, there were many suggestions that we should further accelerate the development of atomic power demonstration facilities in the United States. Let us look briefly at these suggestions; but, while doing so we must keep the picture in proper focus and not lose perspective of the economics involved in reactor development. It must be emphasized and reemphasized that the United States, at the present time, is not in critical need of additional electric generating capacity.

There is no immediate shortage of conventional fuels to supply steam for electric generating equipment. This I know because I have the privilege of representing an important coal-producing area of the country. The situation could conceivably change in decades to come. It is possible that the chemical properties of fossil fuels may be so valuable that it will be relatively uneconomic to continue burning them up simply as a source of heat.

In spite of the fact our electric energy requirements have been doubling each decade for almost half a century, our Nation's electric companies have had no substantial difficulty in meeting this need. I might say, by way of parenthesis, it is interesting to note the only areas in this country where there has been a recurring shortage of power are those served primarily by a couple of well-known Federal power programs.

Atomic electric power is not yet competitive on an economic basis with conventional power in this country. In various other parts of the world, however, atomic power is already competitive, or very close to it because of the high cost of conventional fuels. One of my colleagues

on the joint committee, the gentleman from New York [Mr. COLE], recently introduced H. R. 5694, part of which would encourage construction of reactors by American firms in these foreign areas. Such foreign construction would supply valuable information as to improvements in reactor concept and design that would more quickly lead to economically competitive atomic powerplants in this country.

As beneficial as this section of H. R. 5694 would be, there may be a need for reactors to be constructed in the United States. Domestic reactors would serve as large-scale laboratories to supply information as to our own particular technical requirements. They would also serve as training grounds for the future scientists and engineers which we so desperately need.

There should be little doubt that the atomic power demonstration program now being undertaken by the Atomic Energy Commission and the various private development activities will lead to our desired goal of economic atomic power on a time scale dictated by normal industrial needs.

On the other hand, for noneconomic reasons of national prestige in the eyes of the world there is a need for us to maintain and extend our world leadership in atomic affairs. Such leadership would not be particularly meaningful, though, if measured solely in terms of installed kilowatts. The leadership of this Nation should be measured in terms of broad and varied technological development and application. To use the kilowatt measurement would be like saying that, if Russia produced more model T Ford's today than the United States produces 1957 models, then America is falling behind in the automotive race.

We must not be stampeded into a crash program of Federal reactor construction to meet the grandiose claims of other nations. Rather, let us approach this question with the same foresight and considered determination which has proved so helpful in meeting other production problems in the past. The economic history of this country as compared with other countries of the world should be proof enough that the American system of free enterprise is the best method of getting the job done.

Let me site a graphic example of how another facet of the atomic business has benefited by the Government's encouragement of private enterprise. The exploration, discovery and mining of uranium ore has been accomplished by private enterprise with only minimum interference, but maximum encouragement by the Government. This progressive policy has resulted in a uranium mining and processing industry which is second to none in the world today. We can rightfully expect a similar program of encouraging the development of civilian atomic power reactors by private enterprise to produce the same beneficial results.

Mr. Speaker, for this reason, I introduced a bill designed to further encourage the development of civilian atomic power reactors by industrial firms, electric companies, and local agencies. This proposal will in no way conflict with H. R. 5694. I sincerely believe the gentleman from New York and I are in agreement on the methods which we feel should be utilized to meet the challenge which atomic energy represents. The challenge which is also stated in section 1 of the Atomic Energy Act of 1954 that the development, use and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

Last year the House considered a bill—H. R. 12061, 84th Congress—to accelerate the atomic-power program, and, after debate, and after certain amendments had been adopted, I introduced a motion to recommit the bill to committee, which carried. I stated then that I was not satisfied with the bill in its form at that time, and that I believed it needed further study.

Since then I have listened to considerable testimony on this subject, and have given the matter considerable thought and study. Today I introduced a bill which I believe provides the proper basis for authorizing an accelerated civilian atomic-power program.

I have prepared a digest of this bill which I would like to have printed in the RECORD at this point:

Section 1 states that the act may be cited as the "Accelerated Civilian Atomic Power Act of 1957."

Section 2 adds a new definition to the Atomic Energy Act of 1954. It defines the term "incremental cost" as the difference between the estimated capital cost of the construction of an electric-power-generating plant using fossil fuels and the estimated capital cost of one using atomic fuels of the same thermal capacity in the same locality.

Section 3 (a) amends the Atomic Energy Act by inserting a new chapter 19 entitled "Accelerated Civilian Atomic Power Program," which contains sections 241, 242, and 243, with appropriate redesignations of certain chapter and section numbers.

Section 241 states the purpose and policy of the chapter.

Subsection 242 (a) provides for research and development assistance to the civilian power-reactor program. This subsection gives additional statutory authorization for the Commission to enter into contracts with persons for the conduct of research and development activities required in the construction of prototype power-reactor facilities and is intended to accelerate Commission efforts and assistance under the AEC power demonstration reactor program. The bill provides for private ownership of such facilities, unless the expenditure of funds by the Commission for research and development activities on the facility exceeds the expenditure made by the contracting person.

Subsection 242 (b) provides that the expenditure of Commission funds for assistance to projects initiated under subsection (a) shall not exceed the incremental cost of the facility, as defined in section 2 of this bill.

Subsection 242 (c) authorizes the Commission to proceed with an advanced design and development program for construction of reactor facilities to be capable of producing not more than 50,000 kilowatts of electricity. The facilities authorized by this subsection shall be constructed at AEC production sites, and the electric energy generated shall be used by the Commission. The bill authorizes to be appropriated $100 million to carry out the provisions and purposes of this subsection.

Subsection 242 (d) authorizes the Commission to construct any supporting facilities, such as reprocessing facilities, necessary for the program.

Subsection 242 (e) provides that information as to the amount of financial assistance provided by the Commission for research and development activities under this program shall be disclosed and made public.

Section 243 (a) provides that this chapter shall not operate to impair or interfere with the atomic weapons production program or the AEC reactor demonstration program.

Section 243 (b) provides that the facilities authorized under section 242 (c) shall be sold to the highest responsible bidder after they have been in operation for a period of 15 years.

Section 3 (b) amends the table of contents to the Atomic Energy Act to reflect the amendments of section 3 (a) of the bill.

Section 4 amends the Internal Revenue Code to include atomic power reactor demonstration facilities constructed under section 104 or under this chapter in the definition of "emergency facilities" and thus eligible for possible tax amortization deductions. The Atomic Energy Commission is designated as the certifying authority, and the adjusted basis is limited to the amount certified by the Commission as being necessary to achieve the purposes and policies of this bill.

I would also like to add a few words about the philosophy and the purpose behind my bill.

This bill is intended to provide for a civilian atomic power acceleration program in a manner which will not discourage private enterprise and initiative in this field. The bill does not provide authorization for construction of large-scale power reactors, because I believe that this is the proper province for private enterprise. But the bill does provide for research and development assistance to the civilian power reactor program. This is intended to reinforce the Commission's authority to continue and accelerate its efforts under the AEC power demonstration program.

The bill also authorizes the Commission to proceed with an advanced reactor design and development program by constructing comparatively small-scale reactors capable of producing not more than 50,000 kilowatts of electricity, to be constructed at AEC production sites. The bill authorizes an appropriation of $100 million for this purpose.

Therefore, my bill is somewhat similar to the bill considered by the Congress during the last session—H. R. 12061, 84th Congress—providing for a civilian atomic power acceleration program with the following significant differences:

First. It authorizes construction only of advanced design and development facilities, and not large-scale facilities.

Second. It authorizes and encourages the Commission to continue and redouble its efforts under the power reactor demonstration program to assist private industry in the development of both small- and large-scale atomic power reactor facilities.

Third. It authorizes the appropriation of $100 million rather than $400 million. It is contemplated that the appropriations would be spread over a 5-year period, or at the average rate of $20 million per year.

Fourth. It contains certain protective amendments adopted by the House of Representatives during the debate on the

bill last year. However, it does not require that the AEC obtain proposals from private industry before undertaking construction of advanced design and development facilities, because it is not contemplated that the Government-sponsored advanced design small-scale construction program will conflict with the private industry program, but rather will assist it by exploring new fields.

In addition, the bill provides for an amendment to the Internal Revenue Code to include atomic power reactor demonstration facilities in the definition of "emergency facilities" and thus eligible for possible tax amortization deductions. This amendment to the Internal Revenue Code is of a limited nature and applies only to the facilities qualifying under this program. Since the evidence before our committee has demonstrated conclusively that construction of atomic power reactors is unprofitable and uneconomical at this stage, and since the national interest requires accelerated effort in this field, it seems clear to me that this limited tax relief is justifiable and in the public interest.

In conclusion, I would like to emphasize again that my bill is intended to provide for acceleration of the atomic-power program without, at the same time, discouraging efforts by private enterprise in this field. It provides for increased assistance to private enterprise, and authorizes Government construction of reactor facilities of advanced design and their development.

The bill which I have introduced today meets, I believe, the objections to last year's bill and will, I hope, provide the basis for sound compromise in this field. It does not authorize a "crash" program involving expensive large-scale governmental construction which is not necessary in this country at this time, but it does provide for a more long-range program with a definite part to play by both private industry and Government. My bill is intended, as I stated earlier, to supplement the bill introduced by my colleague from New York [Mr. COLE], H. R. 5694, which provides assistance for construction of reactors for installation abroad. My bill provides for similar assistance and encouragement to an accelerated domestic atomic power program.

I hope that this bill will provide a basis for compromise and agreement among the many different views of the many distinguished Members of the Congress who have given thought and study to these problems. I believe it sufficiently protects the interests of the coal industry, the private and public utility groups, that it should aid the private reactor manufacturers, and that it is clearly in the national interest by authorizing a balanced, long-range program for the development of atomic power, with resulting benefits to all our citizens and the peoples of the free world.

THE JENKINS-KEOGH BILL

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I am sure that practically all Members have been receiving messages of some kind with reference to the Jenkins-Keogh bill. I want to say that in spite of the name the Jenkins-Keogh bill is a very good bill, and personally I hope Members will give it their best attention.

As proof that it is a good bill, on yesterday I received 300 telegrams in favor of the bill, so it seems to be very popular. These telegrams were signed by doctors, lawyers, and influential businessmen.

I have received hundreds of letters and telegrams. I am advised that the membership of the House and Senate have received thousands of messages. Most of the messages come from business and professional men and women.

These bills are identical in language and seek to bring social security to employers.

The present social-security law brings security to the employees of the country and the Jenkins-Keogh bills seek to bring security to the self-employers.

The following is an analysis of H. R. 9 and 10, and I shall insert this in the RECORD as a part of my remarks:

ANALYSIS OF H. R. 9 AND 10, THE SO-CALLED JENKINS-KEOGH BILL

GENERAL STATEMENT

The purpose of the bill is to encourage the establishment of voluntary pension plans by self-employed individuals. This would be accomplished by affording such individuals a tax deferment on a limited portion of their income set aside for their retirement. Under existing law such tax deferment is afforded to employed persons whose employers have established so-called employee pension plans meeting certain statutory requirements. However, since self-employed individuals cannot be their own employees, they cannot qualify under existing legislation.

It will be recalled that the Social Security Act, which sets up a compulsory system of old-age pensions, originally only applied to employed persons, but was later extended to most self-employed persons. H. R. 9 and 10 would give self-employed persons a measure of equality with employed persons so far as supplemental private pensions are concerned.

SUMMARY OF BILL

Generally speaking, the bill would allow self-employed persons a deduction for Federal income-tax purposes for amounts set aside for their retirement, with a proviso that the annual deduction could not exceed the lesser of 10 percent of self-employment income or $5,000. However, a special rule would be provided in the case of persons now 50 years of age or over who would have only a few years in which to build up a retirement fund. In their case the allowable deduction would be increased one-tenth for each year of age over 50 and not over 70. To the extent that allowable deductions were not used in any year they would serve to increase the allowable deduction during the following 5 years until exhausted, except that a maximum annual ceiling of $5,000 would still apply. A self-employed individual could not deduct over his lifetime more than 20 times the maximum annual contribution under the general rule.

The definition of a self-employed individual is the same as under the self-employment provisions of the Social Security Act, except that it also includes those not presently covered under such provisions, such as physicians, ministers, etc. Self-employed persons who also are employed during the year are not disqualified unless they are currently a member of, or are receiving payments under, a governmental or private pension or profit-sharing plan, or have received a distribution of their interest in such a pension or profit-sharing plan.

The allowable deduction is in terms of amounts paid as so-called retirement deposits, which are defined as amounts paid into a restricted retirement fund or as premiums under a restricted retirement policy.

A restricted retirement fund is defined as a trust or custodian account established under a retirement plan for self-employed individuals. Funds held in a restricted retirement fund could be invested only in Federal, State, and municipal securities, corporate stock or securities listed on a recognized exchange (other than stock or securities in a corporation in which a member of the plan owns more than 10 pe rcent of voting stock), and stock in a so-called regulated investment company meeting the requirements of section 851 of the Internal Revenue Code. Earnings realized by a restricted retirement fund would not be taxable until distributed to the participants.

"Restricted retirement policies" would include life insurance or annuity contracts except term insurance, but in the case of life-insurance policies no deduction would be allowed for the portion of the premium attributable to the cost of life-insurance protection. Restricted retirement policies would include both newly issued annuity, endowment, and life-insurance contracts and existing policies, except that in order to use existing policies as a funding medium the insurance company would first have to be notified of the taxpayer's intention and make the necessary endorsement on the policy.

The bill contemplates generally that retirement funds will not be payable until age 65. They would be subject to income tax in the hands of the participants at the time distributed. Lump-sum distributions after age 65 would be taxed under a special formula to avoid having the retirement funds largely dissipated by being taxed in 1 year under the higher surtax brackets. In lieu of the rates otherwise applicable, the lump-sum distribution would be assessed at five times the rate applicable to one-fifth of the amount. The same treatment would be given payments on the death of the participant.

Withdrawal of the retirement fund prior to age 65 is permitted, subject to the payment of a penalty. In such case, it is provided that the tax shall be 110 percent of the amount which would have been payable had the distribution been included in the individual's gross income ratably over the taxable year and the 4 taxable years immediately preceding (or such lesser number of immediately preceding taxable years in which retirement deposits were made).

The foregoing tax provisions would apply equally to distributions from a restricted retirement fund and under a restricted retirement policy.

STATE RIGHTS AND THE CONSTITUTION VERSUS CIVIL RIGHTS AND THE SUPREME COURT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 45 minutes.

Mr. LONG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. WILLIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 70]

Anderson, Mont.	Gary	Norrell
Anfuso	Granahan	Patterson
Avery	Green, Pa.	Philbin
Ayres	Griffin	Powell
Barden	Gubser	Prouty
Barrett	Gwinn	Reed
Bass, N. H.	Harden	Rivers
Beamer	Harris	Robeson, Va.
Boland	Hays, Ohio	Rodino
Bow	Healey	Roosevelt
Bowler	Holland	Sadlak
Broyhill	Holtzman	Santangelo
Buckley	James	St. George
Carnahan	Kearney	Scherer
Chudoff	Kelley, Pa.	Selden
Cole	Keogh	Shelley
Corbett	Kilburn	Sieminski
Coudert	Kluczynski	Simpson, Pa.
Curtis, Mass.	Landrum	Stauffer
Dawson, Ill.	Lane	Steed
Derounian	Lennon	Teller
Diggs	Lesinski	Thomson, Wyo.
Dollinger	McCarthy	Tuck
Donohue	McConnell	Utt
Durham	McCormack	Vursell
Eberharter	McFall	Wainwright
Elliott	Magnuson	Watts
Evins	May	Wharton
Fallon	Michel	Wigglesworth
Farbstein	Morano	Williams, Miss.
Fascell	Morgan	Wilson, Calif.
Fino	Morrison	Wolverton
Fogarty	Moss	Yates
Fulton	Mumma	Zelenko
Garmatz	Murray	
	Nimtz	

The SPEAKER pro tempore. On this rollcall 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MASON] is recognized.

Mr. MASON. Mr. Speaker, for over 150 years the American people lived with and under the Federal Constitution and its provisions—as drafted by the Founding Fathers. During that time they were a happy, contented, and a prosperous people. Both the Government and the people prospered and developed as no other government or people has prospered or developed since civilization began.

Then came our New Dealers, our Fair Dealers, and our Modern Republicans with ideas and proposals to change our constitutional form of government into a welfare state, a centralized Socialist-Labor government, with our sovereign States relegated to a subservient position, exercising only those powers and duties that might be assigned them by an all-powerful, arrogant, dictatorial, centralized Federal Government—divorced from those powers, duties, and privileges guaranteed to the State by our Federal Constitution.

Mr. Speaker, in order to bring about this government transformation, it became necessary to first take away from the States all the rights, powers, and privileges that were guaranteed them by the Constitution. And in order that this first step might be taken we had to have a Supreme Court that would be sympathetic to the proposed government changeover.

President Franklin D. Roosevelt actually proposed setting up just such a court early in 1937 when he tried to pack the Supreme Court with Justices that would be socially, economically, and politically minded instead of being legally experienced and judicially inclined. Roosevelt made no secret of the fact that he wanted to implement his own social and economic objectives regardless of the constitutionality of those objectives. Failing in his attempt to pack the Court, he proceeded to begin the process of stacking the Court by appointing to every vacancy that occurred persons who had social, political, and economic beliefs similar to his own—liberal ideologists with little or no experience in either legal or constitutional problems.

President Roosevelt's example was followed by President Truman and also by President Eisenhower, especially when he appointed Earl Warren as Chief Justice. So today a majority of the Supreme Court Justices are men that are socially, economically, and politically minded rather than men legally experienced and judicially inclined. Therefore, most of the recent Supreme Court decisions are based upon the social, economic, and political convictions or predilections of the Justices rather than upon legal precedents or constitutional grounds. Because this situation exists today within the Supreme Court, we have such decisions as the following:

First. The Pennsylvania sedition case: Where Steve Nelson, a Communist convicted and sentenced under the sedition law of Pennsylvania, was—so the Court held—illegally convicted because the Smith Sedition Act passed by Congress preempted the field of sedition and deprived the States of all jurisdiction in that field. This decision affected 32 States, nullifying their laws on sedition.

Second. The New York Slochower case: Where the Supreme Court ruled that Dr. Harry Slochower had been fired from his teaching position illegally by the Brooklyn City College board because the due process of law had not been followed in his case.

Third. The Michigan "dirty book" case: Where the Supreme Court declared invalid a Michigan State law forbidding the sale of books, magazines, or publications "tending to incite minors to violent, depraved, or immoral acts." According to this ruling a State may use its police powers to protect a minor from physical harm but it cannot use those same police powers to protect a minor from mental or moral harm.

Fourth. The bus segregation case: Where the Court ruled that no State or city has the right to require segregation on local buses. Yet the Constitution clearly shows that the jurisdiction over intrastate transportation—transportation entirely within the State—is left absolutely to the States.

Fifth. The school segregation case: Where the present Supreme Court ignored a Supreme Court's decision of 60 years' standing, overthrew a century of custom and practice, and required integration in the public schools, causing chaos and confusion in at least 12 States as a result.

Sixth. The Girard College case: The most recent Supreme Court action was the issuance of an order in the Girard College case in which the Court ruled that a trust set up in 1831 in Philadelphia under the will of Stephen Girard setting aside a sum of money in trust "for the erection, maintenance, and operation of a college for as many poor white male orphans as the said income shall be adequate to maintain," violates the 14th amendment to the Constitution because the present trustees are officials of the city of Philadelphia and the State of Pennsylvania. Therefore their action in refusing admittance to two colored orphan boys was "an act of discrimination by the State of Pennsylvania."

The real question, of course, is, "If a trustee happens to be an official of a city or a State, when he acts as a trustee is he acting as the agent of the maker of the trust or is he acting as the agent of the State?" When one considers that no public funds were involved in the Girard College case, but the entire $100 million now in the fund are private funds, the result of the Stephen Girard will, the answer to the question should be obvious—even to our present Supreme Court Justices.

According to this recent order of the Court any trust set up under a will that meets all the legal and constitutional requirements at the time it is established can be overturned, invalidated, declared null and void with the changing times and the changing Court decisions.

Nothing is sacred nor permanent under the present uncontrolled Supreme Court. Century-old customs and previous Court rulings may now be overturned by a capricious Supreme Court, a majority of whose Justices have sociological predilections that influence or dominate their opinions.

Mr. Speaker, Thomas Marshall, of Corpus Christi, Tex., an authority on constitutional law and a worthy namesake of a former clebrated Chief Justice, says:

> An uncontrolled Supreme Court is the road to tyranny.

I say that under the present Supreme Court we have been traveling on the road to tyranny for 20 years, and we are rapidly approaching a situation that properly can be called a centralized Federal tyranny.

The Founding Fathers and the makers of the Constitution agreed that an uncontrolled Supreme Court meant despotism, and must be guarded against. We now have such a Court. Under it the loss of our constitutional rights and privileges is a constant menace. This menace should haunt the thoughts of every citizen who believes in constitutional government. Congress must establish some form of control over the Supreme Court so that our guaranteed personal rights and privileges cannot be usurped by an uncontrolled, capricious Supreme Court. That is the task Congress must face up to and must accomplish before it is too late.

Now, Mr. Speaker, what about H. R. 6127, the so-called civil-rights bill?

We have all heard the saying, "The remedy is worse than the disease." That

saying certainly applies to H. R. 6127. In that bill we are asked to exchange our God-given human rights and our guaranteed States rights for a civil rights program; to exchange real blessings we now enjoy for the fictitious blessings claimed as a part of the mirage known as civil rights.

Mr. Speaker, habits, customs, and obligations are much more effective than any civil rights program implemented by Federal laws. Custom is much more effective than any law because it polices itself. Laws are not particularly efficient. A law has little chance of being enforced if it does not have the approval and support of the majority of the people affected.

Prohibition was once the law of the land; it was a part of our written Constitution. However, because it did not reflect the conscience of the majority of our people, it was not enforcible from a practical standpoint; and it had to be repealed.

Today the 85th Congress under President Eisenhower is facing practically the same civil rights proposal that the 81st Congress faced under President Truman. At that time President Truman gave the following as his civil rights objectives:

1. We believe that all men are created equal under law and that they have the right to equal justice under law.
2. We believe that all men have the right to freedom of thought and of expression and the right to worship as they please.
3. We believe that all men are entitled to equal opportunities for jobs, for homes, for good health, and for education.
4. We believe that all men should have a voice in their government and that government should protect, not usurp, the rights of the people.

President Truman further stated:

These are the basic civil rights which are the source and the support of our democracy.

I say these are all worthy objectives. No decent, law-abiding citizens would question these objectives nor oppose them. But—President Truman's program for bringing about these objectives was questioned. His methods were opposed. Today President Eisenhower wants the 85th Congress to enact through legislation about the same civil rights program that President Truman wanted the 81st Congress to enact.

Mr. Speaker, I want to call your attention and the attention of the Nation to the fact that each and every one of these objectives is a State function, a State responsibility, a State obligation. They come within the police powers of the various States, and were definitely left to the States by the Constitution. Why then should the Federal Government violate States rights by assuming functions that belong to the States? That would be going contrary to the Constitution.

In 1952, speaking at Des Moines as a candidate for the Presidency, General Eisenhower said:

The Federal Government did not create the States of this Republic. The States created the Federal Government. The creation should not supersede the creator. For if the States lose their meaning our entire system of government loses its meaning and the next step is the rise of the centralized national state in which the seeds of autocracy can take root and grow.

At the Conference of Governors in Seattle early in 1953 President Eisenhower declared:

I am here because of my indestructible conviction that unless we preserve in this country the place of State government with the power of authority, the responsibilities, and the revenues necessary to discharge those responsibilities, then we are not going to have America as we have known it. We will have some other form of government.

In the words of President Eisenhower himself, therefore, the destruction of constitutional States rights will sow the "seeds of autocracy," bring about in America "some other form of government," and force us to establish a "dictatorship."

Yet in the face of his own words the President proceeded to ask Congress to create a new Cabinet office to supervise the Nation's health, education, and welfare—and Congress was foolish enough to do so. Under the 10th article of the Bill of Rights, protection of the people's health, education, and welfare is reserved to the respective States of the Union. Therefore, the President's actions in that instance did not coincide with his words.

And if that is not enough to convince anyone that the President's actions do not always conform to his words, take the report of the Commission on Intergovernmental Relations on Federal Aid for Schools. A 15-man study committee on education submitted a 200-page report on that subject which stated:

We have been unable to find a single State that cannot afford to make more money available to its schools or that is economically unable to support an adequate school system.

Yet the former Secretary of the new Cabinet post, Mrs. Oveta Culp Hobby—who was also a member of the Commission on Intergovernmental Relations—and President Eisenhower both ignored that report and presented to the 84th Congress a Federal school aid program that would cost $2 billion. Again I ask, do the President's actions coincide with his own words? His present recommendations for Federal school aid are the exact opposite to the recommendations of his own Commission on Intergovernmental Relations.

Mr. Speaker, I had the good fortune to serve on the Commission on Intergovernmental Relations under the chairmanship of Dean Manion, one of the greatest constitutional lawyers in America. The one great principle he emphasized was that the purpose of the American Government is to preserve and protect our God-given rights; that the American Government is simply a mechanism for the protection of human rights; that civil rights are rights provided by law that definitely come under the jurisdiction of the States, not under the jurisdiction of the Federal Government; and that whenever the Federal Government undertakes to establish or set up a program of civil rights, it must of necessity encroach upon States rights and upon God-given human rights. I subscribe to that principle enunciated by Dean Manion 100 percent.

Mr. Speaker, there are many reasons why the Federal Government should not enter the field of civil rights legislation but rather should leave that field entirely to the States where it properly belongs under our Constitution. I have already cited our disastrous experience under the Volstead Act. We had just such a disastrous experience with Federal civil rights legislation following the Civil War. That era became known as the carpetbag era. It was an experience that neither North nor South can look back upon with satisfaction. Military occupation, martial law, suspension of the writ of habeas corpus, summary judgments, suspension of the rules of evidence and the right of trial by jury, unspeakable corruption on every side—these were the order of the day during the carpetbag era, all in the name of civil rights, all to protect and insure civil rights.

So much for civil rights in general. Now, Mr. Speaker, let us be specific about the pending civil rights bill, H. R. 6127.

This bill denies certain fundamental rights guaranteed by the Constitution to both majority and minority groups—the right to own, manage, and enjoy property; the right of trial by jury; the right to be presumed innocent until proven guilty; the right of appeal; and the rights reserved to the States or the people thereof under the 9th and 10th amendments.

Heretofore in America a defendant came to the bar of justice as an innocent man accused of a crime. Under H. R. 6127 he will come to the bar presumed guilty under a prima facie finding, and he will remain guilty unless and until he can prove himself innocent.

In substance, Mr. Speaker, the provisions of H. R. 6127 constitute nothing more nor less than government by Federal injunction. How organized labor or so-called management can support Government by injunction is more than I can understand. Yet I am told that some labor leaders and some management representatives do support the so-called civil rights bill. I wonder if those labor leaders who support H. R. 6127 ever read the testimony of the grand old man of organized labor, Sam Gompers, before a Senate Labor Committee when he said:

If ever the time shall come—and let us hope and work that it never shall come—when government by dynamite shall be attempted, it will have as its main cause the theory and policy upon which is based government by injunction—a personal government foisted upon our people instead of a government by law.

Those words were historic words, prophetic words. Now, at this late date comes a modern Republican administration proposing government by injunction under the guise of civil rights.

Mr. Speaker, the present tendency of the Supreme Court to encroach upon States rights; the present proposal to substitute a so-called civil rights program for our God-given human rights and our constitutional States rights; the present attempt by our New Deal liberals to bypass our Constitution and set up a welfare Socialist-Labor government,

do not constitute problems for the South, for the North, for the East, or for the West. They constitute problems for our entire Nation. They are problems that affect every State in the Union and every individual within each State—laborer, employer, taxpayer, citizen, and property owner alike. We are all in the same boat, and we must all sink or swim together.

That being so, our first and primary responsibility as Members of Congress—whether we call ourselves Democrats or Republicans—is to protect and preserve our Federal Constitution; to insist upon States rights; to do all we can to curb and control our uncontrolled Supreme Court; and to pass on to our children the constitutional form of government that we inherited from our farseeing Founding Fathers. Our oath of office pledges us to do just that. Let us live up to that oath.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. Mr. Speaker, I have learned that when the gentleman from Illinois [Mr. MASON] obtains a special order to address the House, usually it will be upon a subject to which he has devoted thought and study, and which really concerns the welfare of the United States and its people. I am glad that I knew he was to speak to the House today and that I have been here to listen to his address. I want to say to the gentleman from Illinois that he has sounded a warning which it would be well for every good American to heed. He has called our attention to a state of facts which threaten the permanence of our free institutions, constitutional government, and States rights. I concur in what the gentleman has said. I commend him for his statesmanship in preparing and delivering this address.

