The fact is that, unfortunately, consumers and their organizations still have not spoken in large numbers to the Members of Congress. The fact is, and I say this in all candor, that consumer organizations have almost been asleep on this issue.

But the gas lobby has not been asleep. It might almost have won by default if it had not been for the good sense and the basic good judgment of Members of the House of Representatives, themselves.

Consumers, therefore, cannot take very much credit for delaying this bill, because they have done virtually nothing to stop it.

ACTIVE MINORITIES ON COMMITTEES AGAINST BILL

Fortunately, a minority of the House Interstate Commerce Committee was active against the bill, as was a minority, at least, of the House Rules Committee.

Thanks in large part to those minorities, consumers this time have won—yes, largely, too, by luck, and by the good sense of the House itself. Next time, however, consumers may lose, just as they have lost in the past when a similar bill has several times been passed by both Houses.

Even now, there is no certainty that consumers' luck will hold out. Some Friday, when some Members of the House from nearby large cities are absent, who knows but the gas-rate bill may come up all in a rush and be whisked through to passage?

And then, in the Senate, the bill's prospects are, unfortunately, still more favorable.

HANDFUL OF ABSENTEES CAN SPELL GAS VICTORY

Now, Mr. President, my reason for speaking so frankly is that I may alert the consumers of this country.

The gas lobby is not going to cease in its efforts. For these final 2 weeks of the session, and then during the recess period, it is going to concentrate on trying to round up that last handful of votes which will give it, it hopes, the margin of victory in the House of Representatives. Just a few absentees among opponents will assure the gas lobby literally billions in added profits.

If the consumers of this country do as little in the future against this bill as they have in the past, then there is a very real danger that the consumers' luck will run out and that the gas bill will pass next year. Consumers will have only themselves to blame.

I do not in any way underestimate the efforts which have been performed at the grassroots by a relative handful of interested individuals—by mayors of leading municipalities, by some State attorneys general, city attorneys, and others.

In my own State of Wisconsin, Mayor Frank Zeidler, of Milwaukee, and Mayor Jack Humble, of Racine, have been active in this fight, as have some other leading individuals. But infinitely more must be done if the bill is to be assured the oblivion which it deserves.

TRADE UNIONS INTERESTED

I was glad to read in the August 1957 issue of the newspaper the Textile Challenger, published by the United Textile Workers of America, a warning as to the dangers of this inflationary bill. The editorial quoted in detail from comments which I personally have previously made.

As a welcome indication that the trade union movement is fortunately not asleep on the dangers of this bill, I send to the desk the text of this editorial from the Textile Challenger. I ask unanimous consent that it be printed in the RECORD.

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

WHERE IS THE BREAKING POINT IN LIVING COSTS?—A WARNING

On July 9, Senator ALEXANDER WILEY, of Wisconsin, broke into the civil-rights talkfest to sound a note of warning and to alert 30 million consumers of natural gas. Mr. WILEY said:

"Mr. President, I wish to take a few moments of the time of the Senate to discuss what I think is a very dangerous condition; namely, the inflationary situation. There are many causes. The increase of $6 a ton by the steel companies will add impetus to the inflationary trend. But I wish to speak from another angle.

"Mr. President, 30 million American consumers were dealt a severe blow yesterday. The House Committee on Interstate and Foreign Commerce, by a vote of 15 to 13, unfortunately approved the gas rate increase bill. This bill is designed to eliminate effective regulation over gas going into interstate pipelines.

"The legislative battle now shifts to the House Rules Committee, and thereafter will go to the floor of the House of Representatives.

"My purpose in speaking today is once more to sound the alert to the American people.

"In connection with the gas bill, there may be diversionary tactics. We may be diverted by the civil-rights bill, and by other matters, so that we lose sight of one of the great dangers to our economic health.

"Once more I wish to caution the American people the gas-rate bill is undoubtedly the most inflationary single piece of legislation coming up for action voting in this first session of the 85th Congress."

DEFEAT THE GAS BILL

"Unfortunately, the American people to date, because of their preoccupation with other problems, have failed to recognize this danger.

"Of course, the lobbying and propaganda forces of the natural gas industry have been concentrating 365 days a year on passing this proposed legislation. But, by contrast, there is not a single force in the United States which has devoted concentrated and continued attention to opposing this inflationary bill. The organization of mayors of the various cities and few consumer organizations have been able to give to this problem only the spottiest attention. As a result, the evil gas bill may win by default, unless the consumers of this country rise up and demand that it be defeated.

"Let me point out that the American dollar is already losing more and more of its purchasing power. On the first day of every month, when 30 million consumers receive their gas rate utility bills, the consumers are going to find, if this inflationary bill shall be enacted, that their dollar will have lost still more purchasing power. So the time to act is now. This gas rate increase bill should not win by default. It must be defeated. The bill must be defeated, because its impact upon the inflationary cycle would be most dangerous to our economic health."

A WORD TO THE WISE

If enacted, this bill would mean an annual increase of $40 or more for the housewife and consumers of natural gas. Congress passed this bill at the last session of Congress but it was vetoed by the President on the grounds of questionable conduct by some of the proponents. However, he said he would sign such a bill under different circumstances.

Organized labor fought the "gas steal" in the last Congress and labor must fight it harder than ever in this Congress.

Textile workers are vitally effected by this legislation. Our opposition is powerful. We now have a combination of the President with leading Democrats and Republicans in the House and Senate. We must write to our Congressmen and Senators urging the defeat of the gas bill.

SENATE

TUESDAY, AUGUST 13, 1957

The Reverend Herley C. Bowling, assistant secretary, Methodist Commission on Chaplains, Washington, D. C., offered the following prayer:

Our gracious Heavenly Father, source of wisdom, love, and justice, we pray that this day we may be given the wisdom to distinguish the truth, the will to love it when we see it, and the justice to desire it for all men, as well as ourselves.

Give us the patience to deal with stupidity and thoughtlessness on the part of others, but give us the strength to be impatient with ourselves when we deal carelessly with our knowledge of the facts.

Guard us from self-pity when our best efforts are met with ridicule and blame on every hand. Guard us also from false pride when men praise us and seek our favor. Help us to let neither praise nor blame swerve us aside from the ideals once clearly perceived, but now grown dim through the dust of our daily duties.

As we pause to turn our thoughts to Thee, may Thy holy spirit descend upon us and open our eyes, illuminate our minds, purify our hearts, and prepare our wills for the tasks of the day. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, August 12, 1957, was approved, and its reading was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint reso-

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lution, and they were signed by the President pro tempore:

H. R. 6517. An act to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes;

H. R. 7540. An act to amend Public Law 815, 81st Congress, relating to school construction in federally affected areas, to make its provisions applicable to Wake Island; and

H. J. Res. 275. A joint resolution transferring to the Commonwealth of Puerto Rico certain archives and records in possession of the National Archives.

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Armed Services was authorized to meet during the session of the Senate tomorrow.

THE CIVIL-RIGHTS BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the body of the RECORD two editorials: one entitled "Accentuate the Positive," which was published in the Washington Post; and the other, entitled "Real Test on Civil Rights," which was published in today's issue of the Washington Star.

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

[From the Washington Post of August 13, 1957]

ACCENTUATE THE POSITIVE

Members of the House who are sincerely concerned about inadequacies in the Senate version of the civil-rights bill need to consider the alternative. From every indication it would be impossible to obtain a stronger bill in this session of Congress. If the House were to insist on restoration of the curtailed section III or were to eliminate (rather than narrow) the jury-trial amendment, the great probability would be utter disagreement in conference. Realistically the alternative to acceptance of the Senate bill in substantially its present form would be to have no bill at all. This would hardly be a victory for principle, and any fancied political advantage in blocking the bill would evaporate quickly.

To their credit a number of civil liberties champions on Capitol Hill and elsewhere—including labor groups as well as the National Association for the Advancement of Colored People—have recognized as much. They are arguing for House acceptance of the Senate amendments. This newspaper believes that is the proper course if a way can be found to narrow the jury-trial amendment so as to apply it only to voting-right cases. Also important is some reference in the legislative history or final report making it clear that the penalties for unauthorized use of testimony before the proposed Civil Rights Commission apply to leakage of information rather than publication by the press.

House Republicans and liberal Democrats who have doubts about the bill may find it helpful to review the positive aspects of the Senate version. Under the Senate bill the Civil Rights Commission would have broad authority, with subpena powers, to hold hearings and publicize its findings. A new Assistant Attorney General would be appointed to specialize in civil rights and work for enforcement of existing laws. The Department of Justice could itself initiate suits on behalf of persons denied the right to vote. Federal judges would have substantial power to enforce compliance with court orders through civil contempt proceedings, although criminal punishment (as distinct from mere enforcement) would require jury trials. The bill also would remove an artificial barrier against service by Negroes on Federal juries.

Admittedly, the emphasis in the Senate bill is on compliance rather than on punishment for disobedience. This is not to say, however, that the bill does not carry with it real compulsions. Among these are a very considerable moral pressure as well as the prestige of the United States Government. The fact that the enforcement provisions of the bill are concerned primarily with the right to vote can be an advantage, inasmuch as the school segregation issue is being handled separately by the courts. Few responsible southerners will attempt to justify interference with voting rights. Thus the bill starts with the acquiescence, if not actual support, of all but the most extreme southern legislators. The fact that this acquiesence has been obtained without a bitter division can be in itself an important factor in encouraging compliance. And there is sound reason to think that respect for other civil rights will stem from the exercise of voting rights.

What is necessary at the moment is for House Members to look at what the bill does, rather than what it does not do. When the positive features are measured against the alternative of no civil-rights legislation, they represent a material advance worthy of the support of conscientious men.

[From the Washington Star of August 13, 1957]

REAL TEST ON CIVIL RIGHTS

The strength of forces behind opposing moves to kill or to enact a civil rights bill at this session of Congress should be revealed before the end of the week.

It is possible that some Republicans can see more political gain in a dead bill than one which owes its life to Democratic leadership in the Senate. Joined by enough southern Democrats, who make no bones about prefering a dead bill, they may have the votes to kill the bill now or delay the execution ceremonies until next year.

But if the Republican leadership, from the President on down through the Congress, really throws the weight of its influence behind the Senate bill—with modification of the jury-trial amendment, applying its provisions only to cases arising under the civil-rights legislation—the bill should become law before adjournment.

That should be the objective of Members of Congress, regardless of party, regardless of who won what preliminary skirmish, if they are interested in having a strong civil-rights law on the books now, a new civil-rights division in the Department of Justice led by an Assistant Attorney General, and a National Commission on Civil Rights operating from Washington with broad powers of investigation and report.

The attitude of Republican Leader KNOWLAND and other Republican and Democratic Senators who fought the jury-trial amendment and were defeated is admirable. They know that this bill is more than merely a half a loaf. They know it is the strongest civil-rights bill that has ever reached, in modern times, the possibility of immediate passage. Joined by some of their colleagues in the House, who took the same position on the jury-trial amendment, they are anxious that the bill be passed.

But the attitude of Republican leadership at the top has become so confused by the extravagant statements emanating from the Department of Justice regarding effects of the jury-trial amendment, that what happens in Congress from now on is anybody's guess.

If the bill is killed for this session, however, it should not be difficult to identify the assassins.

THE MORNING HOUR

The VICE PRESIDENT. The Senate having met today following an adjournment, under the rule there is the usual morning hour, and, in accordance with the order entered yesterday, there is a 3-minute limitation on statements.

EXECUTIVE COMMUNICATIONS, ETC.

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

FINANCIAL ASSISTANCE TO REPUBLIC OF KOREA

A communication from the Korean Ambassador, embodying a message from the Speaker of the House of Representatives of the Republic of Korea, relating to financial assistance to the Republic of Korea; to the Committee on Foreign Relations.

REPORT OF ATTORNEY GENERAL

A letter from the Acting Attorney General, transmitting, pursuant to law, a report of the Attorney General covering a survey of the administration of the Defense Production Act as it affects the production and distribution of nickel, dated August 9, 1957 (with an accompanying report); to the Committee on Banking and Currency.

TRANSFER OF CERTAIN PROPERTY IN VIRGIN ISLANDS TO GOVERNMENT OF VIRGIN ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the Government of the Virgin Islands (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPEAL OF RESTRICTIVE PROVISIONS, RELATING TO FORM OF PUBLISHERS' BILLS, ETC.

A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation to further amend the first sentence of the act of January 20, 1888 (25 Stat. 1), as amended, by repealing the restrictive provisions relating to the form of publishers' bills, receipts and orders for subscriptions enclosed in publications mailed at second-class rates of postage, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

CIVIL RIGHTS—PETITION

The VICE PRESIDENT laid before the Senate the petition of Myrtle Catherine Edelbrock, of Kansas City, Mo., relating to civil rights, which, with the accompanying papers, was referred to the Committee on the Judiciary.

RESOLUTIONS OF NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES

Mr. MURRAY. Mr. President, I have received a letter from the North Dakota

Association of Rural Electric Cooperatives reporting several resolutions involving legislation now pending in the Congress.

The resolutions involve the preference clause in the reclamation law, cost allocation, Yellowtail Dam construction, and management of the Missouri River Basin project.

I ask unanimous consent that the letter be printed in the RECORD.

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

NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES,
Bismarck, N. Dak., July 31, 1957.

Senator JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: Because the following resolutions are directly related to the legislation which has been or will be considered by your Committee on Interior and Insular Affairs, we want you to have the information for future reference:

"PREFERENCE CONCEPT

"Whereas water power resources belong inevitably to the people of the United States and not to private individuals or corporations; and

"Whereas it is of the utmost importance to the general public that the historic attitude of Congress of the United States with reference to power preference be maintained: Therefore be it

"*Resolved*, That we do hereby commend the Congress of the United States for its preservation of the preference concept, and do further urge that the Congress of the United States continue to support and maintain preference for Rural Electric Cooperatives and other consumer-owned electric systems.

"TRIMBLE BILL

"Whereas we are of the opinion that the cost of construction and operation of multiple purpose dams should be borne in direct relation to benefits received by individual purposes such as flood control, irrigation, power generation, recreation and wildlife, etc., and be repaid on a period recognizing the life expectancy of these facilities; Be it therefore

"*Resolved*, That we do urgently request the favorable consideration by the Congress of the United States of the Trimble bill, H. R. 965.

"YELLOWTAIL DEVELOPMENT

"Whereas the continually increasing demand for low cost electric power makes it necessary that the potentialities of the Yellowtail project be integrated with the Missouri Basin power development program; and

"Whereas we reject the partnership concept of development of public power resources: Now, therefore

"We urge the immediate and expeditious development of the Yellowtail project in the State of Montana on the Bighorn River, as a self-liquidating Federal project; and

"We further request that the Bureau of Reclamation be empowered to construct necessary transmission lines and facilities to integrate this project with the other Missouri Basin projects.

"USE OF MISSOURI BASIN WATER

"Whereas the time has come when the so-called abundant supply of water in the Missouri River Basin is no longer adequate to supply all the demand for water of the Missouri Basin as well as demands for water for navigation and other purposes downstream to the gulf; and

"Whereas the amount of water stored behind all main stem dams on the Missouri River at June 1 this year was less than the amount stored behind Fort Peck Dam alone 2 years ago, indicating a serious depletion of our water supply apparently to take care of navigation and other downstream requirements; and

"Whereas this matter is of such concern to the people of the Missouri Basin that the State Legislatures of Montana, South Dakota, and North Dakota all memorialized Congress earlier this year to study this problem, giving careful consideration to the present uses of our water resources, in relation to compliance with the O'Mahoney-Millikin amendment: Now, therefore, be it

"*Resolved*, That we, the members of the North Dakota Association of Rural Electric Cooperatives, respectfully request Congress to continue studies and hearings on this problem, and that they take steps necessary to see that the O'Mahoney-Millikin amendment be adhered to, and we further urge Congress to reexamine the whole area of Missouri Basin planning and management to determine whether it would not be better to substitute one agency with overall authority and responsibility rather than the numerous inefficient agencies and bureaus which we now have."

The issues resolved are of great concern to us in rural electrification here in North Dakota and we hope that you will think kindly of the stand we have taken.

With kindest regards, we are,

Sincerely yours,

R. G. HARENS,
Executive Manager.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 1826. An act to authorize the sale of certain lands of the United States in Wyoming to Bud E. Burnaugh (Rept. No. 856).

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

H. R. 5538. An act to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes (Rept. No. 857).

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

S. 2757. A bill to authorize the Secretary of the Interior to construct, operate, and maintain a reregulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho, and for other purposes (Rept. No. 861).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 8821. An act to amend title II of the Social Security Act to facilitate the provision of social security coverage for State and local employees under certain retirement systems; (Rept. No. 860).

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

H. R. 8753. An act to amend title II of the Social Security Act to include California, Connecticut, and Rhode Island among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage (Rept. No. 858);

H. R. 8755. An act to amend title II of the Social Security Act to permit any instrumentality of two or more States to obtain social security coverage under its agreement separately for those of its employees who are covered by a retirement system and who desire such coverage (Rept. No. 859); and

By Mr. GREEN, from the Committee on Foreign Relations, without amendment:

H. R. 8929. An act to amend the act of August 27, 1935, as amended, to permit the disposal of lands and interests in lands by the Secretary of State to aliens (Rept. No. 862);

H. J. Res 404. Joint resolution providing for the recognition and endorsement of the Second World Metallurgical Congress (Rept. No. 863); and

H. J. Res. 408. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the St. Lawrence Seaway celebration to be held in Chicago, Ill., from January 1, 1959, to December 31, 1959 (Rept. No. 864).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

William B. Macomber, Jr., of New York, to be an Assistant Secretary of State, vice Robert C. Hill;

Henry Cabot Lodge, of Massachusetts, and sundry other persons, to be representatives at the 12th session of the General Assembly of the United Nations;

James J. Wadsworth, of New York, and sundry other persons, to be alternate representatives at the 12th session of the General Assembly of the United Nations; and

Robert F. Cartwright, of the District of Columbia, and sundry other persons, for appointment and promotion in the diplomatic service.

By Mr. BYRD, from the Committee on Finance:

George W. O'Sullivan, of New Mexico, to be collector of customs for customs collection district No. 50, with headquarters at Columbus, N. Mex.

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission, vice John Von Neumann; and

John Forrest Floberg, of Illinois, to be a member of the Atomic Energy Commission, vice Thomas E. Murray.

BILLS INTRODUCED

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

By Mr. MANSFIELD:

S. 2769. A bill to increase the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; to the Committee on the District of Columbia.

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

By Mr. FULBRIGHT:

S. 2770. A bill to promote the foreign policy of the United States, to provide for the protection of United States citizens abroad, to provide standards for the issuance of passports by the Department of State and for other purposes; to the Committee on Foreign Relations.