Mr. MASON. I thank the gentleman from Georgia.

Mrs. BLITCH. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. I want to highly commend the gentleman for his splendid address. I want to say further that I think the dangers he has pointed out to the permanence of our Constitution are a great deal more serious than the dangers from without the country. We have made expenditures of billions and billions of dollars and thousands and thousands of lives in casualties to preserve this country from outside danger. But the gentleman has struck at the very core of the real danger that threatens our country today, and I cannot commend the gentleman too highly for the service he has performed in this respect.

Would the gentleman permit me to ask a question

Mr. MASON. Yes, indeed.

Mrs. BLITCH. I am very much impressed with what the gentleman has to say about the responsibility of Congress to exercise some control over the Supreme Court. That is the question that has been worrying me a great deal. It does seem to me that there should be some method by which the Supreme Court should be investigated, that we could find out what are the motivations of the Court, what agents of the Court besides the Justices themselves, for instance, are propounding this theory of centralized government through bootleg decisions by the Court, that can eventually lead to nothing but dictatorship.

I wonder if the gentleman could give me some idea as to what procedure the Congress might follow, whether it should conduct an investigation or if there is some other method he would endorse.

Mr. MASON. I would say that under our Constitution each of the three departments of government are absolutely separate and distinct, and independent of each other. But the Congress has the power, at least one branch of the Congress, to approve the various Justices as they have been recommended to them for approval, and that branch of government has certainly failed in its duty to screen these appointees on the basis of their judicial experience, their judicial qualifications, and they have approved men they knew did not have the proper qualifications but men who had simply the predilections, sociological predilections that would definitely influence them in their decisions. That type of man should never have gotten on the Court, and it is the responsibility of the Senate to see to it that they do not.

Mrs. BLITCH. I agree with the gentleman heartily, but we are faced now with the situation of a Supreme Court that is already there, and decisions contrary to the Constitution keep coming from it. What is there that we as the House of Representatives or the Congress as a whole can do?

Mr. MASON. That, I may say to my colleague, is something I would like to be able to answer, but when the President, President Roosevelt, found he was facing a condition, a situation that was not to his liking because he could not implement his own economic and sociological ideas with that type of Court, he started in to pack that Court, and he was finally successful.

All we can do, as I see it now, is to start to see to it that the future appointments to the Court will be of the right type and will be guided by the Constitution and its provisions.

Mrs. BLITCH. Would the gentleman say yes or no? Or would he rather not take a stand on that? The question perhaps is one that cannot be answered yes or no at this time: Whether or not the Congress could investigate some of the decisions of the Court or the Supreme Court itself, or its personnel?

Mr. MASON. There is nothing to stop the Congress from bringing an impeachment resolution. Should an impeachment resolution be adopted it would bring about a thoroughgoing investigation.

Mrs. BLITCH. But without an impeachment the gentleman doubts that we could.

Mr. MASON. I doubt that we would have the authority to do it.

Mrs. BLITCH. I thank the gentleman.

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. I want to add my commendation to that of the others here for the distinguished and able thought-provoking address the gentleman has delivered to us today.

STATES RIGHTS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I sought and obtained this time for a different purpose, but I want to congratulate and commend the gentleman from Illinois [Mr. MASON] for some very fine statements he made concerning States rights and other of his statements. I would like to comment briefly on some of them.

For instance, let us take this selection of judges of the United States Supreme Court. I want to commend President Eisenhower for the precedent he set recently in selecting lower court judges to be on the Supreme Court of the United States. The last two appointments he made he selected from the lower courts. I think that is a fine way to select judges. If President Eisenhower will continue that policy and it becomes a real precedent and if other Presidents who succeed him will also continue that policy, we will always have a good United States Supreme Court. I am not criticizing the appointment of any judge on the Court now who was not selected in this way. I am not saying that this method will get better judges than we have on the Court now who were not selected that way. I just like the method used.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. ANDREWS. At least he is putting lawyers on the bench.

Mr. PATMAN. He is putting lawyers on the bench who are tried and proven. Although, I repeat, it is not the only way to get tried and proven judges. It is one way and I approve it.

Mr. ANDREWS. I have been disturbed about the Supreme Court for many years. For instance, it spoiled our school system in many parts of the country. The members of that Court have also destroyed States rights. But one of the worst decisions they have rendered was the one that they announced last Monday—as a matter of fact, there were two of them—in which the Supreme Court of the United States denied to the bar associations of the States of New Mexico and California and to the courts of the States of New Mexico and California the right to say who can and who cannot practice law in those States. They have destroyed the integrity of the bar association and the legal profession of America. There are enough Members in this House who are lawyers with great professional ability who will become concerned about those decisions. In some way there should be some kind of an investigation to find out what influences are being brought to

bear on that Court. The gentleman is familiar with those cases.

One of them concerned a man who had applied for a license to practice law in New Mexico. He was examined by the board of examiners for the bar association. He was asked the question if he was a member of the Communist Party and he refused to answer. The bar association of New Mexico then denied him the right to stand examination to practice law. That holding was upheld by the Supreme Court of New Mexico. Yet in the light of that testimony, this Court in Washington said to the State of New Mexico: You must let this man practice law.

Mr. PATMAN. I will say to the gentleman that I am not familiar with the cases sufficiently to comment on them except to say that I do not want Communists practicing law in the courts of the United States. I do not want them practicing law here and I do not think we should allow it.

GOVERNMENT BY INJUNCTION

The distinguished gentleman from Illinois [Mr. MASON] brought out another point about Government by injunction. I do not care how strong anyone feels about civil rights, I do not see how a person can be in favor of enforcing a law by injunction. That is tyranny in my book. It is bad any time you permit any one of the United States judges to say to a person: "You are in contempt of this court and by reason of that I am going to put you in jail," and he can keep on putting him in jail. He can put him in jail for life. That is giving a judge the right to impose a life sentence on a citizen without a trial by jury. I do not think that was ever intended and I do not think the Congress will ever permit a law to be enforced solely by injunction.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from West Virginia.

Mr. BAILEY. There is a provision in the so-called Taft-Hartley law that permits that very thing.

Mr. PATMAN. It should be stricken. I do not care where it is it should not be allowed. It is not the American way. The American way is trial by jury. I do not think this Congress will ever pass a law that will destroy the right of trial by jury.

The gentleman suggested ways of reaching the Supreme Court which I would like to comment on briefly. In 1937 we were celebrating the sesquicentennial of the United States, and the Chief Justice of the United States, Mr. Hughes, was making a speech here in this Chamber to a joint session of the United States Congress. In that speech I well remember that Chief Justice Hughes told the Congress that any time the Supreme Court was doing anything that the Congress did not like, the Congress had control over the purse strings.

We have separation of powers, and we should continue to have separation of powers. It is not right for one to infringe upon the other. At the same time, the legislative branch of the Government is closest to the people. It is first in the Constitution, incidentally, too, what the Congress shall do and in the legislative provisions the Congress shall make appropriations. Only Congress can make appropriations, and our Founding Fathers wanted to make doubly sure that the people would not be forsaken for long. So, they wrote into the Constitution that bills to raise revenue and to make appropriations in particular must originate in the House of Representatives only. They cannot originate in the other body. Why? Because this body is close to the people, and every 2 years every Member of this body must be reelected. It is a new House of Representatives every 2 years. That is the way it should be. We should never have a 4-year term. We should never have it any other way except 2 years. Let the people pass upon this Congress every 2 years by passing upon the House of Representatives, so, the body that is so close to the people has charge of the purse strings. And, if we, the Congress, the House of Representatives, want to look into the Supreme Court, we are privileged to do so. The Supreme Court, the judiciary, must seek and obtain the money that it receives for carrying on its work from the United States Congress. Any power to make appropriations carries with it the power to investigate and determine how the money will be spent or how it has been spent in the past. So, we have the power not only of passing upon these appointees through the other body through confirmation, but we have the power every year to determine how every dollar, the money that the judicial system is asking for, is going to be spent and to tie strings to it and say it shall not be spent in any other way. So, we have tremendous power here in the legislative branch.

We have the same power over the executive. Every dollar that the executive branch of our Government seeks and obtains to run its part of the Government, that separate branch, it must receive it through this body, the House of Representatives, and any investigation this body wants to make of how that money has been spent in the past or how it is expected to be spent in future, it will be perfectly all right for this body to make it. So, we do have the power over the purse, as the Chief Justice of the United States, Hughes, told us here in 1937.

Now, on this question of packing the Supreme Court, sometimes the charges have been made that the Court has been packed and the effort is made to unpack it. Other people say an effort is made to pack the Supreme Court. Why, it is just a question of how you look at it. But, we have a chance now, if this policy of President Eisenhower's is carried out, to select judges in a way that there will never be any criticism, those who are tried and proven by their selection from one of the lower courts.

Mr. Speaker, I will now discuss what I really reserved the time to discuss.

THE TREASURY FACES A FISCAL CRISIS

On Friday, May 10, 1957, the Treasury reported that the rate of cash payout on its $4,155,000,000 refinancing operation was 28 percent, the highest rate since the end of the war.

Despite the fact that the Treasury had offered the highest interest rates paid on a short-term note since 1923, 3⅝ percent, and 3½ percent on an 8-month certificate, holders of the maturing securities preferred to hold out for higher rates and took cash to the extent of $1,167,000,000. There is no case in the postwar period where the Treasury has experienced a failure of this magnitude on a refinancing.

The implications of this financing failure are far reaching. About $1.5 billion of series F- and G-bonds are due to mature soon. What is the Treasury going to do about refinancing this sum? Is it going to offer a long-term bond? If so, what will it have to pay? Four and one-half percent? Five? Who knows? The Treasury doesn't know. The fact is that since the Federal Reserve seceded from the Government, there has been no market for United States Government securities. The Government market is like a ship without a rudder. The Treasury is at the mercy of a tight little banker monopoly.

The report issued by the Treasury last Friday revealing a record rate of attrition on its short-term refinancing in the face of the highest rates offered since the 1920's means in effect that the United States Treasury has been priced out of the short-term financing market. And this has occurred at a time when the Treasury has the highest floating debt in recent years.

The inescapable conclusion is that an administration which took office with a pledge to improve the management of the public debt has instead so mismanaged that debt as to create a serious fiscal crisis.

This is not due to any accident. This crisis could have been foreseen. When there is a public debt amounting to $275 billion, as we have, that debt must be managed. And if the Treasury and the monetary authorities abdicate their responsibility to manage that debt in the public interest, then it should come as no surprise that private interests are dictating the terms on which the Government of the United States shall do its financing. Mr. Speaker, the crisis that confronts us is not confined to debt management alone. It is evident in the fiscal affairs of Government, too. The Treasury is now engaged in all sorts of fiscal legerdemain, operating programs outside of the public debt in order to conserve a fast-diminishing budget surplus. A prime example is Treasury's order to the Federal National Mortgage Corporation to borrow needed funds to support the secondary mortgage market directly, instead of borrowing from the Treasury whose borrowing costs would have been cheaper. This has "saved" the Government $700 million for the current fiscal year, or so the Treasury would have us believe. However, it has sharply raised costs to Fannie May and in turn caused scandalous discounts to be demanded in purchasing home mortgages under the VA or FHA programs. Fannie May has

bought over $1 billion worth of mortgages this year, and borrowed substantial amounts on its own notes, but the budget will show that Fannie May operations resulted in a net receipt of funds to the Treasury of $100 million. That is the kind of budget bookkeeping that the fiscal crisis has brought this administration to.

That is just one example. The tight-money policy has caused original Treasury estimates of profits and income to be too high and consequently tax receipts are running lower than expected. On the other hand, defense expenditures previously cut dangerously close to the peril point are now running much higher than originally estimated. Result—probably no surplus where one was confidently predicted for this year. And what of next fiscal year? If the present tight-money policies continue, revenue for fiscal 1958 will fall far short of what has been estimated. Fiscal 1958 estimates have been based on a forecast of personal income of $340 billion and corporate profits of $44 billion, in calendar 1957. But projections of income and profits for calendar 1957 based on expected money supply and interest rates under the tight-money policy suggest that personal income may be overstated by 3 percent and profits 10 percent. In other words, we may be short some $12 billion in personal income and corporate profits in 1957 compared to what the Treasury is basing its receipts estimates on. Such a shortfall may cause tax receipts to be about $2 billion to $3 billion lower than the Treasury has estimated and will convert an expected surplus to a deficit.

These are some of the consequences of the administration's so-called sound money policy. But these are not all the consequences. The financing difficulties that the Treasury is now encountering may be expected to increase as the Federal Reserve stands aside. As the Treasury goes to the market to borrow, it will find each time that the lenders will become more and more demanding. The ultimate consequence could be that the lenders may tell the Treasury that it must alter its expenditure policy. In other words, the day may arrive when programs authorized by the Congress of the United States may be vetoed by a handful of private bankers, who, by reason of the abdication of the Federal Reserve, will be in a position to dictate public policy. When that day arrives, the bankers will have accomplished what they set out to do when they forced the 1951 "accord" on the Government in a time of grave emergency.

THE SOIL BANK

The SPEAKER pro tempore (Mr. HAYS of Arkansas). Under previous order of the House, the gentleman from Virginia [Mr. HARRISON] is recognized for 45 minutes.

Mr. HARRISON of Virginia. Mr. Speaker, I have taken this time to ask the indulgence of the House to talk about the soil bank, with the view of considering whether or not in the appropriation bill that we shall have before us beginning tomorrow this experiment should be continued. I might say that in preparing the remarks I shall make today I did not have the benefit of a report that I saw today for the first time, issued by the Whitten subcommittee, known as part 6 of the hearings before the subcommittee of the Committee on Appropriations of the House of Representatives which discusses and analyses the soil bank with great objectivity and is a devastating report which I earnestly commend to the consideration of the House.

The Committee on Appropriations has recognized the extravagance, the abuses and the inequities of the soil bank. It has reduced the acreage reserve for fiscal year 1958 by approximately $101 million, and it has placed a limitation of $500 million on next year's acreage reserve and $250,0000,000 on the conservation reserve program. This would represent a step in the right direction, but hardly a long enough step. The record of non-performance of the soil bank indicates strongly the need for a rapid termination of this program. This should be done by providing funds sufficient only to discharge the obligations of the Government to farmers who have signed contracts prior to the enactment of the appropriation bill.

In 1953 the net cash income of the American farmer was $14.3 billion and the cost of farm programs to the United States Treasury was $2.9 billion. This situation was considered disgraceful and one which the taxpayer would no longer stand for and which the farmer could no longer stand.

Today, 4 years later, the net cash income of farmers has dropped from $14.3 billion to $11.8 billion and the cost of the farm programs to the Treasury has risen from $2.9 billion to $5 billion. Based on an average value of $20,000 a farm, Assistant Secretary of Agriculture Butz has estimated the cost of the agriculture program to the taxpayer at $1,000 a farm. Thus, the farmer whose land and buildings are worth $20,000 on the average is receiving from the Government $1,000 a year. If his farm is worth $40,000, he is receiving $2,000 a year. For every 1 dollar that a farmer makes, the Government is paying 42 cents.

The farmers in my Virginia district are not getting their share. The farmers in my Virginia district and the taxpayers there are getting it in the neck as a result of the Government's farm policies.

The Government this year has allocated $108 million under the conservation reserve of the soil bank in order to get land out of production which is now in production. The Government this year will spend approximately $250 million on projects involving desert reclamation and irrigation in the West in order to get land into production which now is out of production. The Government this year wants to spend about $1 billion in the soil bank to encourage farmers not to produce surplus crops and, at the same time, the Government this year will spend $2.5 billion in parity payments to encourage farmers to produce surplus crops.

All of these enormous expenditures are for the benefit of the basic crops: corn, cotton, wheat, rice, peanuts and tobacco, and none of these programs inures in any way to the benefit of the great army of farmers engaged in production of livestock, such as cattle and poultry, or the production of fruits and vegetables. The basic crops, the sole beneficiaries of this huge Government largesse, amount to but 23 percent of the cash receipts of farmers. The other farmers who account for 77 percent of the industry are not only not helped by any of these programs but actually are injured by all of them. The poultry farmers who alone accounts for one-third of the income to American agriculture, not only receives nothing from these programs but is injured by the increased price of feed grains which he must buy and by diversion of the activities of basic crop farmers who transfer their production into other lines.

Last year the Congress enacted the soil bank. To emphasize that this venture was being launched on an experimental basis, its operation was restricted to 4 years.

At the end of 1 year it has become obvious that the soil-bank experiment is a failure; that it has fallen down in accomplishing its purposes; that in practice, it has proved to be an expensive, boondoggling adventure of enormous cost to the taxpayer operating with great injustice to the farmer and resulting in many instances in windfall profits to persons not entitled thereto.

First, the soil bank was intended as a substitute for high-price supports. It has not been such. We now have both. It is only necessary to read Secretary Benson's letter last week to Senator ELLENDER to see clearly that the problem in the wake of the price-support problem will never be solved by the soil bank.

The soil bank was designed to curtail the production of surplus basic crops. It has failed to do so. In his letter to Senator ELLENDER, Secretary Benson developed very fully that over-all production under the price-support program cannot be controlled by curtailed productivity per acre. As the Secretary pointed out, by the selection of poorest acres for curtailed production and by intensified cultivation of the remaining acres, a farmer is able to obtain as large a production on less acres. If this is true under the price-support program, it must of a certainty be true under the soil-bank program. A recent article in Nation's Business quotes a spokesman of the National Grange as expressing the opinion that the soil bank will not reduce production. Hence, the American taxpayer under the soil bank is paying $1 billion a year to curtail production but probably will see as large a production as ever.

Although the soil bank is not decreasing surplus in basic crops, it is increasing surplus in other farm activities. Barley plantings, for example, are substantially up in the spring of 1957.

An example of how the soil bank not only is failing to solve the problems it was created to solve but is breeding new problems can be found in the reports of increasing interest in the poultry busi-

ness on the part of farmers who have deposited land in the soil bank. The poultry industry has been having a rough time, as is well known. It has been struggling to keep its head above water without recourse to the doubtful life preserver of price supports. It has seen one administrative decision after another in the Department of Agriculture ignore poultry problems in favor of the difficulties of the price-supported crops, as in the apparent present intention to abandon the encouraging poultry market-development program for West Germany under Public Law 480.

Is the harried poultry industry to find in the soil bank only the threat of a sudden and disastrous increase in production as soil-bank depositors take fliers in poultry?

Even in communities in which the soil bank has been accepted and is in full operation, we hear many grumblings of dissatisfaction. Sharecroppers are losing their places on farms. Community businessmen report stagnation in community activity. Recently, I read the remarks of Mr. J. Kirby McDonough, president of the Murry Co. of Texas. He pointed out that 3.1 million acres of cotton had been put out of production by the soil bank by the payment of $51 per acre and he said:

> This should reduce 1957 production by 2.5 million bales * * * a gross direct loss of cotton production alone of $379.5 million, or, subtracting the soil bank payments, a direct net loss of $224.1 million that would have come to the economy of this country by the production of cotton. * * *
>
> Commonsense and experience tells us that these methods will not solve the cotton problem.
>
> World consumption of cotton is increasing at the rate of 1 million bales per year. The United States continues to reduce production and we continue to show reduced consumption. In other words, we pay to decrease our own production of cotton, and on the other hand, by outright gift of money, equipment, and technical advice, substantially aid in increasing production of cotton abroad.

Inequity and favoritism rule the distribution of soil-bank money. Based on the Department of Agriculture figures released on April 5 and March 15, 1957, we find that one State—Kansas—with a population of 2 million people has received allocations of more money for this year's crops than the farmers of 25 other States having a population of over 79 million people. Kansas' allocations amount to over $700 a farm as against allocations to New Hampshire of $1.37 a farm. The farmers of my State of Virginia will receive $25 a farm. Latest Department figures show that in the conservation reserve portion of the soil-bank program, the allocations to the State of Texas are greater than those to 37 other States combined. I recognize that Texas is good, but I deny that it is that good, particularly in view of the fact that my State of Virginia is allocated $144,000, while the farmers of Texas, for the conservation reserve, are to receive over $27 million.

Under the soil bank, one-third of the States receive 74 percent of the allocations, and one-half of the States receive 89 percent. An examination of these allocations by States show that the soil bank is working cruel injustice to the farmers of the Middle Atlantic States, New England, and the Far West.

Even amongst the single crop areas which are reaping such a harvest from this windfall, there is great injustice. The allocations to the corn and wheat farmers are running 5 and 6 times as large as those to the cotton and tobacco farmers.

Documented stories of abuse of the program are being reported on every hand. Time forbids a full review of the report of the Whitten subcommittee which has developed the admitted fact that payments are being made to farmers for not producing crops which they had already been paid not to produce. The huge payments in Kansas are explained by the information that there would have been little wheat planted in Kansas anyway on account of the drought and much of the huge $86 million expended in that State is in payment for not producing crops which would not have been produced anyway. No wonder it has been said that Kansas farmers describe the soil bank as a gift from Uncle when the cupboard was bare. It used to be in this country that we assembled on Sunday in church and gave thanks to Providence when nature and industry had combined to produce a bountiful crop. Apparently, now we give thanks that God in His mercy has sent a drought and the farmers can collect from the soil bank.

Authenticated stories from all over the country give rise to the suspicion that there are angles which can be manipulated for profit by a clever fellow. There is a story of the farmer with 160 acres. He put 45 acres into the acreage reserve and the other 115 in the conservation reserve and went to work for an oil company. We hear of real-estate operators prompting the sale of scrub farmland to city people, encouraging them to buy rundown, eroded land for $25 or $30 an acre to plant it in pine with 80 percent of the cost paid by the Government. The investment of $30 an acre will produce from the Government $6 or $7 a year and at the end of 10 years, the investor will have received twice his investment; will have the land improved by a stand of pine without the necessity of ever having left Wall Street.

It has been found, too, that the Federal Government will help the nonfarmer buy a country place, where he can relax over weekends from the tensions of his city occupation. Having no interest in serious farming, he has found it to his advantage to buy an old farm with a sound house on the place, deposit the entire farm in the soil bank, and use the soil-bank payments to help maintain his country retreat.

Well has it been said that the soil bank is all overdrafts and no assets and that it is a public grab bag; that single-crop farmers are giving up farming their land to farm the Government.

It has been developed sufficiently for us to see, and to see clearly, that this program is an expensive colossal failure. This Congress has dedicated itself to the task of reducing expenditures in Government so that we may give some relief to our people from the crushing burden of taxation. Here is a golden opportunity for us to recoup a billion dollars a year that is being expended in a worthless and extravagant program which is bad for the farmer as a whole, bad even for the community in which the money is being spent, and completely bad for the country as a whole.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HARRISON of Virginia. I yield.

Mr. BAILEY. I would just like to tell the distinguished gentleman from Virginia that the State of West Virginia cares little, if not less, about the farm-bank program.

Mr. HARRISON of Virginia. I know that the gentleman from West Virginia can be very keen and sharp when he wants to be, but I wonder if that could be strictly correct.

DANGER IN THE SKIES

The SPEAKER. Under previous order of the House, the gentleman from Delaware [Mr. HASKELL] is recognized for 15 minutes.

Mr. HASKELL. Mr. Speaker, this time to speak has been requested to bring to the attention of the Congress and the people specific evidence, heretofore not made public, on the extremely serious air-traffic situation which exists today over the United States, particularly over large centers of population.

All of us are aware of the accidents which have happened in the past. The Grand Canyon crash last year caused a terrible public shock. In the past 10 years, there have been 131 midair collisions in this country between civil aircraft, of which 17 have involved commercial transports. And, yet, it is my conviction that these tragic incidents have been too soon forgotten.

These accidents constitute only one measure of the air-traffic problem we face. We have also been told that there were 452 near collisions reported to the Civil Aeronautics Board in the last 4 months of 1956, which means they occurred at the rate of about 4 every day. But even these shocking figures are impersonal and so far removed from our daily thoughts that I believe we have not the slightest idea of what is going on in the skies above us.

The plain truth is that near collisions in midair, of disastrous proportions, are being narrowly averted every day only by the emergency action of skilled pilots or by providence. I am convinced that the Civil Aeronautics Administration, the private and commercial aviation industry, and the military are doing the best possible job of providing air safety with the outmoded and inadequate equipment and techniques they have to use. The trouble is that we are trying to operate a jet-age, air-travel program with this inadequate control system, and if we want to solve the problem, it is about time to get down to brass tacks and let the people know what is going on.

I have with me a handful of previously withheld reports from the Civil Aeronautics Administration which document in vivid detail a series of near-collisions, typical of the ones occurring every day.

I have deleted the names of the owners of the planes and the pilots because it would serve no useful purpose to disclose them.

This information has not been made public apparently for fear that it might cause some sort of public hysteria. To me this is nonsense. The public will take this situation in stride and will be willing to support a program, a real "safe skies" program, to solve this national problem.

This air traffic problem is, of course, a primary concern for the people who fly in commercial airliners or private aircraft.

We must not forget either the impact on national defense. This is due to the inability to afford proper protection, and thus permit the accomplishment of military training missions.

It is also of equally great concern for the millions of persons who live in crowded residential areas over which all types of aircraft are flying every hour of the day.

A mid-air collision could bring disaster to people on the ground. The crash of two planes over California last fall, narrowly missing a large school, points up the danger to people in residential areas. Unfortunately, as I have said, the momentary shock from these disasters soon passes, and necessary action has progressed too slowly to keep up with the onrush of greater air travel and the highspeed jet age.

The Eisenhower administration has for the first time made a serious frontal attack on the problem. The intensive study carried out by Edward P. Curtis at the President's direction is now at a point where recommendations will soon be made to improve the situation. On April 15, 1957, I introduced legislation to carry out the first of these recommendations—a bill to establish an Airways Modernization Board. I am ready and anxious to introduce any additional legislation which may be needed to carry out further recommendations from the President.

If we are to secure the necessary public support for this legislation and the resulting necessary appropriations, we better come down out of the clouds and spell out the problem and the need in unmistakable terms. Then we can immediately take the necessary action.

Late last year, I initiated a study to determine the situation with respect to near-collisions in the air which are unseen and unheard by the general public. We have stepped up and broadened our study as we began to find more alarming information. The specific information which I wish to present today has just recently been discovered. Time permits me to give you only a small part of what our study has turned up, and I will make public other equally serious information in the next few days.

The Civil Aeronautics Board has just informed me that they have been able to pinpoint on ground locations 369 of the 452 near-collisions reported to it last fall. Here is one startling fact:

A total of 101 of these near disasters occurred over the Nation's 11 largest metropolitan areas in which 41 million people live. Twenty-two near collisions occurred over Los Angeles; 21 over Washington, D. C.; 14 over San Francisco and Oakland; 13 over New York; 9 each over Detroit and Chicago; 6 over St. Louis; 3 over Boston; 2 over Philadelphia; and 1 each over Pittsburgh and Cleveland. And remember that these 101 near disasters occurred in just 4 months, an average of 1 a day.

An additional 155 incidents out of the 369 were located over other principal cities and I should like to include in my remarks tabulations showing the location of each one. These total figures mean that about two near collisions a day happen over densely populated areas. One hundred thirteen of the three hundred sixty-nine incidents apparently occurred over unpopulated areas. But there reports collected by the CAB tell only part of the near-collision story.

Our investigation uncovered the fact that many more near collisions, possibly running into the hundreds, are reported to the Civil Aeronautics Administration and have not as yet been made public. We believe there are additional incidents, wholly within the military jurisdiction, which also have been occurring over population centers, and we have been looking into this aspect of the problem. This is the information I believe the public is entitled to have.

Generally speaking, near collisions happen in two ways. First, there is the situation where one plane is moving along on a normal course and another plane seemingly pops out of nowhere on a collision course and the two aircraft narrowly miss each other.

Here is an official report of such an incident which occurred over Philadelphia on August 21, 1956. A commercial airliner, a super Constellation, left Philadelphia International Airport at 10:38 p. m. The pilot of this plane was informed of the presence of a commercial cargo plane in the area, but 2 minutes later the airline pilot reported he narrowly missed the cargo plane. How did it happen. No one knows, but it did happen.

I have here another actual report from the Civil Aeronautics Administration. On October 13, 1956, a commercial airliner, a Convair, was passing over Philadelphia at 10:50 in the morning in a sky with scattered clouds. At 10:51, the pilot called the tower and reported that a jet just missed him doing a slow roll at the same altitude and went off into the clouds. To this day no one knows where the jet come from.