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

By Mr. JOHNSON of Texas:

S. 2771. A bill for the relief of John Robert Wheless and James Stanley Wheless; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2772. A bill for the relief of Andrew Franciszek Bielecki; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 2773. A bill to provide for the appointment of a district judge for the eastern and western districts of South Carolina; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2774. A bill to continue the authority of the United States to make payments to Bernalillo County, New Mexico, for furnishing hospital care to certain Indians; to the Committee on Interior and Insular Affairs.

RESOLUTIONS

Mr. BUSH (for himself, Mr. CASE of South Dakota, Mr. STENNIS, Mr. SMATHERS, Mr. POTTER, and Mr. FLANDERS) submitted a resolution (S. Res. 183) to amend rule XIX so as to prohibit the introduction of occupants of the galleries during sessions of the Senate, which was referred to the Committee on Rules and Administration.

(See resolution hereafter printed in full in Senate proceedings of today.)

Mr. GOLDWATER submitted a resolution (S. Res. 184) to establish a procedure for committees in considering proposed legislation relating to Federal grants-in-aid to the States, which was referred to the Committee on Rules and Administration.

(See above resolution printed in full hereafter in the Senate proceedings of today.)

INCREASED COMPENSATION FOR POLICEMEN AND FIREMEN IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I introduce, for appropriate reference, a bill to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes.

Mr. President, Congress has sent to the President new proposed legislation which improves and revises the retirement program for the Metropolitan Police and Fire Departments. I sincerely hope the President will sign this new measure, which is so sorely needed. This is a major step in elevating the local police force to a basis equal to that of the forces of other large metropolitan areas in this country. This proposed legislation recognizes the many unusual situations faced by the District of Columbia Police and Fire Departments.

I have long felt that the Nation's Capital should have a police force second to none. If this is to become a reality, we need to have a top career force, with an adequate retirement and salary schedule. The proposed legislation now before the President takes care of one of the aspects of this program, and the bill I have introduced today would provide the other necessary factor—a salary increase for the Metropolitan Police force and Fire Departments.

The entrance pay for a Washington policeman is exceeded by that in six other cities of comparable size, according to the latest information I have. In Los Angeles, a private's entrance salary is $5,004; in San Francisco, he receives $5,268; the Washington entrance salary is $4,193. I realize that each city has its own problems, and the situation in the District of Columbia is local. Many who meet the qualifications in the Police Department are also of the caliber in demand by the Federal civil service, where promotional opportunities, retirement, and working conditions are more attractive. The new retirement program and salary increase will place the Metropolitan Police force on a competitive basis. An adequate salary schedule is necessary to offset the unusual working conditions.

Duty on the Metropolitan Police force requires regular evening and night work, changing shifts weekly; and a great deal of off-duty time is spent in attending court and hearings. The men are exposed to all types of weather, and must meet all kinds of situations associated with the Nation's Capital—parades, large influx of tourists, and problems connected with the diplomatic center of the country. The policemen are subject to adverse criticism from individuals and minority groups; and their work is of a personally hazardous nature, coupled with discipline stricter than that required on average jobs.

All are familiar with the mass confusion created by the transit strike, lasting 6 weeks, during the hot summer months of 1955. The District of Columbia policemen deserve great credit for guiding the city through that crisis in an orderly fashion. In that instance, specal legislation was required, in order to give them overtime pay for their extra duty during the strike.

Only adequate salaries, in addition to the new liberalized retirement program, can compensate for these conditions and can procure adequate and qualified career personnel.

The Congress has a duty to provide a strong career service of policemen and firemen for the Nation's Capital, and a salary increase will be a major step forward in stimulating recruitment, halting resignations, and improving morale. The bill I have introduced will put the salaries in these services in line with those of the Federal service, its major competition.

Congress may be in an economy mood; but to deny these increases and additional benefits to the metropolitan policemen and firemen would be false economy.

Mr. President, I ask unanimous consent that the bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks; and I also ask to have printed in the RECORD the salary schedule of the Metropolitan Police Department, showing the present basic salaries, those contemplated under this bill, and also a schedule of the police salaries and fringe benefits in cities over 500,000 in population.

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

The bill (S. 2769) to increase the salaries of officers and members of the Metropolitan Police Force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes, introduced by Mr. Mansfield, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 101 of the District of Columbia Police and Firemen's Salary Act of 1953 (Public Law 74, 83d Congress), as amended, is amended to read as follows:

"SEC. 101. (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members of the Metropolitan Police force shall be at the rates set forth in the following table:

Chief of police	$15,500
Deputy Chiefs	11,367
Inspector	9,918
Captains	9,356
Lieutenants	8,075
Sergeants	7,420
Corporals	6,840
Private, class 4 (3 or more years' service)	6,237
Private, class 3 (2 or more but less than 3 years' service)	5,883
Private, class 2 (1 or more but less than 2 years' service)	5,530
Private, class 1 (less than 1 year's service)	5,241

All original appointments of privates shall be made at the annual basic salary of $5,241 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Metropolitan Police force shall be increased by—

"(1) $1,612, while he is assigned to duty as a detective sergeant;

"(2) $800, while he is assigned to duty as a precinct detective;

"(3) $403, while he is assigned to duty as a station clerk;

"(4) $500, while he is assigned to duty as a detective;

"(5) $300, while he is assigned to duty as a plainclothes man for a period of more than 30 days; or

"(6) $525, while he is assigned to duty as a motorcycle officer.

Paragraph (6) of this subsection shall apply to any officer below the grade of lieutenant.

"(c) Subject to the approval of the Commissioners, the annual basic salary of a private of the Metropolitan Police force shall be increased by an amount not to exceed $525 while he is assigned to duty as a technician."

SEC. 2. Section 102 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$129" and "$215" and inserting in lieu thereof "$160" and "$268", respectively.

SEC. 3. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended to read as follows:

"SEC. 201. (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members of the Fire Department of the District of Columbia shall be at the rates set forth in the following table:

Fire Chief	$15,500
Deputy fire chiefs	11,367
Superintendent of machinery	11,367
Fire marshal	11,367
Battalion fire chiefs	9,918

Assistant superintendent of machinery	$9,918
Deputy fire marshal	9,918
Captains	9,356
Pilots	8,503
Marine engineers	8,503
Lieutenants	8,075
Sergeants	7,420
Assistant pilots	6,770
Assistant marine engineers	6,770
Inspectors	6,467
Private, class 4 (3 or more years' service)	6,237
Private, class 3 (2 or more but less than 3 years' service)	5,883
Private, class 2 (1 or more but lesss than 2 years' service)	5,530
Private, class 1 (less than 1 year's service)	5,241

All original appointments of privates shall be made at the annual basic salary of $5,241 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"(1) $525, while he is assigned to duty as an aide to the Fire Chief or to a deputy or battalion fire chief;

"(2) $280, while he is assigned to duty as a regular first driver-operator or tillerman of a fire department hose wagon, pumper, aerial ladder truck, rescue squad, or fire department ambulance;

"(3) $525, while he is assigned to duty as a chief radio technician; and

"(4) $280, while he is assigned to duty as a chief photographer.

"(c) Subject to the approval of the Commissioners, the annual basic salary of a private or an inspector of the Fire Department of the District of Columbia shall be increased by an amount not to exceed $525 while he is assigned to duty as a technician."

SEC. 4. Section 202 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$129" and "$215" and inserting in lieu thereof "$160" and "$268", respectively.

SEC. 5. This act shall take effect on the first day of the first pay period which begins after the date of its enactment.

The schedules presented by Mr. MANSFIELD are as follows:

Metropolitan Police Department, salary schedule

Rank	Basic salary	New bill
Chief of Police	$13,438	$15,500
Deputy Chief of Police	9,094	11,367
Inspector	8,335	9,918
Captain and special investigator	7,085	9,356
Lieutenant	6,460	8,075
Sergeant	5,936	7,420
Corporal	5,472	6,840
Private, class 4	4,990	6,237
Private, class 3	4,707	5,883
Private, class 2	4,424	5,530
Private, class 1	4,193	5,241

Police salaries and fringe benefits of cities of 500,000 and over in population, Jan. 1, 1957

	Private's entrance salary	Top salary of privates (patrolmen)	Corporal	Sergeant	Lieutenant	Captain	Inspector	Deputy chief	Chief	Longevity	Holiday pay	Number of policemen	Number of years to reach top private's pay
Los Angeles	$5,004	$5,868	None	$6,540	$7,296	$9,060	$11,280	$14,040	$15,000	Yes	None	4,252	4
San Francisco	5,268	5,969	None	6,660	7,344	9,168		13,284	15,792	No	11	1,701	4
New York City	4,325	5,706	None	6,358	7,104	8,505	9,923	12,948	25,000	No	None	21,638	3
Detroit	4,881	5,502	None	5,856	6,416	None	7,603	11,689	13,059	Yes	None	4,509	3
Chicago	4,562	5,045	None	5,406	5,886	$7,124	8,000	10,832	18,500	No	6	7,470	2
Washington	4,193	4,990	$5,472	5,936	6,460	7,085	8,335	9,094	13,438	Yes	8	2,500	3
Cleveland	3,718	4,914	None	5,424	5,982	7,080	7,728	8,810	11,352	No	6	1,802	3
Minneapolis	4,248	4,968	None	5,220	5,352	5,772	6,084	7,188	10,548	No	11	580	3
Milwaukee	(?)	4,737	None	5,347	5,861	6,940	8,530	9,754	10,899	No	8	1,272	3
Cincinnati	4,099	4,692	None	5,467	5,984	6,881	7,458	7,964	10,163	No	9	809	3
Philadelphia	3,583	4,500	None	5,160	5,652	6,480	7,430	9,333	10,000	No	13	4,763	5
Seattle	3,900	4,380	None	4,800	5,160	5,580	6,240	7,380	11,000	No	9	758	3
New Orleans	3,720	4,323	None	4,683	5,043	5,643	7,923	10,323	11,923	No	None	1,070	(?)
Buffalo	3,950	4,250	None	4,490	4,850	5,300	6,500	7,500	12,000	No	None	1,250	3
Houston	3,960	4,200	None	4,620	5,040	5,520	6,900	7,740	10,800	Yes	7	646	1
Boston	3,540	4,160	None	4,940	5,920	6,660	None	7,500	10,600	No	10	2,864	3
Baltimore	3,600	4,100	None	4,600	5,000	6,000	$7,600	8,200	12,500	No	None	2,200	(?)
Dallas	3,420	3,900	None	4,200	4,500	4,980	6,180	7,020	10,500	Yes	6	765	[1] 15
St. Louis	3,480	3,840	$4,080	4,440	5,000	5,600	7,000	7,100	9,500	No	None	1,915	4
Pittsburgh	3,000	3,579	None	4,791	5,130	5,157	5,936	7,965	9,387	No	8	1,250	3

[1] Months.

City	Age	Years of service	Amount and retirement benefits
Los Angeles	55	25	40 percent.
San Francisco	55	25	50 percent average salary last 3 years. Compulsory at 65 years.
New York City	41	20	50 percent.
Detroit	?	25	50 percent last 5 years of patrolman's salary.
Chicago	55	25	50 percent at 55 years plus 1 percent each year to age 63.
Washington	55	25	50 percent. Compulsory 64 years.
Cleveland	52	25	50 percent of highest 5 years plus 2 percent to 66 years of age.
Minneapolis	50	20	$207 per month.
Milwaukee	57	25	50 percent.
Cincinnati	52	25	⅔.
Philadelphia	50	20	½ average highest 5 years salary.
Seattle		25	45 percent 25 years service. 50 percent 30 years service.
New Orleans	50	20	50 years applies to recruited since 1948. 50 percent plus 1 percent over 20 years not to exceed 30 years service.
Buffalo		25	½ highest average 5 years salary.
Houston	55	25	Minimum, $75; maximum, $90 per month.
Boston	65–70	25	Under 30 years over 25 years ½ salary. Over 30 years service ⅔ salary. Compulsory 70 years.
Baltimore		35	50 percent. Compulsory 70 years.
Dallas	50	20	½ base pay of patrolman, regardless of rank.
St. Louis	60	35	½ average salary of last 10 years.
Pittsburgh	50	20	$135 per month up, depending on rank (information received from department not complete).

STANDARDS FOR ISSUANCE OF PASSPORTS

Mr. FULBRIGHT. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Arkansas may proceed.

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to promote the foreign policy of the United States; to provide for the protection of American citizens abroad; to provide standards for the issuance of passports by the Department of State, and for other purposes.

Mr. President, I ask unanimous consent that this bill which is quite short, be printed in the RECORD at the close of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from Arkansas.

The bill (S. 2770) to promote the foreign policy of the United States; to provide for the protection of United States citizens abroad; to provide standards for the issuance of passports by the Department of State, and for other purposes, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Foreign Relations.

(See exhibit A.)

Mr. FULBRIGHT. Mr. President, it is my hope that the introduction of the bill will serve to stimulate study and discussion of the passport problem between now and the next session of Congress.

In my opinion, a general review of the laws and policies relating to limitations on the travel of Americans abroad is long overdue. The basic statute on this subject was passed in 1856, at a time when a passport constituted nothing

more than a formal letter of introduction which a citizen carried abroad with him. It was not something which a citizen had to have before he could leave this country, and it was not something which he had to have before he could enter some other country. Since 1856, world conditions have changed very greatly, and we have passed through two world wars, during which systems of passport control have been established for security reasons. At the present time, because of the continued existence of the Korean war emergency, no citizen can leave the United States without a passport. At the present time also, there are very few places in the world where one can go without having a passport.

Under the present law, the Secretary of State claims to possess discretion to decide which American citizens may leave this country and which foreign countries American citizens may visit. In recent years the courts of the United States have begun to restrict, somewhat, this claim of the Secretary of State, but most of the basic questions in the field are still unsettled, and no case on the subject of the scope of the Secretary's discretion has come to the Supreme Court of the United States.

Mr. President, I shall not attempt now to describe in detail the present situation with respect to travel controls and problems. This has been done very ably in many writings and speeches during the last several years. For a brief but excellent discussion of the passport problem, I would refer Senators to the article entitled "The Right To Travel: The Passport Problem," written by Prof. Louis L. Jaffe, of the Harvard Law School, and published in the magazine Foreign Affairs of October 1956. I should like to quote a few sentences from the conclusion of the article:

> The right to go abroad may not be of so exalted a nature as the right to move about, to associate and to speak within one's country; thus to participate in the community's life is the paramount opportunity and duty of the citizen. But it is nevertheless a right of great moment; it is liberating for the individual and fructifying for his own community. It will be said that certain individuals misrepresent us abroad, that they may bring our policy, our culture or our humanity into disrepute. But what government, what courts, what bureaus are capable of judging who shall speak for us, what manners are comely, what culture is sound, what policies are sacrosanct? Who are the persons competent to make such judgments? What law can establish a standard for such action? To put these questions is to give the answer. It becomes clear how monstrous it is, into what perversity we have fallen, when a minister of the gospel cannot go abroad because some minor official disapproves of his "political activity." What began in an alarmed concern for the country's safety concludes in routines of unmitigated gall.

Another reason, Mr. President, why I shall not attempt now to discuss in detail the existing problems with respect to controls on travel by Americans abroad is that the Committee on Foreign Relations has recently held hearings on this subject. These hearings will shortly be published. Senators will recall that in late 1956 several events brought to a head the longstanding anxiety on the part of many persons about the passport policies of our Government. Two events especially occurred last year to bring this subject into the news: first, the ban imposed by the Department of State on August 7, 1956, on the travel of newsmen to Communist China; second, the suspension, resulting from the Suez crisis, on travel of Americans to Israel.

At a meeting of the Committee on Foreign Relations on March 19, 1957, these events and other passport questions were discussed; and the committee decided to ask the Secretary of State to present the views of the administration on these matters. Deputy Under Secretary of State Robert Murphy appeared as a substitute for the Secretary of State at a public hearing on passport policies on April 2, 1957. Mr. Murphy read a prepared statement, and he was questioned for nearly 2 hours by members of the committee. On April 11, the public hearings were continued; and testimony was taken from a number of members of the public.

Mr. President, the record of these hearings contains a great deal of information on the subject of limitations imposed by the United States Government on the travel of Americans abroad and on United States policy with respect to cultural exchanges generally.

I wish to call these hearings to the attention of my colleagues and also to the attention of the press. I mention the press because the press has a direct interest, not only in the outcome of the current controversy over whether American newsmen should be allowed to go to Communist China, but also in the limitations on the travel of newsmen anywhere in the world.

Mr. President, the record of these hearings on passport policy will reveal, I think, that the Department of State is very defensive on the subject of the travel controls which the Department exercises over American citizens. I shall illustrate this defensive attitude by reciting briefly the difficulty the committee has had in obtaining answers from the Department of State to the questions raised during the public hearing on April 2, 1957.

On numerous occasions during the questioning of Deputy Under Secretary of State Murphy by the Committee on Foreign Relations on April 2, he stated that he was not sure of the correct answer, and would prefer to supply the answer later, for the committee's record. When the committee decided to bring the hearing to an end, I received permission to submit a number of additional questions on cards to Mr. Murphy, and he agreed to supply answers to them for the record. That was on April 2.

On April 17, there was received from Deputy Under Secretary Murphy a letter which purported to answer all questions raised by the committee during the hearing on April 2. In reality, the Department of State answers contained in the letter of April 17 were incomplete in several respects. First, the answers to the questions raised orally during the hearing were in many cases incomplete or unresponsive to the questions. Second, two of the questions which had been raised orally during the hearing, and which Mr. Murphy had agreed to answer, were not answered. Third, the Department's letter failed to answer any of the questions I had handed to representatives of the Department at the close of the hearing.

The staff of the Committee on Foreign Relations asked for an explanation about the missing answers. The staff was told that representatives of the Department at the working level had thought the answers supplied in Mr. Murphy's April 17 letter to questions raised orally during the hearing were sufficiently comprehensive to cover the questions which had been handed to the Department at the close of the hearing. This was obviously not the case, however. Anyone who inspects the hearing record, which is soon to be published, will see that the additional questions handed to the Department at the close of the hearing dealt with many matters not covered during the oral questioning of Mr. Murphy. The Department therefore agreed to supply more adequate answers to the questions raised orally during the hearing on April 2, and, in addition, to answer the questions which had been submitted to the Department at the end of the hearing. The staff of the Committee on Foreign Relations sent to Deputy Under Secretary of State Murphy, under date of April 24, a letter which pointed out the respects in which the answers supplied by the Department on April 17 were inadequate and unresponsive.