In another incident found in the files of the CAA, a commercial airliner took off at 11:24 a. m. from Baltimore on February 8, 1957, in ground fog and haze. Approximately 1 mile from the end of the runway, the airliner made an abrupt left turn to avoid a helicopter which suddenly appeared. Almost immediately, three more helicopters appeared out of the fog. No radio contact could be established with the helicopters and no one had been aware that they were in the area.

The second way these near collisions happen is when two aircraft arrive by mistake over the same check point, at the same altitude at about the same time. Civil Aeronautics Administration regulations call for 10 minutes separation between planes at the same altitude.

Here is an actual report of a hair-raising incident of this type. I think it is especially fitting to call this one to the attention of the Members of Congress because it happened over the Riverdale checkpoint near Washington. On April 7, 1956, two commercial airliners left Newark within a few minutes of each other for Washington. I will read the recorded conversation of the two pilots which describes the incident far better than I could.

At 7: 19 p. m., one of the pilots asked the Washington traffic control center "Is there anybody below us at Riverdale?" The center replied, "Not on this estimate." There was a pause, then the center said, "Apparently there is." The pilot of the other airplane radioed the center and reported he was also over Riverdale at the same altitude. The center called, "There is one flight on top of the other."

One of the pilots said, "It's a close one. We've been feeling some prop wash and have been looking around. Apparently we're right behind you all the way." The other pilot called the center and said, "All right, center, let's quit playing around and get some separation and get somebody down out of here." Except for sheer, blind luck, or providence, there was another Grand Canyon crash in the making.

Here is another equally dangerous near-miss caused by the simultaneous presence of two commercial airliners at the same spot. Two northbound planes left Florida on January 15, 1957, bound for the north at 17,000 feet. They were scheduled to have 14 minutes separation. At 7: 55 p. m. both planes reported over Norfolk, Va. at 17,000 feet. The Norfolk center was unaware that one of the planes had arrived in the area about 14 minutes ahead of schedule, thus putting both planes in the air over Norfolk at the same time, with neither knowing the other was there.

I have in my possession excerpts from the official reports of these incidents and I will include them in the RECORD at the close of my remarks.

These are the problems we must deal with if we are to avoid a series of air disasters in the future, and the problems will be compounded many times when the new high-speed jet transports go into service next year. Air travel will and must increase to serve the American people. Progress must be made in air safety now.

I believe there are five steps which should be taken immediately by the Congress, by the State and local governments, and by the aviation industry:

First, the Civil Aeronautics Administration needs more and better radar, and especially better radar pictures, in the air traffic control systems. Some of the radar being used is surplus military equipment from World War II.

Second, the CAA controllers need electronic flight posting equipment to help them keep track of flights as they move along the airways. This will replace the cumbersome and hard-to-use paper strips that are now used.

Third, the CAA needs more personnel to handle the volume of air traffic that is growing every day. I am told it takes 18 months to 3 years to train a competent air traffic controller.

Fourth, we need substantial improvements at our airports to provide more landing facilities, high-speed taxi lanes, and more gate space so that planes do not become stacked up over our large cities waiting their turns to land. This is primarily a responsibility of State and local governments.

Fifth, we need some sort of anticollision warning devices in the planes to let pilots know of other aircraft approaching them. This is a job which should be undertaken with all possible speed by the aviation industry and perhaps by some of our leading private research organizations.

This problem of air traffic is at the very heart of our national progress. Our national defense depends on air power, and our business and commerce is becoming more dependent every day on the high speed travel of modern aircraft.

Our air traffic problems at the moment are extremely serious and immediate. These problems can be solved with thorough public understanding and support for positive action.

EXHIBIT 1

Location by States of 369 [1] midair near collisions reported to the Civil Aeronautics Board, September 1956–December 1956

Alabama	3
Arizona	5
Arkansas	3
California	66
Colorado	4
Connecticut	8
Delaware	2
Florida	17
Georgia	3
Idaho	0
Illinois	12
Indiana	4
Iowa	7
Kansas	11
Kentucky	2
Louisiana	6
Maine	2
Maryland	11
Massachusetts	7
Michigan	13
Minnesota	1
Mississippi	1
Missouri	8
Montana	2
Nebraska	1
Nevada	2
New Hampshire	0
New Jersey	12
New Mexico	3
New York	16
North Carolina	7
North Dakota	0
Ohio	16
Oklahoma	6
Oregon	2
Pennsylvania	12
Rhode Island	4
South Carolina	4
South Dakota	0
Tennessee	4
Texas	32
Utah	5
Vermont	0

[1] These 369 midair near collisions are part of the 452 incidents reported by the Civil Aeronautics Board. The CAB was unable to locate 83 of the incidents with respect to ground locations.

EXHIBIT 1—Continued

Location by States of 369 midair near collisions reported to the Civil Aeronautics Board, September 1956–December 1956—Continued

Virginia and District of Columbia	33
Washington	9
West Virginia	0
Wisconsin	2
Wyoming	1
Total	369

EXHIBIT 2

Location by cities of 369 midair near collisions reported to the Civil Aeronautics Board, September 1956–December 1956

Albany, N. Y	3
Albuquerque, N. Mex	1
Atlanta, Ga	2
Bakersfield, Calif	3
Baltimore, Md	9
Beaumont, Tex	1
Boston, Mass	3
Charleston, S. C	2
Charlotte, N. C	1
Cheyenne, Wyo	1
Chicago, Ill	9
Cincinnati, Ohio	1
Cleveland, Ohio	1
Columbus, Ohio	1
Dallas, Tex	2
Dayton, Ohio	7
Des Moines, Iowa	1
Denver, Colo	3
Detroit, Mich	9
Duluth, Minn	1
District of Columbia	21
El Paso, Tex	6
Fresno, Calif	2
Galveston, Tex	2
Hartford, Conn	1
Indianapolis, Ind	3
Jacksonville, Fla	2
Kalamazoo, Mich	1
Kansas City, Mo	1
Knoxville, Tenn	1
Las Vegas, Nev	2
Lincoln, Nebr	1
Little Rock, Ark	2
Los Angeles, Calif	22
Louisville, Ky	1
Memphis, Tenn	2
Miami, Fla	5
Milwaukee, Wis	2
Mobile, Ala	2
Nashville, Tenn	1
Newark, N. J	5
Newport, Va	6
New York, N. Y	8
Norfolk, Va	3
Oklahoma City, Okla	2
Ogden, Utah	1
Philadelphia, Pa	1
Phoenix, Ariz	2
Pittsburgh, Pa	1
Portland, Oreg	1
Roanoke, Va	2
Sacramento, Calif	1
St. Louis, Mo	6
Salt Lake City, Utah	2
San Antonio, Tex	3
San Diego, Calif	8
San Francisco, Calif	14
Seattle, Wash	6
Shreveport, La	2
Springfield, Mass	1
Springfield, Mo	1
Tampa, Fla	1
Tucson, Ariz	1
Tulsa, Okla	3
Wichita, Kans	6
Total	228

NOTE.—According to the CAB, there were 113 midair near collisions which did not occur over cities.

EXHIBIT 3

Location by major metropolitan areas of 369 midair near collisions reported to the Civil Aeronautics Board, September 1956–December 1956

1. Boston	3
2. Chicago	9
3. Cleveland	1
4. Detroit	9
5. Los Angeles	22
6. New York-northeastern New Jersey	13
7. Philadelphia	2
8. Pittsburgh	1
9. San Francisco-Oakland	14
10. St. Louis	6
11. Washington	21
Total	101

NOTE.—Locations of all midair near collisions reported by the CAB is shown on exhibit 2.

EXHIBIT 4

EXCERPTS FROM OFFICIAL INCIDENT REPORTS OF THE CIVIL AERONAUTICS ADMINISTRATION

From: Airport Traffic Control Tower, International Airport, Philadelphia, Pa.
Date: August 21, 1956.
Time: Night.
Incident number: 1-PHL-APT-361.
Type of aircraft: Four-engine commercial airliner and twin-engine air-cargo plane.

2238E: Four-engine commercial airliner departed runway 9, IFR cleared to New Brunswick maintain 2,000 feet. Traffic was exchanged by the tower to both airliners.

2239E: Four-engine airliner contacted radar departure control and traffic was again exchanged at 10 o'clock range 4 miles. Traffic was acknowledged.

2240E: Four-engine airliner reported he just missed twin-engine plane and wanted to know why he wasn't vectored around him. An explanation of the Vectoring procedure was explained to the four-engine airliner, namely that the request for the vector must come from the cockpit. The pilot then vigorously objected to this procedure.

EXHIBIT 5

EXCERPTS FROM OFFICIAL INCIDENT REPORTS OF THE CIVIL AERONAUTICS ADMINISTRATION

From: Airport Traffic Control Tower, Philadelphia International Airport, Philadelphia, Pa.
Date: October 13, 1956.
Time: Day.
Incident number: 1-PHL-APT-370.
Type of aircraft: Two-engine plane and unidentified jet.

1050E: Two-engine plane (IFR)) inbound from Marshall intersection at 3,000 feet, not yet in radar contact, advised a jet just missed him doing a slow roll at the same altitude in the vicinity of duPont intersection. Two-engine plane further advised that the jet went into the clouds, the base of the clouds being just above 3,000 feet.

1051E: Two-engine plane in radar contact passing the 160 degree radial of West Chester VOR, on the Philadelphia localizer course. A target believed to be the jet was last seen on radar 5 miles west of New Castle, southwest bound.

EXHIBIT 6

EXCERPTS FROM OFFICIAL INCIDENT REPORTS OF THE CIVIL AERONAUTICS ADMINISTRATION

From: Airport Traffic Control Tower, Friendship International Airport, Maryland.
Date: February 8, 1957.
Time: Day.
Incident number: BAL TWR-106.
Type of aircraft: Four-engine plane and four unknown military helicopters.

1124E: Four-engine plane departed runway 4 with an IFR clearance to maintain

2,000 until past Ellicott City. Approximately 1 mile from the end of the runway, four-engine plane was observed taking evasive action by making an abrupt left turn. At this time an helicopter was observed proceeding from northwest to southeast directly across the take-off path of four-engine plane. Two more helicopters were sighted and four-engine plane was advised of their position and instructed to change immediately to radar frequency for further traffic advisories. It was felt that due to restricted visibility the tower might not see all the helicopters. At this time a fourth helicopter was sighted on the same course and approximately 1 mile from the end of the runway, and at a low altitude.

Attempts were made on all available frequencies to establish radio contact with the helicopters but they were unsuccessful. The helicopters were observed to turn on a southerly heading and disappeared.

Weather observations:

1125E Scattered clouds, 2,000; ceiling, 10,000, overcast; visibility, 2½ miles, ground fog haze.

EXHIBIT 7

EXCERPTS FROM OFFICIAL INCIDENT REPORTS OF THE CIVIL AERONAUTICS ADMINISTRATION

From: Air Route Traffic Control Center, Washington National Airport, Washington, D. C.

Date: April 7, 1956.

Time: Night.

Incident number: DCA ARTC No. 1107.

Type of aircraft: Twin-engine airliner and a four-engine airliner.

A twin-engine airliner departed Newark en route to Washington National via Victor Airway 3 to Lisbon, direct Riverdale Amber Airway 7 to Washington at an assigned altitude of 6,000; estimated Morrisville at 1819 eastern standard time.

A four-engine airliner departed Newark en route to Washington National via Victor Airway 3, Lisbon, direct Riverdale Amber 7 to Washington at an assigned altitude of 8,000; estimated Morrisville at 1832 eastern standard time.

The following is a verbatim transcription of all radio contacts between the two aircrafts mentioned above and Washington center on 120.3 MC.:

1919E: Center (twin-engine plane): "Go ahead."

Twin engine: "Is there anybody below us at Riverdale?"

Center: "Not on this estimate, apparently there is."

Four engine (announces his presence).

Center (twin-engine plane) on top of (four-engine plane).

Center (twin-engine plane): "You were cleared at six thousand to descend to and maintain six."

Twin engine: "We didn't read your conversation there, sir, we feel very sorry. *It's a close one.*"

Four engine: "We've been holding Riverdale at seven thousand, that's radial 225 and 110."

Twin engine: "We've been very concerned about that. We've been feeling some prop wash and have been looking around, apparently we're right behind you all the way."

Twin engine: "All right, center, let's quit playing and get some separation and get somebody down out of here.

EXHIBIT 8

EXCERPTS FROM OFFICIAL INCIDENT REPORTS OF THE CIVIL AERONAUTICS ADMINISTRATION

From: Air Route Traffic Control, Washington National Airport, Washington, D. C.

Date: January 15, 1957.

Time: Night.

Incident number: DCA ARTC No. 1151.

Type of aircraft: Two 4-engine planes.

FLIGHT INFORMATION

First 4-engine plane, Miami direct West Palm Beach direct Wilmington, Victor 1 Coyle, Victor 16 Boston, estimated by the Jacksonville center over Azalea at 1851 eastern standard time, by Washington center over Wilmington at 1917 eastern standard time, ground speed estimated 280 knots, assigned altitude 17,000 feet.

A second 4-engine plane, Jacksonville, direct Charleston direct Norfolk, Victor 1 Idlewild, estimated by Jacksonville center 15 miles west of Myrtle Beach at 1914 eastern standard time, and by Washington center 15 west of Wilmington at 1929 eastern standard time, ground speed estimated 250 knots, assigned altitude 17,000 feet.

SUMMARY OF INCIDENT

At 1955 eastern standard time, first 4-engine plane reported over Norfolk and advised that there was another aircraft at his altitude. The Norfolk center advised the flight that only known traffic was second 4-engine plane, estimated over Norfolk at 2010 eastern standard time. At 1955 eastern standard time, second 4-engine plane reported over Norfolk and was climbed immediately to 19,000 feet. Both aircraft were queried as to the time they actually past (sic) LaGrange. Second 4-engine plane passed LaGrange at 1930 eastern standard time, and first 4-engine plane passed LaGrange at 1932 eastern standard time.

REMARKS

Due to the fact that flights proceeding along the route of the second 4-engine plane do not pass a compulsory reporting point in the Washington area, a hazardous situation is created. This flight was in the Washington control area for approximately 2 minutes when crossing Victor 1 in the vicinity of LaGrange. No progress reports are received by the Washington center after the flight has reported over Charleston. The ability of the Washington center to accurately estimate these flights is greatly reduced. The establishment of the LaGrange intersection as a compulsory reporting point has been recommended to flight safety.

SOCIAL SECURITY AND COST OF LIVING

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. DINGELL. Mr. Speaker, today I am introducing a bill which offers some immediate relief to those men and women on the social security rolls who find it necessary to work because their benefits are inadequate to cope with present living costs. Under present law, a person who receives over $1,200 a year in outside earnings will suffer a reduction in his social security benefits. This means that a retired worker who draws the average benefit—which at the end of last year was about $63 a month, or $758 a year—is going to be held to less than $2,000 a year in combined payments and earnings. This, I maintain, is a situation which does not reflect wise governmental policy. My bill would increase to $1,800 a year the amount which recipients are allowed to earn, and still receive their full social security benefit.

I do not think we can overestimate the effect of rising costs on our older citizens. For 7 straight months, now, the consumer price index has been at an alltime record high. A trip to the store, these days, for a person dependent on social security benefits is a discouraging and disturbing experience. He buys the same groceries, but his bill seems to grow and grow. And groceries are not his only problem. For instance, older people require more medical care than most of us, because of the illnesses of age. The most recent study by the Health Information Foundation showed that the average annual cost for private medical care for persons 65 and over in July 1953, was $102, as compared to $65 a year for individuals in all other age groups. Statistics also show that the increase in the cost of medical care has risen more sharply than other items on the budget. Since the foundation's study—and since the social security income limitation was raised to $1,200 in 1954—the costs of medical care have risen by 10 percent.

As every day passes it becomes increasingly clear that there must be an overall adjustment in benefits if the people on the social-security rolls are not to be reduced to destitution by rising price levels. The bill I have introduced today offers some help for elderly people caught in the price squeeze. It is not a substitute for a general increase in social-security payments, but is designed to afford some immediate relief to those who try to supplement their benefits with outside earnings.

Moreover, this provision would lessen a discriminatory feature of the act which penalizes an individual who is working to supplement his social-security benefit. The well-to-do, who have income from rents, dividends, and so forth, can receive their benefits without deduction, regardless of the amount of this unearned income. But the average worker must surrender benefits if his wages exceed the $1,200 income limitation.

The increase of the ceiling to $1,800 could be made at a cost of only 0.33 percent of payroll on a level premium basis. The effect on the old-age and survivors insurance trust fund of such a change is so moderate that it would not necessarily call for any increase in the tax rate. The alleviation of hardship in thousands of homes which this liberalization will bring about is well worth the relatively slight cost. I urge the Congress to adopt my amendment as a first step toward aligning the whole social-security structure with the facts of our present economic life.

THE SMALL BUSINESS ACT OF 1957

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, tomorrow, May 14, 1957, the House Banking and Currency Committee starts its hearings on extending the Small Business Act, which, under existing law, expires shortly.

As a result of hearings conducted by Subcommittee No. 2 of the House Select Committee To Study the Problems of Small Business, a new bill was introduced today, cosponsored by 10 members of the full committee. The num-

bers assigned are H. R. 7474 to H. R. 7483, inclusive.

The Members who joined with me in introducing the bill are Messrs. EVINS, STEED, ROOSEVELT, HILL, RIEHLMAN, SEELY-BROWN, JR., MCCULLOCH, SHEEHAN, and HOSMER.

We believe the enactment of that bill will go a long way toward making the Small Business Administration a more useful and a more effective agency. It should implement the Congressional intent to give real aid and not mere lip-service to the small business segment of our economy. It will help strengthen our free-enterprise system.

The major changes sought to be accomplished by this bill are:

First. Permanancy of the agency.

Second. True independence from other Government agencies by eliminating the Loan Policy Board, which now includes the Secretary of the Treasury and the Secretary of Commerce. In its place, it establishes a policy board of small-business men.

Third. The definition of "small business" is clarified.

Fourth. The authorization for lending purposes is realistically increased, while the authorization for procurement purposes is reduced by $75 million.

Fifth. The maximum interest rate chargeable by the agency is fixed at 5 percent per annum.

Sixth. The general lending authority is clarified so as to eliminate some of the restrictions read into the law by the Loan Policy Board contrary to the congressional intent.

Seventh. The disaster loan provisions are clarified as to "drought" loans.

Eighth. The joint determination program for procurement is strengthened by permitting appeals to the Secretary of Defense.

Ninth. The provision against duplication of activities of Government agencies is strengthened by transferring to the Small Business Administration all small business activities of the Department of Commerce.

The bill, as introduced today, reads as follows:

THE SMALL BUSINESS ACT OF 1957 AS APPROVED BY SUBCOMMITTEE NO. 2 OF THE HOUSE SMALL BUSINESS COMMITTEE

(Created pursuant to H. Res. 56, 85th Cong.)

(ABRAHAM J. MULTER, New York, chairman; SIDNEY R. YATES, Illinois; TOM STEED, Oklahoma; R. WALTER RIEHLMAN, New York; HORACE SEELY-BROWN, JR., Connecticut. Subcommittee No. 2 has jurisdiction over matters affecting the Small Business Administration and problems related to Government Procurement, Loans and Disposal Activities.)

(NOTE.—The language in brackets is new or materially changed from the present Small Business Act. Any change of language not involving substantive matter but which merely is revised for the purpose of clarity has not been bracketed.)

A bill to further amend the Small Business Act of 1953, as amended

Be it enacted, etc., That this Act shall be cited as the "Small Business Act of 1957."

SEC. 2. The Small Business Act of 1953, as amended, is amended to read as follows:

"SEC. 101. (a) The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encouraged and developed. It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect insofar as is possible the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts for property and services for the Government [(including but not limited to contracts for maintenance, repair, and construction)] be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation.

"(b) Further, it is the declared policy of the Congress that the Government should aid and assist victims of flood and other catastrophes.

"SEC. 102. For the purposes of this Act, a small-business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. In addition to the foregoing criteria the Administration, in making a detailed definition, may use these criteria, among others: Number of employees and dollar volume of business: [*Provided, however*, That no definition promulgated by the Administrator for any purpose whatsoever shall be based solely on the number of employees: *And provided further*, That without undue delay the Administrator shall establish a definition of small business which definition shall be consistent with the intent of Congress. The definition presently in use by the Administrator for financial assistance is hereby continued as the definition for all purposes until the Administrator adopts a new definition based on the criteria stated herein.]

"SEC. 103. (a) In order to carry out the policies of this Act there is hereby created an agency under the name 'Small Business Administration' (herein referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia, but the Administration may establish such branch and regional offices in other places in the United States as may be determined by the Administrator of the Administration. As used in this Act, the term 'United States' includes the several States, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, and the District of Columbia.

"(b) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small-business needs and problems. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. The Administrator is authorized to appoint three deputy administrators to assist in the execution of the functions vested in the Administration. [The Administrator and the deputy administrators shall receive compensation at the rates provided in the Federal Executive Pay Act of 1956, or any amendments thereof.]

"(c) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of [$700,000,000] outstanding at any one time. For this purpose appropriations not to exceed [$700,000,000] are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in section 106 (a), (b), and section 107 (a). Not to exceed an aggregate of [$500,000,000] shall be outstanding at any one time for the purposes enumerated in section 106 (a). Not to exceed an aggregate of [$175,000,000] shall be outstanding at any one time for the purposes enumerated in section 106 (b). Not to exceed an aggregate of [$25,000,000] shall be outstanding at any one time for the purposes enumerated in section 107 (a). The Administration shall pay into miscellaneous receipts of the Treasury at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public-debt obligations of the United States of comparable maturities.

"(d) (1) [There is hereby created a Policy Board of the Small Business Administration consisting of three members, the Administrator as Chairman, and two other members truly representative of small business and small banking.]

"(2) [The Policy Board shall meet at least monthly and at such other times as the Board may determine or on the call of the Administrator to determine administrative programs and policies relating to loans, procurement, disposal and general assistance to small business. Members of the Policy Board other than the Administrator shall be paid a per diem allowance of $100 for each day spent away from their home or regular place of business for the purpose of attendance at meetings of the Policy Board and the necessary travel; and while so engaged, they may be paid actual travel expenses and not to exceed $25 per diem in lieu of subsistence and other expenses. The maximum time spent for such attendance is not to exceed 50 days in any one calendar year.]

"(3) [The Policy Board shall establish general policies with respect to the financial assistance, procurement, disposal, and general assistance to small-business programs of the administration.]

"(4) [The members of the Policy Board representatives of small banks and small-business concerns shall be appointed from civilian life by the President by and with the advice and consent of the Senate, and they shall be persons of outstanding qualifications in their respective fields of operation known to be familiar and sympathetic with the needs and problems of small business. The members of the Policy Board other than the Administrator shall be actively engaged as full-time operating officials of (1) a small bank and (2) a small-business concern which shall be small business as defined in section 102 of this act.]

"(e) The Administrator [shall] establish regional offices of the Administration in the Territories of Alaska and Hawaii and in the Commonwealth of Puerto Rico.

"SEC. 104. (a) The Administration shall have power to adopt, alter, and use a seal, which shall be judicially noticed. The Administrator is authorized, subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act; to define their authority and duties, to provide bonds for them in such amounts as the Administrator shall determine, and to pay the costs of qualification of certain of them as notaries public. The Administration, with the consent of any board, commission, independent

establishment, or executive department of the Government, may avail itself on a reimbursable [or nonreimbursable] basis of the use of information, services, facilities, including any field service thereof, officers, and employees thereof, in carrying out the provisions of this act. Subject to the standards and procedures under section 505 of the Classification Act of 1949, as amended, not to exceed 15 positions in the Small Business Administration may be placed in grades 16, 17, and 18 of the General Schedule established by that Act, and any such poistions shall be additional to the number authorized by such section.

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act the Administrator may—

"(1) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued again the Administrator or his property;

"(2) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this Act, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

"(3) deal with, complete, renovate, improve, modernize, insure, or rent or sell for cash or credit upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this Act;

"(4) pursue to final collection, by way of compromise or otherwise, all claims against third parties assigned to the Administrator in connection with loans made by him. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Administrator pursuant to the provisions of this Act may be exercised by the Administrator or by any officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

"(5) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 105 and 106 (a) of this Act;

"(6) make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this Act;

"(7) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act: *Provided*, That no attorneys' services shall be procured by contract in any office where an attorney or attorneys are or can be economically employed full time to render such services; and

"(8) [Pay the transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel of any person employed by the administration to render temporary services not in excess of 6 months in connection with any disaster referred to in section 106 (b) of this act, from place of appointment to, and while at, the disaster area and any other temporary posts of duty and return upon completion of the assignment;]

"(9) [to accept the services and facilities of Federal, State, and local agencies and groups, both public and private, and utilize such gratuitous services and facilities as may, from time to time, be necessary to further] the objectives of this section;

"(c) To such extent as he finds necessary to carry out the provisions of this act, the Administrator is hereby authorized to procure the temporary (not in excess of 6 months) services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5). Any individual so employed may be compensated at a rate not in excess of $50 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses.

"SEC. 105. (a) All moneys of the Administration not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Administration. The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Administration in the general performance of its powers conferred by this Act. Any banks insured by the Federal Deposit Insurance Corporation, when designated by the Secretary of the Treasury, shall act as custodians and financial agents for the Administration. Each Federal Reserve bank, when designated by the Administrator as fiscal agent for the Administration, shall be entitled to be reimbursed for all expenses incurred as such fiscal agent.

"(b) The Administrator shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil service retirement system applicable to the employees engaged in carrying out the functions of this Act [or the beneficiaries of such employees]. The Administrator shall also contribute to the employees' compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such funds on account of employees engaged in carrying out the functions financed by such revolving fund. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Administrator into the Treasury as miscellaneous receipts.

"SEC. 106. (a) The Administration is empowered to make loans (i) to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or (ii) to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or (iii) to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or civilian production; or (iv) as may be necessary to insure a well-balanced national economy; and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however*, That the foregoing powers shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended pursuant to this subsection unless the financial assistance applied for is not otherwise available on reasonable terms.

"(2) No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available.

"(3) In agreements to participate in loans on a deferred basis under this subsection or under subsection (b) of this section, such participation by the Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

"(4) No loan shall be extended if the total amount outstanding and committed (by participation or otherwise) to the borrower from the revolving fund established by this title would exceed $250,000. [The maximum rate of interest for the Small Business Administration's share of participating or direct business loans shall be no more than 5 percent of the prevailing rate if lower than 5 percent. The standard for the determination for prevailing rates shall mean the prevailing rate within the respective Federal Reserve districts where the money loaned is to be used.] The foregoing limitation of $250,000 shall not apply to any loan extended to any corporation formed and capitalized by a group of small-business concerns with resources provided by them for the purpose of [obtaining for the use of such concern raw materials, equipment, inventories, or supplies, or for establishing facilities for such purpose]. For any such corporation the limit of any loan extended or made as provided for in this section shall be $250,000 multiplied by the number of separate small businesses which have formed and capitalized a corporation as hereinbefore provided.

"(5) [The Administrator of the Small Business Administration is authorized to consult with representatives of small-business concerns with a view to encouraging the formation by such concerns of the corporations referred to in paragraph (4) of this section]. No act, or omission to act, if requested by the Administrator pursuant to this paragraph, and if found and approved by the Small Business Administration as contributing to the needs of small business, shall be construed to be within the provisions of the antitrust laws or Federal Trade Commission Act of the United States. A copy of the statement of any such finding and approval intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register. The authority granted in this paragraph shall be exercised only (A) by the Administrator, (B) upon the condition that the Administrator consult with the Attorney General and with the Chairman of the Federal Trade Commission, and (C)

upon the condition that the Administrator obtain the approval of the Attorney General before exercising such authority. Upon withdrawal of any request or finding hereunder or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program upon which the request or finding is based, the provisions of this paragraph shall not apply to any subsequent act or omission to act by reason of such finding or request.

"(6) No loan, including renewals or extensions thereof, may be made for a period or periods exceeding 10 years, except that (A) any loan made for the purpose of constructing facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction, and (B) any loan extended to corporations formed and capitalized by a group of small-business concerns for the purpose of constructing facilities may have a maturity of 20 years plus such additional time as is required to complete such construction and at an interest rate not less than 3 nor more than 5 percent per annum.

"(7) All loans made shall [in the judgment of the Administrator offer reasonable assurance of repayment].

"(b) The Administration also is empowered—

"(1) to make such loan (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate because of floods or other catastrophes;

"(2) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to any small business concern located in an area [affected by a drought], if the Administration determines that the small business concern has suffered a substantial economic injury as a result of such drought and the President has determined under the Act entitled 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes,' approved September 30, 1950, as amended (42 U. S. C., secs. 1855–1855g) that such drought is a major disaster, or the Secretary of Agriculture has found under the Act entitled 'An Act to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes,' approved April 6, 1949, as amended (12 U. S. C., sec. 1148a-1–1148a-3), that such drought constitutes a production or economic disaster in such area.