On April 29, 1957, Deputy Under Secretary of State Murphy sent to the staff of the committee a brief note expressing regret that the first answers submitted to the committee were not adequate, and expressing the hope that the Department would be able to provide the committee with replies in a few days' time. On May 22, over 3 weeks later, Mr. Murphy sent another letter to the committee. This letter dealt with only three of the questions which had been raised orally during the hearing on April 2. No answer was given to any of the questions submitted at the end of the hearing on April 2, and no additional material was supplied to supplement the partial answers which had been submitted to the committee in Mr. Murphy's letter of April 17.

As the weeks went by, several estimated dates given by the Department of State for supplying the material came and went. Finally, on July 8, 98 days after the qusetions were asked, the answers to the questions which had been raised on April 2 were received. The committee still awaits a reply to the interrogatory of April 24.

I believe this conduct on the part of the Department of State is shocking. One cannot help concluding that the Department of State has deliberately dragged its feet in responding to the request of the Committee on Foreign Relations. It may be that the Department hopes the Congress will adjourn before the information is supplied. Whatever the reason for the delay, the Senate ought to know that information which the Congress and the public is entitled to have has been withheld by the Department of State for an unreasonably long time.

The Department of State has thousands of employees. It can act promptly on requests of a committee of the Senate if it wants to. I shall cite only one example, which occurred during the recent consideration by the Committee on Foreign Relations of the proposed Mutual Security Act of 1957. In this case the Department acted quickly. The Mutual Security Act is a measure which the Department wants the Congress to pass. The last of the hearings by the Committee on Foreign Relations on the mutual security bill were held in three all-day sessions on June 3, 4, and 5. During these hearings, hundreds of pages of printed testimony were recorded, and dozens of questions were left unanswered during each day's hearing. These questions required extra research, and they had to be answered within 3 days, in order that the accelerated printing schedule of the committee could be met. All of these questions were answered by the Department of State, and were answered in time. The record of the hearings on the mutual-security bill was printed, and was ready for Senators to inspect on June 10, only 5 days after the testimony by representatives of the Department of State had ended. I cite this example to show that when the Department of State really cares, it can supply answers to complicated questions raised by the Committee on Foreign Relations, not in 98 days, but in 3 days.

Mr. President, the record shows that the Department of State is embarrassed and defensive about its passport policies, and the record gives one no confidence that the Department is likely to propose to the Congress a bill to rationalize the present legal situation with respect to the travel of Americans abroad.

The bill which I am introducing will, I think, provide a vehicle for a complete examination of United States policy with respect to the travel of our citizens abroad. I do not expect that the present form of the bill will be its final form; and I welcome the comments of all interested persons, both in and out of the Government, during the adjournment of the Congress.

My bill has two main features which I shall discuss briefly. First, it would lay down standards to guide the Secretary of State in the issuance of passports. At the present time, under the law the Secretary of State claims the right to refuse passport facilities to any person when it appears to the satisfaction of the Secretary of State that the person's activities abroad would be prejudicial to the interests of the United States abroad. That language comes from the Department's own regulations on the subject of travel. Note the phrase "to the satisfaction of the Secretary of State." Thus, the Secretary claims the authority to be the final judge as to which American citizens can go to which countries abroad, and for what purposes. This is extraordinary power, Mr. President, which, the record shows, has been unwisely used in a significant number of cases.

The second feature of my bill would be to reverse, in peacetime, the burden of proof in passport cases. At the present time, an American citizen is presumed to be guilty until he can prove to the satisfaction of the Secretary of State that he ought to be allowed to travel abroad. My bill would reverse that presumption of guilt, and would place every citizen, with respect to his freedom to travel, on the same footing as that on which he stands with respect to other important freedoms under law. In other words, the bill would provide that in time of peace, and in the absence of a declaration of national emergency by the President, the travel abroad of any citizen shall not be restrained for a period of more than 30 days, unless the Department of State can establish before the United States district court of the district in which the citizen lives reasonable cause to deny the citizen the right to travel on one of the grounds specified in the law. This shift of the burden of proof in passport cases is entirely reasonable. Out of some 500,000 applications by citizens for passports in 1956, less than 100 passports were refused. Therefore, it will be no trouble for the Department of State to go to court in 100 cases a year, out of half a million cases, if the Department, in the interest of national security, seeks to restrain the travel abroad of American citizens.

Mr. President, I do not know what further action the Committee on Foreign Relations and the Congress may decide to take with respect to the passport authority and policies of the Department of State. On the basis of my consideration of this problem so far, however, my conclusion is that the general policy of the law ought to be that travel by Americans abroad should be as free from governmental restraint as possible, consistent with the requirements of national security. I believe the bill I am now introducing embodies this principle.

EXHIBIT A

Be it enacted, etc., That this act may be cited as the United States Travel Act.

SEC. 2. Statement of policy: Travel by citizens abroad should be as free of governmental restraint as possible consistent with the requirements of national security. The Government should facilitate such travel and should provide for the protection of citizens abroad by providing passports, by negotiating with other countries to minimize travel formalities, and by other appropriate means.

SEC. 3. Definitions: For the purposes of this act:

(a) The term "passport" means the document issued by the Department of State to a citizen which identifies him and requests that he be permitted to travel safely and freely and, in case of need, be given such help as would be extended to citizens of foreign states in the United States.

(b) The term "travel abroad" means exit from the United States, entrance into the United States, and travel outside of the United States.

(c) The term "Department" means the Department of State.

(d) The term "United States" means the States, the District of Columbia, Alaska, the Canal Zone, Hawaii, Puerto Rico, the Virgin Islands, Guam, America Samoa, and all territory and water, continental and insular, subject to the jurisdiction of the United States.

SEC. 4. Travel policy: No restraints shall be placed on the travel abroad of any citizen except those restraints provided for in this act.

SEC. 5. Passport policy: Every citizen is entitled to receive a passport except as otherwise specified in this act. The Department may charge fees for the issuance of passports which shall be no higher than is necessary to defray the cost of issuance. At the request of the head of a family, the Department may issue family passports covering a husband and wife and children under 16 years of age, but no group passports shall be required. Passports shall be valid for 3 years, unless revoked on one of the grounds specified in section 7 in accordance with the procedure prescribed in section 9. Passports may be restricted at any time as to validity pursuant to section 8.

SEC. 6. Applications for passports: The Department may require persons desiring passports to provide reasonable information as to their personal history so that the Department may establish that the person is a citizen.

SEC. 7. Grounds for restraining travel of individual citizens: Travel abroad of citizens may be restrained, and passports may be denied to citizens, only on the following grounds:

(a) That there is good reason to believe that the travel abroad of the citizen or his activities abroad will violate the laws of the United States;

(b) That the citizen is a member of the Communist Party or a member of an organization which has been finally ordered by the Subversive Activities Control Board to register or has recently terminated such membership under such circumstances as to warrant the conclusion, not otherwise rebutted by the evidence, that he continues to act in furtherance of the interests and under the discipline of the Communist Party or such organization; or

(c) That the citizen owes the Government of the United States money for previous transportation back to the United States.

SEC. 8. Grounds for general travel restrictions:

(a) Travel of all citizens may be restrained, and passports may be limited in validity, pursuant to the procedures set forth in section 10, with respect to travel to the following places:

(1) Places where armed hostilities are in progress;

(2) Countries with which the United States is at war; and

(3) Countries to which the President finds that travel should be restricted in the national interest.

(b) The Department may make exceptions to general travel restrictions for individuals and for classes of persons, including the classes of professional news gatherers and doctors on medical missions.

SEC. 9. Imposition of travel restraints on individual citizens:

(a) In time of war or other national emergency declared by the President to require measures pursuant to this subsection, the travel of individual citizens may be restrained and the Department may deny, restrict, withdraw or revoke their passports on the grounds specified in section 7 according to the procedures set forth in this subsection.

(1) Within 30 days after the receipt of an application for a passport, the Department shall either grant the passport or deny it.

(2) Upon denial of a passport or the taking of any other action adversely affecting the right of a person to receive or use a passport, the Department shall give notice forthwith of such action in writing to such citizen, together with sufficient reasons to justify such action. Under reasonable regulations to be issued by the Department, a citizen shall be entitled to appeal from such adverse action, to receive a full and

fair hearing before a board of passport appeals, and to be represented at such hearing by counsel.

(3) The citizen shall be entitled to a final decision by the Department on such appeal within 30 days after the close of the hearing and shall then have the right to take an appeal from such final decision to the United States district court for the district in which such citizen has his principal place of residence.

(b) The authority to apply measures under subsection (a) of this section as a result of any emergency declared by the President shall not extend beyond 1 year unless extended by law.

(c) In time of peace and in the absence of a declaration by the President under subsection (a) of this section, the travel abroad of any citizen shall not be restrained, and the Department shall not deny the right of a citizen to receive or use a passport for a period of more than 30 days unless the Department shall establish before the United States district court for the district in which such citizen has his principal place of residence reasonable cause to take either of such actions on one of the grounds specified in section 7.

SEC. 10. Imposition of general travel restrictions: Travel abroad of any citizen shall not be restrained and passports shall not be limited in validity with respect to any place unless the President has made an appropriate declaration under subsection (a) of section 8. In each such case the President shall report the reasons for such declaration to the Committee on Foreign Relations of the Senate and to the Committee on Foreign Affairs of the House of Representatives and such declaration shall be effective for a period of not more than 1 year, unless such time is extended by law.

SEC. 11. Regulations: The President may issue, or cause to be issued, regulations not inconsistent with this act.

SEC. 12. Effective date: This act shall take effect on the 180th day after the date of its enactment.

REVISION OF FEDERAL ELECTION LAWS—AMENDMENT

Mr. CURTIS submitted an amendment, intended to be proposed by him, to the bill (S. 2150) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, which was ordered to lie on the table and to be printed.

REFUND OF EXCISE TAX ON CERTAIN ELECTRIC LIGHT BULBS—AMENDMENT

Mr. BUSH. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (H. R. 17) to reduce the cabaret tax from 20 percent to 10 percent. I ask unanimous consent that the amendment be referred to the Committee on Finance.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance.

Mr. BUSH. Mr. President, this amendment is designed to correct an inconsistency in the law by extending to importers of electric light bulbs the same treatment provided by present law to importers of electric, oil and gas appliances. The floor stock refunds authorized by the Excise Tax Reduction Act of 1954 provided that dealers and others who, on the rate reduction date, held electric, oil and gas appliance in stock for resale or for use in further manufacture might apply to the manufacturer, producer, or importer for a refund of the difference between the tax rate applicable to such items prior to enactment of the Excise Tax Reduction Act and 10 percent, the applicable rate following enactment of that act. The manufacturer, producer, or importer could then apply to the Internal Revenue Service for a refund of the amount paid to dealers and others under the act.

In case of electric light bulbs, however, the relief provided by the floor stock refund was limited to manufacturers or producers. Importers, perhaps through inadvertence, were not included in this refund provision although importers were specifically included in the refund provision relating to electric, oil and gas appliances. This amendment would place importers of both classes of items on an equal basis.

ACQUISITION OF NATIONAL GRANGE HEADQUARTERS SITE WITHOUT CONGRESSIONAL APPROVAL—ADDITIONAL COSPONSOR OF BILL

Mr. SCOTT. Mr. President, I ask unanimous consent that the name of the Senator from Wyoming [Mr. BARRETT] may be added as an additional cosponsor of the bill (S. 2740) to prohibit Government agencies to acquire or use the National Grange headquarters site without specific Congressional approval, introduced by me on August 9, 1957.

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

PRINTING OF REPORT ON INTERIM REPORT ON HURRICANE SURVEY OF NEW BEDFORD, FAIRHAVEN, AND ACUSHNET, MASS. (S. DOC. NO. 59)

Mr. CHAVEZ. Mr. President, I present a letter from the Acting Secretary of the Army, transmitting a report dated June 25, 1957, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on hurricane survey of New Bedford, Fairhaven, and Acushnet, Mass., requested by a resolution of the Committee on Public Works, dated November 9, 1954, and authorized by Public Law 71, 84th Congress. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

AUTHORIZATION FOR SELECT COMMITTEE ON SMALL BUSINESS TO FILE REPORT DURING ADJOURNMENT OF CONGRESS

Mr. SPARKMAN. Mr. President, on behalf of the Select Committee on Small Business, I ask unanimous consent to be permitted to file a report of the committee during the adjournment of Congress. The report will be entitled "Mergers and Possible Growth of Concentration in the Trucking Industry."

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

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

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

By Mr. WILEY:

Address on CARE, delivered by Senator HUMPHREY at Washington, D. C., on July 24, 1957.

By Mr. YARBOROUGH:

Statement by him before the Subcommittee on Agriculture of the Committee on Appropriations regarding damage caused by drought and flood in Texas.

By Mr. KEFAUVER:

Article entitled "When the Next Soviet Satellite Revolts," published in the Western World for August 1957.

GEORGE M. HUMPHREY AND CHARLES E. WILSON

Mr. SMITH of New Jersey. Mr. President, the pending departure of Secretary of the Treasury George M. Humphrey and Secretary of Defense Charles E. Wilson reminds all of us of the outstanding services these two distinguished men rendered to their country during the first 5 years of the Eisenhower administration.

Each of these men had achieved one of the highest positions of honor in the business world before he devoted his services to the Nation. Each one had shown an outstanding talent for administration, which was further demonstrated by his unselfish service during his tenure in the President's Cabinet.

The similarities between these two men are striking. Both men are the same age, and both were born in small midwestern towns, in average middle-class families. Each rose on his own abilities to preeminence in his particular field in the business world.

As members of the President's first Cabinet, both of these men have contributed to the spirit and life of Washington during their tenures. Both Mrs. Wilson and Mrs. Humphrey have added charm and enthusiasm by their gracious participation in our life here.

During the period in which they have held office, these two gentlemen have encountered significant and complex problems—Secretary Humphrey in the field of finance, where continuing inflation has paralleled continuing prosperity; and Secretary Wilson in the field of defense, where weapons are changing so swiftly that today's first-line fighter plane becomes tomorrow's obsolete mechanism. Both have brought skill and ability to the task of coping with these difficulties, and the Nation has suffered a loss by their departure.

They were big men in big jobs, and their services were devoted to dealing capably with two of the most serious problems facing our Nation today—national defense and a sound financial system.

The President and the Nation are, indeed, fortunate—not only in the services rendered by these men, but also in

the able successors they have respectively helped to choose, and who will add new distinction to President Eisenhower's second administration.

All of us who have worked with these outstanding Americans are saddened by their departure. We wish them many prosperous years ahead in whatever endeavors they undertake; and, as they go, we join in sending them our best wishes and the appreciation of the Nation for work well done.

WALTER F. GEORGE

Mr. FULBRIGHT. Mr. President, on yesterday, I was unavoidably absent from the session of the Senate, because of illness, and was, therefore, unable to join my colleagues in their eulogies of the late great Senator from Georgia, Walter F. George.

The tributes of my colleagues are impressive and all encompassing. I endorse those expressions of respect and esteem. I have never known a finer gentleman or a more dedicated public servant than Senator Walter George. He loved this body, and he gave to it and to his country every ounce of his energy and the benefit of his well trained and penetrating intelligence. He was a great Senator in the finest tradition of this body.

He deserves well the many tributes which have been paid to him in this body and throughout this land.

I join my colleagues in extending heartfelt sympathy to that great lady "Miss Lucy," the Senator's widow.

Mr. SCHOEPPEL. Mr. President, I join with my colleagues in the Senate today in paying my respects to one of the truly great men who has served his Nation in this body, and in other responsible positions of our Government abroad.

Senator George was a man who inspired confidence in legislative government and in the orderly functioning of the legislative processes of our Nation.

He was a conscientious man, a thorough man, a considerate man. Never did he use his great ability, his prestige, or his power, to gain an advantage for himself.

No man who has served in the United States Senate, within my memory, has ever excelled him in his constructive efforts in protecting the basic rights established under our Constitution and the Bill of Rights.

He was a fearless advocate of fundamental progress within the constitutional processes of this Nation, and he will remain an inspiration to men of the future who serve in these legislative Halls.

AMENDMENT OF RULES RELATING TO INTRODUCTION OF VISITORS IN THE GALLERIES DURING SENATE SESSIONS

Mr. BUSH. Mr. President, I have noted with increasing discomfort for several years, a practice by Senators of introducing guests in the galleries, or calling attention to the presence in the galleries of a person, or groups of persons.

Rule XIX, section 6, of the Senate prohibits applause from the galleries. The Presiding Officer constantly reminds our guests in the galleries that order is required, and applause is out of order.

Yet, from time to time, Senators invite applause from the Senate and the galleries by calling attention to the presence of some person, or some favorite group. This practice should be stopped. I submit that it is in spirit, if not in fact, a violation of existing rules, specifically rule XIX, section 6. Applause is not in keeping with the dignity of the Senate.

I have felt at times that it cheapens the atmosphere and offends the decorum of this beautiful Chamber, and this distinguished body of men—the last upper house of any parliament in the world with real power.

The House of Representatives has a rule which reads:

> It shall not be in order for any Member to introduce to or bring to the attention of the House during its sessions any occupant in the galleries of the House, nor may any speaker entertain a request for the suspension of this rule by unanimous consent or otherwise.

So, Mr. President, the House not only frowns upon the frivolous practice of gallery play, but prohibits it. Should the Senate have less respect for its own dignity and prestige than the House? I think not.

Accordingly, on behalf of myself, the Senator from South Dakota [Mr. CASE], the Senator from Mississippi [Mr. STENNIS], the Senator from Florida [Mr. SMATHERS], the Senator from Michigan [Mr. POTTER], and the Senator from Vermont [Mr. FLANDERS], I submit a resolution and ask for its appropriate reference. The resolution will add a new paragraph to rule XIX, and, if adopted, will stop the practice of gallery introductions.

I ask unanimous consent that the resolution be printed at this point in my remarks. I shall not read it. It conforms quite closely to the rule applying in the House of Representatives, which I have read.

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

The resolution (S. Res. 183) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) rule XIX of the Standing Rules of the Senate is amended by adding at the end thereof a new paragraph to read as follows:

"(7) No Senator shall introduce to or bring to the attention of the Senate during its sessions any occupant in the galleries of the Senate. No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent."

(b) The last sentence of rule XL of the Standing Rules of the Senate is amended to read as follows: "Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, rule XII, or clause 7, rule XIX."

Mr. BUSH. Mr. President, to me it is very disturbing to hear a Senator call attention to the presence of a prominent star of stage and screen, now playing at a local theater, by saying, perhaps, "Distinguished colleagues; We are honored today by the presence in our Chamber of a beautiful star of stage and screen now playing at the National Theater—I give you Lily Lysle." Miss Lysle then rises and bows smilingly. One trouble with this is that Dorothy Dacron, another beautiful star, follows Miss Lysle at the National Theater 2 weeks later; so, her publicity agent carefully plans her introduction, too. It is a bit of nice clean, free publicity.