"(3) [No loans, including renewals and extensions thereof, made pursuant to this subsection may be made for a period or periods exceeding 20 years];

"(4) The interest rate on the Administration's share of loans made pursuant to his subsection shall not exceed 3 percent per annum.

"(c) The Administration may further extend the maturity of or renew any loan made pursuant to this section beyond the periods stated therein, or any loan transferred to the Administration pursuant to Reorganization Plan No. 2 of 1954, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan.

"SEC. 107. It shall be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

"(a) (1) to enter into contracts with United States Government and any department, agency, or officer thereof having procurement powers obligating the Administration to furnish articles, equipment, supplies, or materials to the Government. In any case in which the Administration certifies to any officer of the Government having procurement powers that the Administration is competent to perform any specific Government procurement contract to be let by any such officer, such officer shall be authorized in his discretion to let such procurement contract to the Administration upon such terms and conditions as may be agreed upon between the Administration and the procurement officer;

"(2) to arrange for the performance of such contracts by negotiating or otherwise letting subcontracts to small-business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Administration to perform such contracts;

"(b) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in connection with Government procurement and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration;

"(c) to make a complete inventory of all productive facilities of small-business concerns which can be used for war, defense or [civilian] production, or to arrange for such inventory to be made by any other governmental agency which has the facilities. In making any such inventory, the appropriate agencies in the several States may be requested to furnish an inventory of the productive facilities of small-business concerns in each respective State if such an inventory is available or in prospect;

"(d) to coordinate and to ascertain the means by which the productive capacity of small-business concerns can be most effectively utilized for war, defense or [civilian] production;

"(e) to consult and cooperate with officers of the Government having procurement powers, in order to utilize the potential productive capacity of plants operated by small-business concerns;

"(f) to obtain information as to methods and practices which Government prime contractors utilize in letting subcontracts and to take action to encourage the letting of subcontracts by prime contractors to small-business concerns at prices and on conditions and terms which are fair and equitable;

"(g) to determine within any industry the concerns, firms, persons, corporations, partnerships, cooperatives, or other business enterprises, which are to be designated 'small-business concerns' for the purpose of effectuating the provisions of this Act. To carry out this purpose the Administrator, when requested to do so, shall issue in response to each such request an appropriate certificate certifying an individual concern as a 'small-business concern' in accordance with the criteria expressed in this act. Any such certificate shall be subject to revocation when the concern covered thereby ceases to be a 'small-business concern.' Offices of the Government having procurement or lending powers, or engaging in the disposal of Federal property or allocating materials or supplies, or promulgating regulations affecting the distribution of materials or supplies shall accept as conclusive the Administration's determination as to which enterprises are to be designated 'small-business concerns,' as authorized and directed under this paragraph;

"(h) to certify to Government procurement officers with respect to the competency, as to capacity and credit, of any small-business concern or group of such concerns to perform a specific Government procurement contract. In any case in which a small-business concern or group of such concerns has been certified by or under the authority of the administration to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirement with respect to capacity and credit;

"(i) to obtain from any Federal department, establishment, or agency engaged in procurement or in the financing of procurement or production such reports concerning the letting of contracts and subcontracts and making of loans to business concerns as it may deem pertinent in carrying out its functions under this Act;

"(j) to obtain from suppliers of materials information pertaining to the method of filling orders and the bases for allocating their supply, whenever it appears that any small business is unable to obtain materials from its normal sources.

"(k) to make studies and recommendations to the appropriate Federal agencies to insure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, to insure that a fair proportion of Government contracts for research and development be placed with small-business concerns, and to insure a fair and equitable share of materials, supplies, and equipment to small-business concerns.

"(l) to consult and cooperate with all Government agencies for the purpose of insuring that small-business concerns shall receive fair and reasonable treatment from said agencies;

"(m) to establish such small-business advisory boards and committees [truly representative of small business] as may be necessary to achieve the purposes of this Act;

"(n) [to make studies of matters materially affecting the competitive strength of small business, or the effect on small business of Federal programs or regulations; to make recommendations to the appropriate Federal agency for the adjustment of such programs or regulations to the needs of small business].

"SEC. 108. (a) The Administration shall make a report every 6 months of operations under this Act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let and for whom financing is arranged by the Administration, together with the amounts involved, and such report shall include such other information and such comments and recommendations as the Administration may deem appropriate.

"(b) The Administration shall make a report to the President, the President of the Senate, and the Speaker of the House of Representatives, to the Senate Select Committee on Small Business and to the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business on June 30 and December 31 of each year, showing as accurately as possible for each such period the amount of funds appropriated to it that it has expended in the

conduct of each of its principal activities such as lending, procurement, contracting, and providing technical and managerial aids.

"(c) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

"(d) For the purposes of aiding in carrying out the national policy to insure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation, the Department of Defense shall make a monthly report to the President, the President of the Senate, and the Speaker of the House of Representatives not less than 45 days after the close of the month, showing the amount of funds appropriated to the Department of Defense which have been expended, obligated, or contracted to be spent with small-business concerns and the amount of such funds expended, obligated, or contracted to be spent with firms other than small business in the same fields of operation; and such monthly reports shall show separately the funds expended, obligated, or contracted to be spent for basic and applied scientific research and development.

"(e) The Administration shall retain all correspondence, records of inquiries, memorandums, reports books, and records, including memorandums as to all investigations conducted by or for the Administration, for a period of at least 1 year from the date of each thereof, and shall at all times keep the same available for inspection and examination by the Senate Select Committee on Small Business, and the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, or their duly authorized representatives.

"(f) It shall be the duty of the Administration to consult and cooperate with governmental departments and agencies in the issuance of all orders or in the formulation of policy or policies in any way affecting small-business concerns. All such governmental departments or agencies are required, before issuing such orders or announcing such policy or policies, to consult and cooperate with the Administration in order that the interests of small-business enterprises may be recognized, protected, and preserved.

"SEC. 109. (a) The President is authorized to consult with representatives of small-business concerns with a view to encouraging the making by such persons with the approval of the President of voluntary agreements and programs to further the objectives of this Act.

"(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) of this section and found by the President to be in the public interest as contributing to the national defense, shall be construed to be within the prohibition of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

"(c) The authority granted in subsection (b) of this section shall be delegated only (1) to an official who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, and (2) upon the condition that such official consult with the Attorney General and the chairman of the Federal Trade Commission not less than 10 days before making any request or finding thereunder, and (3) upon the condition that such official obtain the approval of the Attorney General to any request thereunder before making the request.

"(d) Upon withdrawal of any request or finding hereunder, or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based, the provisions of this section shall not apply to any subsequent act, or omission to act, by reason of such finding or request.

"SEC. 110. The President may transfer to the administration any functions, powers, and duties of any department or agency which relate primarily to small-business problems. In connection with any such transfer, the President may provide for appropriate transfers of records, property, necessary personnel, and unexpended balances of appropriations and other funds available to the department or agency from which the transfer is made.

"SEC. 111. No loan shall be made or equipment, facilities or services furnished by the administration under this act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the administration the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the administration for assistance of any sort, and the fees paid or to be paid to any such persons; (2) execute an agreement binding any such business enterprise for a period of 2 years after any assistance is rendered by the administration to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee of the administration occupying a position or engaging in activities which the administration shall have determined involve discretion with respect to the granting of assistance under this Act; and (3) furnish the names of lending institutions to which such business enterprise has applied for loans together with dates, amounts, terms, and proof of refusal.

"SEC. 112. To the fullest extent the administration deems practicable, it shall make a fair charge for the use of Government-owned property and make and let contracts on a basis that will result in a recovery of the direct costs incurred by the administration.

"SEC. 113. To effectuate the purposes of this Act, small-business concerns within the meaning of this Act shall receive any award or contract or any part thereof as to which it is determined by the Administration and the contracting procurement agency (1) to be in the interest of maintaining or mobilizing the Nation's full productive capacity, or (2) to be in the interest of war or national defense programs. [Whenever the administration and the contracting procurement agency fail to agree, the matter shall be submitted for determination to the Secretary or the head of the appropriate department or agency by the Administrator of the Small Business Administration.]

"SEC. 114. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the administration, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

"(b) Whoever, being connected in any capacity with the administration (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the Administration or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the administration, makes any false entry in any book, report, or statement of or to the administration, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or an other act of the administration, or (4) gives any unauthorized information concerning any future action or plan of the administration which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administration shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"SEC. 115. (a) The Administration shall not duplicate the work or activity of any other department or agency of the Federal Government and nothing contained in this Act shall be construed to authorize any such duplication unless such work or activity is expressly provided for in this act.

["(b) All small-business functions not heretofore transferred to the Small Business Administration by the Department of Commerce are hereby transferred upon the effective date of this Act.]

"SEC. 116. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 117. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act.

"SEC. 118. All laws and parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCHERER (at the request of Mr. MARTIN), for 1 week, on account of official business.

To Mr. STAUFFER (at the request of Mr. MARTIN), for 1 week, on account of official business.

To Mr. GROSS, for 4 days, on account of death in his family.

Mr. TELLER, from May 13 to May 18, on account of official business.

Mr. KELLEY of Pennsylvania, from May 13 to May 18, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 15 minutes, tomorrow.

Mr. HASKELL, for 15 minutes, today.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. BAILEY, on Thursday, for 45 minutes.

Mr. LAIRD, on Wednesday next, for 15 minutes.

Mr. REECE of Tennessee, for 1 hour, on Friday next, or, if the House is not in session on that day, on Thursday next.

Mrs. KELLY of New York (at the request of Mr. BAILEY), for 90 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. HEMPHILL and to include extraneous matter.

Mr. KILDAY and include an address delivered by him.

Mr. MARTIN.

Mr. ROBERTS and include an editorial.

Mr. ROOSEVELT (at the request of Mr. ALBERT).

Mr. ANFUSO (at the request of Mr. EDMONDSON) in two instances and to include extraneous matter.

Mr. FEIGHAN.

Mr. MCDONOUGH in two instances and to include extraneous matter.

Mr. HILLINGS in two instances and to include extraneous matter.

Mr. COFFIN (at the request of Mr. BAILEY) and to include extraneous matter.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 16 minutes p. m.), the House adjourned until tomorrow, Tuesday, May 14, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

843. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the Foreign Service Buildings Act of 1926"; to the Committee on Foreign Affairs.

844. A letter from the Clerk, United States House of Representatives, transmitting a bill for the relief of the MacArthur Mining Co., Inc., in receivership, received May 10, 1957, from the Court of Claims of the United States, pursuant to House Resolution 241, 85th Congress; to the Committee on the Judiciary.

845. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend the Act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941"; to the Committee on the Judiciary.

846. A letter from the executive secretary, the American Society of International Law, transmitting the annual audit by a certified public accountant of the financial transactions of the society and of the corporate books and records pertinent thereto, covering the year ended December 31, 1956, pursuant to the act of September 20, 1950 (64 Stat. 869); to the Committee on the Judiciary.

847. A letter from the Chairman, United States Advisory Commission on Educational Exchange, transmitting the 17th Semiannual Report on the Educational Exchange Activities from July 1 through December 31, 1956, pursuant to Public Law 402, 80th Congress (H. Doc. No. 176); to the Committee on Foreign Affairs and ordered to be printed

848. A letter from the Comptroller General of the United States, transmitting a report on the audit of Reconstruction Finance Corporation (in liquidation) and Defense Lending Division, Office of Production and Lending, Treasury Department, for the fiscal year ended June 30, 1956, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 177); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRAZIER: Committee on the Judiciary. H. R. 3370. A bill to amend section 1871 of title 28, United States Code, to increase the mileage and subsistence allowances of grand and petit jurors; without amendment (Rept. No. 439). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H. R. 3775. A bill to amend section 20b of the Interstate Commerce Act in order to require the Interstate Commerce Commission to consider, in stock modification plans, the assents of controlled or controlling stockholders, and for other purposes; with amendment (Rept. No. 440). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRAZIER: Committee on the Judiciary. H. R. 5811. A bill to amend subdivision b of section 14—Discharges, when granted—of the Bankruptcy Act, as amended, and subdivision b of section 58—Notices—the Bankruptcy Act, as amended; without amendment (Rept. No. 441). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRAZIER: Committee on the Judiciary. Senate Joint Resolution 22. Joint resolution requesting the President to designate the third Friday of May of each year as National Defense Transportation Day; without amendment (Rept. No. 442). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H. R. 7442. A bill to provide supplementary benefits for recipients of public assistance and benefits for others who are in need through the issuance of stamps or certificates to be used in the acquisition of surplus agricultural commodities; to provide for improved nutrition for recipients of public assistance and others eligible under the provisions of the act; to assist in maintaining fair prices and income to farmers by providing additional outlets for surplus agricultural products; to prevent burdening and obstructing channels of interstate commerce; to promote the full use of agricultural resources, and for other purposes; to the Committee on Agriculture.

By Mr. BECKWORTH:

H. R. 7443. A bill to amend section 8 of title 13 of the United States Code to except certain persons from the requirement of paying fees for certain census data; to the Committee on Post Office and Civil Service.

H. R. 7444. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they served during a period of war or of armed hostilities; to the Committee on Veterans' Affairs.

By Mr. CHELF:

H. R. 7445. A bill to increase from $600 to $900 the income tax exemption allowed each taxpayer, each dependent, and $1,200 for a dependent child (until said child reaches 21 years of age) while attending any accredited business school, college, or university; to the Committee on Ways and Means.

By Mr. COFFIN:

H. R. 7446. A bill to assist the United States cotton textile industry in regaining its equitable share of the world market; to the Committee on Agriculture.

By Mr. CRAMER:

H. R. 7447. A bill to amend the Internal Revenue Code to provide that annuities received under the Civil Service Retirement Act shall be exempt from income tax; to the Committee on Ways and Means.

H. R. 7448. A bill to provide increases of compensation for certain disabled female veterans who have dependent husbands; to the Committee on Veterans' Affairs.

H. R. 7449. A bill authorizing a preliminary examination and survey of streams at and in the vicinity of Gulfport, Fla., for present and prospective commerce, and for other purposes; to the Committee on Public Works.

By Mr. DAVIS of Georgia:

H. R. 7450. A bill to amend section 4 of the act entitled "Policemen and Firemen's Retirement and Disability Act Amendments of 1957"; to the Committee on the District of Columbia.

H. R. 7451. A bill to make the act approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422), providing for the appointment of special policemen by the Commissioners of the District of Columbia applicable to Government departments and agencies; to the Committee on the District of Columbia.

H. R. 7452. A bill to provide for the designation of holidays for the officers and employees of the government of the District of Columbia for pay and leave purposes, and for other purposes; to the Committee on the District of Columbia.

By Mr. DINGELL:

H: R. 7453. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 7454. A bill to amend the Tariff Act of 1930 to provide for the free importation by colleges and universities of sound recordings and film to be used by them in certain nonprofit radio and television broadcasts; to the Committee on Ways and Means.

By Mr. HARRISON of Virginia:

H. R. 7455. A bill to amend the Soil Bank Act, and for other purposes; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H. R. 7456. A bill to amend the Dependents' Medical Care Act to provide that periods of active duty for training shall be

taken into account in determining whether or not a retired member of a uniformed service has 8 years of service so as to qualify for benefits thereunder; to the Committee on Armed Services.

By Mr. JENKINS:

H. R. 7457. A bill to amend section 1341 of the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

By Mr. LANDRUM:

H. R. 7458. A bill to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes; to the Committee on Education and Labor.

By Mr. LANKFORD:

H. R. 7459. A bill to provide for the licensing of bicycles operated in the District of Columbia; to the Committee on the District of Columbia.

H. R. 7460. A bill to provide for the conveyance of certain real property of the United States to the State of Maryland; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California:

H. R. 7461. A bill to amend the Tariff Act of 1930, as amended, so as to prevent undue relaxation of customs supervision as a safeguard against smuggling and for the protection of the revenue, and for other purposes; to the Committee on Ways and means.

By Mr. RABAUT:

H. R. 7462. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. REECE of Tennessee:

H. R. 7463. A bill authorizing the transfer of certain property of the Holston Ordnance Works (at Kingsport, Tenn.) to the State of Tennessee; to the Committee on Armed Services.

By Mr. SAUND:

H. R. 7464. A bill to amend section 22 of the Agricultural Adjustment Act of 1933, as amended; to the Committee on Agriculture.

By Mr. SMITH of Mississippi:

H. R. 7465. A bill to make the evaluation of recreational benefits, and fish and wildlife conservation, resulting from any flood control, navigation, or reclamation project an integral part of project planning, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 7466. A bill to provide for the establishment of the Fort Pemberton National Monument; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Virginia (by request):

H. R. 7467. A bill to amend the act of March 3, 1901, with respect to the citizenship and residence qualifications of the directors or trustees of certain companies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SPENCE:

H. R. 7468. A bill to amend section 24 of the Federal Reserve Act so as to remove certain restrictions against banks participating with the Small Business Administration in making residential disaster loans; to the Committee on Banking and Currency.

By Mr. THOMSON of Wyoming:

H. R. 7469. A bill to repeal the tax on transportation of oil by pipelines; to the Committee on Ways and Means.

H. R. 7470. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

H. R. 7471. A bill to repeal the transportation tax on property; to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 7472. A bill to amend the Atomic Energy Act of 1954 to provide for the establishment of an accelerated civilian atomic power program, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. VINSON:

H. R. 7473. A bill to authorize term retention contracts for Reserve officers, and for other purposes; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 7474. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. RIEHLMAN:

H. R. 7475. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. STEED:

H. R. 7476. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. SEELY-BROWN:

H. R. 7477. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. HILL:

H. R. 7478. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. EVINS:

H. R. 7479. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H. R. 7480. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. McCULLOCH:

H. R. 7481. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. SHEEHAN:

H. R. 7482. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. HOSMER:

H. R. 7483. A bill to amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

By Mr. BOGGS:

H. R. 7484. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYKIN:

H. R. 7485. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS of Louisiana:

H. R. 7486. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. COFFIN:

H. R. 7487. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. COLMER:

H. R. 7488. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. HÉBERT:

H. R. 7489. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. LONG:

H. R. 7490. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. MORRISON:

H. R. 7491. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. PASSMAN:

H. R. 7492. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. SIKES:

H. R. 7493. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMPSON of Louisiana:

H. R. 7494. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIS:

H. R. 7495. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Merchant Marine and Fisheries.

By Mr. EDMONDSON:

H. R. 7496. A bill to increase the limitation on the aggregate acreage of coal leases which may be held by one person in any one State under the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on Interior and Insular Affairs.

By Mr. ALBERT:

H. R. 7497. A bill to increase the limitation on the aggregate acreage of coal leases which may be held by one person in any one State under the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H. R. 7498. A bill to increase the limitation on the aggregate acreage of coal leases which may be held by one person in any one State under the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H. J. Res. 327. Joint resolution to amend the Internal Revenue Code of 1954 so as to establish an equitable depletion rate for oil shale with those depletion rates now allowed for oil and gas wells; to the Committee on Ways and Means.

By Mr. DIXON:

H. J. Res. 328. Joint resolution to amend the Internal Revenue Code of 1954 so as to establish an equitable depletion rate for oil shale with those depletion rates now allowed for oil and gas wells; to the Committee on Ways and Means.

By Mr. ROGERS of Colorado:

H. J. Res. 329. Joint resolution to amend the Internal Revenue Code of 1954 so as to establish an equitable depletion rate for oil shale with those depletion rates now allowed for oil and gas wells; to the Committee on Ways and Means.

By Mr. MAHON:

H. Con. Res. 174. Concurrent resolution authorizing the printing of additional copies of part 1 of the hearings on the Department of Defense appropriations for 1958; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. THORNBERRY: Resolution by the House of Representatives of the State of Texas, urging the President of the United States to limit imports of foreign oil to the percentage set by his Cabinet Fuels Policy Committee as the maximum possible without endangering the security of the United States; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, memorializing the President and the Congress of the United States to grant statehood to the Territories of Alaska and Hawaii; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States requesting legislation that would extend the jurisdiction of Federal district courts to entertain actions brought by a State to enforce taxes lawfully imposed on a person or property removed from the State; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States urging a limitation on imports of foreign oil to the percentage set by the President's Cabinet Fuels Policy Committee as the maximum possible without endangering the security of the United States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation to empower the Governor of the Territory of Hawaii to grant pardons for Federal offenses; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States relative to transmitting certified copies of certain resolutions enacted by the Legislature of the Territory of Hawaii in its regular session of 1957; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BETTS:

H. R. 7499. A bill for the relief of the Cooper Tire & Rubber Co.; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 7500. A bill for the relief of Jack Barouk; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 7501. A bill for the relief of Ewald Fritz; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H. R. 7502. A bill for the relief of Elizabeth Weber; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 7503. A bill for the relief of Marina Cecilia Shepherd; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 7504. A bill for the relief of George Walter Rason; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 7505. A bill to permit a retired officer of the Navy to be employed in a command status at Port Lyautey, Morocco; to the Committee on Armed Services.

By Mr. McCORMACK:

H. R. 7506. A bill for the relief of Mariano Pellegrini; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 7507. A bill for the relief of Antoni Stanislaw Blicharski; to the Committee on the Judiciary.

By Mr. SHEEHAN:

H. R. 7508. A bill for the relief of Harry J. Madenberg; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 7509. A bill for the relief of Stephen James Meier; to the Committee on the Judiciary.

H. R. 7510. A bill for the relief of Jon Frederick Cordes; to the Committee on the Judiciary.

H. R. 7511. A bill for the relief of Todd Gene Biedermann; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

239. By Mr. SMITH of Wisconsin: Resolution passed unanimously by the International Supreme Council session of the United Travelers of America held recently in Columbus, Ohio, calling upon the Government to continue its efforts to expose and prosecute people in civil or military service who resort to any special privilege to avoid a test of his or her loyalty; and praising those elements of our Government that are using every means in their power to expose Communists and condemning all forces and groups which seek to delay or prevent such exposures or prosecutions and further declare that loyalty to our country shall be above partisanship, that we will work for a united people and ask all fraternal and civic organizations to help support those who work to save our freedom and liberties from foreign aggression and the forces of communism; to the Committee on the Judiciary.

240. By the SPEAKER: Petition of the executive manager, Toledo Chamber of Commerce, Toledo, Ohio, petitioning consideration of their resolution with reference to disapproval of passage of H. R. 1 and H. R. 3986, etc.; to the Committee on Education and Labor.

241. Also, petition of the executive secretary, California Federation of Women's Clubs, Fresno, Calif., petitioning consideration of their resolution with reference to adopting the recommendation of the Secretary of the Interior and approving the joint partnership proposal to be entered into with the Pacific Gas & Electric Co., etc.; to the Committee on Interior and Insular Affairs.

242. Also, petition of the secretary, Kittitas County Pomona Grange No. 58, Cle Elum, Wash., petitioning consideration of their resolution with reference to commending the Army engineers, the Bureau of Reclamation and all others interested in the comprehensive development of our water resources for so diligently carrying forward the battle for the construction of Hells Canyon Dam, and urging passage of Senate bill 555; to the Committee on Interior and Insular Affairs.

243. Also, petition of the secretary, American Institute of Planners, Michigan Chapter, Detroit, Mich., petitioning consideration of their resolution with reference to requesting passage of Senate bill 1230, which is vitally needed if the task of building and rebuilding our urban areas is to be successful; to the Committee on Public Works.

244. Also, petition of the secretary, Tulare County Bar Association, Visalia, Calif., petitioning consideration of their resolution with reference to earnestly urging passage of the Jenkins-Keogh bill at an early date; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Highway Traffic Safety Award

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. McDONOUGH. Mr. Speaker, the national highway and traffic death toll has reached such appalling totals as to constitute a major and almost insoluble problem.

Continued study and analysis by traffic and safety engineers, and revision and amendments of existing laws has failed to check the upward swing of this grim chart, and far too few citizens, apart from these authorities, actually concern themselves with this tragic traffic safety situation.

I think it is pertinent that I bring before this body a brief reference to the sustained and fruitful efforts of an outstanding California businessmen, Mr. Robert E. Petersen, whose contributions, direct and indirect, to the general traffic safety of the Nation are important and demonstrable.

When Bob Petersen first became interested in the problems of the motorist and of safety back in 1948, he was convinced that the most fertile area in which to work for traffic safety was among the more youthful drivers across the country. Not that youth is the only

offender against safety measures, but because the habit of careful driving is easier to initiate among the young.

To meet this issue head on, Petersen began a crusade of preaching safe driving to the thousands of so-called hot-rod enthusiasts in the United States. He correctly believed that the most constructive way was not to scold, preach, or carp, but to help organize a sport and to form a national organization to provide pride of membership and to establish aims and goals designed to eliminate irresponsibility and to stress highway courtesy and safety. Petersen was a dominant factor in the formation of the National Hot Rod Association, whose slogan is "Dedicated to Safety."

Through the outlet of the Petersen Publications, Petersen has constantly preached safety in all its phases. This includes a continuing crusade among the more than 1 million motorist-readers for more careful driving. In addition, Petersen constantly examines the new models and cars and reports objectively on their safety factors, or lack of them. Many of the safety features which he has fought for over the years have been adapted into today's cars. He also has made many practical suggestions for safety improvements in the highways themselves.

It is significant that the California Safety Council selected Mr. Petersen this year as the recipient of its first annual distinguished service award in recognition of his great and beneficial influence among youthful drivers, and his other valuable contributions toward greater highway safety.

Petersen also has been cited by the Los Angeles County Board of Supervisors for his safety work and for his remarkable accomplishments as the founder and head of one of California's biggest and fastest-growing publishing industries.

The fine citizenship manifest by Mr. Petersen and the cooperation and results he has achieved in the field of traffic safety are deserving of our sincerest commendation as well as the appreciation of the people of the United States.

Third Anniversary of the Supreme Court Decision Outlawing Segregation in the Public Schools

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. HILLINGS. Mr. Speaker, this third anniversary of the Supreme Court decision outlawing segregation in public schools is an appropriate time to survey our progress in the field of civil rights and to renew our efforts toward achieving the goal of equality in practice, rather than merely paying lip service to this great principle upon which our Nation was founded. At a time when we are trying so diligently to make friends with the peoples of Africa, Asia, and the Middle East, we cannot afford to do anything to impede the elimination of racial prejudice in our own country. We must set a true example of tolerance and respect for the integrity and dignity of all individuals here at home before we can convince other nations that we truly want them as equal partners in the battle to achieve a peaceful world based upon democratic principles.

President Eisenhower and Vice President NIXON have helped to show the way for all Americans by their forthright stand in support of the action of the Supreme Court in striking down segregation in our public schools. It is now my hope that Congress will act during this session on civil rights legislation similar to that which I introduced early this year. There is absolutely no place in our country today for laws which would prevent any citizen from voting because of racial or religious prejudice. The time to act is now.

Government Employees' Right to Vote Bill

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. ANFUSO. Mr. Speaker, I have introduced a bill which I call the "Government employees' right-to-vote bill."

This bill, H. R. 7385, provides that Federal Government employees should be given the opportunity to vote in person in national, State, and local elections. In order to enable them to do so, each such employee is to be excused from duty, without loss of pay or deduction from his annual leave, for a period of not less than 2 hours, but not to exceed 4 hours.

The bill further provides that Government employees, who maintain voting residence in another State or area beyond the commuting distance from their place of employment, shall be excused for a maximum of 1 day for the purpose of voting, unless they are able to vote by absentee ballot.

The purpose of my bill is to encourage as many of our citizens as possible to exercise their rights of citizenship on election days and to utilize these rights by voting as free citizens according to the dictates of their conscience. It is both deplorable and very disturbing that far too many of our citizens fail to perform their citizenship duties on election day. In the last few presidential elections only about 50 to 60 percent of those entitled to vote in the United States actually went to the polls, and even fewer than that have voted in the off-year Congressional elections.

Voting is a privilege as well as a right which we should not ignore. The greater the participation of our citizenship on election day, the more we shall be able to maintain this country as a true citadel of democracy. When millions stay away from the polls, it shows a lack of interest in the problems and welfare of our Nation. If this trend continues, it may prove dangerous to our form of government and our way of life.

The people of this country should be encouraged to cast their ballots, and the Government should be the first to do so by enabling its employees to vote in person. The Federal Government has a moral obligation to encourage good citizenship by affording its employees sufficient time off to cast their ballots on election day. Unfortunately, during the presidential election last November no allowances were made for voting on the part of Government agencies and many of their employees failed to exercise this right because of a lack of time. In the Brooklyn Navy Yard, located in my Congressional district, there were numerous complaints and many of the shipyard workers were incensed over the situation. The same, I understand, was true in other Government establishments in various parts of the country.