Do not misunderstand me, distinguished colleagues. I would like to meet Miss Lysle, and Miss Dacron, too. And if they came from Connecticut, I might even take them to lunch in the Senate restaurant, where my colleagues might see them and be introduced, should they stop at our table.

But, Mr. President, let us spare the Senate Chamber. Let us agree to keep it free from publicity stunts. Let us urge the Rules Committee to get this resolution before the Senate so we can stop the practice of playing to the gallery, and keep the dignity and decorum of the Senate on the high plane where it belongs.

Mr. President, I noted yesterday, 2 weeks after I prepared the resolution, an article in the Washington Evening Star entitled "Senate Dignity Strained in Ovations to Visitors," written by Charles Bartlett, which I ask unanimous consent to have appear in the RECORD at this point in my remarks.

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

SENATE DIGNITY STRAINED IN OVATIONS TO VISITORS

(By Charles Bartlett)

The Senate has fallen prey to a habit which some of its Members fear may have got out of hand.

The habit is the amiable one of calling attention to certain visitors in the galleries and of asking them to rise so they may receive a standing ovation from the Senators on the floor.

The gesture, which has been made more often in this session than any time in history, derived from the Senate practice of calling a brief recess in order to bring distinguished visitors to the floor to meet the Senators. During the thirties such celebrities as Sgt. Alvin York, Charles Lindbergh, Rear Adm. Richard Byrd, Amelia Earhart Putnam, and Lady Astor were honored in this fashion.

The present practice was instituted by the late Senator Alben Barkley, of Kentucky, on June 29, 1939, when he called the attention to the presence of Prince Olav and Princess Martha, of Norway, in the diplomatic gallery. The Kentuckian apparently enjoyed the incident, for he did it again less than a year later in recognizing the presence of 20 young ladies from a foreign land.

His innovation was not repeated until 1944, when Senators Robert M. La Follette, Jr., of Wisconsin, and Albert Thomas, of Utah, made the same sort of gesture. The fact that there were no set standards for the recognition was implied in the following year when a group of quiz kids and Miss America of 1945, Bess Myerson, were accorded the honor.

This year there have been more than 30 such interruptions in the Senate procedure and the varied group of honorees has included comedians Jimmy Durante, Jerry Lewis, and Arthur Godfrey; a girls' drill team from Houston; a cherry blossom princess from Maryland; the Little Chamber Orchestra, of Portland, Oreg.; a New Jersey vegetable queen; a choir from Minnesota; the sheriff's posse, from Clark County, Nev.; the

561st Air Force Band; a Sunday school class from Houston; the National Ballet of Canada; at least eight school groups from Maryland, Louisiana, South Carolina, and Texas; and Adlai Stevenson.

The turning point may have come last Tuesday when Actress Jayne Mansfield visited the Senate. Her status as a celebrity certainly merited gallery recognition in terms of the precedents of the session, but the dazzling and somewhat focused quality of her beauty quickly raised the specter of the Senate's dignity. Miss Mansfield was received off the floor in the majority leader's office.

Majority Leader LYNDON JOHNSON, who holds the record for the session with four introductions, is reported to have decided that the habit has gone too far and to be planning to pass the word that the introductions should be more selective in the future.

Mr. RUSSELL. Mr. President, I wish to commend, in the very highest terms of which I am capable, the effort which the distinguished Senator from Connecticut is making to restore some semblance of dignity to this body. In common with the statement he has made, I can understand the reasons for some of the views he has stated. I have been asked on occasion when large high school groups, and even beauty queens, have visited here, to introduce them to the Senate. I have not done so because I believe this practice can be carried to the point where it cheapens the Senate, if, indeed, it has not already done so.

The United States Senate is the most powerful parliamentary body on earth.

I should like to point out how liberal we are with our rules as compared with other parliamentary bodies. The British House of Commons never allows any visitor upon the floor. The entire United States Senate, or a delegation composed of the leaders of the Senate, might be on a special mission to England, but no Senator would be permitted to enter the floor of the House of Commons. The House of Commons does permit such visitors to sit in the galleries and observe the proceedings. It even has a distinguished visitors' gallery, where American officials and probably the majority leader and the minority leader and the chairman of the Foreign Relations Committee or the ranking minority member of the Foreign Relations Committee could listen to the debate; but they are barred from entering the floor of the House of Commons and they would not be recognized from the floor.

In the Senate we have a practice of inviting to the floor any delegation, small or large, from any parliamentary body of any nation anywhere, and of introducing them and interrupting the proceedings of the Senate and having Members of the Senate meet the visitors and shake their hands and assure them how warmly they are welcomed to this country.

That is all very well in its place, but I think the practice has been badly abused. It threatens the stature of the Senate as the greatest parliamentary body.

There are a number of other things to which attention might be called that represents changes in the practices which heretofore prevailed, at a time when we were truly considered a great deliberative body. A legislative body cannot remain a great deliberative body unless it has some dignity attached to its proceedings.

I say to the Senator from Connecticut I will support, as vigorously as is within my capacity and ability, a change in the rule as suggested. I assume the reason why we have not had a rule on the subject heretofore is that up until recently no Senator would have conceived of some of the things which now transpire in the Senate. I do not say that in a spirit of criticism. When we start by introducing a distinguished Prime Minister from a foreign country, it opens the door. We then proceed to such cases as that of Miss Dacron, whom the Senator hopes to take to lunch. I hope I will be introduced to her in the Senate restaurant. That is the proper place for such introductions, not from the floor of the Senate.

I heartily commend the Senator from Connecticut.

Mr. STENNIS. Mr. President, will the Senator yield on my time?

Mr. BUSH. Mr. President, I ask unanimous consent that I may yield to the Senator from Mississippi on the 3 minutes allowed to him.

May I say first that I appreciate the comments of the senior Senator from Georgia [Mr. RUSSELL], with whom I have discussed the matter. I do not know of any Senator whose support I would welcome more than that of the distinguished Senator who has just spoken.

In sending the resolution to the desk, I neglected to announce that the other sponsors of it included the Senator from Mississippi [Mr. STENNIS], the Senator from South Dakota [Mr. CASE], the Senator from Florida [Mr. SMATHERS], and the Senator from Michigan [Mr. POTTER].

Mr. President, I ask unanimous consent that the resolution may lie on the desk for 48 hours, so that other Senators, if they choose, may add their names as cosponsors of the resolution.

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

Mr. BUSH. Mr. President, I should like to yield, on his own time, to the Senator from Mississippi [Mr. STENNIS], who discussed this matter with me several months ago and encouraged me more than anybody else to draw up and submit the resolution.

Mr. STENNIS. Mr. President, I appreciate the Senator's yielding to me. I commend the Senator highly for the step he has taken, and the very forceful way in which he has presented a real problem of the Senate, which I think is simply a part of a larger problem we have of maintaining in the Senate Chamber an atmosphere that will permit sound legislation.

I have observed, Mr. President, that few, if any, Senators really wish to make these presentations, but in one way or another they are pressured into it. I know I have flatly refused requests from various sources to present persons who are in the galleries. I have said frankly it was outside of my conception of proper procedure of the Senate.

I think, also, with regard to unanimous consent being given, that such a procedure is almost unanimously disapproved. The only reason I even consent to it is to keep from putting a fellow Senator in an embarrassing position, since he has doubtless already made arrangements with a constituent or somebody else to have some person introduced to the Senate.

So, with almost unanimous disapproval by the Senator who is doing the sponsoring and almost unanimous disapproval by the Senators on the floor, the impression, nevertheless, goes out that while the world is on fire and is aflame in other ways, we are "diddling around" in presenting various people to the Senate.

I make no reference to such persons as to personal traits or characteristics, but I think whatever honor there was once attached to the process has been so greatly diluted that it has largely faded from the picture.

Even if the proposed rule is adopted, if it is not respected any more than some of the other rules we have, the Senate will not be much better off. I do not say this in criticism, but I should like to read the paragraph from the letter sent to me by the Senator from Connecticut:

> Whenever confusion arises in the Chamber or the galleries, or demonstrations of approval are indulged in by the occupants of the galleries, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator.

I refer to the confusion on the floor. I wish to point out that whoever the Presiding Officer is—be it the Vice President, the President pro tempore, or a Senator—he not only has the authority but under the rules of the Senate he has the positive duty, on his own initiative, to maintain order on the floor.

I am glad the Senator from Connecticut has pointed out that rule, and I commend him for his presentation.

Mr. BUSH. Mr. President, I am most grateful to the Senator from Mississippi for his commendation. I am sure that all Senators will agree that no one presides over the Senate with greater dignity or with a firmer determination to enforce observance of the rules than the Senator from Mississippi.

GOVERNOR'S DAY AT INDIANTOWN GAP MILITARY RESERVATION, PA.

Mr. MARTIN of Pennsylvania. Mr. President, last Saturday Governor's Day was observed at beautiful Indiantown Gap Military Reservation, the training ground of many of the most famous military organizations of the United States.

On this occasion the historic 28th Division, Pennsylvania National Guard, dating back to days of Benjamin Franklin, passed in review in honor of the Governor of the Commonwealth, the Honorable George M. Leader.

Many outstanding officers of the National Guard were present. The review was attended also by Representative JAMES G. FULTON, from western Pennsylvania, and Representative DANIEL J. FLOOD, from the eastern section.

Governor Leader has taken a great interest in the Pennsylvania National Guard. The training of the troops was a great tribute to the skill and understanding of Maj. Gen. Anthony J. D. Biddle, Jr., adjutant general of Pennsylvania, and the capable leadership of the division commander, Maj. Gen. Henry K. Fluck.

The units presented a thrilling spectacle as 8,000 guardsmen passed by in almost perfect precision.

The 112th Infantry, from northwestern Pennsylvania, with a brilliant record of service dating back to the Spanish-American War, marched to the tune of Old Soldiers Never Die.

The 109th Infantry, from the hard coal region of northeastern Pennsylvania, marched to the strains of The Old Gray Mare.

The 110th Infantry, which first covered itself with glory in the Philippines, stepped to its favorite marching tune, No. 9 or Khaki Bill. This outfit has used Khaki Bill since World War I days, and has used Dixie at its guard-mount ceremonies since 1898.

The Field Artillery battalions and the auxiliary troops used as their marching tune the new Army song, The Artillery Goes Rolling Along. The Artillery, the Special Troops and the Tank Battalion are from Philadelphia, Pittsburgh, Wilkes-Barre, and Johnstown.

Mr. President, before the review, Gen. Lyman L. Lemnitzer, Vice Chief of Staff, United States Army, delivered a most inspiring address to the troops. As it is of great interest to all civilian soldiers, I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

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

REMARKS BY GEN. LYMAN L. LEMNITZER, VICE CHIEF OF STAFF, UNITED STATES ARMY, AT GOVERNOR'S DAY REVIEW, INDIANTOWN GAP MILITARY RESERVATION, PA., SATURDAY, AUGUST 10, 1957

I welcome this opportunity to return to my home State for this Governor's Day Review and to speak to the members of the 28th Infantry Division, their families, and their friends. I was very pleased to receive the invitation to come here today from an old associate of mine, General Biddle—your adjutant general.

Having served with General Biddle on several occasions—during World War II when he was on General Eisenhower's staff in Europe and also in Washington in 1954–55 when he was special assistant to former Army Chief of Staff, Gen. Matthew Ridgway—I am well aware of his outstanding qualifications for his present office.

As a Pennsylvanian and professional soldier, I have always felt proud of the willingness of the civilian soldiers of this Commonwealth to contribute their time and efforts—and in many cases, their lives—in the defense of our Nation. Recently, I returned to the United States after a tour of duty in the Far East where I was commander in chief of the Far East and United Nations Commands. There I was fortunate to have, as a key member of my staff, a former member and commanding general of the 28th Infantry Division, Maj. Gen. Daniel B. Strickler.

General Strickler applied his uniquely broad experience to the performance of important duties related to the deployment of our Armed Forces in Japan, the Republic of Korea, and the Ryukyu Islands. His patience and diplomacy assisted materially in solving complex problems and in maintaining harmonious relations with the governments and people concerned. As an example of his selfless devotion to duty, General Strickler, upon retiring from active service in Tokyo after 40 years of distinguished military service, consented to remain in Japan to assist in effecting a smooth transition in the realignment of the United States commands in the Far East.

I consider that General Strickler typifies the selfless attitude of the American citizen-soldier, so many of whom, past and present, have been members of the 28th Division. Here is a man who time and again, when his services were required, willingly left his home and established law practice to serve his country and his native State of Pennsylvania.

Responding to the call to military service, however, is characteristic of Pennsylvanians. It is most fitting that Governor Leader, a veteran of World War II, extended the reputation of the Commonwealth's fighting governors begun by its first governor, Thomas Mifflin, in the Revolutionary War. The long, distinguished military record of Senator EDWARD MARTIN—also a former commander of the Keystone Division—adds further to the military contributions of our governors as well as to the enviable achievements of the 28th Division. Thus, those of you who form the division today carry on the historic traditions of the citizen-soldiers of our State and the brilliant record of your units which, in the span of my own military career, have answered the call to the colors in three wars.

Today, the National Guard has a far more important role than it has ever had in the past. The primary purpose of all Armed Forces—Active and Reserve—is to prevent war. Consequently, there is a greater requirement today for combat-ready forces so organized and so deployed as to present visible and unmistakable evidence to our enemies that Communist aggression will be dealt with promptly and effectively.

To illustrate my point, I shall turn momentarily to the Far East, an area with which I have spent much of my service since the fighting in Korea. As a division commander during the Korean war, I witnessed at first-hand the tremendous price of unpreparedness. At the outset of the war, six partially trained and lightly equipped Republic of Korea divisions were the total forces available to attempt to halt the unprovoked and deliberately planned aggression by invading Communist armies which were specifically armed, trained, and equipped to attack and overrun the Republic of Korea. A situation had been created wherein the Communists believed that they could accomplish a quick land grab along the frontier of the Free World uncontested by the armed might of the democratic nations. The Communist belief that such an aggression would be profitable to them resulted in a war which produced the fourth largest number of casualties ever suffered by the United States Army and heavy casualties to our allies, particularly the Republic of Korea.

Today, we have no intention of permitting a similar situation to arise again. The modern, combat-ready divisions of the Republic of Korea present a startling contrast to the forces which existed in 1950. These divisions reflect the tremendous strides we have made in assisting a stalwart ally—the Republic of Korea—to develop the military power her security and independence require.

Standing alongside the Korean Army on the frontier of the Free World are two United States Army divisions and other forces of the United Nations command. Facing the Chinese and North Korean Communist forces, these divisions serve notice to the Communists that a renewal of aggression will be met by the armed might of the United States and its allies in the United Nations command. In addition, they demonstrate clearly to our Korean friends that we are willing to share with them the dangers of living within range of Communist guns.

Our overseas deployments in Korea and our assistance in the development of the Republic of Korea Army are characteristic of the Army's efforts to build deterrent strength and forces capable of meeting aggression and winning a war, if deterrence fails. Deployed overseas in areas of strategic importance in Europe and the Far East, our combat-ready forces provide the visible strength necessary to create an effective deterrent. Our military advisory groups and missions, stationed in 44 foreign countries, are providing substantial assistance in improving the effectiveness of over 200 allied divisions, thereby greatly extending the deterrent strength of the Free World.

Now, how does the National Guard contribute to the deterrence of war? The answer is, of course, that the National Guard is an essential and vital component of today's Army forces which are shaped both to prevent and to win a war. We may all be certain that when the Communists weigh their chances for success in any aggression, they must consider the ready backup strength that we have here at home. They must ask themselves the questions: How long will it take the United States to reinforce its forces overseas, and what is the caliber of those reinforcements? Accordingly, it is essential that our National Guard be kept at the highest state of training and readiness for any emergency.

It is reassuring for me to return to my home State today and see Pennsylvania's citizen soldiers here at Indiantown Gap devoting themselves to perfecting their training, their readiness, and their effectiveness for whatever missions they may be called upon to perform.

I extend to each of you my best wishes for continued success in your training during the remainder of your encampment here at Indiantown Gap and your future service in the 28th Division, to your native State of Pennsylvania, and to your country.

THE CIVIL-RIGHTS BILL

Mr. BUTLER. Mr. President, with each passing day, the weight of expert opinion as to the legal merits of the civil-rights bill adopted by the Senate becomes more impressive.

It has now become virtually impossible for any informed man to assert that the jury-trial amendment weakens the bill. The only issue upon which thoughtful experts disagree is the breadth of the amendment.

One of the latest contributions to thinking on the subject has been made by Paul A. Freund, Royall professor of law, at Harvard University. He urges acceptance of the Senate version if limited to voting cases.

And, in a letter to the New York Times, Mr. Freund touches upon the basic point involved. He says:

> Party politics aside, is there any reason why the Congress should deny to itself and the country the benefit of a judgment from experience rather than from speculation?

Mr. Freund's question—and I assume this was his intention—answers itself.

For the first time in my memory, we have been able to consider the issue on the basis of merit rather than emotion. If this effort fails, it will be many years before the climate of reason and sanity can be recaptured.

We will be plunged into an atmosphere of partisan politics which will benefit

very few people—least of all, those whom the civil-rights concept is designed to benefit.

The Baltimore Sun, which has done such a superb job of presenting the facts to its readers, sums up that point this morning. In its editorial it says:

The choice is between a moderate bill which still makes notable progress, and no bill at all. As this realization sinks in, the moderate bill is bound to pick up strength in Congress.

Mr. President, I ask unanimous consent that Mr. Freund's letter to the New York Times and the Baltimore Sun editorial be printed in the RECORD as a part of my remarks.

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

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

FOR THE SENATE RIGHTS BILL: COMPROMISE ON CONTEMPT CITATIONS BELIEVED TO REPRESENT GAINS

(The writer of the following letter, an authority on the United States Supreme Court, has served in the Department of Justice. He is Royall professor of law at Harvard University.)

To the EDITOR OF THE NEW YORK TIMES:

As one of those who have maintained that there is no constitutional right to a jury trial in contempt cases, may I now urge that the Senate compromise, drawing a line between civil and criminal contempt, be accepted if limited to voting cases.

The point of view expressed in some quarters that it would be better to let the legislation go by default exaggerates the limitations of civil contempt and underrates the resourcefulness of the judicial process.

It is argued that an order requiring registration of voters could not be enforced by civil contempt once the voting day has passed, since compliance would then have become moot. But there is no reason why an order for registration need be limited in the first place to a particular election; certainly this is so where the usual long-term or permanent system of registration prevails.

CONTINUITY OF ORDER

It is said that a registrar who is sentenced to jail until he obeys can avoid the force of this civil contempt decree by resigning. Apart from the dubious assumption that public officeholders are so lightly attached to their jobs, there is no reason why an injunction order cannot run from the beginning against a registrar and his successors, each of whom would then be faced with civil contempt sanctions for disobedience.

It is contended that an injunction negative in form, for example, one ordering the defendants to cease and desist from intimidation or acts of violence, cannot provide the basis for civil contempt, since if the defendants were imprisoned there is no definite act which would suffice to purge them of their contempt. But in lieu of imprisonment they could be required in civil contempt to give a bond which would be forfeited if they renewed their threats or violence.

No doubt in some cases the civil contempt remedy may be impractical. But to write off the bill for this reason is to make a double assumption: that a judge's order will not be obeyed without some form of contempt proceedings and that a jury in criminal contempt will be sure to acquit.

SUPPORT FOR ENFORCEMENT

Before yielding to these assumptions we should remember several facts. Unlike desegration, the principle of equality of voting rights has been part of our constitutional law for generations. The enforcement procedure adopted by the Senate was supported by the spokesmen for the States chiefly concerned.

What is at stake (as Judge Taylor admirably explained to the jury in the Clinton, Tenn., case) is the orderly processes of law, the issue whether the legal and moral authority of a Federal judge may be flouted with impunity.

If juries, put to the test, carry out their responsibilities, there will be a positive gain in the self-education that comes from sharing in the administration of justice. If the results should turn out otherwise, the climate of national opinion will be clarified by the experiment.

Party politics aside, is there any reason why Congress should deny to itself and the country the benefit of a judgment from experience rather than from speculation?

PAUL L. FREUND.

CAMBRIDGE, MASS., *August 5, 1957.*

[From the Baltimore Sun of August 11, 1957]

ALL BUT IN HAND

Senators AIKEN and JAVITS have said it and Representative RAYBURN has said it: that if the Congress and civil libertarians generally want a civil-rights bill this year they can have it with hardly any trouble. A civil-rights bill has passed the House. A civil-rights bill (in our opinion a better civil-rights bill) has passed the Senate. All that is needed is agreement between the two versions and the country will have a law fortifying the voting rights of southern Negroes for the first time since the abortive legislation of Reconstruction days.

The key difference between House and Senate bills is the jury-trial section in the latter. Both bills provide that a Federal court may issue orders defending the right of Negroes to vote. Both bills provide that the courts may enforce such orders by citing violators for contempt. The Senate bill provides, as the House bill does not, that in cases of criminal contempt, when the court feels it necessary to punish rather than merely to force compliance, the accused may have a jury trial. So far, this is a good thing. But the Senate pushes this jury-trial privilege beyond the civil-rights cases so as to apply in all Federal court injuction matters.

Leading Members of both Houses think this is too much. The Department of Justice thinks this is too much. It is too much. Civil-rights cases will be a very special kind of proceeding and the jury-trial provision as originally proposed was tailored to this special quality. As a further inducement to orderly progress in the South, the jury-trial provision has already shown its value in the way its proponents avoided a southern filibuster in the Senate and actually got the present bill through. But there should be no jury-trial expansion into areas where the special civil rights need does not exist. Those in House and Senate who feel this way have the best of the argument.

The parliamentary problem is thus to restrict the jury trial of the Senate bill to civil-rights cases and then to get both Houses to accept the result. Representative RAYBURN, a powerful man in the democratically controlled House, is willing to go along on such a course. Leading Republicans are balking. Some of them don't want any jury trial at all. No doubt they see political advantage in standing for the toughest possible civil-rights bill. But the fact is that a tough bill just is not possible. The real choice is not between a tough bill and the moderate bill that is all but in hand. The choice is between a moderate bill which still makes notable progress, and no bill at all. As this realization sinks in, the moderate bill is bound to pick up strength in Congress.

APPOINTMENT OF ARNOLD JONES AS TVA DIRECTOR

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent to place in the CONGRESSIONAL RECORD an editorial from the Manhattan Mercury, under date of Tuesday, July 2, 1957, captioned "In Our Opinion—Able Man for TVA."

Mr. President, this editorial is in the home city newspaper of Arnold Jones who has been designated by the President as a Director of the TVA. I commend it to my colleagues.

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

IN OUR OPINION—ABLE MAN FOR TVA

When this writer was asked to do a special feature on Arnold Jones for a Tennessee newspaper in a city near where Jones will live if confirmed as a Director of the Tennessee Valley Authority, the temptation was to refer to the former K-State official as a troubleshooter.

In fact, we did use the word but only to illustrate that he has acquitted himself nobly in a series of appointments to what must be acknowledged as rather hot spots. The overall theme of our piece, however, was that Jones in 30 years of academic, professional and even political life has proven himself equal to the responsibility demanded in each succeeding position. And, we might add for the edification of those unacquainted with the nature of those assignments, that each new position has carried an increasing load of responsibility.

That Jones has risen to each occasion in outstanding fashion is attested to by the fact that he was the second Kansan to receive major national appointment in the Eisenhower administration—that of Deputy Director of the Budget which certainly is a key Washington job that sees Jones in almost daily contact with the White House and not infrequently with the President himself.

And now comes Jones' nomination to be one of three Directors of the vast Tennessee Valley Authority. Perhaps it is surprising that this should happen to a man who only a relatively short time ago was here in Manhattan as a college official. And yet it is not surprising at all if one has followed the Jones career and seen him justify the trust placed in him.

We certainly cannot escape the overtones of public versus private power in the nomination of a fellow Kansan. Undoubtedly that issue will make headlines as Jones faces the confirmation hearings.

Headline material that it may be, we hardly think it is the basic consideration at all when considering whether Jones should be a Director. There is, of course, an ideological argument over TVA as it relates to governmental policy in future area development.

The Tennessee Valley Authority itself, however, is a reality—operating and beyond any doubt having a definite beneficial place in the scheme of things in the wide area it serves.

As a real, operating thing representing millions of dollars in Federal investment it deserves the best possible management. It is our unqualified opinion that Arnold Jones is the type of man to enhance TVA's operation and serve, if you will, as a zealous protector of this gigantic investment.

THE CIVIL RIGHTS BILL

Mr. KEFAUVER. Mr. President, I believe there are certain features of the civil-rights bill which should be explained carefully to all our people.

There has been considerable discussion of what the bill does not do. It seems to me that the more important fact is what the bill does do and what it offers in terms of guaranties of civil rights.

The Senate measure was worked out by men of good will who thought it was more important to solve a problem than to preserve an issue. It was carefully and thoroughly discussed for 25 days.

It was the beneficiary of one of the finest debates in the history of this body. It emerged as a bill which is strong in the only meaningful sense of the word—strong in that it confers rights upon our people. I should like to review briefly the positive steps that would be taken by this measure.

First. It would establish a Commission with full subpena powers to make inquiries into the field of civil rights.

In the future, we can consider this issue on the basis of merit, and we shall need the recommendations of calm, wise, reflective men. Whatever mistakes may be made in this bill can be corrected after experience and study.

Second. This bill would create an Assistant Attorney General to handle civil-rights cases. This would insure the full prestige of the Federal Government could be brought to bear.

Third. The bill would repeal the Reconstruction troops with bayonets statute.

This may appear to some to be a negative accomplishment. But I believe it is more than negative. It has a positive virtue in that it removes from our statute books a source of irritation and vexation.

I do not believe some of my colleagues realize fully just how strongly such statutes can operate in inflaming old wounds and keeping open sores that should be healed.

Fourth. The bill confirms the authority of the Federal Courts to aid individuals seeking remedial protections for their civil rights. The authority, in my opinion, already exists but this removes any possibility of a challenge.

Fifth. The bill specifically authorizes the use of Federal Court orders to secure the most basic of all rights—the right to vote.

The importance of the use of court orders in this field cannot be stressed too heavily. Laws—by their very nature—are inflexible. They cannot be passed rapidly enough to meet the highly fluid situations that can arise in an election campaign.

But the Federal courts can operate quickly and expeditiously. I do not believe their orders will be disobeyed.

When their orders are disobeyed, the court has the full power of civil-contempt proceedings to handle violators. And, as the majority leader pointed out yesterday, those powers are virtually unlimited.

Sixth. The bill guarantees to defendants in criminal-contempt proceedings the right to a trial by jury. For the first time, we will bring order into what is now a chaotic situation.

I know that this provision is controversial. There are many who believe it should be limited to voting cases only.

I have seen no real showing that this amendment is too broad. I would prefer that the House adopt the bill as passed by the Senate. If experience shows that it is not workable in some fields that could be readily adjusted at the next session of Congress. But, if we must water down this amendment so it covers voting cases only, I will urge that we consider legislation at the next session of Congress covering all criminal-contempt cases. The importance of some settlement of this issue and the removal of it from the political scene is so urgent that I am willing to restrict the jury trial to voting cases only. But I am not willing to abandon the principle and I believe the Senate will eventually adopt it.

Seventh. And finally, the bill assures the right of minority groups to serve on Federal juries. This is one of the most important rights of all. Mr. President, for 82 years we have struggled to make any kind of a step forward in this field. We now have the opportunity to take not just any kind of a step but an important step forward.

Passage of this bill in the Senate version would mean the dawn of a bright new day for millions of our fellow Americans. Its defeat at the hands of overly excited partisans would plunge us back into the arena of the politics of prejudice and hatred from which nothing constructive can emerge.

THE CIVIL-RIGHTS BILL

Mr. MONRONEY. Mr. President, as one of those who voted in the Senate for the civil-rights bill, I consider it of vital importance to this country that the measure be approved at this session.

I have served as a Member of Congress for 19 years. I have seen proposals for civil-rights bills of every nature come and go. All have floundered; in fact, up to this point none has had a chance of becoming the law of the land.

Now we have an opportunity—for the first time in 82 years—to pass a bill that has meaning and substance. We have an opportunity to pass a bill that is workable and enforcible, a bill which, in fact, is stronger than any which we have considered in two decades.

I would hate to see us lose this opportunity simply because the bill does not suit all opinion in this important field. Legislation by its very nature is the art of adjusting differing opinions to achieve the possible. Few bills of such importance meet the criteria of everyone who advocates them or opposes them.

The best we can hope to do, especially when the subject is one of social and political progress, is to make a beginning. It is important that this beginning be in the right direction and be possible of achievement.

To pass any bill, no matter how severe, nor how filled with so-called teeth, would be futile if the will to make it work did not accompany the legislative action.

Much legislation passed during the days of reconstruction was punitive in nature, aroused racial passions, and was self-defeating of enforcement. The important thing about this new step, taken after eight decades of inaction, is that it provides a workable mechanism which will guarantee to all Americans the right to vote.

Given this opportunity, I feel sure that many, if not most, of the desires for strengthening the civil rights of all groups will follow in the pattern of true democracy. They will come about through the exercise of the right of the franchise which this bill takes affirmative steps to guarantee.

We realize that the measure does not solve all the problems. It would be a miracle if any measure, passed by any legislative body, could solve all of them, for they are as old as the Nation itself. But we must be honest with ourselves and also realize that this bill grants the strongest protections of the right to vote Congress has ever approved.

The bill also does something else of great importance. It establishes a commission—a commission with subpena powers—which can inquire exhaustively into the issue, study to formulate recommendations and which will have the stature to lend persuasion and prestige to its findings.

A few years ago, the mere fact that such a commission could have been established would have been recognized as an historic achievement.

In addition, a new Assistant Attorney General will be appointed to concern himself with the protection of civil rights. The guaranty contained in the bill to provide the unquestioned right of all minority groups to serve on Federal juries in all the 48 States, is another forward step.

Mr. President, this is progress indeed. Certainly it will not suit all who would like to pass a law and consider the problem of all civil-rights guaranties immediately solved. Such social problems are not solved immediately by laws, as our experience with many of those which have been on the statute books for 85 years proves. They are solved rather by significant events which remove important barriers to cooperation in their solution.

I feel that the civil-rights bill passed by the Senate is such a landmark. Men of fairness and willingness to move toward the solution of this age-old problem will be far more susceptible to making this bill work—and work well—than they are likely to be with the type of bill sent to us by the House of Representatives.

If consideration for opinion of all sections of the Nation has been shown—and I feel it has in this instance—then there will be hundreds of thousands of willing advocates to make the bill work as the Senate has decreed. Had the bill been filled with punitive measures, the ground would have been cut out from beneath that growing body of public opinion in many States which has been advocating an expansion of the voting rights of minority groups for the past several years.

The responsibility for making this bill work rests not merely upon the Government and its agents, but upon those who have been urging progress with moderation, who want to see the right to vote become a reality to every American.

To have passed a bill, denying the right of jury trial to persons cited for criminal contempt, would have destroyed the chance for these leaders of moderation to be effective in their communities. Yes, it would have aroused anew a feeling of persecution and unfairness that would have set the cause of extension of voting and other rights back for decades.

We cannot achieve under the guise of progress retrogressive action which would repeal the basic civil right of all free peoples, the right to a trial by jury. By carefully working out an amendment to guarantee this precious right, the bill was strengthened—not weakened—by the Senate action.

Again, by eliminating the scatter-shot approach of part III of the bill, and making the bill clear in respect to the objective of extending voting rights, the hands of those who would welcome progress are strengthened.

Without these and other amendments added to the bill by the Senate, the gains made could not have been achieved through legislation for years to come. Or if legislation were enacted, it would have been rendered unworkable by the measures it contained withdrawing civil rights of others.

Mr. President, for 82 years this issue has been before the Congress in some form. For 82 years, there has been no possibility of action because the chasm between the advocates of greater civil rights and those who opposed them has been too wide. The Senate bill, and the wise amendments written into the bill, will narrow this chasm.

It would be a disaster to allow a desire for political advantage, or an overzealous desire to include everything everyone might want in the bill, now to defeat its enactment. We are near the eve of a forward step of important proportions in our history.

Anyone who would seek, for partisan gain, to frustrate this progress, would be guilty of a disservice not only to his cause, but to his country as well.

THE THOREAU SOCIETY

Mr. HUMPHREY. Mr. President, Henry David Thoreau was an outstanding 19th century American noted for his originality, his uniqueness. He was an individualist. It is characteristic of us Americans to respect such a man.

Perhaps it would seem paradoxical to Thoreau, but it also is characteristic of our American genius to form organizations, and one of our interesting, valuable organizations is the Thoreau Society—a group of scholars and others which meets annually in Concord, Mass., on the Saturday nearest the anniversary of the birth of Thoreau, on July 12, 1817. There, in Thoreau's village, they pay their respects and celebrate at a forenoon gathering by listening to learned discussions on Thoreau, his life and writings, and his significance.

This year, on July 13, 1957, the Thoreau Society at the special invitation of its president, Dr. Howard Zahniser, had as its principal speaker His Excellency, the Ambassador from India, the Honorable G. L. Mehta, who with Mrs. Mehta and his personal secretary Raja, made a pilgrimage that day with the Thoreauvians to Concord, to Walden Pond where Thoreau lived for a time in a hut in the woods, and to other points of interest in and about this historic village.

Discussing Thoreau's influence on Gandhi and in India, His Excellency delivered a paper of value to all of us. Among other comments his emphasis on the importance of conscience in determining conduct is certainly of very special value to all of us.

I count it a great privilege to know His Excellency as a personal friend and to know the sterling qualities of his mind and character. I ask unanimous consent that there be printed in the RECORD at this point his address.

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

THOREAU AND GANDHI

(Text of speech delivered by Mr. G. L. Mehta, Ambassador of India to United States of America at the 1957 annual meeting of the Thoreau Society at First Parish Church, Concord, Mass., on Saturday, July 13, 1957)

When there was a successful bus boycott staged by American Negroes in Montgomery, Ala., the leader of the movement, Rev. Martin Luther King, said that he drew his inspiration from Mahatma Gandhi's philosophy of passive resistance. Gandhi himself, when he was studying law in London in 1907, came across Thoreau's essay on "Civil Disobedience" which profoundly influenced him. Thoreau, in his turn, had studied Indian philosophy and was versed in Hindu lore. As Louis Fischer put it, "Thoreau in Massachusetts borrowed from Gandhi's India, and repaid the debt with words that reached Gandhi in a South African cell."

(The Washington Post, in an editorial on April 10, 1957, said: "The ideas of an eccentric Yankee individualist and a saintly Russian count (Tolstoy) have spun round the world and have provided the oppressed with an honorable philosophy of resistance.")

And when we are apt to think in terms of nuclear power and material wealth, it is well to remember that ideas can also be powerful and spread round the world without aircraft and apparatus of propaganda. More: When Thoreau, Emerson, and the Transcendentalists studied Indian thought, modern means of communication did not exist. And, yet, Thoreau in his library had copies of Wilson's Rig Veda Sanhita, translations of the Upanishads and Bhagavad Geeta, aphorisms of Mimansa and Nyaya, the Bhagavad Purana and Vishnu Purana as also Kalidas' immortal play Shakuntala and two volumes on the Theater of the Hindus. Minds spoke to minds across vast distances. Ideas had wings.

GANDHI A TRANSLATOR OF THOREAU

Thoreau's writings produced such a deep impression on Gandhi that he translated portions of his writings in Indian Opinion which was being edited by him in South Africa and which published extracts from Thoreau's works from time to time. When Gandhi was in prison in South Africa, he copied words Thoreau had written of his own prison experience—"I did not feel for a moment confined, and the walls seemed a great waste of stone and mortar." Shri Pyarelal, who was Gandhi's secretary for several years and is his biographer, has pointed out some striking resemblances between Thoreau's and Gandhi's thought and personal traits.

Neither of them was a philosopher living in an ivory tower. But they were both seekers after truth and had an intense, overpowering desire to live according to their own convictions. Nevertheless, there was one fundamental difference between the two men. Thoreau wanted to live by himself according to his own principles while Gandhi became a national leader seeking to apply his principles to social and political problems. Thoreau was an individualist, a philosophical anarchist, if you will. Gandhi sought to develop a social movement on the basis of "conscientious objection."

What appealed principally to Gandhi in Thoreau was the fact that he taught nothing he was not prepared to practice in himself. This was fundamentally Gandhi's own philosophy in action. He was a great leader because he was his own best follower. He never asked anyone to do anything which he himself had either not done or was not prepared to do. He did not believe that there should be any gulf between profession and practice. Gandhi, like Thoreau, was a strict judge of himself. Unlike most of us who are lenient in judging ourselves and charitable in overlooking our own faults and deviations while being meticulous and ruthless in condemning the slightest error of others, Gandhi never spared himself. Rather than pull out the moat from another's eye, he preferred to behold a beam in his own.

Gandhi shared Thoreau's fundamental belief in the dignity of man, the freedom of the individual and the supremacy of conscience. Political philosophers discuss problems of General Will. Politicians being more practical seek to organize public opinion. Only a prophet or an apostle or a martyr can rouse national conscience. Such men were Thoreau and Gandhi. They were not content merely to be the captains of their own souls; they endeavored to initiate and, indeed, heralded a scheme of values, a way of living. Gandhi's whole life even like that of Thoreau was a continuous moral protest against the violation of conscience in any sphere of life. Such men are crusaders on behalf of the still small voice within us.