Mr. Speaker, I feel it is of utmost importance that Government employees be given sufficient time off to exercise their sacred duties as American citizens. Give them the opportunity to lead the parade to the polls on election day. It is for the good of our Nation and its future.

The text of my bill is as follows:

A bill to provide that certain Government officers and employees shall have sufficient time to vote in elections

Be it enacted, etc., That, in order to enable officers and employees in the executive branch of the Government to vote in person in National, State, and local elections, each such officer or employee shall be excused from duty, without loss of pay or deduction from his annual leave, for a period not less than 2 hours, but not to exceed 4 hours.

SEC. 2. Employees holding voting residence beyond commuting distance from their duty stations shall be excused not to exceed 1 day for the purpose of voting, unless voting by absentee ballot is permitted.

Rumania's Independence Day

EXTENSION OF REMARKS

OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement commemorating the anniversary of Rumanian Independence Day.

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

RUMANIA'S INDEPENDENCE DAY

On this 10th of May, Rumania's national unity and Independence Day, I should like to pay a warm tribute to the heroic and unfortunate Rumanian people, who for 12 years now have been bearing the criminal yoke of Soviet slavery.

After a long period in history during which the Rumanians, descendents of Roman colonists established by Emperor Trajan in the second century of our era, at the eastern gates of Europe, have performed a noble task as guardians of European freedom and Christi-

anity, they achieved their political organization as independent principalities in the 13th century. Through their spirit of resistance and Christian faith they managed to survive long centuries of ruthless invasions from the east. At the moment of the Crusades this Latin outpost on the eastern borders of Europe made a steady contribution to the fight against the barbarians. This resistance of the Rumanian principalities against the advance of the Turks after the fall of Constantinople, succeeded in preserving to a certain extent their independence. Although forced to pay tribute to the Ottoman Empire, they were not occupied by the Turks and continued to be ruled by their own national Christian dynasties.

It was this role in the defense of Europe which was eventually recognized, in the full reestablishment of Rumania's independence, by the Treaties of Paris in 1856 and that of Berlin in 1878.

But the existence of a free Rumania has always meant a serious obstacle in the way of the Russian imperialist drive to the west. Indeed, since the 18th century, when Russia reached the borders of Europe, the greatest danger for the Rumanian national existence has been Russian aggression and invasion under changing guises, even under that of friendship. One should not forget that Rumania has been invaded 13 times by the Russians, who annexed the eastern part of the country, now constituting the Moldavian Soviet Republic. Today the entire nation of 20 million suffers under the Soviet imposed Communist tyranny. The ordeal of the Rumanian people under the ruthless foreign occupation of Soviet communism, their economic exploitation and deprivation of elemental human rights and liberties, are now a matter of record. On the other hand, through the Soviet political-military pressure Rumania has been transformed against the will of its people into a satellite base for the aggressive schemes of Moscow.

We cannot rest indifferent in the face of injustice and tyranny. We must proclaim our sympathy with the enslaved Rumanians and think of the best ways for helping them recover their liberty. It is both the honor and the enlightened interest of this nation which command us to follow such a course. We should not forget that destruction of freedom in other lands means ultimately a direct threat to our own freedom and security.

A Tribute to Rumanians on Their National Holiday

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. ROOSEVELT. Mr. Speaker, the 10th of May is a day of national dedication for Rumanians. It symbolizes the fulfillment of the aspirations of all Rumanians for nationhood and independence.

Today Rumania has been deprived of her national independence. The oppressive hand of communism has imposed uniformity throughout the entire state. Dissent is not tolerated in the political life of the nation. The economy has been drained of its vitality in the service of Moscow. And Rumania's colorful cultural life has been reduced to the lowest norm of Marxist-Leninist ideology. All creative writing in Rumania has been compelled to conform to the narrow limits prescribed by the Communist leaders.

Scientia House is the instrument of Communist literary tyranny in Rumania and the ideological fountainhead of Rumanian communism. It is the headquarters of the Ministry of Education and culture and the leading Rumanian Communist newspaper, Scientia. It is also the state publishing house for political literature. Head of the 6,500 shock troops on this ideological front employed at Scientia House is Miron Constantinescu, the Minister of Education and Culture and the acknowledged chief theoretician of Rumanian communism.

The production of propaganda by Scientia House is considerable. It is estimated that every day 2 million copies of newspapers are published. Scientia alone has a circulation of 1 million. Scientia House also publishes 170,000 pamphlets, booklets, and periodicals in an average working day. Everything is published in strict conformity with the line laid down by the leaders of the Rumanian Communist Party.

One cannot help wondering whether the Rumanians can maintain their cultural identity under this avalanche of Communist propaganda. Indeed, the great challenge for Rumanians in the future lies in this cultural area; for once the sense of cultural uniqueness has been destroyed and supplanted by the alien concepts of communism the way is then prepared for the broader attack on the idea of nationality and nationhood.

But Rumanians have known subjugation and national suppression by a foreign power before. They survived that tyranny, and they shall survive the present one.

On this anniversary of Rumanian independence let us, therefore, join with freemen everywhere in solemn resolution to oppose Communist imperialism with all the strength within us. Let us also join with all friends of Rumania in an expression of regard for the Rumanian people that their hopes and aspirations for freedom shall one day be fulfilled.

The Changing Concept of Soviet Imperialism

EXTENSION OF REMARKS

OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. HRUSKA. Mr. President, on May 6, 1957, the Czechoslovak National Council held a conference in the city of Washington. Its sessions were presided over by my good and valued friend, Col. Joseph Triner, of Chicago, who is president of the organization.

In response to an invitation from him, I addressed the luncheon meeting of the conference.

I ask unanimous consent that the remarks I made on that occasion be printed in the CONGRESSIONAL RECORD.

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

THE CHANGING CONCEPT OF SOVIET IMPERIALISM

(Address by Senator ROMAN L. HRUSKA, of Nebraska)

In speaking about Soviet imperialism one should always be mindful of the old French proverb, roughly translated, which means: "The more it changes, the more it remains the same." Soviet imperialism for the last few years has been trying to assume the mask of a sheep, but you don't have to look far to see its fangs, its talons, and its pointed tongue.

Let me review with you some of the things that have taken place in the last 10 years. By means of imperialism, the Soviet Empire has expanded from what it was at the end of World War II, a relatively small country, smaller than the Russia of the Czars, with 160 million people, to what it is today—a formidable dominion reaching from the Adriatic Sea, across the heartland of Europe to the China Sea and imprisoning therein 900 million human beings. The growth of this imperialistic colossus has been gradual, unremitting, and incessant. It continued despite its profession for peaceful coexistence during 1955 and 1956. Let me read to you from the significant address of Nikita Khrushchev, addressing the 20th congress of the Communist Party of the Soviet Union on February 17, 1956:

"There is no doubt that in a number of capitalist countries the violent overthrow of the dictatorship of the bourgeoisie and the sharp aggravation of class struggle connected with this are inevitable. But the forms of social revolution vary. It is not true that we regard violence and civil war as the only way to remake society."

And then again he said: "Leninism teaches us that the ruling classes will not surrender their power voluntarily. And the greater or lesser degree of intensity which the struggle may assume, the use or the nonuse of violence in the transition to socialism, depends on the resistance of the exploiters, on whether the exploiting class itself resorts to violence, rather than on the proletariat."

It is obvious that when Khrushchev says this he means that if we submit weakly we won't be destroyed but that if we resist sovietization, violence awaits us. Let me quote further from Mr. Khrushchev:

"The historical situation has undergone radical changes which make possible a new approach to the question. The forces of socialism and democracy (his term for the Soviet Union) have grown immeasurably throughout the world, and capitalism has become much weaker. The mighty camp of socialism, with its population of over 900 million, is growing and gaining in strength."

Does this sound like the language of a man who is foregoing further conquests? In fact, he took the mask off completely later on when he said that communism will conquer the world and it will complete its conquest before the 20th century has run its course.

This is sort of a Mein Kampf. All the future plans of the Soviet Union are constantly laid before us. They are all there if we will but look at them. But the distressing thing is that either we don't look at them or if we do we see something that just isn't there. I am a member of the Senate Internal Security Subcommittee of the Senate Judiciary Committee. During the 6 years of its existence it has uncovered an abundance of evidence that indicates that there are people in the United States—people who look and act in every way like Americans but who are at heart dedicated Soviet agents. It is their job to keep us from recognizing the hard, cold facts about the Soviet Union

and its imperialism about which we talk here.

There are many people who would have us believe that peaceful coexistence is possible; that we should accept the formal and diplomatic utterances of Soviet representatives at their face value. There are people who will tell us that Red China should be admitted to the United Nations and gain recognition by the United States Government because if we do that it will then behave and that it will be possible for us to effect what they call a general overall Far East settlement. Don't they realize that if we recognize Red China and allow it into the United Nations that whatever resistance there is to Soviet imperialism on the mainland of China, on the island of Formosa, on the other offshore islands and throughout Southeast Asia will crumble and Red China will be able to move on to new and further conquests? Here in the United States, the Chinese Delegation to the United Nations, the Chinese Embassy and its various consulates throughout the country will be staffed not by friendly Chinese, as they are now, but by hundreds of Chinese Communists disseminating their propaganda and doing everything possible to undermine the existence of our wonderful country. And yet there are people who would have us overlook these things, who would blatantly tell us that if we recognize Red China, then in some kind of a mysterious way we can then be able to achieve what they call an overall peace in Asia. These are pious wishes without foundation and in fact voiced by people who do not know the significance of what they are saying. At the same time Mr. Khrushchev, in addressing the Communist delegation assembled in Moscow, proclaims that the Communist goal is the dictatorship of the proletariat and the establishment of a worldwide Communist society. He goes on to say that this will be effectuated by means which can be adapted to the degree of assistance encountered in the free world and that these means include violence when that is necessary.

Let us be mindful of this when we engage in our discussions about the changing concept of Soviet imperialism. The changes are changes in tactics alone. The goal remains the same, and never let us fool ourselves on this elemental fact.

A Bill To Assist the Cotton Textile Industry

EXTENSION OF REMARKS

OF

HON. FRANK M. COFFIN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. COFFIN. Mr. Speaker, today I am introducing a bill designed to assist the hard-pressed cotton textile industry in its present crisis. This bill, originally introduced by the senior Senator from Maine, seeks to make cotton available to the textile industry at prices which would allow it to regain the level of cotton exports maintained from 1947 to 1952. The provisions of the bill apply to cotton textiles for export only.

For some time, it has been apparent that the textile industry, not only in Maine and New England, but, indeed, along the entire Eastern seaboard, was in the throes of a downward economic spiral brought on not merely by the ordinary forces of competition, but by the fact that our mills were losing their market at home and abroad to exports from other countries who had the double advantage of unbelievably low labor rates and a much more favorable price for raw cotton.

I have made strenuous efforts to urge sensible administrative solutions to both the immediate crisis and the long-range problem through the executive branch. On April 15, I wrote to the White House as follows:

President DWIGHT D. EISENHOWER,
White House,
Washington, D. C.

DEAR MR. PRESIDENT: In recent weeks Maine has achieved the dubious distinction of becoming one of the foremost centers of industrial crisis in the country.

There are probably other areas where more people are unemployed and where more firms have closed shop. But there is none where the shutdowns will have a greater effect on the economy of the region. The closing of the Androscoggin division in Lewiston, the York division in Saco, the rumors concerning closing of the Hill division in Lewiston and the Edwards division in Augusta, all of the Bates Manufacturing Co., the temporary shutdown of the Sample Shipyard in Boothbay Harbor, and the unnoticed closing of many small grocery stores and other small businesses add up to the paradox of crisis in a time of record high spending, high cost of living, and general prosperity.

This is the first time in our history where the economy of an entire area is thrown into jeopardy by continued positive governmental stimulation of competing countries through making cotton available to those countries at lower prices than prices at which our manufacturers can buy. Hence there is a governmental responsibility to take remedial action. But the great question of specific remedy has not been solved. Until it is solved, Maine officials in Augusta and Washington, the Federal Government, and the Congress lack any clear idea as to what we should do.

Until a solution is agreed upon, there will be no chance of timely remedial action. Everyone will be marching off in different directions. It is my suggestion that manufacturers, labor leaders, congressional delegations from textile areas, and specialists from the Departments of State, Commerce, and Agriculture meet to discuss the following questions:

1. What is the best "crash program" that can be devised to prevent the human suffering resulting from unemployment now and in the immediate future?

(a) Can and should import quotas be imposed?

(b) Can defense and other governmental contracts be routed to textile firms which are in trouble?

(c) Can and should the Government stockpile standard items to keep the industry alive until a more permanent solution is achieved?

(d) Can and should the escape-clause provision be used to increase tariffs?

(e) Is there any possibility of using Public Law 480, relating to disposal of surplus commodities, to help?

(f) Is there any possibility of a short-range subsidy program for manufacturers?

2. What is the soundest long range program to remove unreasonable competitive disadvantages from the textile industry?

(a) Should the domestic manufacturers be enabled to buy cotton at the world market price and thus be placed, as far as cost of materials is concerned, on the same basis as their foreign competitors? If so, what kind of program would be the most workable?

(b) Should such treatment be confined to cotton bought by domestic manufacturers for export purposes only?

(c) Should intensive efforts be made to develop markets for textile products in countries which have not hitherto been able or inclined to become large users?

(d) Should our foreign economic aid program place more stress on clothing and fabrics than it has heretofore?

To my knowledge there has not been a concerted effort on the part of the industry, labor, committees of Congress, and the Executive department to find answers to these problems. In such thinking lies the solution to both the immediate emergency and the long range problems. Such action should be taken immediately.

I realize the heavy burdens of your office. However, this is a problem of such immediate and grave concern to thousands of families that I hope you will provide the necessary leadership by initiating such a conference.

Respectfully,

FRANK M. COFFIN,
Member of Congress.

The reply I received from Jack Z. Anderson, Administrative Assistant to the President, indicated that although the administration was aware of the textile problem, it felt that the self-imposed limitation on imports by Japan, together with certain other routine efforts to assist local organizations and agencies, were all that could be accomplished at the present time. He concluded by saying:

In view of these efforts, there seems little to be gained at this time by a meeting such as you suggest. I can assure you, however, that your proposal will be kept in mind should such a meeting be desirable at a future date.

Subsequently, I was advised by Mr. Anderson to confer with the Secretary of Commerce regarding this critical problem. This I intend to do.

The sands of time to avoid great hardship posed by the immediate crisis are running out. I am, therefore, introducing this bill with the profound hope that it, together with all other similar proposals, will be studied by the appropriate committee with the utmost seriousness and that it will serve as a catalyst for focusing Congressional attention on this problem which began as a sectional problem and can now truly be said to be a national problem. This is a field in which we need to do a great deal of creative thinking and reexamine some of our past approaches. It is my hope that Members of this House may pool their thoughts in this matter and enable us to pursue a course of action that will put an end to the increasing number of mills which are closing, as well as place the entire industry on a more stable and firm long range basis.

Italian Opera Star Sings United States Anthem at Democratic Party Dinner

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. ANFUSO. Mr. Speaker, we often hear it said that truth is stranger than

fiction. This was demonstrated once again recently at the Democratic Party's $100-a-plate fund-raising dinner held at the National Guard Armory in Washington.

At this dinner were assembled several thousand Democratic Party leaders and members from various parts of the country, headed by former President Harry S. Truman, Adlai E. Stevenson, and literally dozens of Democratic governors, Senators, Congressmen, and other party leaders. The person who opened this event with the singing of the Star-Spangled Banner was an Italian-born basso, Italo Tajo, who is still studying to become an American citizen.

Tajo, who is a well-known international opera star, was elated that a foreign-born singer was asked to sing the national anthem to the assembled leadership of the Democratic Party. When informed that he was chosen for this honor, he observed:

> It is truly an honor for a man who is still working toward his citizenship papers to have the privilege of singing for so many leaders of this great country.

While the huge audience at the armory heard Tajo's booming voice singing our national anthem, he did not have the opportunity to hear the speeches of the Democratic leaders. Tajo was appearing that evening with the road company of Fanny at a downtown Washington theater, and had to be rushed from the armory to the theater by police escort to make his curtain time for the show. He and his wife are seeing America on the nationwide tour of the musical comedy.

Address by Secretary of Agriculture Benson Before American Cotton Shippers Association

EXTENSION OF REMARKS

OF

HON. JAMES O. EASTLAND

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a most outstanding and able address delivered by Hon. Ezra Taft Benson, Secretary of Agriculture, before the American Cotton Shippers Association in New Orleans, La., April 26, 1957.

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

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE AMERICAN COTTON SHIPPERS ASSOCIATION, NEW ORLEANS, LA., APRIL 26, 1957

I am delighted to take part in this meeting. As one who has learned to love the South, I have a deep personal interest in the welfare of cotton producers and in the agriculture of this great region.

Recent developments in cotton have led to a degree of optimism regarding the future of your industry. Certainly there are readily visible signs of improvement. Exports this year may total 7 million bales or more, in contrast with last year's 2.2 million. The cotton carryover is expected to total around 12 million bales at the end of this season, down 2.5 million bales from a year ago. The soil bank is expected to reduce supplies further during the years ahead, and move us toward a more reasonable level of carryover.

I wish these developments were indicative of genuine long-range improved prospects for the cotton industry. I do not believe this to be the case so long as governing basic legislation is retained. The improvements we have seen are the results of costly, temporary programs such as surplus disposal and the acreage reserve part of the soil bank. First-aid programs are necessary. But the cotton program may require more than first aid; it may require surgery as well.

The basic intent of present cotton legislation is to provide price support at 90 percent of parity when supply is in reasonable balance with demand. Under present laws 90 percent of parity price support is not a mandatory requirement but is retained as a goal. The only reason that price supports for cotton are now less than 90 percent of parity is the heavy supply situation.

The special programs of surplus removal and the soil bank will, with the existing formulas in the law, have the effect of boosting the price of cotton back to 90 percent of parity as soon as surpluses are moved. Controls will continue in an effort to keep supports at that level. Evidence is that the high price supports will lose markets and that controls will be less than properly effective.

Is the cotton program, therefore, because of the price-support requirement in the basic law, committed to continuous production controls, loss of markets for cotton, and continuous surplus disposal operations? If this be true, would it not be well to reexamine the price-support objective? This is the question I wish to lay before you.

We are in the midst of great scientific changes. A technological explosion is occurring on American farms. Production per worker has doubled in the last 15 years. Cotton production per acre has increased 65 percent. This creates a new dimension in farm policy and makes it virtually impossible to curtail agricultural output with the type of controls acceptable in our society.

The agricultural revolution is the blind spot in present farm price-support policy.

Cotton farmers are being subjected to the forces generated by this technological revolution. They are adjusting from wartime to peacetime demands. Their markets are burdened by surpluses which result at least in part from past legislation. Obviously, cotton farmers must be protected from the harsh price effects which would result from their exposed economic position, their weak bargaining power and their abundant capacity to produce. This is a proper function of government. But our efforts should be such as to help our farmers rather than hinder them.

With the reduction of surpluses, cotton farmers will feel that acreage allotments should be increased, and will present that view with considerable logic and with increasing vigor. Under present law, however, increased allotments for cotton are unlikely despite surplus reduction. If the governing legislation is retained, even assuming no advance from present levels of technology, it is difficult to foresee the time when total acreage allotments for cotton will exceed the 1957 level. As you know, Congress has established minimum acreage allotments for cotton of 17.6 million acres for each of the years 1957 and 1958. Based on the present law, the 1959 acreage allotment could be in the neighborhood of 14 million acres. Hence, under present law, disappointment awaits many farm families.

Farmers have the established legal right to undertake programs which increase the price of cotton if they wish to do so. As much as any other group, they have the moral right to influence supply and price in what they deem to be their own interest. They are entitled to the sympathetic help of their Government in meeting their economic problems, the same as any other group. These rights have been fought for and have been won. I applaud and defend the victory.

My question is this: Is it wise to use these hard-won rights in behalf of a program which has the long-run effect of losing markets, restricting farmers' rights to make their own decisions, and reducing the income of cotton farmers?

Consider these stubborn facts:

Twenty-five years ago, before the acreage control program, cotton grew on more than 40 million acres of United States farmland. This year the allotment is 17.6 million acres. Three million acres of that allotment have gone into the soil bank. The actual acres of cotton produced this year seem likely to be about one-third as many as before the control program began.

Twenty-five years ago, before American cotton growers began to hold the price umbrella for foreign cotton producers, cotton production abroad totaled 11 million bales. This past year foreign cotton production was twice as great, 25 million bales.

World production of synthetic fibers has increased during the past 25 years from an insignificant quantity to an equivalent of more than 14 million bales, an amount larger than the 1956 United States cotton crop. Most of the growth in the world market, resulting from increased population and increased per capita consumption, has gone to foreign cotton and to manmade fibers. This growth has been marked. The worldwide per capita increase in consumption of all fibers during the past 20 years was from 8.2 pounds to 9.6 pounds. And the world population during this period increased by approximately 500 million persons.

Undoubtedly production of manmade fibers would have increased and foreign cotton production would have risen during the past 25 years even if there had been no program to restrict supplies and raise prices in the United States. But it is equally certain that the cotton program served to encourage our competition and speed its expansion.

For years it was claimed that cotton producers would accept the adjustment principle, and would keep supplies in line in order to receive the specified level of price support. Yet production has not been held in line. On an acreage calculated, in accordance with law, to produce 10 million bales, cotton production the last 2 years totaled 14.7 and 13.3 million bales, respectively. Carryover reached an all-time high, approximately a full year's needs.

For years it was claimed that the cotton program cost the Government nothing, since supplies were held in line with markets. But the Commodity Credit Corporation is now selling cotton for export at 6 to 7 cents below the domestic price. Net cost to the Corporation is greater than that because of storage costs and the fact that the cotton was acquired at higher than present prices. On 9,297,339 bales thus sold during the last 15 months, the Corporation experienced a net realized loss of $535 million, or close to $60 a bale. This coming year we shall have to charge against the cotton program not only the coming year's loss on exports but the cotton acreage reserve program which will cost approximately $150 million.

Costs are showing up now because we report realized losses when the cotton is disposed of, not when it was acquired. Much of the cotton we are now moving was acquired years ago. Costs are high because cotton

production was much stimulated by a prolonged series of incentive prices—incentives supplied first by the market place and then by law. They are high because cotton has been priced out of the market and because production continues heavy despite controls. Costs are high because we have been spared the wars which cut the cost of earlier liquidations.

The American people will gladly undertake costs of great magnitude in order to solve a problem, but not merely to carry it indefinitely. With formulas in governing legislation, costs seem likely to continue high with little progress toward a permanent solution.

While the growth in their markets has largely been captured by the competition, cotton farmers have been restricted in their decisions as to management of their farms.

Controls breed controls. Cotton production has been restrained from moving to the most efficient farms. Allotments to individual farms, whether based on history or on tillable cropland, depart to a considerable degree from considerations of equity. All these matters are irksome to farmers.

It is extremely difficult to fit nearly a million diverse cotton operations into a pattern based on a legal formula.

Cotton producers and agriculture in general should not sacrifice the efficient use of agricultural resources on the altar of price support. To do so would discredit price supports, which are a useful stabilizing stabilizing tool. As matters now stand, cotton growers are operating on a part capacity basis. Some producers have continued planting marginal acres to cotton for the main purpose of maintaining their historical acreage base.

With acreage controlled, producers have simply fed the land more fertilizer, used more insecticides, and used other devices to produce almost as much cotton as before on far fewer acres.

Not only have we kept marginal land in cotton, we have kept marginal producers in cotton, hurting both themselves and cottongrowers in general. The result is to push up the national average unit cost of production of cotton to a level which handicaps American cotton in competing effectively against foreign cotton and synthetics.

Some marginal producers, of course, have withdrawn from cotton production. Some took jobs in the expanding industries of the South. Others went into the production of meat animals, dairy products, poultry, eggs, and other commodities. By and large, those who got out of marginal cotton production have improved their situation.

The decline of cotton has had many secondary effects. Small towns and trade centers which once serviced 40 million acres of cotton now service 15 million. Some of our transportation facilities are no longer needed. Employment opportunities for local labor in the cotton industry have been reduced. The cottonseed industry has suffered.

Tradesmen have seen Government, in possession of practically the entire cotton carryover, forced to take over more and more of the marketing functions. We are deeply concerned about the effects of the present program on the cotton marketing system. One of our objectives is to avoid disrupting normal operations any more than absolutely necessary. I assure you that we will keep the entire situation under continuing review during the 1957-58 marketing year. Any long-range cotton program must be based on keeping the merchandising of cotton in the hands of the people who best know how to do that job—the private trade.

What has been the cause of the difficulties experienced by farmers, rural tradesmen, and the cotton trade generally?

The major cause is that for many years, agricultural legislation has focused on a single objective, a high level of price support.

The legislative goal of a high support price based on the so-called parity, a weak measuring rod, ignores the fact that cotton farmers are interested in net income, not just price per pound. And it is income that farmers spend, not price. Net income is the result of price times production minus costs.

Present legislation seeks to maintain the support price per pound through drastic restrictions on the right to produce and market. Inevitably this raises production costs per pound. The long-run result of reduced volume and higher unit costs of production is to reduce net income.

Back in 1929, before we embraced the single objective of high price supports, cotton lint brought in 13.4 percent of our farm income. Last year cotton brought in only 7.5 percent of our farm income.

Twice the cotton program has been rescued by war. Were it not for that fact, its shortcomings would have been highlighted long before now. Carryover built up to 13 million bales before World War II, and was substantially reduced following the end of the war. Carryover built up again prior to the Korean war, and the demands of war pulled down our stocks. From 1952 to 1956 we experienced the greatest inventory buildup of all time. This buildup is now being liquidated at tremendous cost, in a time of peace and abundance instead of a time of war and scarcity.

With the passage of time, the original concepts of the cotton program have been eroded away.

The original cotton program was developed in the depths of the depression. Heroic measures were needed in those days; I am not finding fault with the emergency programs developed to meet what was indeed a desperate situation. The Agricultural Adjustment Act of 1938 provided price support at 52 to 75 percent of parity. The adjustment principle, that is the idea that production should be held in line as a condition of receiving price support, was widely accepted by cotton producers.

But let us see what has happened since that time. The price support level was raised from 52 to 75 to 85 to 90 to 92.5 percent of parity. Now, under present law, as soon as sufficient stocks are moved, supports must be at 90 percent of parity, an incentive price which has lost us much of our historic and potential market and if retained would lose still more.

Not only has the law been written with a high price support requirement; special provisions have been enacted that result in overshooting the price target, with attendant stimulation of production and loss of markets. Here are some of cotton's fringe benefits which have proved to be disadvantageous rather than beneficial; I shall mention them only briefly:

The provision, restricted to cotton and peanuts, that the price support cannot be reduced below 90 percent of parity until supplies exceed 108 percent of normal. For other basic commodities the price drops below 90 percent of parity when supplies exceed 102 percent of normal.

The requirement that price support and parity be based on seven-eighths inch Middling grade, which results in support prices about 5 percent higher than would otherwise be the case if it were based on the average quality of the crop.

Set asides, which force higher supports than in the absence of such provisions.

Dual parity, which has in the past required the use of old or modernized parity, whichever was higher.

The provision that support prices must be announced before planting time and must be raised before harvest if parity and supply conditions warrant, but cannot be reduced even though parity might fall or the supply increase.

The effect of all these special provisions is to raise the support price for cotton. In the immediate short run, other things being equal, such increases would be expected to increase the incomes of cotton farmers. But other things are not equal. When a program has continued for as many years as the cotton program, then we are dealing with long-run, not short-run relationships.

We have all heard the argument that the price of raw cotton is so small a part of the finished product that the price of cotton could be increased sharply without reducing consumer purchases. One trouble with this argument is that often it is the spinner rather than the ultimate consumer who chooses the fiber going into a given product, and the spinner will shift to the most economical source of supply with a relatively small differential. For many products, the competition between cotton and man-made fibers is definitely on the basis of price.

The argument has been offered that cotton consumption bears no relationship to price. The refutation of this argument lies not in theory, not in highly refined statistical analysis, but in this simple hard fact: Over a period of years, operating with a high support requirement, we have lost markets and our competitors, by underbidding us, have gained them.

Laws now on the books were enacted with the intent of helping cotton farmers. My comments are aimed not at the intent but at the result.