CONSCIENCE THE ULTIMATE CRITERION

To such men as Gandhi and Thoreau, conscience is the ultimate criterion, the final sanction. But in such a concept, conscience is not caprice, not a stray uncoordinated impulse; it is the instructed moral sense, the profounder rationality which is in harmony with the whole personality. It determines right and wrong, it is the reservoir of moral strength, the final safeguard of moral conduct, a fundamental of life which cannot be surrendered. Every individual is regarded, above all, as a moral being; and the most vital contribution man can make to society is the exercise of his moral faculties. "The only permanent safeguard of democratic government," observed Prof. Harold Laski in his Authority in the Modern State "is that the unchanging and ultimate sanction of intellectual decision should be the conscience." Nevertheless, the one thing which authority, whatever its complexion and form, and whether it be political or religious, tends instinctively to resist and fear is this insistence of conscience. Yet, as Professor Laski has emphasized in his Dangers of Obedience and Other Essays, "no state is ever securely founded save in the conscience of its citizens."

The conscience of Gandhi as of Thoreau was a stern master. It bade such men deny the sovereignty of any authority except that to which it gave sanction, it set a limit to the control which external power could exercise over them. "Physical liberty may be taken from a man," said Bertrand Russell in his Justice in War Time, "but spiritual liberty is his birthright which all the armies and governments of the world are powerless to deprive him of without his cooperation." That, indeed, was the premise on which Thoreau's and Gandhi's schemes of value were based. Their obedience was not servile docility nor their cooperation a passive

acquiescence. The consent of their conscience had always to be won. Their lives were an assertion of what Professor Laski has admirably described in another context as "the supremacy of that last inwardness of the human mind which resists all authority save its own conviction of rectitude."

But Gandhi's conscience was not merely the arbiter of his own life. It shaped for nearly three decades the destiny of a people. He became the moral barometer of our times. He entered politics and suspended his movement, he embarked on fasts and was prepared to lay down his life whenever his conscience revolted. Because the conscience of such men as Gandhi and Thoreau were ever sensitive and alert, there was no moral apathy, no spiritual vacuum in their lives. It was ceaseless questioning, endless wrestling. Nor were people permitted to have an attitude of equanimity. Such men put others on the defensive, they compel others to search their souls. Such men exercise a moral restraint on our selfishness and pettiness and hatreds, they are a moral tonic which braces up a whole people. As Thoreau said, "it is not so important that many should be as good as you, as that there be some absolute goodness somewhere; for that will leaven the whole lump." We cannot, indeed, be indifferent to the subtle and often inscrutable workings of the consciences of such men unless we are indifferent to the true values of life. The conscience of such men, in fine, becomes our mentor and our beacon.

TECHNIQUES OF NONRESISTANCE

From the theory of nonresistance based on the principle of nonviolence, Gandhi developed various techniques such as passive resistance, noncooperation and civil disobedience; in its essence, he called it satyagraha which translated means soul force. What was unique in the political expression he gave to this concept was the scale of the experiment and its objectives. It was the first organized attempt at the application of the principle of nonviolent resistance on a national scale for the attainment of national independence. It constituted a political revolt on the basis of pacific resistance. Although it has been judged as a method of achieving national emancipation, to the historian of the future it would connote a deeper meaning. For it was a mass movement based on a fundamentally individualistic idea, an effort to generate a positive social and political force through individual nonresistance. It embodied an active social principle and was meant to have definite social, political and economic effects. Gandhi evolved this method during his struggle against racial discrimination and humiliation in South Africa. On his return to India, he experimented with it in various fields for redressing the grievances of peasants and agricultural laborers and in fighting for the claims of industrial workers; and, finally, he applied it in the national struggle in India in 1920 and carried it on until 1942. It was this technique of nonviolent resistance as a method of social pressure and change that was Gandhi's supreme contribution to the modern world—a contribution not less vital and creative than that of many social and economic doctrines and philosophies which have influenced the minds and actions of peoples.

It might be asked whether such a doctrine does not contain within it the seeds of anarchy and does not imply a denial of authority without which social organization and collective living are not possible. But if Thoreau's and Gandhi's principles are adequately understood and accepted with their full implications, if conscience makes us neither cowards nor wilful and capricious beings, and if there is the development of a truly moral sense, there is hardly such risk of anarchy. Emerson, in his Essay on Politics, said: "We live in a very low state of the world and pay unwilling tribute to governments founded on force. There is not, among the most religious and instructed men of the most religious and civil nations, a reliance on the moral sentiment and a sufficient belief in the unity of things to persuade them that society can be maintained without artificial restraints * * *. What is strange, too, there never was in any man sufficient faith in the power of rectitude to inspire him with the broad design of renovating the state on the principle of right and love * * *. I do not recall a single human being who has steadily denied the authority of the laws on the simple ground of his own moral nature." Such men are, indeed, the salt of the earth. We are overrun by pinchbeck dictators and demagogic revolutionaries. Authority is usually challenged by those who seek power themselves, not by those who wish to put power to a moral test. Revolutionaries swear by principles which they are the first to sacrifice when they themselves attain power. Ends are forgotten in the clash for power, means are merely maneuvers for personal, party or national aggrandisement. And yet as Thoreau emphasized, "action from principle, the perception and the performance of right * * * is essentially revolutionary." No revolution is fundamental which does not influence the minds and hearts of men and women and does not make them more rational and more humane and induce them to live in greater harmony.

The theory of natural law and natural rights on which the Declaration of Independence of the United States and the system of fundamental rights of many democratic constitutions is based has at its core the doctrine of social contract. This doctrine insists that rulers may exercise only such authority as their subjects may delegate to them; and that the delegated authority, when exercised in a manner contrary to natural law and toward ends inimical to natural rights, may and should be withdrawn and redelegated to other rulers under conditions better calculated to preserve the rights. This theory, no doubt, has been disproved by anthropological research and has its own weaknesses as an interpretation of law and government because it is difficult to define such terms as natural law and natural rights. Natural rights tend to be equated with status quo just as the erratic forces of the market and the stock exchange come to be regarded as natural economic laws. Nature seems to load the dice in favor of those who have as against those who have not. The one sinner against natural progress, in this concept, would be the man who tries to save the lamb from the wolf. Nevertheless, such a theory has an element of value in that it emphasizes the ultimate limitations of authority and the moral worth of the individual. Only in recent weeks has the Supreme Court of the United States sought to redeem Chief Justice Hughes' promise that in the forum of conscience, duty to a moral power higher than the state has always been maintained, and has invoked what John Lord O'Brien called the irresistible moral power exerted by conscience.

"MORE IMPERATIVE THAN EVER"

While force and violence have been steadily replaced by law in municipal and civil life, they are still the accepted instrument of settling differences between countries. But it is evident that civilization has no future unless we can devise a more sensible method of settling differences and resolving conflicts between nations than by destroying one another. After the use of the atomic bomb in Japan, Gandhi said that unless the world now adopted nonviolence, it would spell certain suicide for mankind. The developments of the last 12 years have proved beyond doubt that there is, as President Eisenhower remarked, "no alternative to peace" and that nuclear power itself has largely paralyzed the countries possessing them. Resort to peaceful methods for settlement of disputes, however difficult and unsatisfactory, is infinitely preferable to the present drift wherein blocs armed with H-bombs are ranged against each other. For sooner or later, the truce of fear may be broken and uncontrolled arms race can only lead to conflagration and annihilation. War can no longer achieve even the narrow objectives of diplomacy, it can only destroy indiscriminately all that we prize and hold dear. True security today lies in the effective promotion of peace. In an age of monolithic states, industrial empires, rigid parties and powerful social organizations, the message of men like Thoreau and Gandhi is more imperative than ever. Such men inspire us through the ages to dedicate ourselves to values without which human existence has little significance and meaning.

Mr. HUMPHREY. Mr. President, it is the custom of the Thoreau Society annually to hear also a paper on some special aspect of Thoreau by its president. This year's presidential paper, prepared by a conservationist whom many of us here know as the executive secretary of the Wilderness Society and the editor of the Living Wilderness, was entitled "Thoreau and the Preservation of Wildness." It has proved to be a particularly timely as well as a significant discussion. It not only has a national bearing on the present concern with wilderness preservation and conservation as centered in the wilderness preservation bill (S. 1176) but it also proved to be pertinent to Concord itself, where special problems have arisen in the preservation of the natural values of Walden Pond and its surrounding woods.

Concluding his address with a report of a resolution on this issue as adopted by the society's executive committee the night before, Dr. Zahniser later appointed a committee with a title suggested by Thoreau in his journal in 1861—a committee to see that the beauty of the town receives no detriment.

This committee in cooperation with Concord and other members of the society's executive committee, has pursued its duties so effectively that the concern with Walden's preservation has been reported in the New York Times, the Boston Globe, the Boston Herald, the Christian Science Monitor, the Haverhill Gazette, and other papers as well as in the Concord Journal. Radio and television features have been broadcast.

Once again our American concern with the preservation of some areas of natural beauty has been expressed, and once again the threat of our civilization to all such areas has been illustrated. I ask unanimous consent that Dr. Zahniser's address be printed in the RECORD at this point.

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

THOREAU AND THE PRESERVATION OF WILDNESS

(Remarks by Howard Zahniser, executive secretary and editor of the Wilderness Society, made as president of the Thoreau Society at its annual meeting held in the First Parish Church in Concord, Mass., July 13, 1957)

Second-century Thoreauvians, who for the past 12 years have been celebrating a series

of centennials, can look upon 1957 as the 100th anniversary of a most interesting and significant year in the life and works of Thoreau. Among the many provocative delights, rhapsodies, poignant reflections, and observations on the men and women, the seasons, the outdoors, and the living creatures with whom Thoreau shared his year of 1857, and of whom he wrote in his Journal, none has carried deeper meaning through this century and into our own times than those that are concerned with the preservation of wildness.

As Thoreau entered 1857, in the midst of his own 40th year, he was surveying the Lee farm, and on January 4 he wrote into his Journal:

"After spending 4 or 5 days surveying and drawing a plan incessantly, I especially feel the necessity of putting myself in communication with nature again, to recover my tone, to withdraw out of the wearying and unprofitable world of affairs. The things I have been doing," he wrote, "have but a fleeting and accidental importance, however much men are immersed in them, and yield very little valuable fruit. I would fain have been wading through the woods and fields and conversing with the sane snow. Having waded in the very shallowest streams of time, I would now bathe my temples in eternity. I wish again to participate in the serenity of nature, to share the happiness of the river and the woods. I thus from time to time break off my connection with eternal truths and go with the shallow stream of human affairs, grinding at the mill of the Philistines; but, when my task is done, with never-failing confidence I devote myself to the infinite again."

Walking over Goose Pond on the last day in the year, Thoreau thought that he saw "an old glove on the ice or slosh, but, approaching, found it to be a bullfrog." Touching it, as he records in his Journal for December 31, 1857, he found it to be alive, though it could only partially open its eyes. It hung motionless and flimsy like a rag in his hands. Thoreau "looked round a good while and finally found a hole to put it into, squeezing it through," thus in compassion for a bullfrog closing the year that he had begun in devotion to the infinite.

"THE MOST AGREEABLE THING I DO"

When this year of 1857 was a week old and Thoreau was going through the woods along the side of the Well Meadow Field he reflected that, "There is nothing so sanative, so poetic, as a walk in the woods and fields even now, when I meet none abroad for pleasure. Nothing so inspires me and excites such serene and profitable thought." It was from this January 7, 1857, entry that Bradford Torrey, who edited the entire Journal, chose quotations to exemplify the attitudes of which he wrote in his own essay entitled "Thoreau's Demand on Nature."

"I wish to know something; I wish to be made better," Thoreau wrote on this day. "I wish to forget, a considerable part of every day, all mean, narrow, trivial men * * * and therefore I come out to these solitudes, where the problem of existence is simplified. I get away a mile or two from the town into the stillness and the solitude of nature, with rocks, trees, weeds, snow about me. * * * This stillness, solitude, wildness of nature is a kind of thoroughwort, or boneset, to my intellect. This is what I go out to seek. * * * I am aware that most of my neighbors would think it a hardship to be compelled to linger here 1 hour, especially this bleak day (January 7, 1857), and yet I receive this sweet and ineffable compensation for it. It is the most agreeable thing I do."

Thoreau concluded that day that he would not be ashamed to have a shrub oak for his coat-of-arms. A month and a day later, he declared to his Journal: "I would rather hear a single shrub oak leaf at the end of a wintry glade rustle of its own accord at my approach than receive a shipload of stars and garters from the strange kings and peoples of the earth." It was my medicinal fate on June 3, 1957, during a presidential year's rereading of these Journals, to come upon this declaration in the early morning hours of a commencement day when my alma mater had elected to risk on me an honorary degree. I read no more that day but had fresh occasion to reflect on the therapeutic, or prophylactic, or corrective values that there are in these writings of Thoreau.

THE HUMAN VALUES OF WILDNESS

Thoreau's therapy or prophylaxis is directly derived from his experiences in the wild.

In reviewing a group of Thoreau books, about 10 years ago, I wondered "if the greatest enduring significance of Thoreau may not be in his apprehension of the human values of wildness." I suggested then that "this is probably most concretely illustrated in the Chesuncook narrative in The Maine Woods, most affirmatively stated in the essay on Walking."

When I first felt the challenge of tdoay's occasion I resolved to pursue this probability, this wonder, and I am still doing so. Having reread the Journal, The Maine Woods, Walden, and Walking, and having reviewed my notations in all the other works, I have been rewarded with a sense of having spent most profitably so much of the past year's reading time. My hypothesis has indeed survived its scrutiny, and although my demonstration is not final, that is only because there are still some notes to ponder more, some collateral reading still to be done. The distracting charm of the aptness, for this purpose, of Thoreau's Journal for the year of our present centennial, has had something to do with my procrastination of argument, I am sure.

"Sympathy with nature," wrote Thoreau on November 18, 1857, "is an evidence of perfect health," as we were about to note when this digression began. A couple of days later he recorded, "Here I have been these 40 years learning the language of these fields that I may the better express myself." He derived much of his message and its language from the wild. "A great part of our troubles," he reflected on April 26 in this year, "are literally domestic or originate in the house and from living indoors."

Thoreau's perceptions regarding the values of wildness did not, of course, begin in 1857. In the Sunday chapter of A Week on the Concord and Merrimack Rivers, his first book, he confessed, "There is in my nature, methinks, a singular yearning toward all wildness." In the Monday chapter of the Week he declared also that "the wilderness is near, as well as dear, to every man," and "our lives need the relief of such a background where the pine flourishes and the jay still screams." His comment in Walden's closing pages is among his best known texts:

"Our village life would stagnate if it were not for the unexplored forests and meadows which surround it. We need the tonic of wildness—to wade sometimes in marshes where the bittern and the meadow-hen lurk, and hear the booming of the snipe; to smell the whispering sedge where only some wilder and more solitary fowl builds her nest and the mink crawls with its belly close to the ground. At the same time that we are earnest to explore and learn all things, we require that all things be mysterious and unexplorable, that land and sea be infinitely wild, unsurveyed and unfathomed by us because unfathomable. We can never have enough of nature. We must be refreshed by the sight of inexhaustible vigor, vast and titanic features, the seacoast with its wrecks, the wilderness with its living and its decaying trees, the thundercloud, and the rain which lasts 3 weeks and produces freshets. We need to witness our own limits transgressed, and some life pasturing freely where we never wander."

In 1846 Thoreau left his Life in the Woods at Walden for a 2-weeks trip into the wilderness of Ktaadn. He wrote of his experiences there in an account that ran serially through five issues of the Union magazine for 1848. Another wilderness trip to Maine that he made in 1853 he described under the title "Chesuncook" in the May, June, and July issues of the Atlantic Monthly for 1858—articles on which indeed he may have been working in our year of 1857. A final trip to "the wilds of Maine" he did make in 1857. Less than a month after his return from a 10-day mid-June trip to Cape Cod he started on his "third excursion to the Maine woods Monday, July 20, 1857." From this trip he returned on August 8. Its account is in the third chapter, The Allegash and East Branch, first published in the 1864 posthumous volume entitled "The Maine Woods"—so rich a volume in wilderness descriptions, evaluations, and expostulations that no one who is interested in or cherishes the wilderness should venture to start quoting from it at this late hour in the forenoon.

THOREAU'S ESSAY ON "WALKING"

What I have taken to be Thoreau's most affirmative statement of his sense of the value of wilderness was also first published posthumously—in the Atlantic Monthly for June 1862, poignantly soon after his death, on May 6, 1862—and later collected in the 1863 volume entitled "Excursions." This was the essay on Walking. This essay and Wild Apples Henry Seidel Canby said "have gone round the world" and next to Walden "have been probably the best read of Thoreau's works." Thoreau read it as a lecture in Worcester, Mass., on February 13, 1857, and in advance correspondence regarding this occasion gave it a significant subtitle, calling it Walking, or the Wild.

It had been written half a dozen years earlier in sentences and paragraphs that spread excitement and delight at its apprehensions and its felicities of expression through Journal readings for 1850, 1851, and 1852. Thoreau was never able to construct the book that would best communicate his vision of what wilderness means to civilized man, but in this essay on Walking, or the Wild he did prepare what I believe might well be its synopsis and he did write its text: "In wildness is the preservation of the world."

"What I have been preparing to say," wrote Thoreau, "is, that in wildness is the preservation of the world." He confessed, "I do not know where to find in any literature, ancient or modern, any account which contents me of that nature with which even I am acquainted." Less than 2 months before death ended his last lingering weakening illness, in a letter that I take to be his last, he dictated "if I were to live, I should have much to report on natural history generally." It would be an ineffable benefit, of course, to have this unheard report. It would also be unthinkably inspiring if we could go back a hundred years last February to Worcester, to hear the word that Thoreau did "speak for nature, for absolute freedom and wildness," regarding man "as an inhabitant, or a part and parcel of nature"—as indeed he is.

"Hope and the future for me are not in lawns and cultivated fields, not in towns and cities, but in the impervious and quaking swamps."

"From the forest and wilderness come the tonics and barks which brace mankind."

"Life consists with wildness."

PRESERVING WILD AREAS

When we think of Thoreau and the preservation of wildness, however, we think not only of the preservative qualities that wildness has for us, but also of the preservation by ourselves of wildness and of areas of the

earth that still are and may still remain wild and untrammeled. For Thoreau not only perceived that in wildness is the preservation of man but also that in man are the possibility and hope for preserving the wilds, what he once (August 30, 1856) called "little oases of wildness in the desert of our civilization."

Noting on April 11 in our year of 1857 how fishes are driven out by man's so-called *improvements*—a word that Thoreau himself, italicized—he recorded, "I can hardly imagine a greater change than this produced by the influence of man in nature." When he climbed the Chesterfield Mountain in September 9, 1856, he declared, "This town will be convicted of folly if they ever permit this mountain to be laid bare."

In his Journal for October 15, 1859, Thoreau recommended a primitive forest for every town.

"Each town," he wrote, "should have a park, or rather a primitive forest, of 500 or a 1,000 acres, where a stick should never be cut for fuel, a common possession forever, for instruction and recreation. We hear of cow-commons and ministerial lots, but we want men-commons and lay lots, inalienable forever. Let us keep the New World new, preserve all the advantages of living in the country. There is meadow and pasture and woodlot for the town's poor. Why not a forest and huckleberry field for the town's rich? All Walden Wood might have been preserved for our park forever, with Walden in its midst, and the Easterbrooks Country, an unoccupied area of some 4 square miles, might have been our huckleberry field. If any owners of these tracts are about to leave the world without natural heirs who need or deserve to be specifically remembered, they will do wisely to abandon their possession to all, and not will them to some individual who perhaps has enough already. As some give to Harvard College or another institution, why might not another give a forest or a huckleberry field to Concord? A town is an institution which deserves to be remembered. We boast of our system of education, but why stop at schoolmasters and schoolhouses? We are all schoolmasters, and our schoolhouse is the universe. To attend chiefly to the desk or schoolhouse while we neglect the scenery in which it is placed is absurd. If we do not look out we shall find our fine schoolhouse standing in a cow yard at last."

This paragraph in Thoreau's Journal, with its imaginative proposal for a township primitive area and its suggestive appeal for public-spirited bequests, so far as I know, remained unpublished until 1906. So likewise I presume did a suggestion that Thoreau made to his Journal on January 3, 1861, for a committee "to see that the beauty of the town received no detriment." He advocated that "precious natural objects of rare beauty should belong to the public." On this day asking himself, "What are the natural features which make a township handsome" he answered, and commented:

"A river, with its waterfalls and meadows, a lake, a hill, a cliff or individual rocks, a forest, and ancient trees standing singly. Such things are beautiful; they have a high use which dollars and cents never represent. If the inhabitants of a town were wise, they would seek to preserve these things, though at a considerable expense; for such things educate far more than any hired teachers or preachers, or any at present recognized system of school education."

Henry Seidel Canby included this latter plea in his one-volume selection of The Works of Thoreau published in 1937. Edwin Way Teale quoted the October 15, 1859, Journal comment in the introduction to the higher laws chapter of the Walden edition that Mr. Teale edited in 1946. What their influence has been one can only speculate, but they do indeed reveal Thoreau.

As to the preservation of the larger tracts of parks and wilderness—the areas that have become a characteristic American institution—we can ascribe with confidence a considerable influence to Thoreau. This is in part due to the inspiration of Thoreau's comments in Walden, Walking, The Maine Woods, and elsewhere for the minds of men and women who through the past century have worked for conservation, including the preservation of areas of wilderness. Our confidence in ascribing this influence, like the influence itself, also is due to the fact that in The Maine Woods Thoreau did speak out for the establishment of preserves, he was published, and he was read. He still is, and he still speaks.

Advocating in the Congress of the United States a bill to establish a national wilderness preservation system, the Honorable JOHN P. SAYLOR, of Pennsylvania, last year declared:

"So far as I know the first one to write a plea for wilderness preservation was Henry David Thoreau."

Representative SAYLOR then spoke in details that may well conclude these present remarks. He said:

"Thoreau, whose world-classic volume called Walden had its setting in the wild lands around Concord, Mass., urged in that volume:

" 'We Need the Tonic of Wildness.'

"That book was published more than a century ago, in 1854. Four years later, in 1858, Thoreau wrote in the Atlantic Monthly about a trip he had made to the wilderness of northern Maine in 1853, and he ended this article with an earnest plea for preservation. In 1864 this article, Chesuncook, was included in Thoreau's posthumous volume entitled "The Maine Woods."

" 'The kings of England formerly had their forests to hold the king's game,' Thoreau remarked. 'I think they were impelled by a true instinct,' he commented. And then he asked:

" 'Why should not we, who have renounced the king's authority, have our national preserves, * * * in which the bear and panther, and some even of the hunter race, may still exist, and not be civilized off the face of the earth—our forests, not to hold the king's game merely, but to hold and preserve the king himself also, the lord of creation—not for idle sport or food, but for inspiration and our own true recreation?' "

A MEASURE OF THOREAU'S INFLUENCE

These remarks by Congressman JOHN P. SAYLOR in our National House of Representatives, advocating wilderness preservation legislation that has since been advancing steadily and in spite of some opposition, I take to be something of a measure of the influence of Henry Thoreau for the preservation of wildness. And although quite by coincidence, unnoticed until some time afterward, there was surely a peculiar appropriateness in the fact that this significant address by Representative SAYLOR, entitled "Saving America's Wilderness," was presented on July 12, 1956, the 100th anniversary of the day when Thoreau entered his 40th year, the conclusion of which we have observed in this our own centennial.

* * * * *

It seems particularly fitting that we should thus have been discussing Thoreau and the preservation of wildness at a time when the preservation of the remaining wildness of Walden itself has unexpectedly become a matter of issue. I accordingly consider it appropriate that I should, at the conclusion of this paper, report to you the following resolution unanimously adopted here in Concord, Mass., last night, July 12, 1957, the anniversary of the birth of Henry David Thoreau, by the officers and executive committee of this society:

"The officers and members of the executive committee of the Thoreau Society, convening for the society's 1957 annual meeting, have visited Walden Pond and have noted with deep concern the drastic changes recently made in the woodland shores of the pond, and have also recalled that in giving the land around Walden to the Commonwealth in 1922, the members of the Forbes and Emerson families stated in their deeds that it was 'the sole and exclusive purpose of the conveyance to aid the Commonwealth in preserving the Walden of Emerson and Thoreau, its shores and woodlands, for the public who wish to enjoy the pond, the woods, and nature.'

"Realizing that this purpose requires the most careful cherishing of the natural features of the area and the most deliberate and well-considered planning and administration of the area's services for the public, the officers and executive committee members of the society have voted to urge such policies upon the public officials charged with the custody of Walden Pond and express an eagerness to cooperate in every way possible with these officials for the preservation and best use of Walden, its shores, and woodlands."

Mr. HUMPHREY. Mr. President, finally, our understanding of the resolution here referred to and included in Dr. Zahniser's address will be enhanced, I am sure, by an article in the July 21, 1957, issue of the New York Times entitled "A Battle Rages at Walden Pond." I ask unanimous consent that the article be printed in the RECORD as a conclusion of these remarks.

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

A BATTLE RAGES AT WALDEN POND—THOREAU SOCIETY PROTESTS BULLDOZERS CARVING OUT A NEW BEACH THERE

(By John H. Fenton)

CONCORD, MASS., July 20.—Citizens of this village, whose ancestors fought battles for political independence, are girding for a new fight to protect a shrine of cultural independence. The shrine, in a sylvan setting is Walden Pond, immortalized in literature by Henry David Thoreau.

On the 69th anniversary of the signing of the Declaration of Independence, July 4, 1845, Thoreau began a 2-year experiment of living a life reduced to its essentials among the glades around Walden Pond.

In Walden, or Life in the Woods, a collection of philosophical observations, Thoreau wrote:

"While men believe in the infinite, some ponds will be thought to be bottomless."

He also wrote:

"There are a thousand hacking at the branches of evil to one who is striking at the root."

BULLDOZERS AT WORK

Those words were recalled as bulldozers, uprooting trees to create a new beach at Walden, have aroused members of the Thoreau Society of Concord against what they term a desecration of the spot. Moreover, even the contour of the pond is being changed, they have charged.

The bulldozers were sent in by the Middlesex County commissioners as part of a $50,000 project to restore the reservation. The commissioners are an elected body of three men who function as a supergovernment for the several communities within the county.

Under the terms of an agreement by which Walden became a public reservation in 1922, the commissioners were made the official overseers. The gift was made possible by the Emerson, Forbes, and Heywood families of Concord.

The Thoreau Society members hold that the commissioners have failed to preserve the Walden of Emerson and Thoreau, its shores

and woodlands, as specified in the gift agreement.

COMMISSIONER DISSENTS

But Thomas B. Brennan, chairman of the county commissioners, disagrees. He, too, is a muser in Walden.

"Often, when I have a problem, I go to Walden, taking a couple of my pipes to puff on while I stroll through the woods," he said today. "And when I come out my problem is usually solved."

Walden Pond covers 64 of a total of about 140 acres of an oak-and-pine-shaded plot near the junction of State routes 2 and 126. Part of it borders on the town of Lincoln.

As a literary shrine, it has been visited by thousands of students on annual pilgrimages. A stone cairn off one of the wooded paths marks the site of the shack in which Thoreau lived during his self-imposed solitude.

With the rapid movement of population into the suburbs, Walden has become increasingly popular as a summer bathing resort. A bathhouse and diving pier have been there for more than 20 years. Boating is limited to oared vessels.

In the interests of water safety, the Concord Red Cross chapter asked if a separate area might be provided for the instruction of children. Classes are held for several weeks in the early summer.

The stretch of shore chosen, near the general bathing area, is at the bottom of a steep bank. In order to provide access for service trucks and possibly an ambulance, the commissioners had an N-shaped road bulldozed through the woods from route 126.

That was when a committee to save Walden was formed last week. The prime movers were Mrs. Herbert Buttrick Hosmer, vice president of the Thoreau Society; Mrs. Caleb Wheeler, news editor of the Concord Journal, a weekly newspaper, and John E. Nickols, an architect.

They have retained Frederick G. Fisher, Jr., a Boston lawyer, to represent them in any possible legal action, such as a petition for a restraining order to prevent further work on the project.

Mr. Fisher has been granted a hearing before the county commissioners on Monday at 1 p. m.

Commissioner Brennan has given assurance that trees would be replaced and sod and grass seed used to cover up what he acknowledged was a raw-looking cut in the woods.

It is the sort of a situation that may have counterparts elsewhere, but rarely with the historic overtones that are heard in New England. A somewhat similar situation prompted the State department of public works to rebuild the Revolutionary battle bridge at Concord with wood instead of reinforced concrete.

PROBLEMS AFFECTING THE INDIANS

Mr. LANGER. Mr. President, I ask unanimous consent that an editorial appearing in the Devils Lake (N. Dak.) Journal of July 26, 1957, dealing with the problem of law and order at the Fort Totten Indian Reservation in Benson County, N. Dak., be printed in the RECORD following my remarks.

Mr. President, I had the privilege of conducting a series of hearings on problems affecting Indians throughout the United States, the solution of which would give the Indians and their youth a better way of life.

The problem of law and order at the Fort Totten Indian Reservation in Benson County, N. Dak., was brought to our attention during the course of the hearings and, after a hearing with North Dakota State officials and officials of the Interior Department and Bureau of Indian Affairs, the Bureau of Indian Affairs agreed to send peace officials and a judge to Benson County to improve conditions with respect to law and order in that area.

I am happy to see from this editorial that progress has been made.

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

AGENCY POLICING IMPROVES

Since the Bureau of Indian Affairs has assigned policemen to the Fort Totten Indian Reservation, policing of that area apparently has become less of a problem.

For a while confusion resulted because of the refusal of Benson County to continue providing law enforcement for the reservation, except on lands owned by white persons and thus subject to taxation.

The problem in Benson County is the same as other North Dakota counties which have Indian lands within their borders. While the Federal Government would like county officials to enforce law and order, counties feel that without revenue from the Indian land, they are unable to provide such service.

For years Benson County provided law enforcement services for Fort Totten Indians, but later balked by making a test case of an Indian arrested on Indian land. The Supreme Court ruled that Benson County and the State of North Dakota were not responsible for law enforcement on reservations.

There followed a period in which the Fort Totten area actually was somewhat of a no-man's land with the Bureau of Indian Affairs reluctant to take over. Finally the Federal Government, perhaps realizing that it had responsibility for Indians as Federal wards, stepped in to appoint a tribal judge and policemen.

While there has been some dissatisfaction over the method of selecting the judge, law-enforcement officers at Fort Totten apparently have satisfied the Fort Totten Indians. Well paid and at least part Indian themselves, they appear to be doing a good job.

It may not be the most economical way to handle the problem of law enforcement, but it is the only way it can be done until changes are made in the law.

North Dakota refused to approve a measure which would have enabled the State to take over jurisdiction from the Indians, under certain conditions. Another attempt will probably be made in a subsequent election and until the people give their consent, there's not much more for the State to do.

If counties were reimbursed by the Federal Government for their work in law enforcement, most of them would probably consent to policing all of the land within their boundaries. In the long run, it would probably be less costly to have one jurisdiction handle all of the work.

Generally North Dakotans are afraid that if the Federal Government hands the Indian problem as regarding law enforcement to them, they will be saddled with it, while actually it is not a State problem at all.

In categories other than law enforcement, there is a great deal of squabbling over responsibilities particularly for such programs as child welfare.

While the bickering continues, the Indian problem becomes more complex. At least Fort Totten Indians now have a workable system of law enforcement and to tamper with it might create new problems rather than solve present ones.

LOANS OR GRANTS TO INDIANS

Mr. LANGER. Mr. President, at the beginning of the present session I introduced S. 809. The subcommittee considering the bill has held only one hearing on it, and has not reported the bill. It has done nothing about it. Our Government has been in charge of the Indians since 1824, and today the Indians are in worse condition than they were at the time the Bureau of Indian Affairs was established. I have prepared a statement on the bill, and I also have a statement which I had prepared for presentation to the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs. I ask unanimous consent that both statements be printed in the body of the RECORD.

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

STATEMENT BY SENATOR LANGER

Pending before the Senate Subcommittee on Indian Affairs, of the Interior Committee, is a bill, S. 809, which I introduced and which was cosponsored by 20 United States Senators.

This bill will provide for loans or grants to Indian tribes or to Indians who are in a position of aiding industry to come in or near an Indian reservation resulting in job opportunities for the Indian people who today suffer because of the lack of adequate annual income to properly support themselves and their families.

Not only will the Indian community benefit but also the immediate surrounding non-Indian community.

A chart put out by the United States Chamber of Commerce shows that if a new plant should come into an area employing 100 persons, it will require an additional 185 new employees to provide the necessary services to the newly employed 100 persons in the plant.

I had the privilege, with the Congressional delegation of North Dakota and State officials from the State of North Dakota, in inducing the Bulova watch people to inaugurate a jewel-bearing plant at Rolla, N. Dak., which employs 150 Indians. Since that time seven other plants, in or near reservations in various parts of the country, have been established through the excellent work of the Bureau of Indian Affairs under Commissioner Emmons.

The purpose of this bill, S. 809, is to establish, we hope, 100 such plants in or near reservations in order to provide additional opportunities to gain employment for Indians and thereby help themselves and their community.

Taking the Rolla jewel-bearing plant as an example, if we had 100 such plants throughout the United States, it would add $50 million a year in salaries to our American Indians and this would be $50 million in salaries that would otherwise not be available to the Indians as a source of income. It takes not too much argument to influence anyone that through gainful employment the Indian not only will properly care for his family but will place him and his community in a position that many of the services provided by the Bureau of Indian Affairs and other governmental agencies and by State agencies would be lessened to a great degree and the Indians would be in a better position to care for their needs.

I would like to reiterate that I have received letters from all over the country, from Indians and non-Indians, urging the passage of this most important bill which will not burden the United States Treasury since most of the loans will be repayable

but, in turn, will provide a source of income to our Indian friends.

I hope we follow the good judgment of these people who have written me and have this important bill reported out of the committee and brought before the floor for immediate passage.

STATEMENT BY SENATOR LANGER IN SUPPORT OF S. 809

Mr. Chairman, inasmuch as I am at the Bethesda Naval Hospital for treatment, I am submitting to you, and the entire Indian Affairs Subcommittee of the Committee on Interior and Insular Affairs of the United States Senate, this statement in support of S. 809, through a member of my staff.

In my opinion, this bill is one of the most significant and forward-looking bills on Indian affairs that has come before the Congress of the United States. I want to say at the outset that, although I introduced this bill, I was joined by 20 United States Senators in its introduction—all of whom are vitally concerned with the future of the American Indian. These gentlemen who are cosponsoring this bill with me come from States where there are Indian reservations, and they are well aware of the plight of the American Indian and the many problems with which he is faced.

This bill is a simple bill. It provides for $200 million to be used as a fund for grants or loans to encourage industry in areas in or near Indian reservations.

Let us reflect. Testimony before the Congress of the United States and its committees and subcommittees, and before the Bureau of Indian Affairs in its many conferences around the country has revealed over and over again one very significant factor. That significant factor is that the Indian people do not have the opportunity to obtain sufficient employment to properly care for themselves and their families. The Subcommittee to Investigate Juvenile Delinquency of the United States, under the chairmanship of Senators ROBERT C. HENDRICKSON, Republican, of New Jersey, and ESTES KEFAUVER, Democrat, of Tennessee, designated me as acting chairman to conduct hearings on Indian reservations throughout the United States. The subcommittee sent questionnaires to public officials and Indian leaders in all areas where Indian reservations were located. We conducted hearings and participated in conferences reaching the Indian population in all parts of the country. In these hearings, we heard testimony from governors, attorneys general, judges, United States attorneys, and heads of the departments of health, education, and welfare of their respective States. We also heard from Federal officials dealing with matters of Indian lands, loans to Indian ranch and farm properties. Also appearing before the subcommittee were various Federal, State, and local public officials, church and civic leaders, and representatives of organizations interested in the welfare of the American Indian. Lastly, and most important, we heard from tribal officials and Indian citizens. Among the very pertinent testimony that was submitted to the subcommittee was the significant fact that the Indian could not obtain gainful employment to support his family.

In the report by the juvenile delinquency subcommittee to the Senate (p. 60, Appendix 6) the annual average income of Indian families is indicated. These figures were obtained from answers to questionnaires submitted to the House of Representatives during the 82d Congress, 2d session, under House Report 2503.

Can you imagine an entire family—and most of them, according to the record, are large—receiving an annual income of $500. According to the figures in the subcommittee's report the annual income for Indian families on the Standing Rock Indian Reservation in North Dakota is $500; at the Port Madison Reservation in the State of Washington the annual income is $800; at the Pueblo Reservation in New Mexico the figure is $750; $750 at the San Carlos Reservation, Ariz.; and the figure is $775 at the Choctaw Reservation, Miss. At that time, on the Navaho Reservation in New Mexico, the average income per family was $300. Can we expect any family in the United States to maintain a decent standard of living on an annual income of $300 or even $800. Then, what has been the principal reason for the low incomes? The major answer is the inability of the American Indian to obtain gainful employment. I could belabor this point for hours, Mr. Chairman, but these facts are only too well known to you and to the members of this subcommittee.