I have mentioned how the provisions regarding cotton price supports have been sprung in the direction of higher price support requirements. Now let me enumerate the provisions by which the controls have been sprung in the direction of reduced effectiveness:

Minimum national allotments. For 1957 the cotton acreage allotment which would be required, by formula in the way, to adjust supplies to normal, is 3.9 million acres. Yet the law provides a minimum allotment of 17.6 million acres, 4½ times the level actually needed.

Minimum individual allotments. The law provides that 100,000 acres must be added to the national allotment for this purpose.

Checking compliance on the basis of harvested instead of planted acres.

Use of an out-of-date 5-year average, with no adjustment for trends, in determining yields for computing the acreage needed to produce a normal supply.

Permission to grow any other crop on acres diverted out of cotton, which shifts the burden to producers of other crops.

While these provisions give cotton farmers some immediate relief from the tight restrictions which would otherwise be necessary, they postpone the day when farmers can look for the surplus burden to be lifted.

We have all heard the argument that a reduction in the level of price support will result in increased cotton production by causing farmers to plant more acres as they strive to maintain income. I know of no competent research which supports this view. And I am impressed with the fact that when the Congress really wanted increased production, as during the war, supports were raised, not lowered. When reduced production really was wanted, as for potatoes some years ago, supports were reduced and then eliminated, not raised.

What the relaxation of production controls really means is this: Farmers will not accept, the Congress will not enact, and from a practical standpoint, the executive branch cannot enforce the kind of production controls which would be necessary to balance supply with demand at the price objective specified in law.

We have tried to legislate scarcity, and have found that this is extremely difficult to do. Might it not be well, then, to learn how to live with the blessings of abundance?

In the early years, the cotton program was an emergency measure, developed to meet a severe depression. This measure has gradually been replaced by a program with a high price objective and weak controls. The original vehicle was gradually overhauled and given a more powerful motor but weaker brakes. No wonder it is hard to keep on the road!

Upland cotton, with a high support requirement, has experienced declining acreage. Extra long staple cotton, meanwhile, has adopted a low price objective and has been experiencing increased acreage. Growers of extra long staple cotton advocated legislation, which the Congress enacted, setting the level of price support at 75 percent of parity. Allotments for 1957 are about twice as great as in 1956.

There is a growing realization that the program for upland cotton is in deep trouble. There is much casting about for alternative remedies.

A two-price plan is sometimes suggested. Under such a plan domestic cotton would sell at a high price and cotton for export would sell at a lower price.

Technicians and authorities who study such plans raise a number of troublesome problems, among them this one: If domestic cotton continues high in price, manmade fibers are further encouraged in our big market—the market here at home.

Another proposed remedy is a production payment plan, with cotton selling at or near a competitive level and with a payment to cotton farmers, from the Treasury, making up the difference between the market price and the price objective. Authorities also raise a number of difficult problems about such proposals. Do cotton farmers want to be dependent upon the Congress, annually, for highly visible appropriations which might equal half or more of their net income? It would be well to recall some basic arithmetic. Farmers now total only 13 percent of the population and only 1 farmer out of 5 produces cotton.

Responsibility for enacting legislation lies with the Congress. The Department of Agriculture, as an agency of the executive branch, has responsibility to point out difficulties in administering the law, and to counsel with the Congress regarding their solution.

Certainly, when alternatives are considered, we should consider the possibility of permitting our cotton farmers more freedom to farm. Certainly we should consider the desirability of moving in the direction of being more competitive price-wise.

Cotton must be priced right if it is going to sell.

We might liken the cotton industry to a stool which needs three legs to stand upright—quality, merchandising and realistic pricing. It cannot stand permanently on just two legs no matter how strong they are built.

It won't be easy to win back our markets. Markets lost over a period of 25 years are not regained overnight. A quarter century of sheltered existence is poor conditioning for the rough-and-tumble of market competition.

But the markets are there if we go after them.

Our present per capita consumption of cotton here in the United States is about 26 pounds per year. In the free foreign world per capita consumption is only about 6 pounds. If foreign consumption could be increased by only 2 pounds—the equivalent of one bed sheet, or one pair of overalls—it would create a new market for about 7 million bales annually.

Rather than being lulled into complacency by the favorable developments of recent months—increased exports and reduced carryover—we should use this time to reexamine the basic law. We must not wait until, having disposed of surplus number one, we have built up surplus number two. We must not wait with making changes until they are forced upon us. We should make use of the next few years, while we have the soil bank and the surplus disposal programs, to make a transition to a program which is more in the interest of our cotton farmers.

The Agricultural Act of 1954 was a necessary forward step. It established a beachhead of rationality in setting of price support levels. No one ever maintained that it was an answer to all our farm problems. The Agricultural Act of 1956 successfully defended the ground gained in 1954 and in addition provided weapons for dealing directly with our heavy stocks.

We should now reexamine basic legislation regarding cotton and other basic crops. I applaud the wide review of this subject now being made throughout the South by the American Farm Bureau Federation in cooperation with the State Farm Bureaus.

My first speech on cotton after becoming Secretary of Agriculture was given at Cleveland, Miss., on May 21, 1953, before the Delta Council. At that time I had this to say:

"I have been rather critical of some of our present farm programs. But this is not because I think present programs give the farmer too much. No; my concern is that they give the farmer too little.

"They give the farmer too little because they do not build markets to put products into use at fair prices.

"They give the farmer too little because they do not permit desirable adjustments to take place in our farm economy which will place the farmer on a sounder footing.

"They give the farmer too little because they fail to provide adequate incentive for self-initiative and self-help upon the part of the grower, the handler, the processor, and the end distributors.

"They give the farmer too little because at times they price such commodities as wheat and cotton out of world markets.

"They give the farmer too little because they tend to hold a price umbrella over synthetic and substitute products which in turn take over our farm markets."

That was 4 years ago. I have said these things, many, many times. I reaffirm them before you today.

My purpose is to add to cotton markets, increase the net income of cotton farmers, liberalize their opportunity to make their own decisions and protect their hard-won rights for equality of bargaining power. I do not want to take anything away from cotton farmers; I merely want cotton farmers to ask themselves earnestly and honestly whether a program of restriction and scarcity can possibly mean as much to them in the long run as a program involving more freedom to plant and more freedom for market growth.

The future of the cotton industry depends on how that question is answered.

Address by Hon. William F. Knowland, of California, at American Legion Founders Day Luncheon

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the speech I delivered on last Saturday, in St. Louis, Mo., at the American Legion Founders Day luncheon, commemorating the founding of the American Legion.

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

ADDRESS BY UNITED STATES SENATOR WILLIAM F. KNOWLAND, AMERICAN LEGION FOUNDERS DAY LUNCHEON, ST. LOUIS, MO., MAY 11, 1957

Comrade Commander, today we commemorate the founding of American Legion in this city in 1919.

This organization of 3 million has made notable contributions to our Nation in both war and peace.

As Americans it is important that we take sufficient time to review the past, examine the present, and try to plan for the future.

It was Lincoln, in his house divided speech, who said:

"If we but knew where we are and whither we are tending we could better judge what to do and how to do it."

It is time for us to rededicate ourselves to a renewed faith in our free way of life.

We must not take our constitutional form of government or our free enterprise system for granted. Neither fall into the category of something that can be locked in a safe deposit box and kept forever secure. Each generation must be prepared to make the necessary sacrifices to maintain them that our Founding Fathers were prepared to make in the first instance.

Other nations have been or now are larger in land area, in population, and in natural resources. Yet they have not been able to give to their people the freedom and the standard of living Americans have enjoyed.

As important as is the productive capacity of our Nation and its military strength, these are not the factors which alone could preserve our freedom or enable us to maintain a free world of freemen. The inner strength of America has not been its great cities, its huge industrial plants, its extended transportation systems, or its variety of natural resources as important as these are.

The factor which made America an inspiration to the rest of the world grew out of our Declaration of Independence, the Constitution of the United States, and the spiritual values which the founders of our Republic recognized and by which they were guided.

We have recognized that there is a higher moral law to which governments are also accountable. We have humbly acknowledged the divine inspiration which has made and preserved us as a Nation.

We have read of and been inspired by the action of George Washington in kneeling in prayer during the dark days of Valley Forge and of Lincoln doing the same during his lonely vigil in the White House during the darkest days of the Civil War.

The priceless ingredient for our people has been our constitutional form of government which guarantees our religious, personal, and economic freedom.

We must never dilute our constitutional guaranties whereby human freedom would be compromised with totalitarian tyranny in any form of world government.

America is still the authentic revolution. The flame of freedom which was struck at Concord and Lexington still is an inspiration to the enslaved behind the Iron Curtain.

But it is also an ageless lesson that no outsiders can win independence for a people. They must be willing to pay the price in blood and resources to gain their own freedom.

We do recognize, however, that when freedom is destroyed anywhere a bit of freedom is destroyed everywhere.

Nations can die while delegates talk. Last year the General Assembly of the United Nations passed 10 resolutions in 76 days of debate. All that while freedom was being strangled to death in Hungary. With callous indifference the Soviet Union placed itself above the higher moral law of God as well as above its obligations under the United Nations Charter.

No international organization can long endure with a double standard of international morality.

Are the obligations and the mandates of the United Nations to be applicable to the democratic nations but not to the totalitarian powers? To the law-abiding but not to the outlaw nations? To the small and weak countries but not to the big and strong? What kind of justice is this? Are we building on quicksand? What kind of a foundation is this for constructing a system of international law and order based on justice?

We serve no useful purpose if we hide the facts. To the contrary by ignoring them and failing to seek remedies, we may endanger the safety of this Republic and freemen everywhere.

For many decades the men in the Kremlin have preached the doctrine that the free world contains the seeds of its own destruction. It is far more likely, I believe, that the Communist world contains the seeds of its own destruction.

Hungary was but the latest in the indications that, even under totalitarian police rule and the brainwashing of a whole generation, the spark of freedom still lived and was capable of lighting a fire that endangered the whole monolithic structure of Communist tyranny.

After the Hungarian experience, how much reliance can the Soviet Union place in the armed forces of the other captive nations if freedom is ever within their reach? How can they have faith in Communist indoctrination when young students were the leaders of the Hungarian rebellion?

Within the past several weeks the rulers in the Kremlin have sought to intimidate Norway, Denmark, Greece, and Iceland.

The Soviet Union has not changed its long-term strategic objective. The destruction of human freedom everywhere.

They will be relentless in seeking to destroy our institutions. Fortified by our faith in God, we must be determined that our way of life will be preserved.

Hungary has also taught the world that unless an independent government or revolutionary movement can function for several weeks or months it is difficult for outside friends to assist.

Had the British redcoats crushed the first American rebellion in a week and captured the leaders (as happened in Budapest), there would have been no time for France and our other friends abroad to come to our aid.

Sooner or later there will be another Hungary. Will the free world be better prepared to strike a blow for freedom? Will the United Nations be prepared to do more than talk and pass 10 resolutions?

It may come this year or next in Bulgaria, Rumania, Czechoslovakia, Eastern Germany, Albania, North Korea, China, Poland, or in Hungary again.

Indeed it may even come in the Soviet Union where the people of Russia were the first victims of the godless Communist tyranny.

During the week Nagy was the legal head of the Hungarian Government what a difference it would have made if the United Nations had sent in observers: If based on the first United Nations resolution the friends of freedom abroad had sent the freedom fighters bazookas and grenades rather than more resolutions of sympathy.

Or is the policy of the United Nations and the free world now to be that we will throw water on the embers of freedom and revolt against tyranny and that we will finance Communist economic and political systems so that the slaves will be more content with their masters?

I believe we are at one of the great crucial turning points of history.

International communism which 40 years ago imposed its will upon the people of Russia has in the meantime, by conquest, subversion, and international blackmail, extended its power to where over 900 million people are enslaved behind the Iron Curtain.

Probably not as much as 10 percent of that number can be considered hard-core Communist Party members.

Never before in history have so few imposed their ruthless totalitarian will upon so many human beings.

Since the fall of Dienbienphu in 1953 international communism has added no territory and no people to its monolithic structure.

Since 1953, within the Communist Empire cracks have beeen showing up which are of great significance.

1. The riots in East Germany and East Berlin.

2. Restlessness in Poland leading to the Poznan outbreak and the temporary attempt to placate the liberty-loving Poles with a "respectable Communist regime," as if in fact there could be such an unlikely monstrosity.

3. The Hungarian revolt with its lesson that unarmed people can rise up, seize arms, drive out a secret police control and can only be destroyed when divisions of a foreign power are used to crush a victory the Hungarian freedom fighters had already won.

4. The strains and stresses, economic and otherwise, within Communist China, some of which were reported last Sunday morning.

5. The repudiation of $65 billion worth of Soviet Union bonds which is not only indicative of fiscal problems within the U. S. S. R. but a reemphasis, if any is needed, that Soviet commitments are not worth the paper upon which they are written.

6. The failure of the established agricultural and industrial programs in the Soviet Union and in most of the captive states.

Responsible men and women, in and out of government, must ask themselves these questions:

Would the world be a better place in which to live if the godless international Communist tyranny should disintegrate? Can communism's political system endure if its economic base collapses? Can even a ruthless police state hold its people in subjugation if their economy cannot produce the minimum requirements of food, clothing, housing, and a modest number of consumer goods?

At such a time it does not make sense to me that the United States and our free allies would embark upon a program to rescue the Communist world from its own evil shortcomings.

While the communist world is reaching a crisis in its economic and political life it is now proposed:

1. That our allies open wider the doors of trade in both strategic and nonstrategic materials to Communist nations.

2. We assume the burden of supplying agricultural supplies to the Polish Communist regime so they can better concentrate on supplying strategic coal and uranium to the Soviet Union as well as other production which will strengthen the Soviet economy, and hence its totalitarian government.

It is proposed that we take $100 million of American assets and make them available to the Communist government of Gomulka while the government is making loans available to the Communist North Vietnamese of Ho Chi Minh and the Chinese Communist of Mao Tse-tung.

We have already contributed over $1,200,000,000 to sustain Tito-type communism in Yugoslavia. It is now about to be announced that we will send more jet fighting planes to Communist Yugoslavia.

We have many good and stout allies (Free China on Formosa, Korea, Turkey, Pakistan, Vietnam, Thailand, and the Philippine Republic) that need more jet planes. All of them should have a priority over Tito's Yugoslavia.

I do not favor taxing the American people to support Communist economic or political systems abroad.

It was Lincoln who said: "Fellow citizens, we cannot escape history * * * the fiery trial through which we pass will light us down to the latest generation. We, yes, even we here, have the power and bear the responsibility * * * in giving freedom to the slave we assure freedom to the free * * * we shall nobly save or meanly lose this last best hope on earth."

Tenth Anniversary of the National Student Association

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. WILEY. Mr. President, this year marks the 10th anniversary of the United States National Student Association, one of our most dynamic youth organizations. A brief look at the 10-year record of USNSA is proof enough of its expanded program of education and service to our educational community.

It was a great pleasure for me to contribute a special article to the association's student government bulletin, in its anniversary issue. My theme, Students Today—Statesmen Tomorrow, is particularly significant at a time when, more than ever before, student government is looked to for the molding of tomorrow's statesmen.

I ask unanimous consent that the article be printed in the Appendix of the RECORD.

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

STUDENTS TODAY—STATESMEN TOMORROW

(By Hon. ALEXANDER WILEY, senior United States Senator from Wisconsin)

This, the 10th anniversary of the United States National Student Association, is a highly significant juncture in American life. It is a time when we see our student movement taking on new meanings and challenges.

We find ourselves in a constant state of flux here at home and abroad. We are witnessing and we welcome unparalleled advancements for the benefit of mankind.

Yet, we see in the dark background a brutal, hostile ideology dedicated to world domination. Against this backdrop, in an era of progress and development otherwise, we are striving to hold secure the previous values of our democratic society, and at the same time help other freedom-loving countries preserve these principles.

The future is, of course, uncertain. News breaks daily from the four corners of the world, news which in one way or another ultimately affects our Nation. Yet, in pondering what lies ahead for America, I am encouraged by a great faith in America. Part of that faith is the deep confidence that our rising young leaders will meet the test of

shouldering tomorrow's burdens. I know that my great expectations for the younger generation will not be disappointed.

USNSA SETS THE PACE—ITS MANIFOLD CONTRIBUTION TO OUR NATIONAL WELFARE

The performance of our United States National Student Association helps sustain my faith in youth. The record of the association over the past decade speaks for itself, and is proof enough of the fine caliber of our young adults. Intellectually and spiritually, USNSA members deserve recognition as general spokesmen for American youth.

On the homefront, USNSA has spearheaded basic improvements in all aspects of campus life, promoting the cultural, social, and physical welfare of students. Member student bodies have joined together to tackle mutual problems and to stimulate democratic student government. Most important, USNSA brings us a dynamic, articulate student voice in national affairs. It exhibits a collective alertness to "what's going on" generally, as well as to the new horizons of American education. What better way of supplementing student civic responsibility and offering vast educational opportunities?

MEETING THE PROBLEMS OF EDUCATION

As we are all aware, the problems of American education itself are not becoming any simpler. These problems pose a real challenge to student leadership and to the USNSA.

The numbers of college eligibles are growing by leaps and bounds. How will we cope with the expected 4,500,000 college entrants of 1965? Furthermore, our more complex society requires an increase in the amount of knowledge. And this in turn demands a great expansion of our educational programs.

Student government, therefore, with USNSA carrying the ball, will have to take a new look at policy and programs. Such issues as student economic welfare, antidiscrimination, maintenance of high educational standards, academic freedom, balancing of liberal and specialized training—these are but a few of the areas demanding thoughtful reappraisal.

WORTHY WORLDWIDE ACTIVITIES

Internationally, USNSA has further proved invaluable in closing the ties among young peoples throughout the world—the ties that will help bind the confidence and good will of future foreign leaders. USNSA relations with other national student agencies offer one of the best organized means we have to promote youth fellowship and to foster a true understanding of other modes of life.

The free exchange of ideas and a spirit of "working together" on mutual youth problems are the ideals of international cooperation. USNSA work with the World University, the Foreign Student Leadership Project, International Student Relations Seminars, and student travel programs, all deserve the widest support toward this goal.

DEVELOPMENT OF THE STUDENT LEADER

I would like to underscore one function of USNSA, which in my mind warrants top priority at this time—development of youth leadership.

As a United States Senator, I have learned the so-called ingredients of a public servant. And speaking from experience, may I emphasize the tremendous importance of a taste of university leadership for anyone aspiring to a career in government or politics.

It has often occurred to me how fortunate our college folks, my prospective colleagues of the 90th or 100th Congress, are in the limitless opportunities to partake of student government. But are enough taking advantage of them?

In this day and age, when a year seems to pass like a minute, it is not a long hop from student government to its counterpart at the local, State or national level. And there are certain principles guiding the student body president, USNSA worker, Senator, and Congressman which remain relatively fixed.

What are such yardsticks? The power of factual expression, a give-and-take spirit in solving controversial questions, sound reasoning and constructive thinking, continuity of worthy purpose, underlined by strict adherence to democratic principles of self-government and by genuine dedication to what is best for the largest number, these all add up to the making of a statesman. To become a part of public life also requires a knowledge of the democratic philosophy and group process.

The extent to which our aspirant can fulfill this recipe and can achieve his or her fullest potential for effective leadership in adult life, may depend on his or her start up the Government rung during college.

VITAL ROLE OF USNSA

And this is where USNSA comes in, to serve as one of our best catalysts for responsible student leadership. Stimulating an awareness among youth as to their obligations in student government, and urging followup participation, these are challenging goals for USNSA.

Student government is a facet of American college life, which is probably relatively unique in contrast to most foreign counterparts. In few, if any, other countries has so much freedom been given to students by school administrators, in handling their own affairs. And our young people have certainly lived up to the responsibilities given them.

But more remains to be accomplished. In the face of increasing enrollments, heightened scholastic competition, and struggle to make the top of the class, there may be a serious tendency to play down constructive extracurricular activity, or may I say cocurricular work (a much better reference for an important endeavor).

Scholastic pursuits are understandably intensified in an age when technical and scientific skills are constantly being improved upon and when technical achievement has become essential to our national security.

NEED FOR EXPERIENCE IN STUDENT GOVERNMENT

Yet, in trying to prepare students for society and shape the total young man or woman, we must be on guard against allowing extreme specialization to encroach on other basic educational needs. And student government is such a need—every bit related to the heart of the education process. All college life is a laboratory in individual development. Leadership responsibilities are as integral to forming the well-rounded person as success in his or her curriculum.

How effective is the engineer, physicist, or nuclear scientist, who cannot adequately express his theories, or who is not open to the ideas and suggestions of others?

Not only might society lose out here, but the individual might be cheated in reaching his or her optimum capacity. Higher education actually fails if it does not sufficiently train young people for the mature adult role in all phases of community life.

EXPERIMENTING IN HUMAN RELATIONS

Thus, the prestige and place of student government require a new emphasis. Earlier, I mentioned the development of statesmanlike qualities, associated with early experience in government. May I add that work on behalf of the campus and campus community is an experiment in practical human relations. Participation in student affairs can help deepen spiritual insight, sharpen perception, and strengthen habits of moral action. These qualities together with other teachings of the group process mark the finer-type American citizen.

Without encouragement of a new philosophy toward student government and campus affairs, student leadership can take on a wheels-for-wheels sake stigma. And this kind of attitude could easily breed apathy and disdain for all activities. This, coupled with an exclusive back-to-the-books movement, could seriously undermine the whole concept of democratic student government for which the Nation has long stood.

AVOIDING STALE, STATIC APPROACHES

I am sure that USNSA officers are also concerned about preventing the status quo germ from hitting local student body programs. In many instances, apathy for cocurricular affairs is due to a dire lack of new ideas and lack of some imagination in implementing programs. Simply going through the motions of static-type government is no fun, no matter what level it is on.

Every student group should evolve in purpose, policy, and program. There is something wrong if it drifts along in the same way, year after year. We in Congress likewise require new ways of approaching and solving the comparable problems that may come before us each year. Consequently, we must continually reappraise our policies.

KEY QUESTIONS TO ASK

Thus, student body cabinet officers and USNSA leaders should ask themselves these questions frequently: Are the real student problems being tackled? Is the leadership doing as much as it can on behalf of student welfare?

Such brainstorming sessions can be extremely helpful. And I can attest to the validity of experience in this technique by the Wisconsin Student Association, of the University of Wisconsin in my own State.

CONCLUSION

USNSA's capacity for democratic responsibility appears to be an almost limitless one. And the scope of its work and interest is helping to meet the demands on every front of American life.

I have here devoted some attention basically to only one aspect of the student movement—student government and the crucial need for leadership training. Yet, perhaps these factors constitute one of the cores of real student citizenship. And success in them will certainly help set the quality of tomorrow's American statesmen.

Hats off to USNSA as it looks ahead to the new challenges for young America.

The New School of Aviation Medicine, Brooks Air Force Base, San Antonio, Tex.

EXTENSION OF REMARKS

OF

HON. PAUL J. KILDAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. KILDAY. Mr. Speaker, formal ground breaking ceremonies at the new School of Aviation Medicine, Brooks Air Force Base, San Antonio, Tex., were held on May 10, 1957.

A distinguished group of specialists in aviation medicine was present, as well as high-ranking officers of the Air Force.

This was a most significant occasion for aviation medicine and for the Air Force. Provision of adequate physical facilities for research and instruction in the effects of flight upon the human who operates aircraft, is recognition that, even in this modern time, men are of primary importance.

Under leave to extend my remarks, I include an address made by me on that occasion:

The breaking of ground for the new facilities of the School of Aviation Medicine is a significant occasion. It is an occasion long delayed; and, in my opinion, unnecessarily delayed.

Since the Congress authorized these new facilities there have been a number of projects for research and development involving much larger sums of money which have been authorized, begun, and completed, and the facility placed in operation long ago.

Practically everyone concerned with national defense is conscious of the fact that there has been a tendency, in the past, complacently to accept a national-defense policy based upon the concepts of the last preceding war.

But since the close of World War II there has been a sincere desire to create a national-defense policy and maintain our armed services not subjected to that very serious deficiency. Therefore, emphasis has been placed upon research and development. The Congress has been most generous in providing authorization and appropriations for research and development. However, emphasis has been placed upon the development and production of machines. But all activity, including military activity, must be based upon the fact that even in these modern times things are done by men as well as by machines.

Perhaps it is not unusual that the emphasis has gone to machines rather than to men.

In our time, we are witnessing the second industrial revolution. The first industrial revolution occurred in the latter half of the 18th century in England. A series of important inventions turned England into a modern manufacturing nation. Some of those inventions were brought to our country at the close of the 18th century. The War of 1812 cut off the importation of manufactured products from abroad and stimulated manufacturing in this country.

However, another war in our own country was required before the full effect of the industrial revolution reached the United States. Our own Civil War created a demand by the Army for machines, clothing, blankets, and the munitions of war. The agrarian America of 1860 found it necessary to industrialize in order to meet the demand for those commodities now regarded as relatively simple. Before 1860, there were no great American cities; by 1900, 33 percent of our people were living in cities of 8,000 or more.

It is significant that the impact of the first industrial revolution was felt in the United States as a result of the Civil War, the most destructive war known to history until that time.

The second industrial revolution has come about because of the Second World War, the most destructive in the history of modern civilization. That war demanded the production not only of the basic commodities common to the Civil War, but required them in much larger quantities and of a far more complicated nature. The necessities of the situation produced the invention of tools and machines for the more rapid production of everything needed for the prosecution of war. Except in the field of medicine little attention, in retrospect, was devoted to the most important element of a war machine—the man behind the weapon.

It is not strange therefore that we now find industry and the minds of men intrigued by machines and gadgets. Technology, electroncis, and automation absorb the thoughts and the efforts of all.

The first industrial revolution was based upon the invention of machines which permitted production through the use of fewer men. No doubt, fear existed then that men would not be required for production and unemployment would ensue. At the beginning of the new second industrial revolution stark fear of mass unemployment was again expressed because of the development and use of modern machines and automation. It is now apparent that automation will not result in the elimination of men any more than did the invention of machines at an earlier time.

The American people, by wishful thinking, have in the past, and undoubtedly will continue in the future to look forward to a push-button war. Their thoughts are consumed with the ideas of guided and unmanned missiles, electronic brains, univacs, automatic computers, and mechanical fox-hole diggers. They understandably would like to live in a fool's paradise of a war which will be bloodless for ourselves but most destructive to the enemy.

Should that day ever come, war would be abandoned as a means of settling disputes or acquiring advantage since the nation with that power would automatically exercise world domination. It would be nice to think that that day might come and come quickly, so long as we held that position. But profiting by the lessons of history, we cannot be so sanguine as to believe that the time has arrived when men of ill will will permit the abolition of war.

In order to eliminate certain tasks heretofore performed by men, these new inventions in the field of war have enhanced rather than eliminated the need for men—but men of great technical skill. These weapons and inventions have brought with them new problems which demand solution. Man's capacity to cope with supersonic speeds of aircraft, greater altitudes, flight in the stratosphere, to name but a few, present new problems for solution. The effect of these speeds and altitudes upon the human body will be studied here in this School of Aviation Medicine. These new buildings, providing more space and greater facilities, will permit the men of science who labor here to keep abreast of the human factor in all of these new problems and complications.

No doubt in the not too distant future, aircraft will be propelled by nuclear energy, bringing even additional problems of the effect upon the human who operates them. All of these matters will be studied here. Not only will they be studied here, but the knowledge acquired will be passed on to the student body which assembles here.

Hundreds of millions of dollars have been spent since World War II in providing laboratories, wind tunnels, and all of the most modern facilities for testing the machines of flight. During that time, the School of Aviation Medicine has been restricted to physical properties built for it in 1928, crowded into quarters totally inadequate for its needs, and preventing any thought of expansion.

Notwithstanding these physical handicaps, the staff, faculty, and student body of the School of Aviation Medicine have carried on, and in a remarkable manner, kept abreast in this most important field. All of us here today congratulate them upon their outstanding achievements under such inadequate conditions.

Here we see the beginning of new physical properties for the School of Aviation Medicine which will eliminate those handicaps. Here we see the beginning of a new era in the development of the second industrial revolution—the importance of man and the effects of environment upon man.

The man in the air will have the confidence and knowledge that his welfare, his safety, and his ability to perform his assigned mission, will have received the most thorough study and research that modern science is capable of providing.

This is a happy occasion for Gen. Dan C. Ogle, Surgeon General of the Air Force; Gen. Harry G. Armstrong, his predecessor; Gen. Otis O. Benson, commander, School of Aviation Medicine; and all of those who have worked with them through the years in seeking quarters which will be adequate for their most important assignments. I congratulate them and all others who have had a part in making this occasion possible.

And may I say to the Air Force, as the Member of Congress from this district, that we rejoice with you on this happy occasion—we bid you welcome, we pledge to you our support and assistance at all times, and in all things which may be helpful to you.

Importance of Delaware River

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, May 13, 1957

Mr. MARTIN of Pennsylvania. Mr. President, last week, on May 9, a fellow Member of Congress, the Honorable WILLARD S. CURTIN, who represents the Eighth Pennsylvania District, Bucks and Lehigh Counties, delivered a statement before the House Appropriations Committee with reference to the importance of the Delaware River in the economy of our Nation.

Representative CURTIN presented such a splendid statement that I should like to bring it to the attention of all of my colleagues in the Senate, and therefore ask unanimous consent that it be printed in the Appendix of the RECORD.

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

Mr. Chairman and gentlemen of the committee, I appear before you today in reference to the appropriation to proceed with the deepening of the Delaware River channel between Philadelphia, Pa., and Trenton, N. J.

The amount requested for this work for the fiscal year 1958 was $16,500,000 but in the proposed budget estimate, this amount has been reduced by the Budget Director to $9 million.

I feel that this is a subject on which I am qualified to speak, since my Congressional District consists of Bucks and Lehigh Counties in Pennsylvania and I live in Morrisville, Pa., which is a borough directly across the Delaware River from Trenton, N. J. I, therefore, feel that I have some knowledge on this particular problem which may be of some benefit to the committee, since navigation on the Delaware River between Trenton and Philadelphia is on the portion of the said river which is on the boundary of Bucks County and is a subject in which I have been vitally interested for many years.

I have been very much in sympathy with the economy actions of your Appropriations Committee and have voted in favor of all of the appropriation bills wherein the appropriations have been reduced from the amounts requested by the Budget Director. My record will also show that I have voted in favor of many of the further cuts as proposed on the floor of the House, since I firmly believe that this Government should practice all economies which can be effected

without jeopardizing fundamental governmental functions.

However, I do not think that my present appearance before you, with the request that the appropriation for the deepening of the Delaware River channel be restored to the original request of $16,500,000, rather than the $9 million as proposed by the Budget Director, is inconsistent with my position as to economy. This deepening of the Delaware River is a capital outlay for which the Government will get a return on its money, which is far different, in my opinion, from many of the other expenditures which have been authorized.

The Delaware is one of the world's great estuarial harbors. Already, it is the leading port of the United States in the handling of import tonnage, and it stands second only to New York in total waterborne commerce.

As a harbor, the Delaware reaches from the open sea from Cape May, N. J., Cape Henlopen Del., north to Morrisville, Pa., and Trenton, N. J.—a distance of 132 protected miles. But, as a first-class international seaport—capable of handling all types of cargo vessels—the harbor's vast potential has been only partly realized, because its 40-foot channel ends abruptly at the southern end of Philadedphia. This leaves 37 miles at the upper end of the harbor in urgent need of modernization and improvement.

During the fiscal year of 1956, the Federal Government collected approximately $75.1 billion in tax receipts. Of this amount the States of Pennsylvania, New Jersey, and Delaware—the States that surround the Delaware Port area—contributed $8.5 billion, or better than 11.3 percent of the total budget.

The tidal Delaware flows past more than 8,600 different manufacturing plants, most of which are located in the highly industrialized cities of Wilmington, Del., Camden and Trenton, N. J., and Philadelphia and Chester, Pa. Deep water all the way to Trenwill make accessible for industrialization 58 miles of shoreline now available for industrialization along the upper Delaware, where a lack of deep-water access has prevented the maximum industrialization of this area.

The Congress of the United States in August 1954, recognized the urgency of this matter when it passed legislation authorizing the deepening of the upper Delaware, with a 40-foot channel.

Private industry has already invested its resources in an unprecedented expansion of the region on the strength of this authorization, and there is substantial evidence that the expansion is only in its initial stage. Several large industries have already located on the upper reaches of the Delaware, and more are in process of construction, or are planned. A multi-million-dollar plant of the National Gypsum Co. at Burlington, N. J., designed to handle 350,000 tons of raw materials annually, the Fairless Works of the United States Steel Co. at Morrisville, Pa., with its vast potential output possibility, and the Meenan Oil Co. at Levittown, Pa., making use of the Delaware River in the distribution of several million gallons of product annually, are all new industries will contribute to the economic welfare of the area. In addition thereto, Phoenix Iron & Steel Co. has acquired 1,000 acres of ground in the Burlington area, and the Wood Conversion Co. recently announced plans for the construction of a multi-million-dollar shoreside manufacturing plant in the same area. Many other industries are also canvassing the possibilities of the area, but their final decisions are awaiting the opening of the area to the full benefits of low-cost ocean transportation.

This area between Philadelphia and Trenton is attractive to industry, not only because of its location on a waterway, but also because of its availability to the markets in the area, the accessibility to railway lines, the abundance of skilled labor, and the availability of land. However, the development of this land and the improvement of the economy of the area, with its consequent increase in taxes to the Federal Treasury, is being held up because of the difficulty of navigation between Philadelphia and Trenton. Ships now bringing raw products to the plants are, in many cases, compelled to either partially unload in Philadelphia or to not initially load the vessel with maximum cargo. Because of the present depth of the channel, fully laden, large freighters cannot use the channel until it is made deeper and more safe. One of the dangers of navigation is located at the Delair Bridge, at Delair, N. J., which is an old-fashioned bridge having a span of but 110 feet, and, in addition thereto, the channel turns within the area of the said span. Some of the largest of the cargo ships presently using this channel have a 90-foot beam, and others are somewhat smaller. Consequently, the ships of this size going through this narrow span and having to make a turn in the process find it an extremely hazardous undertaking, and the shipowners will not permit their ships to use this channel of the upper Delaware at all after dark and, during daylight hours, only at such times as they can buck the tide in each direction. As a consequence, the use of the channel is materially restricted. A 40-foot channel with a modern bridge having a wider span at this point will eliminate this restriction.

In addition to the above, the size of cargo ships is increasing, so that a 40-foot channel is essential if such ships can use the channel, and such ships must use the channel if the industries located along the shoreline are to get economical rates. A survey by the National Federation of American Shipping shows that the trend is for larger and deeper draft vessels for economic reasons. Maj. Gen. Emerson C. Itschner, Chief of the Corps of Army Engineers, has said, "The move toward deeper draft, larger deep-sea supertankers and ore carriers, and the outlook for increased transportation of the commodities they carry, has created a pressing demand for correspondingly deeper and improved channels in major seaports."

Below Philadelphia, where a 40-foot-channel project has existed for many years, industries of all types and sizes have located at the water's edge, and the ratio of such industry above and below Philadelphia is convincing proof of the need for the same.

All of the above should indicate the need for the rapid completion of this work. The project is estimated to cost approximately $110 million and the hoped for construction period was 5 years. The monetary benefits after completion are estimated at $8,450,000 annually, as compared to annual charges of $4,000,370. The resultant benefit-to-cost ratio is 1.93 to 1, which certainly shows that the prompt completion of this project is just good business. The Philadelphia district engineer has stated that for the fiscal year of 1958, $16,500,000 could be economically utilized with the equipment on the site; the Bureau of the Budget has recommended an appropriation of $9 million, following an initial appropriation of $6 million authorized for expenditure during 1957. If the annual average appropriation for the first 2 years of construction will prevail, it will take 14 years to complete the project, rather than 5 years, and this slow rate of construction will correspondingly slow up the rate to which the revenue—the taxes from industries located and to be located along this stretch of the Delaware—can be realized. Of the money planned for expenditure from the 1958 fiscal year appropriation is the sum of $1,950,000 toward the improving of the Delair Bridge, which would leave $7,050,000 for other deepening expenses. (The entire cost for the work at this bridge will be $11 million.) The equipment is now in the river and available for use, and if appropriations are such that this equipment can be utilized to its upmost, the job will be finished in a less period and the return to the Government in the form of taxes will be sooner realized.

The channel to be dredged should be dredged to the full depth of 40 feet as the work is done. There is now some argument that an initial 35-foot channel be dredged to Trenton, to be followed by a 40-foot channel as commerce increases. This is not sound reasoning. There is much rock to be cut out of this channel, and cutting rock under water to a certain depth and then going back and cutting a few more feet from the same rock at a later date is just not economical.

With the modern trend in ship construction, a 40-foot channel is vitally necessary if this waterway is to be used to its full and best advantage. The two-step procedure only adds to the cost by postponing just that much longer the adequate and complete use of the channel.

Also, in terms of our national defense in this age of nuclear warfare, when every day brings forth a new international crisis, the Delaware River port area, because of its diversified industrial power and geographical location, is the keystone in the Nation's arsenal for defense.

In addition to the foregoing, the deeper channel would be beneficial in many supplemental respects.

1. It would decrease the pollution of the stream by causing a faster flow of more water;

2. It would be a factor in flood control by permitting faster runoff of high water;

3. The dredge material will help build up the shoreline.

In view of the foregoing, I would respectfully urge the committee to increase this appropriation for the fiscal year 1958 to $16,500,000.

Rivers Bridge Confederate Memorial Association

EXTENSION OF REMARKS

OF

HON. ROBERT W. HEMPHILL

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. HEMPHILL. Mr. Speaker, I would like to have included in the CONGRESSIONAL RECORD a speech the Honorable W. J. BRYAN DORN, a Representative in Congress from South Carolina, made at the 81st annual celebration of Rivers Bridge Confederate Memorial Association in South Carolina on May 10, 1957.

This speech was made on Confederate Memorial Day and the Battle of Rivers Bridge occurred at the end of the Civil War when a handful of southern soldiers held off more than three divisions of Union troops.

The speech follows:

ADDRESS BY WILLIAM JENNINGS BRYAN DORN, MEMBER OF CONGRESS, 81ST ANNUAL CELEBRATION OF RIVERS BRIDGE CONFEDERATE MEMORIAL ASSOCIATION, MAY 10, 1957

It is fitting and proper that you, now and forever, honor the brave and gallant men who fought here at Rivers Bridge for a cause they believed to be right and just. The Confederate soldier faced overwhelming odds for 4 years because he believed in the principle of States rights and local self-government. While finally losing on the

battlefield, his efforts were crowned with success in staving off for nearly 100 years the autocratic Federal dictatorship now looming menacingly on the horizon. The men at Rivers Bridge were dedicated men. They were courageous, independent, self-reliant. They sacrificed everything—their homes, their lives, their fortunes in an all-out effort against unconstitutional usurpation. We, the grandsons and granddaughters of these brave men, will do no less today in upholding the principles and ideals for which they fought and died.

In a sense, the War Between the States was a renewal of the Revolutionary War. In the Revolution, the American patriots were fighting against the autocratic power of King George III. The South, in the Confederate War, was fighting against what they believed to be usurpation of States rights and individual liberty by an autocratic, powerful Federal Government. It was a continuation of the long struggle for local government against autocracy. This is a never-ending struggle. Liberty is something that has to be won, defended, and fought for over and over again. Basic and fundamental principles of government and political philosophy never change. They are the same "yesterday, today, and forever."

In America today, we see a renewal, on a large scale, of the fight against centralization and federalism. The stakes today are higher than in 1861. The same fundamental issues are involved. The revolution today will be peaceful but no less determined. It will be fought out in the State legislatures and the halls of Congress, before the Supreme Court, and by television, radio, the press, and in the hearts and minds of individual citizens. It is not a sectional fight today between the North and South, but it is a battle between those, on one hand, who believe in a strong nationalist, socialist state, and those, on the other hand, who believe in States rights and a maximum of individual liberty. At stake today is trial by jury, freedom of speech, freedom of worship, freedom of the press, and the time-honored principles and ideals so paramount in previous revolutions and struggles for freedom. We must fight today, by peaceful means, just as our forefathers fought in the Revolution and as our grandfathers fought in the cause of the Confederacy. The fate of the entire free world rests on the outcome of our efforts. Federal encroachment, for a while, was a creeping encroachment. It was often intangible and little noticed by the average citizen, but today it is open and is moving at a fantastic pace.

We have, in 20 years, seen the Federal budget go from $6,150,000,000 to a proposed budget of 72 billion for the fiscal year 1958. We have seen those on the Federal payroll increase from 876,600 in 1937 to 2,407,491 today. There has been no such increase in the national income nor in the increase of our population. In 1937 the population of the United States was 128 million. Today our population is estimated at 168 million—an increase of only 33 percent. The Federal budget, on the other hand, has increased by 1,050 percent over 20 years ago. The interest on the national debt today is greater than the entire Federal budget 20 years ago. We, the taxpayers, are paying the colossal sum of over $7 billion on the money that we owe during this fiscal year.

The departments and agencies of the Federal Government are writing 90 percent of the legislation today or are making rules and regulations with the full force and intent of law. The direct representatives of the people are being bypassed and subjected to propaganda by these ever-growing agencies of the Federal Government. The taxpayer's money is being spent to propagandize him of the glories of the welfare state. The American citizen is being subjected to a barrage of propaganda extolling the virtues of the Federal autocracy. The people are being led into a socialistic pit of no return. The moral character of our people is being undermined by excessive taxation to support this Federal army of national and international spenders—professional spenders who have done nothing in 20 years but spend the money of the once-sovereign American citizen. In the name of fighting communism, the Federal Government is adopting socialistic and communistic methods. This centralized authority is pretending to stop a disease by spreading more of that same disease—the plague of international socialism. While wasting billions of dollars abroad in a futile effort to stop advancing communism, we are adopting Marxist doctrines through the back door here at home and subjecting our people to unprecedented regimentation.

Almost every Federal department and many of the committee reports of Congress justify their actions in the name of opposing communism. It seems that all Russia has to do to get this Federal bureaucracy to adopt many of its methods is to criticize our Constitution and our way of life. Already, Government is extracting from the American people, on the average, nearly 35 cents on every dollar that they earn. We are, therefore, one-third of the way to national socialism or communism because we are forced to work one-third of the time to support the Federal hierocracy. The danger point will be reached in a few years when the Federal Government starts extracting from our people 50 percent of their income. The French people rose in revolution against Louis XVI when his autocratic dictatorship took from the people 50 percent of their earnings.

The present civil-rights bill before the Congress is aimed at the rights of the States and our individual liberties. I do believe our forefathers, in their heroic struggle of 1861–65, postponed the day of Federal encroachment until recent times. The advocates of centralization are today making another all-out effort. Today the South is again opposing this centralization. We are being aided by patriotic Americans in every State of the American Union. Our numbers are daily increasing, and I am optimistic of some measure of success. The present civil-rights bill is another attempt to circumvent our Constitution and our legal processes to please the Communist and Socialist propagandists. This bill proposes to deny trial by jury in civil-rights cases and substitute trial by commissions or by Federal judges. It proposes to harass our people and our local and State law-enforcement agencies. It would create a Federal gestapo within the Attorney General's office to intimidate our people.

I want to remind the descendants of those brave men who fought here at Rivers Bridge and my fellow South Carolinians whose forebears followed Wade Hampton that the civil-rights bill now before your Congress would create a Federal commission appointed by the President to investigate unwritten charges of discrimination, a Federal commission empowered to subpena citizens to appear hundreds of miles away in a strange city to answer vague and unfounded charges. These charges could be brought against you by word of mouth without the identity of the accuser becoming known. The bill plainly states that anyone about to engage in an attempt to discriminate can be brought before the Commission or into the Federal courts. This bill would create another Assistant Attorney General with a staff of assistants charged solely with investigating charges of discrimination and tampering with the election laws of certain sovereign American States. This type of legislation is being strongly advocated by pseudoliberals who claim to champion the cause of minority groups and the underprivileged. I believe we in the South and in other sections of our country of a like mind are the real, true liberals. We believe in the principles and ideals of Thomas Jefferson. We believe, with him, that the least governed are the best governed. We share his fears about the power of the Supreme Court and a centralized Federal Government. As true liberals, we are fighting to preserve the liberties of our people, the sovereignty of our States, and local self-government.

The so-called liberal of today is advocating more Federal authority and is supporting every decision of the Supreme Court. He is a phony liberal who seeks to take away from the people and add to the already bloated Federal autocracy. In all the history of the world, when power was placed in the hands of a few men, it was at the expense of the power of the people and, I might add, it was principally at the expense of the underprivileged and the minority races. When excessive taxation is wrung from the people and the money placed in the hands of dictators, the people lose their freedom. Likewise, in all history no liquidation or persecution of peoples could take place until first the machinery of persecution was placed in the hands of one or a few men.

This civil rights bill before Congress today, if enacted, could create the very means through which, someday, the minorities in America could be persecuted or even liquidated. No minority or religious sect in America can be persecuted or liquidated as long as we have a maximum of local authority and States rights. No mass persecution or widespread race discrimination has taken place in world history where there was local self-government and States rights. It has only taken place through dictators, centralized authority, and in the name of the "divine right of kings." Yes, we in the South are the true liberals who are fighting today to save minority races and minority religious groups and minority sections from the dictatorial machinery of a Federal Himmler. History will prove that where the machinery for a federal dictatorship was set up, the iron-fisted dictator would soon follow as night follows the day. The Spanish Inquisition in Spain, St. Bartholomew's massacre in France, the persecutions of the Church of England and Rome could never have taken place unless there was a strong federal authority.

This should be a warning today to many of our church leaders who are supporting a Socialist state, the Supreme Court, Federal aid to education, and this civil rights legislation. Make no mistake about it. If this civil rights bill passes, if the Supreme Court usurps more power, if Federal aid to education comes, the man, too, will come and will persecute the minorities in America who are advocating this type of legislation. Hitler posed as a friend of labor and of the people, but when the machinery was placed in his hands alone, he destroyed labor and wrecked the German Republic. Right here let me make it crystal clear that there was no persecution of the various Christian faiths in Germany until Hitler abolished the states in Germany and made the German Reichstag a rubberstamp congress. Many church leaders in his early rise supported Hitler and his wild dreams of Socialist plenty—only to find themselves later in concentration camps for attempting religious freedom. The same can happen in America to our church leaders, to our minority races, if local government and the sovereignty of the States is seized by the Federal Government. Once firmly entrenched in power with a ruthless gestapo at his bidding, Hitler turned the power of his federalized state against a minority race of people. Without local government and state government, they were liquidated in the most horrible and inhumane way.

Joseph Stalin spent years consolidating the power of his federal state and then

ruthlessly liquidated millions of southern Russians and herded minority peoples into the slave-labor camps of Siberia. Mussolini followed the same course when wielding absolute power from his headquarters in Rome. With individual liberty, local government and States rights, these millions would have been alive today. If we are successful in our fight to keep local government and States rights, we will be saving our people from religious persecution and our minority races from the fate of their brothers in foreign lands.

We must exert every effort today, before it is too late, for our constitutional processes, for the proper balance in our form of government between the Federal Government and the States, between the Congress and the executive, and between the people and the Supreme Court. The Supreme Court is interpreting into the Constitution and reading into the law things that were never intended by the Congress or the people. Americans everywhere are becoming alarmed at the usurpation of power by the Supreme Court. The Pennsylvania sedition case, the New York City school case, and, the other day, the Philadelphia private school case are enough to shock Americans in every State and in every section. The people are looking to their duly elected representatives to curb the power of the Supreme Court, executive branch of the Government, and this new international monster—the Charter of the United Nations. I hasten to assure you that your South Carolina delegation in the Congress is fighting night and day, long and hard, to curb and to forestall this sinister Federal authority. We of the South represent only 100 votes in the United States House of Representatives. If we are to be successful, we must gain support in other sections. I believe with our united efforts, support is forthcoming.

Federal aid to education, though supported by some well-meaning people, is an octopus in disguise. With Federal aid, eventually will come Federal control of education and the youth of our land. This is a familiar road followed by Hitler, Goebbels, Mussolini, and Stalin. Every dictator since the beginning of time saw the absolute necessity of controlling education to further his dictatorial ambitions. They were as afraid of locally controlled education as they were the plague. If we are to remain a free Nation, we must preserve local control of our schools.

Every American State in this Union today is in better financial condition than the Federal Government. If the great State of South Carolina, one of the poorest in the Union, can build this magnificent school system that we see around us, surely Ohio, Pennsylvania, Indiana, and Illinois can build their own schools. Any community that builds its own schools and solves its own education problems will grow morally and spiritually. Local government will be strengthened, our people will have more pride in themselves, and confidence in their ability to solve their own problems. This, in turn, will strengthen the Republic. Federal aid to education would strike the final blow to the America as we have known it. America is great today because of its different sections, of its different people, and because of its difference of opinion, and even diverse political philosophy. If America ever begins to look and act in a single pattern, America will cease to be a great Nation. The American body politic will become a rubberstamp without willpower or courage—to be used by the Washington autocracy, to further their own ambitions. My admonition to you today, my fellow countrymen, is to oppose with united effort this civil-rights legislation, Federal aid to education, this stupendous budget and Federal encroachment, just as those heroes so valiantly fought here at Rivers Bridge.

Our struggle today is greater, more far-reaching, and more important than theirs. If we lose America and the free world, we will be plunged backward 1,000 years into medieval darkness. We should zealously guard freedom of speech, trial by jury, freedom of choice, freedom of the press, and religious liberty. To preserve these basic freedoms guaranteed to us in the Bill of Rights, we must save our Constitution given to us by the Founding Fathers of this Republic. To save this great document, we must first preserve the integrity and sovereignty of the several States. We in the South have been plagued for generations by a negative psychology. I see signs of our beloved South going today from the negative to the positive. We are on the offensive. We know that the freedom of our sons and daughters depends upon the outcome of our battle today. The destiny of America itself hangs in the balance. The southern people fought for the South in the War Between the States. The southern people today are fighting for America.

We in the South are in the forefront in this desperate struggle today to preserve not just the southern way of life but to preserve the principles enunciated in the Declaration of Independence, the Constitution, the Bill of Rights and the American way of life, not just for the South but for every single one of the 48 American States that have flourished under that same Constitution. Yes, this fight goes beyond the borders of the South, the Middle West, or the Union, but it extends and beckons to the whole free world. Our fight is the battle of free peoples everywhere—Europe, Asia, the Philippines and beyond the Seven Seas of the world. Totalitarianism, dictatorship and centralization is on the march. This is no time for appeasement or compromise or for adopting just a little regimentation or a little centralization. We must draw the line. The die is cast. We must save all of our freedom or lose all of our freedom.

I am proud that I was born a South Carolinian. I am proud that my great-great-grandfather was a captain in the Revolutionary War. I am proud that my grandfather volunteered in the war for southern independence, fought in the first battle at Manassas and was surrendered at Appomattox Court House. I am glad that you have permitted me a humble part in this, the greatest fight of all—to protect and pass on this palladium of liberty—the America of today. I solemnly promise you today to tell the glorious South Carolina story. We in South Carolina and in the South do have a different philosophy. It is the philosophy needed to bolster the sagging courage of freemen. This is an age of public relations, advertising, and salesmanship. Let us advertise our political philosophy. In this offensive we are now waging, let us all be ambassadors of good will, ambassadors of the American way of life, and ambassadors of constitutional government. Let us resell to the Nation and the world individual liberty and local self-government.

The South played a leading role in the War of the Revolution. A southerner, Thomas Jefferson, wrote the Declaration of Independence. A southerner, George Washington, led the American armies to victory. Again, it was a southern leadership that prevailed in the Constitutional Convention under its president, George Washington, ably assisted by Madison and Monroe. George Mason of Virginia was the author of our sacred Bill of Rights. In the formative years of our Republic, great southern justices molded the Supreme Court into an instrumentality of justice and protector of States rights and the people's liberty. Edward Rutledge of South Carolina as Chief Justice and John Marshall of Virginia won the admiration of the true exponents of freedom. In the early history of the Republic during its most trying years, steady southern heads guided the Ship of State—Washington, Jefferson, Madison, Calhoun, Clay, Andrew Jackson, Monroe, James K. Polk and many others. We southerners are proud of the early American patriots. We are just as proud of Robert E. Lee, Stonewall Jackson, Wade Hampton and the courageous men who followed the cause of the Confederacy. With their blood in our veins, with our great heritage, with these traditions and with the spirit of the men who fought here at Rivers Bridge, and the fidelity of those who are here today preserving the memory of this event, the South can and will be successful.

Loss of Jury Trial and States Rights Inherent in H. R. 6127

EXTENSION OF REMARKS

OF

HON. KENNETH A. ROBERTS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. ROBERTS. Mr. Speaker, today I appeared before the Rules Committee in opposition to H. R. 6127, an evil bill that is stirring alarm in the South and in other parts of the Nation.

Under leave to extend my remarks, I would like to insert the following statement into the RECORD:

STATEMENT OF HON. KENNETH A. ROBERTS, MEMBER OF CONGRESS, FOURTH DISTRICT, ALABAMA, BEFORE THE HOUSE RULES COMMITTEE MAY 13, 1957

Mr. Chairman, on many another occasion, I have taken an unwavering stand in opposition to the various bills collectively referred to as proposed civil rights bills. Before this committee, however, I will confine my remarks to the single piece of legislation now pending before you. That measure is H. R. 6127 and I strongly urge rejection of it by this committee.

This bill, if reported favorably by this committee and enacted into law, would tend to abrogate certain precious rights of the citizens of this country while it would provide for no benefit above what our citizens now possess. Among the privileges bound to suffer should this measure ever reach passage are the right to trial by jury and the right of the States to govern themselves insofar as possible. To take away these, Mr. Chairman, would be to annul something of value. And what would be left in the stead of these valuable rights? This bill would pave the way for disgruntled persons or organizations to pour allegations of civil rights complaints into a special commission. And this bill makes sure these complaints would be legion in number. It allows an open-end appropriation for providing for those making allegations. When subpenaed as witnesses, they would receive generous expense accounts. In effect, a sort of left-wing secret service corps, snooping into all parts of the country, would be hired at taxpayers' expense. Most of the allegations would be without basis of fact, as a perusal of recent history will indicate. Out of 13,000 civil rights complaints received in 1947, for instance, only 4 convictions were obtained. In another year—1940—prosecutions were recommended in only 12 out of 8,000 civil rights complaints. The allegations in the great majority of cases were not bona fide, but they were numerous. This bill would spawn an even greater deluge of complaints.

And while the persons or organizations making the allegations of civil rights complaints are well provided for, what of the intended victim of the allegations? This bill gives little thought to the accused. He must move quickly, without regard to family or business, to the site of the hearing to face his accusers. He must pay the way of any witnesses he himself might need in defense, and the expense thereunto could conceivably reach large proportions.

The Attorney General, under this proposed legislation, would become the powerful monarch of a teeming kingdom of an admittedly inestimable number of assistants and clerical workers. When an amendment was offered in the Committee on the Judiciary that the proposed Commission on Civil Rights not spend more than $300,000 during the 2 years of operation provided for in the bill, the amendment was defeated. As those who made the thoughtful minority report on this bill point out, the premise for the defeat of this amendment must have been that this Commission in 2 years would cost the American taxpayers far in excess of $300,000. And it is fallacy to believe that the Commission would be allowed to slide into oblivion at the end of the 2 years specified; the professional liberals and minority pressure groups who have pushed this bill will never allow it.

Mr. Chairman, this bill would allow the Attorney General czarlike powers of law through injunction. Proceedings would be initiated against boards of education, election officials, and law-enforcement agencies throughout the States, counties, cities, and towns of our Nation. The usurpation of States rights would be more perilously near complete than ever before. Citizens, it is understating to say, will not abide the abolishment of their rights, including the safeguard of their right to trial by jury.

I submit that the right of jury trial even now is in jeopardy, without the added perils inherent in H. R. 6127. As evidence of this, let us consider the Clinton, Tenn., situation. In February of this year, the Department of Justice quietly moved to substitute the words "the United States" for the names of members of the local school board as party to a suit in Federal Court. By this action the 17 defendants arrested for allegedly hindering the Federal injunction at Clinton could have been deprived of a jury trial and put in jail as unfairly as if they were living in some totalitarian country. That is the way of the Federal injunction; it has unlimited implications. But according to press reports, the United States District Judge in the Clinton case now has yielded to the wave of public indignation through the country. He has ruled that the 16 men, charged with criminal contempt of the most sweeping, most outrageous court injunction in history, may have a jury trial. This case shows what can happen—what would have happened had not the people risen in anger—when the jury trial right is threatened.

The people of this country are quick to stand up for the right of trial by jury. Likewise, they will speak quickly for the rights of their own States to supervise law-enforcement agencies, to keep the law and order, and to maintain elections in accordance with State laws and in harmony with the United States Constitution.

The bill before this committee brings to my mind the historic address made before the Senate of the United States a half-century ago by one of Alabama's illustrious sons, the Honorable John T. Morgan. A resolution came before the Senate aimed at giving Congress jurisdiction to determine whether certain persons, especially Negroes, were being denied the right to vote. During discussion that such a resolution might become an enactment, Senator Morgan rose to speak. His words echo down time's corridor with resounding relevance. "It is too plain for argument," he said, "that such a measure would abolish the State as to all its rightful sovereign powers, and would remand it to the condition of our organized Territories, all of whose laws may be replaced by Congress and all of whose officials may be placed under the power of appointment and removal by the President." That is my argument against the bill before you today.

The individual States rights to handle their own local problems would be wrested from them by the ever more powerful Federal Government.

This is an ill-conceived bill, it brashly impinges on time-honored individual rights, while adding nothing to existing rights. It opens the taxpayers' purse to pour out an undetermined sum of money, while giving no promise of evident returns. It is simply another attempt by northern liberals to gain support of certain minority groups, using the South as their scapegoat.

As a forceful statement in objection to the far-reaching dictatorial legislation this committee is now considering, I submit the following editorial which appeared in the Montgomery, Ala., Advertiser on May 6, 1957:

THE CLINTON JUDGE COMES DOWN OFF IT

United States District Judge Robert L. Taylor's ruling that the 17 persons accused of stirring up integration trouble in Clinton, Tenn., may have jury trials, is clearly in retreat.

After the Clinton High School was ordered integrated, Judge Taylor issued a blanket injunction which was widely denounced as judicial tyranny; he enjoined anyone, anywhere from doing anything contrary to his decree against the school board.

So broad was the injunction, it embraced, at least according to Judge Taylor, all criticism, however peaceful, all objections that the law was wrong and should be reversed. This left Clinton under an imperial law with one man as prosecutor, judge, and jury.

The 17 arrested were charged with criminal contempt of court, on grounds they violated Taylor's permanent injunction. Protests were heard from all sides of the race question, including the following questions asked by a Washington attorney in the Washington Evening Star:

"Where is the statute, constitutionally passed by Congress, which defines the crime of which they stand accused?

"Where is the statute, constitutionally passed by Congress, which gives any court jurisdiction over anyone and everyone who he thinks might disagree with his decrees?

"Where is the presentment or indictment by a grand jury accusing these men of violating what law?

"What are the limits of this power. If a judge, without a law, can sentence a man to 30 days in jail, can he also hang him?

"By what authority of law does he enforce the 14th amendment against private parties who are not parties to the suit before his court?

"If the courts can create such jurisdiction and powers for themselves, what other powers may they assume?"

Others joined in, including the New York Times' respected constitutional authority, Arthur Krock. They pointed to the evolution of barriers against judicial tyranny, the Bloody Assizes under James II in England, the Magna Carta, down to our own Bill of Rights and Constitution.

Under such fire, Judge Taylor has relented and agreed to a jury trial, which is simply a way of confessing that his injunction was invalid, and passing the buck.

All this illustrates the danger of increasing the powers of the judiciary under the proposed civil rights legislation. Good men may not abuse the powers, but as the Washington lawyer noted, there is always the danger of judges who "confuse themselves with the gods."

Address of Vice President Richard Nixon at De Pauw University

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. HILLINGS. Mr. Speaker, the Vice President of the United States delivered a most interesting address last Saturday at De Pauw University. The university bestowed an honorary degree upon him for his outstanding service on behalf of our country.

I agree with the Vice President's statement that consideration should be given toward the allowance of tax deductions for tuitions and fees paid to institutions of higher learning. Early in this session, I introduced H. R. 231 to provide for such deductions which would particularly benefit our private universities and colleges who are having difficulties at the present time.

I urge my colleagues to read the Vice President's remarks with the hope that some action may be taken soon to meet the problem he has discussed.

The address follows:

REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE BUSINESS AND INDUSTRY DAY LUNCHEON, DE PAUW UNIVERSITY, GREENCASTLE, IND., MAY 11, 1957

The United States is facing a major crisis in the field of higher education. It is essential for our national survival that we continue to maintain the military and industrial superiority which we presently have over the Communist bloc nations. We cannot do this unless our colleges and universities produce both the skilled technicians and the enlightened leaders the Nation needs.

The Soviet Union has recognized this fact by embarking on a program of mass higher education which is frightening both in its basic philosophy and its size. As evidence of the extent of their efforts, it is estimated that 60 percent of the Soviet college graduates each year are in the natural and physical science fields, as compared with approximately 13 percent in the United States. In actual numbers, 53,000 scientific and technical students were graduated in the Soviet Union in 1956, while there were only 38,000 in the United States.

It is estimated that our college population will be twice as large 10 years from now as it is today. To meet this problem, we will need new physical facilities and more teachers.

The task of obtaining and keeping good teachers in our colleges and universities is becoming increasingly more difficult. A dedicated teacher does not expect to earn as much in his chosen profession as he would in another field requiring similar qualifications. But he must have, and is entitled to, compensation which will enable him to maintain the standards which his position requires.

At the present time the average salary of all teachers in private colleges and universities in the United States is only $4,700 per year. We can see how inadequate this is

when we compare it with the $5,500 which is the average pay for all industrial workers in the city of Flint, Mich. Unless steps are taken to remedy this situation, we can only expect that both the quality and number of those who choose teaching as a profession will deteriorate.

The answer to the overall problem is not simply in expanding tax-supported colleges and universities. Since 42 percent of all college graduates come from private schools, it is obvious that we need both types of institutions to meet the need. It would be a tragedy of the first magnitude if tax-supported State institutions were to gradually drive the private colleges and universities out of existence.

I am particularly concerned about the future of the smaller private colleges and universities of which DePauw is such an outstanding example. I am prejudiced in their favor because I attended one. But, in addition, I believe that they occupy a vitally important role in our National educational system.

Both the larger State institutions and the smaller colleges have their strong points. In considering the advantages offered by the smaller college, perhaps the outstanding one is that the student can have intimate and personal contact with the teacher. In the larger institutions, classes, particularly in the first 2 years, are so large that virtually no class discussion is possible and there is practically no personal relationship between teacher and student. In the smaller institution, instruction is essentially individual and personal. The student has the opportunity to discuss problems directly with his professor. And the teacher has more opportunity to liberate and stimulate the student's mind so that he will be able to rise to the pinnacle of his creative ability. The teacher can encourage an attitude of mind and a desire to think which better prepares the student to enter society with a desire to be of service. The small college also offers a religious emphasis which is usually lacking in the larger State institutions.

And as long as we have strong privately supported colleges and universities as well as State institutions, we will not run the risk of Government domination and control which might develop if higher education was completely dependent upon the State and Federal Governments.

Providing the necessary support for private colleges and universities is becoming increasingly difficult. The answer will not be found by enrolling more students who can pay tuitions. On the average, tuitions provide only one-half of the total cost of a college education.

Nor is the answer to be found is raising tuitions. They are already so high that too many qualified students are unable to get a higher education. One recent survey disclosed that 40 percent of the students in the top 5 percent of their high school classes did not go on to college. The United States cannot continue to afford this tragic waste of talent and ability.

Direct Federal aid to private colleges and universities is both unlikely and in many respects undesirable. There is always the risk that such aid could impair the independent integrity which is so essential for a private institution to maintain.

Contributions from individuals are increasingly difficult to obtain because of high income tax rates. I believe that when the fiscal situation of the Federal Government is such that we can afford a reduction in taxes we should give the most serious consideration to provisions which would encourage such contributions, as well as to various plans which have been suggested for allowing tuitions and fees of both public and private institutions to be treated as tax deductions.

A major new source of endowment income for private institutions must come from corporations and other business enterprises who are competing today for the graduates the colleges are producing. Such contributions should be considered just as important an item of business expense as an investment in basic research.

Today our Nation is faced with an adversary intent on controlling the minds of men. This challenge cannot be met solely with technological developments or weapons or sheer good will. But it must be met with ideas. The smaller college can help to give us the potential leaders who have the character and desire for service, and who have the purpose, direction, and ideals with a moral and spiritual basis. Smaller colleges have produced many of our great leaders in the past and they merit the support of all Americans so that they may continue in their important and vital mission.

Cut the Budget and Reduce Taxes

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. FEIGHAN. Mr. Speaker, under leave granted, I wish to insert in the RECORD an address I delivered over WHK radio station, Cleveland, on April 20, titled "Cut the Budget and Reduce Taxes":

The real news in Washington is the budget proposed by the President and the reaction of Congress. Immediate reaction of Congress to the largest peacetime budget in our history was unfavorable. Secretary of the Treasury Humphrey appeared to be in agreement with the consensus in Congress because he made a public statement to the effect that the President's budget was too high. Another feature is that vested interests have been busily at work trying to make sure that their pet projects will not be cut by Congress.

The end result is that Congress is more economy-minded this year than usual. This is good news for the overburdened taxpayer. The drive for economy and efficiency in Government is long overdue.

After a most careful study of the proposed budget and taking part in debates in the House, I conclude that the present methods being used to cut the budget will not produce the substantial results the people are looking for. An examination of the budget will show that 63 percent of the tax dollar goes for what are generally called national-defense purposes.

In the world in which we live, our national defense can no longer be predicated on the belief that we are separated from most of the world by the Atlantic and Pacific Oceans. Today our national defense takes on global dimensions because we cannot escape the hard, cold fact that the Atlantic and Pacific Oceans are no longer effective barriers for possible invaders or aggressors.

The global dimensions which have been added to our national defense policy have been imposed by the worldwide threat of Russian communism.

The experts responsible for the defense of our country tell us that the possibilities of war in the future demand that we be fully prepared to meet the enemy anywhere in the world. Added is the realization that freedom's cause cannot be defended by the United States alone and that all nations of the world that believe in freedom must do their part in defense of it. That is the real reason why we initiated programs of foreign, economic, and military aid.

I believe that the tremendous sacrifices which the American people have made over the past 10 years in support of our peacetime national defense program are now beginning to bear fruit. There is no doubt that the Communists are in a weaker position today than they have been in many years. Many countries of the free world are becoming more able to defend themselves. Many of the countries enslaved within the Russian empire are showing a determination to throw off their chains of slavery and to oust the Russian Communists who occupy their soil. There are also signs of uncertainty and confusion within the Kremlin itself. The Russian overlords are faced with tremendous internal problems which they cannot solve except by the application of the most ruthless tyranny and despotism over the people. But the Russian Communists have not abandoned their goal of world conquest.

Since 63 percent of our national budget is spent for purposes of defending our own free way of life, the question before the Eisenhower administration is whether it feels we can coexist in safety with the Russian Communists or whether we must continue on with programs calculated to defeat the conspiracy of communism.

This decision must be made before we can realistically and honestly expect a reduction in the national budget and thereby a substantial reduction in taxes. Any substantial reduction in taxes can only be done by a substantial reduction in the funds now being expended for our national defense program.

The administration has not yet made up its mind on this basic question. On the one hand, the Department of State is engaging in activities which afford the Russians the breathing spell they so badly need.

I refer to a story which appeared in the Washington Evening Star last November to the effect that the Department of State had sent a message to the Kremlin assuring it that the Government of the United States did not favor governments unfriendly to communism on the borders of the Soviet Union. According to this newspaper, this message was sent right at the peak of the Hungarian freedom revolution—a revolution of all the Hungarian people which was anti-Communist in nature and sought a free democratic government of the Hungarian people. Shortly after this message the Kremlin sent Red Army reinforcements into Hungary to destroy the great victory won by the Hungarian patriots. Such activities as this, and I presume the Washington Evening Star is accurately reporting the facts, does not weaken communism, but gives it the breathing spell that it so badly needs.

There is increasing talk in Washington that the so-called summit meeting at Geneva ended up in a secret understanding between the Russians and the United States that a status quo would be acceptable to both. Such a status quo would allow the Communists to keep the many nations and millions of people which it now holds in bondage. Such a commitment, if given, would prevent the United States from taking any steps whatever to help the patriotic forces behind the Iron Curtain. These rumors are gaining increasing credence because of the failure of our Government to do anything effective by way of the United Nations or on its own to help the heroic people of Hungary in their fight for freedom.

I remind you again that about $42 billion are included in the budget sent to Congress by President Eisenhower to cover his estimated cost for our national defense program. I repeat our national defense program is calculated to defend our free way of life against

the conspiracy of communism and to help all other nations who are willing to fight for their freedom and independence. To put it bluntly it would appear that the Department of State wants to make a deal with the Russians and the Department of Defense understands the threat of communism to our free way of life and insists upon an everready defense force to meet any possible Communist aggression. Before Congress can make any substantial cut in our national budget, I believe we must have a national policy on communism.

At the moment Congress does not have a clear idea of what our national policy is in this respect. You have a right to expect consistency from the administration in Washington. You are asked to put up $42 billion next year to defend our free way of life against communism, then you have a right to demand a clear and sharp national policy which prohibits any deals with the Communists and excludes any programs or actions whatever which would tend to give the Communists a breathing spell.

If it is our national policy to work toward the elimination of communism as a threat to world peace, then I would ask whether or not our Defense Establishment has been modernized to conform with latest scientific advances. I have in mind the intercontinental guided missiles which are capable of carrying atomic warheads, aircraft that exceed the speed of sound, and electronic devices unheard of 10 years ago.

Modernization of our Defense Establishment cannot take place overnight. We must maintain at all times the capability to completely defeat any enemy who would make the foolish mistake of attempting aggression against the United States. This means that we must have in being a military force with the capability to win and win quickly. Modernization must bring economies with increased defense efficiency.

It is important that all of us bear in mind that 63 percent of our tax dollar goes for our national defense program. To make any deals with the Russian Communists is to deny the need for 63 percent of our national budget. Unless we have a clear national policy on communism, the American taxpayer will be burdened for years to come.

The Nation's Older Citizens

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call the attention of our colleagues in the House to a series of studies recently issued by the Committee on Labor and Public Welfare of the Senate, which deals with a problem of growing concern to the whole Nation.

People are living longer today and while we all rejoice that this is so, it is nevertheless creating problems to which we as a Nation must face up sooner or later. Both Congress and our State governments are giving increased and continuing attention to these problems as the plight of growing numbers of our older citizens taxes to the utmost the social and economic resources of almost every community.

In West Virginia, individuals 65 years of age and older represented 7.6 percent of the State's total population in 1954. This was one percentage point under the national average, according to figures contained in a series of Studies of the Aged and Aging, compiled by the Senate Committee on Labor and Public Welfare, released this past December.

In 1900, according to this same source, the average life expectance of boy babies at birth was 46 years; by 1954, they could expect to live 67 years. Girls born in 1900 could look forward to reaching the ripe old age of 48; by 1954, this had increased to 73 years.

By the same token, out of a total population of 76 million Americans in 1900, only 3.1 million, or 4.1 percent, were 65 years of age or older. By 1955, with the total population swelled to 165.2 million, this older age group had increased to 14.1 million, or 8.6 percent; and by 1975 it is estimated that some 20.7 million, or 9.3 percent of the total population will have reached or passed their 65th birthdays. If West Virginia continues to follow the national trend, in 20 years from now at least 8.3 percent of the State's population will be in this older age group.

What this could mean in terms of West Virginia's present and future economy, and the Nation's, can best be explained by some of the further facts set forth in the Senate committee's studies.

Most importantly to be noted, it seems to me, is the fact that the increased years of life granted us will be spent in enforced and unproductive retirement if current hiring trends are continued. Age restrictions now bar many older workers from substantial gainful employment. Recent Department of Labor surveys reveal that in 5 of 7 large cities checked, more than half the job openings listed with the employment offices in the month of April had upper age restrictions—starting in a significant number of instances at age 35.

In June 1956, a period of comparatively high employment, the Labor Department's monthly survey showed that nearly 40 percent of the unemployment insurance claimants in the United States were 45 years of age or over. Census data for the full year 1955 reveals that the average monthly unemployment rates were higher for older workers than they were for the younger age groups; that these older workers had more spells of unemployment; and that the jobless periods were of longer duration for them than for their younger competitors.

It follows, of course, that as their earning capacity diminishes, the purchasing power of these older citizens proportionately declines. This not only tends to have a restrictive effect upon business conditions, but it also taxes the resources of the local community to meet the greatly intensified special needs—for housing, sustenance, medical care, hospital services and recreational opportunities of the older individual.

Old-age and survivors insurance under title II of the Social Security Act is already helping to lift some of the burden of their care from the back of the local community. It is helping many to meet their own needs, in part at least, and thus to enjoy the independence, the dignity and the self-respect which are the rightful properties of those in their sunset years.

But for too many more, with no other sources of income, the low minimum benefit of $30 or $40 a month now being paid under the OASI program is insufficient to provide the bare necessities of even a substandard existence when the recipient is in good health. When illness strikes—as it is so likely to do among older people—the situation becomes hopeless. No recourse is left save to ask for public assistance. And with due credit and great admiration for those who administer our present public-assistance programs, I am nevertheless compelled to protest the humiliations, indignities and often the injustices forced upon the hapless recipients of public aid by the restrictive laws imposed in a majority of our States.

Senator HUBERT HUMPHREY exactly expressed my sentiments in one of his recent vibrant speeches on the Senate floor when he said:

> To me, the practice of forcing an older person to sign over his little home that he has spent most of his life acquiring (and if this is not thrift, what is?) as a condition of receiving aid in time of need is an abomination.

In West Virginia, the public-assistance program has recently had to be cut back because of the demands upon its resources of the growing numbers of the needy aged, the blind, the physically handicapped and the dependent children who must have help to survive.

The extent of the problem and its growing proportions, it would seem to me, can only be solved by Congressional action which would merge the resources of this richest of all nations so that those in the less prosperous areas of the country may have help equal to that available in the wealthier communities. Surely what we are trying to do for the underprivileged peoples of other lands, is worth trying to do for our own at home.

In subsequent issues of Keenotes, I shall tell you about what Congress is planning upon doing, and about the bills which I and many of my colleagues are introducing to meet this serious and continuing challenge to the Nation—the problems of our older citizens.

The Sight Conservation and Blind Work of Lions International

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. MARTIN. Mr. Speaker, the International Association of Lions Clubs—more familiarly known as Lions International—this year celebrates the 40th anniversary of its founding. Through its 563,000 members, who belong to 13,000 clubs in the United States and 80 other countries across the face of the globe, this great service club organization has made Lionism synonymous with grass-

roots neighborliness and kindly helpfulness in every corner of the free world.

It is not my purpose here to list the many activities which Lions Clubs have adopted in their program of community and personal service. They now sponsor more Boy and Girl Scout troops than any other civic or service organization. They finance and encourage hundreds of Little League baseball teams; they provide athletic and recreational equipment for thousands of schools and orphanages, camps and playgrounds. In county fairs, agricultural exhibits, livestock tours, land-conservation projects, and rural health programs, the emblem and hand of the Lions is increasingly prominent. Last year alone this great fraternity of civic-minded men sponsored 170,230 activities dealing directly with the health, improvement, betterment, education, and welfare of the towns and cities in which they live.

Great as this contribution to their communities, their nations, and the wide world may be, I believe that the greatest single service to humanity by the men of Lions International is in the field of sight.

Ever since its founding in 1917, the association has made the conservation of sight and rehabilitation of the blind a major project. Every one of the 13,000 clubs in Lionism has a sight conservation and work for the blind committee, constantly alert to help those living in the world of perpetual darkness. In thousands of communities here and abroad Lions have provided sight-testing equipment for schools and free clinics, instituted better school lighting, purchased countless eyeglasses for needy children and adults, established blind persons in business, promoted the sale of blind-made merchandise and in a thousand and one ways have made life more normal and livable for those afflicted with the threat or tragedy of blindness.

Permit me to spotlight a few of the major projects which this great association of kindly men has fostered.

At Little Rock, in the State of Arkansas, the Lions Clubs of that region operate a rehabilitation center which teaches newly blind persons to live with their handicap. The housewife learns to keep house and care for her family, children learn good health and personal habits, the aged are given courses in weaving, woodwork and other handicrafts. Through this agency, and Lions-promoted State cooperation, Arkansas has become a leader in its work for the sightless.

The Lions of Massachusetts have established the Massachusetts Lions Eye Research Fund and have raised sufficient funds in the past few years to provide financial assistance in the form of grants or fellowships to doctors working in the field of research to discover the causes and cures of blindness.

In Iowa, the Iowa Lions Sight Conservation Foundation operates the Lions Eye Bank at the State University Hospital and has restored sight to scores of persons through surgery, treatment and corneal transplants.

The Lions of Ohio, through the Ohio Lions Eye Research Board, have provided funds for laboratory research into the causes and cures of blindness. Plans are under way for an ophthalmic institute where diagnosis, therapy, and surgical rehabilitation will be available to the needy.

In California, Lions coordinate the work of all agencies in the State which serve the blind. The San Diego Lions Club developed the banks braille writer—a pocket-sized machine which is the braille typewriter for students and professionals. Hundreds of Lions Clubs throughout the world have purchased these machines for blind persons in their communities. The Monterrey Park Lions Club created the miniature white cane, used by Lions as a lapel pin in their fund-raising activities for blind aid.

In Florida, where many clubs are leaders in blind work, the Winter Haven club recently designed a series of tests for school students which promises to revolutionize testing of eyes in the lower grades.

The Lions of New York State have been pioneers in the eye bank and corneal transplant movement. The Buffalo Eye Bank and Research Society, sponsored and financed by Lions, operates in the field of research, surgery, and corrective treatments. The Sight Conservation Society of Northeastern New York is carrying on an intensive program in the treatment of glaucoma and other blinding diseases.

In Illinois the Hadley School for the Blind, financed and directed largely by the Lions of Illinois, distributes free correspondence courses in braille, together with braille texts, magazines, and books, to blind people in all 48 States and many foreign countries.

Michigan is famous for Leader Dogs for the Blind at Rochester, a training school for guide dogs which is partly supported by contributions to the Michigan Lions.

The list is endless; every State has some phase of blind work or sight conservation which it supports, and it was to this unselfish humanitarian service that President Eisenhower referred when he wired the Lions of Washington, D. C., recently:

> Congratulations to you upon the dedication of your Eye Bank and Research Foundation. This is another practical expression of your concept of broad service to the Nation and to your fellowmen around the world.

ORIGIN OF THE WHITE CANE

A blind man crossing a street in Peoria, Ill., more than 25 years ago gave birth to the idea of the Lions white cane—a symbol of blindness and a protection for the blind, in every civilized country of the world. Caught in a swirl of traffic, the blind man desperately tapped his black cane on the pavement, appealing for the consideration that busy drivers did not know he needed.

George A. Bonham, then president of the Peoria Lions Club, saw the incident. There must be, he said, some way in which this blind man and scores of other Peorians in his predicament could warn motorists of their blindness. Suddenly the idea came; why not paint the cane white, with a red band, and let the blind man hold it out when he crossed a street. The Peoria Lions approved the idea, white canes were made and distributed, and the Peoria City Council adopted an ordinance giving the bearers the right-of-way at crossings.

Furnishing white canes without expense to the blind promptly became an international activity of the Lions. Ninety percent of the 190,000 sightless adults in the United States have received canes from their local Lions clubs; every State in the Union has adopted legislation making the Lions' white canes an official protective symbol for the blind. Last year 19,555 white canes were distributed as new equipment or replacements, and thousands of blind persons owe their safety and their lives to the respect which this Lions-conceived symbol of blindness commands.

WHITE CANE WEEK

Man's love for his fellow man, translated into the rich flood of kindness and helpfulness pouring from the hearts and hands of over half a million Lions, is a manifestation of human desire to aid the halt, the sick and, above all, the blind. To memorialize that great contribution in the field of blind work and sight conservation, Lions International White Cane Week has been established in the United States to be observed each year, during the month of September. Its celebration will serve as a lasting tribute to the continuing contribution that Lions clubs are making to this important phase of our national health and welfare.

Security and Independence for Our Senior Citizens

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1957

Mr. McDONOUGH. Mr. Speaker, the American people cherish independence—independence as a nation and independence as individuals—as a vital element of their national heritage.

Today it is as important to an American to maintain his self-respect and independence as a free citizen as it was to the American pioneers of a hundred years ago. He wants the opportunity to choose his own profession, to make his own decisions as they regard his own welfare and that of his family. He wants the right to prove his ability and to test his own judgment, and he is willing to accept his destiny in the acknowledgment of his mistakes as well as the acclaim for his successes.

But an American today faces a major problem in his efforts to maintain the personal independence he so cherishes. He lives at a time when our Nation is expanding in an era of progress unprecedented in world history. He lives in an age of prosperity such as the pioneer of a hundred years ago could but dimly envision in his most fantastic prophesy.

But today's American also lives in an age of soaring living costs, and the highest living standard any people on earth have ever known. And with this fabulous prosperity has come an age of astronomical government spending, unbelievable government debt, declining buying power of each dollar earned, and accompanying high taxes on Federal, State, and local level which shrink earning power and diminish the ability of an American to save part of his earnings during his years of high productivity so that he can meet the costs of raising and educating his family, and also accumulate enough in savings to assure an adequate income for his years of retirement when he is no longer able to maintain employment.

Social security has offered a partial solution to the problem faced by the American senior citizen. But it has fallen far short of its goal of providing independence and security for our elder people.

Our senior citizens who find themselves faced with existence on the small pension provided by present social security are in many instances unable to afford even the bare necessities of life. It is difficult for them to find shelter at low enough cost so that any part of their small allowance will be left to provide a minimum of the food necessary to maintain life. There is little left over for any small luxury, and no provision for adequate medical attention. Hospitalization or nursing care for the most part can be obtained only as a charity patient where such facilities might be available to the impoverished.

Unless the senior citizen has managed to save enough to augment his paltry social security income or receives assistance from relatives, he faces declining years of extended impoverishment haunted by the fear of losing all self-respect and personal independence as a charge of public charity, if inflation decreases his limited buying power or illness threatens.

We have improved social security it is true, but not enough. We have raised payments to a small extent, but not sufficient to provide security. We have extended social-security coverage, but we have not provided adequate protection for all our citizens so that every American can accept the challenge of the age in which he lives, devote the productive years of his life to the security and welfare of the United States and to the care of his own family, and face the years of retirement with the secure knowledge that an adequate pension will be available to allow him to maintain his independence and self-respect as an American and to enjoy his later years assured of an income sufficient to provide him with a decent living and necessary medical care.

It is high time we took the necessary steps to improve social security until it actually does the job for which it was intended—the job of assuring security to our senior citizens. We must not create a new forgotten man in America—the man of elder years. We must not reduce any American to a state of abject dependence on charity for the necessities of life and for his very existence.

We must act now to revise and improve our social security system until we have devised a retirement program which will achieve its goal of providing an adequate retirement pension for every American upon reaching the age of senior citizen.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 14, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art our gracious and generous benefactor and our refuge and strength in every generation, may we be a God-fearing and a God-loving people.

Grant that all our feelings of self-gratification and self-aggrandizement may be submerged and supplanted by larger and more magnanimous sentiments of public good.

Help us to appreciate more fully the blessings of liberty with which we have been entrusted and charged to defend and share with all mankind.

May we seek to hasten the dawning of that day when the good blessings of democracy shall be enjoyed by men and nations everywhere.

To Thy name, through Jesus Christ, our Lord, we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

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 concurrent resolution of the House of the following title:

H. Con. Res. 173. Concurrent resolution requesting the return of the enrollment of H. R. 1544 by the President to the House of Representatives for the purposes of reenrollment.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4897. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Allen, Ill.	Fogarty	O'Neill
Anderson, Mont.	Griffin	Patterson
	Gross	Porter
Ashley	Gubser	Powell
Ayres	Gwinn	Prouty
Barden	Hagen	Rabaut
Beamer	Hays, Ohio	Rivers
Boland	Holifield	Rodino
Bowler	Holt	Sadlak
Breeding	Holtzman	Scherer
Brooks, La.	James	Schwengel
Buckley	Kearney	Sieminski
Coffin	Kearns	Stauffer
Cole	Kelley, Pa.	Taylor
Dawson, Ill.	McCormack	Teague, Calif.
Dempsey	Magnuson	Teller
Durham	May	Utt
Eberharter	Morano	Vursell
Evins	Morrison	Wilson, Calif.
Fallon	Murray	Wolverton
Farbstein	Norrell	Zelenko
Fascell		

The SPEAKER. On this rollcall 362 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1958

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7441) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to the bill and the time limited not to exceed 4 hours, one-half to be divided and controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, if the gentleman from Mississippi will permit, it seems to me that we should continue with the debate all afternoon and read the first paragraph without any amendments being offered today. Would that be agreeable to the gentleman? I want to say to the gentleman that I have had so many requests on this side for time that I do not see how I can possibly deal with a 2-hour limitation.

Mr. WHITTEN. Of course, my request is a unanimous-consent request. I, in turn, would have to object to reading one paragraph, so I could not agree to the gentleman's request. But, of course, the gentleman can object to the 4-hour limitation of debate.

Mr. H. CARL ANDERSEN. Well, I object to that.

The SPEAKER. Well, what is the difference?