On behalf of the Juvenile Delinquency Subcommittee, I authorized Peter Chumbris, the associate counsel of the subcommittee, to attend a 10-day conference at Dallas, Tex. At that conference, 120 leaders representing 40 Indian tribes in the States of Oklahoma, Kansas, Nebraska, and Mississippi were called together by Commissioner Glenn L. Emmons to discuss the many and varied problems affecting the Indian people in those respective areas. Mr. Chumbris reported to me and the subcommittee that the most repeated demand by the Indian leaders was that the Indian people expressed the desire to obtain stable and gainful employment so that they might become a self-sustaining people, and not depend any more than necessary on the services accorded by the Federal and State Governments.

Mr. Chairman, they further stated, the only way that desire can be fulfilled would be to encourage industry to go in or near Indian reservations, for as most of us know there is not now sufficient industry to provide jobs for the Indian people in the areas of the Indian reservations throughout the United States.

The statements given at the Dallas conference, regarding the need for industry to be brought to or near Indian reservations, were heard repeatedly by Commissioner Emmons on his tour through the country conducting similar conferences as the one held in Dallas.

Mr. Chairman, I had the privilege of working with State officials of North Dakota and the Congressional delegation from the State of North Dakota in encouraging the Bulova watch people to inaugurate a program of employing Indian people exclusively through the opening of the jewel-bearing plant at Rolla. The success of this plant was a great milestone in the encouragement of industry in or near Indian reservations. The Indian Bureau has worked diligently in following such a plan and today there are plants employing exclusively Indian labor located at Gallup and Zuni, N. Mex.; Flagstaff and Casa Grande, Ariz.; Cherokee, N. C., and Lamb Deer, Mont. Plants to be established in Oklahoma, Wyoming, South Dakota, and on the McNary site near the border of the States of Washington, Oregon, and Idaho, are under consideration. The threat of closing the jewel bearing plant on December 31, 1956, by the Defense Department, started a chain reaction which was heard throughout the United States. Indian leaders as well as public officials and interested Indian organizations contacted Senators and Congressmen and the Bureau of Indian Affairs in a plea to prevent the closing of the first plant that exclusively hired Indian people. They feared it would have an adverse effect on the expansion of a program to bring industry to or near Indian reservations, and I do believe they were so correct in their thinking.

The threat led to a conference held in my office on January 7, 1957, attended by Senators, or their representatives, from 11 States. A memorandum of that meeting will be submitted to you as an exhibit.

The most important thing coming out of that meeting was the approval of a proposed bill to be submitted to the Senate to encourage a program of instituting industry in or near as many Indian reservations in the United States as found feasible. Accordingly S. 809 was prepared to carry out that plan.

Mr. Chairman, there is so much that can be said in support of this bill that it is impossible to do so in the 2 hours that have been allocated to the witnesses who desire to appear. I have received numerous resolutions from State legislatures, from chambers of commerce, and from many Indian tribes throughout the United States urging, very strongly, the passage of this legislation. For instance, an Indian leader, Alfred Smith from North Dakota, writes, "the Senate bill 809 which honorable Senators propose for the United States Indian would be the greatest help for the United States Indian ever received from the Government. We sincerely hope that our honorable representatives will agree with S. 809 and help us poor Indians."

The Indian affairs committee of the Anadarko Chamber of Commerce of Anadarko, Okla., sent a letter to the Oklahoma delegation and a copy to me of their position on S. 809 which is as follows: "In our opinion legislation of this type should have been enacted many years ago. The Indians, as we know them, have been and are a mistreated race. We as citizens and our Government have failed through the years to provide proper ways to help the Indian to be the kind of citizen that he should be. Money could not be spent for a better use or service than to find a way to develop within the reach of Indian labor so that the Indian could have the opportunity to earn an independent living. By these methods he would ultimately become an independent citizen and be able to compete with his neighbors and find a proper place in society. We recognize the unfortunate situation of the Indian here in Anadarko perhaps better than any other community in the country. There are thousands of Indians in this area that would make excellent workers or employees in most any kind of industry. Such a move would not only help the Indians individually but would assist immeasurably in improving the social and economic situation in the community where they live." The above quotation points out the fact that Indians make excellent workers in most any kind of industry. This has been proven time and time again in North Dakota where the State employment department has testified before our subcommittee that the employers throughout the State have stated that the Indians have proven themselves as capable workers and maintain an excellent average daily attendance on the job. As an illustration, at the jewel-bearing plant at Rolla, N. Dak., there was only 3 percent turnover whereas in a similar industry in the New England area there was 100 percent turnover among the employees.

This year, as in the past, the Congress will appropriate billions of dollars to take care of people outside of the United States of America. It is therefore incumbent upon the Congress of the United States to encourage a higher standard of living and the right and ability to obtain decent employment for all American Indians in this country. This is so, not only because it is our duty to people who are citizens of our great country, but because of the impact that it will have on peoples in foreign lands.

An official of a country in the continent of Asia told one of our prominent Americans, "How do you expect the solve the plight of the many people in depressed areas around the world, when you cannot solve the plight of the few hundred thousand Indians in your own country."

To be practical, let's examine closely what impact our industrial plants will have on or near our Indian reservations. For ex-

ample, the jewel-bearing plant at Rolla, N. Dak., now employs 150 Indians who previously had no opportunity for gainful employment. This means over a half million dollars a year will be earned by those 150 Indians which will place that money into circulation in that area. Not only will it aid the Indians but it will also stimulate business with the non-Indians who service the needs of the Indians in that area. This pattern will follow in every area where there is inaugurated industry on or near Indian reservations throughout the United States.

Since there are now seven such industries established in or near Indian reservations, it means over $3 million earned by Indians would be placed in circulation in their respective areas which normally would not have been earned by those particular people. So if there are a hundred such industries inaugurated on or near Indian reservations in the United States it would mean $50 million earned by American Indians and placed in circulation in their respective areas which heretofore was unavailable to the American Indians.

Does that not appear to be good business? Particularly, would not the non-Indian as well as the Indian in those localities be benefited? Bear in mind that the funds that S. 809 will establish will be grants and loans so that the loans that are granted to induce industry to come in or near Indian reservations will be repaid just like any other loan.

One of the significant changes in the Government's policy toward the American Indian in recent years was the establishment of the relocation program where the Bureau of Indian affairs has aided those Indians living on Indian reservations who desire to obtain employment in the cities of Chicago, San Francisco, and Los Angeles. The purpose of this program was to help those American Indians who saw a greater future in the large city rather than remaining on the Indian reservation. However noble this program may be, it has not been able to alleviate the serious shortage of job opportunites to the Indians who remain on the reservation. The relocation program has unable to absorb the vast number of Indians living on the reservation who are unable to obtain gainful employment.

Another significant factor to be considered is, because of the inability of the Indians to find gainful employment near their home, it has become necessary for them to travel hundreds of miles away from their homes and families to obtain jobs, and in most instances, these jobs are of temporary nature. This procedure has led to many serious problems of Indian family life and in numerous instances has resulted in women and children being technically deserted and being forced to live on various forms of Federal and State relief which runs into millions of dollars. All of this could very easily be avoided if job opportunities were available to the American Indian near his home on the reservation.

Approximately 30 percent of those Indians who have taken advantage of the relocation program have deserted their jobs and returned to the Indian reservation for varying reasons. Those of the returning relocated Indians who would be capable of obtaining gainful employment find no such job opportunities on or near the Indian reservation. Therefore, the $200 million or so much of it as is necessary to provide loans and grants to encourage industry on or near Indian reservations, will help in rectifying this problem also.

As has been stated previously, the more glaring problems affecting the American Indian are his health, welfare, and education needs. We have learned from previous experience, when certain groups among us have improved in their financial standard of living, their problems of health, welfare, and education have lessened. This principle will also apply to the American Indian. Give him a better standard of living and he will be in a position to request less aid for health, welfare, and education needs. I quote again from the Indian leader, "the Indian people express the desire to obtain stable and gainful employment so that they might become a self-sustaining people and not depend any more than necessary on the services accorded by the Federal and State governments."

In closing I most strongly urge this valuable legislation by the committee of the passage by the Senate and the Congress of the United States of S. 809.

NOMINATION OF DON PAARLBERG TO BE AN ASSISTANT SECRETARY OF AGRICULTURE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received from the National Farmers Union concerning the Paarlberg nomination.

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

DENVER, COLO., *August 12, 1957.*

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

Speaking for the members of National Farmers Union, I urge you to vote against confirming the appointment of Donald Paarlberg as Assistant Secretary of Agriculture. By his statements during the past 10 years Mr. Paarlberg has shown clearly that he is not in favor of most of the farm programs that he would be responsible for administering if his appointment were approved. Surely President Eisenhower can find another appointee who is more in sympathy with the farm programs built out of the depressions and heartbreaks of the past. Farm families at this point in American history need help from their Government, not calloused manhandling from the opponents of a prosperous farm economy. We do not need another fox to guard America's agricultural henhouse. Please vote against confirming Mr. Paarlberg's nomination.

JAMES G. PATTON.

THE CIVIL-RIGHTS BILL

Mr. MORSE. Mr. President, within the 3-minute limitation, I wish to express my dissent from the views expressed by many Democratic leaders in recent days in support of the civil-rights bill which is now pending before Congress.

I have been highly amused by some of the statements made by Democratic leaders to the effect that the Republicans want a political issue in 1958 and 1960, but that the Democrats want a civil-rights bill. The Democrats have not given the country a civil-rights bill. They have talked about a step forward, when in fact they have taken the country a step backward.

I happen to be one who believes that this issue is so nonpartisan that I do not intend to join in party politics, either Republican or Democratic.

I disagree with the Vice President on many, many matters. But when I think he is right on something, I join with him; as when I think the President is right, I join with him. If the Vice President has been properly quoted in the press, I think he is completely right in his opposition to what I consider to be the hoax civil-rights bill which has been passed by the Senate.

In my opinion, the so-called jury-trial amendment has so weakened the judicial process that it will have an adverse effect, for example, on the whole integration problem, as we seek to carry out the Supreme Court decision striking down school segregation. That is what I think some of my Democratic colleagues have done in helping to pass the Senate civil-rights bill. They are asking that we go along with what I consider to be a compromise of principle which cannot be justified in the light of sound Jeffersonian democracy.

This session of Congress was the time to recognize that it is not possible to divide the rights of citizenship. We cannot say that we will deal with one segment that has to do with so-called voting rights, but that we will ignore the other precious human rights which belong to all the colored people of the United States. I do not believe in dividing up citizenship. We should either guarantee first-class citizenship to all or propose to repeal the 14th and 15th amendments. That is the issue.

Today on the floor of the Senate I dissociate myself from the views of any Democratic leader who is trying to give the American people the impression that something substantial has been granted to American Negroes in the field of civil rights by the Senate bill. I think the Senate bill defrauds the Negroes of America and that they are beginning to wake up to that fact more and more, day by day.

Oh, statements have been made in the Senate that this association of colored people and that association of colored people are for the bill. Let me tell the Senate that my mail increasingly shows that the rank and file of the Negroes of the country are aware of the fact that a mockery has been handed to them.

I hope that this session of Congress will be adjourned without putting on the statute books what I consider to be a very bad piece of legislation, so far as the best interests of the American people are concerned. I hope that we will come back in January and go to work again on a true civil-rights bill, a bill which will give meaning to the 14th and 15th amendments to the Constitution. I hope we will not follow the course of action of trying to segmentize the 14th and 15th amendments which we did when part III of the House bill was stricken and the jury amendment was added.

I close by saying to my Democratic friends: "If you think you have taken the civil-rights issue out of the 1958 and 1960 campaigns by the passage of this so-called compromise civil-rights bill, you have a rude awakening ahead of you. Civil rights will be one of the issues of the 1958 and 1960 campaigns in city after city and community after community throughout the country." The minority groups know when they are being fooled. They know they are being fooled by the Senate civil-rights bill, and by Democratic leadership which tries to present it as something it is not.

SOUTHERN JURIES

Mr. FULBRIGHT. Mr. President, I feel certain that our northern friends who are so avid in their support of legislation to regulate and control the conduct of southerners feel a glow of self-righteousness every year when they speak on the annual civil-rights proposed legislation. There is nothing more stimulating to the ego than to be able to point at someone else's real or fancied shortcomings.

Our good friends from New York and Chicago have had a field day based upon their assumption that southern juries will not convict anyone involved in depriving a Negro of his right to vote or of any other constitutional right.

A few days ago we were treated to the spectacle of Mr. Johnny Dio attacking a news photographer. We might recall how influential Mr. Dio is in New York City, and how very influential his friend and patron, Mr. James Hoffa, is in Detroit, Chicago, and, in fact, throughout all the northland and in Washington.

It is interesting to note—and I call the attention of my friends from New York, Chicago, and Detroit to the fact—that the juries of New York, of Washington, and of Oregon seem to be less eager to convict the Dio's and Hoffa's than the jury of Tennessee was to convict Kasper.

The Arkansas Gazette, on August 10, 1957, published an excellent editorial on this subject. I ask unanimous consent that the editorial, entitled "The Hood," be printed at this point in the RECORD.

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

THE HOOD

If Johnny Dioguardia, alias Johnny Dio, did not epitomize the gangster as he does, complete with drooping eye and drooping cigarette, it would be necessary for Hollywood's Central Casting to create him.

Johnny D., in the act of swinging on a United Press photographer, was caught in one of the most memorable news photographs of the year, with quote to match:

"You S. O. B., I've got a family."

This protective family man is the same Johnny Dio who has been publicly charged with fingering the acid blinding of labor columnist, Victor Riesel, allegedly at the offhand instance of Jimmy Hoffa, who hopes to succeed Dave Beck as president of the teamsters.

In all the justified recent debate over the likelihood of getting justice out of a white jury in a southern race-relations case, we have tended to slight the question of whether it is possible for the courts to dispense full justice in cases involving the teamsters and their agents, full and part time, in any part of the country.

Mr. Dio, who now has taken the fifth before the McClellan committee, saw his trial for complicity in the Riesel blinding indefinitely postponed in New York because of the plain physical intimidation he was able to exert upon the other plotters.

In Washington, Mr. Hoffa has been sprung from a Federal charge of bribery, not primarily on the facts in the case, but on an emotional appeal directed to the Negro majority on the jury.

In faraway Portland, Oreg., public officials identified as hirelings of the west coast teamsters, in testimony before the McClellan committee have been gaily freed by local juries.

Up to now, the McClellan committee has batted 0.000, so far as the subsequent treatment of its exposés has been concerned. But we hope it will stay in there swinging anyway, as Senator MCCLELLAN has promised it will.

TEMPORARY APPROPRIATIONS, 1958

Mr. FULBRIGHT. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 792, House Joint Resolution 426.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 426) amending a joint resolution making temporary appropriations for the fiscal year 1958, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. FULBRIGHT. Mr. President, the continuing resolution, House Joint Resolution 426, is effective only until August 31, 1957. It will provide for those agencies of Government whose appropriations will appear in bills to be acted upon by the Senate in the near future.

For the Bureau of Reclamation, the Interior power marketing agencies and the Corps of Engineers, the continuing resolution provides appropriations at the current rate of fiscal year 1957 or at the rate provided in the House or Senate bill, whichever is lower.

The following agencies of the Government will be able to operate during the month of August at the current rate of the fiscal year 1957 or at the rate of the budget estimate, whichever is lower.

Export-Import Bank, Small Business Administration, Atomic Energy Commission, and civil government in Ryukyu Islands.

For the mutual-security program, the continuing resolution provides $100 million for the entire program for the month of August. An amount of $200 million was provided for July, which means a total of $300 million will be available for the 2-month period. This is approximately 7 percent of the total amount of the authorization as passed by the Senate and approximately 8 percent of the authorization as it passed the House.

There have been no payless paydays in the Government although we are well into the month of August. This is occasioned by reason of the fact that early August paydays were financed from July appropriations.

Any amounts used during August will be charged against the regular 1958 appropriations for these agencies when enacted.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

There being no objection, the joint resolution (H. J. Res. 426) was ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ACT OF 1954

The PRESIDING OFFICER. Is there further morning business? If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2127) to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954 relating to the reduction in amounts of insurance of persons over the age of 65.

Mr. JOHNSTON of South Carolina. Mr. President, the Federal Employees' Group Life Insurance Act will observe its third birthday the 17th of this month.

There is general agreement that it was a wise, progressive, and much needed piece of legislation. Furthermore, the program has proven actuarially sound. As a matter of fact, the reserve fund is growing more rapidly than was anticipated. At the present time, there is in excess of $100 million in the fund, and it is estimated that the fund will continue to grow.

These facts are widely known and well understood. However, what many do not know is that the insurance policies reduce rapidly when the insured reaches the age of 65. That is true whether the insured continues to be employed in the Federal service or is in a retired stage. The rate of reduction is 2 percent a month until the amount of insurance has been reduced to 25 percent of its face value.

For example, an employee whose salary is between $4,000 and $5,000 would have a policy with a face value of $5,000. Upon the attainment of age 65 the automatic reduction starts. Three years and three months later, or when he reaches the age of 68 years and 3 months, his insurance, which once amounted to $5,000, is only 25 percent of what it once was, or $1,250.

The bill would cut the rate of reduction from 2 percent to 1 percent a month and cease when the effective amount of the policy reached 50 percent of its face value.

The committee amendment fixes the effective date as of the date of enactment of the act. That is done so that employees still in the service who have passed their 65th birthday will benefit from the more favorable reduction formula.

The Civil Service Commission estimates that the bill will increase disbursements from the insurance fund by a small amount currently and will reach approximately $7 million by 1960 and $32 million by 1975.

As will be seen, the bill is an amendment to the present law and changes the ratio of reduction and also the amount of the reduction of the policy.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. LAUSCHE. Has there been consultation with actuaries to ascertain whether the proposed increase in the coverage which will ultimately be held by the insured is sound, having in mind that there is $100 million now in the fund?

Mr. JOHNSTON of South Carolina. It has been pointed out that the reserve fund has grown to $100 million in 3 years.

I read now from the statement of the Commission, as set forth in the report:

> The Civil Service Commission estimates that enactment of the bill will result in increasing disbursements from the insurance reserve fund by a small amount currently, with a gradual growth to some $7 million by 1960 and $32 million by 1975.

Mr. LAUSCHE. Have the actuaries advised that the proposed increase in the face value of the policy—from 25 percent, under the present law, to 50 percent, under the proposed law—will in any way, from a fiscal standpoint, endanger the fund?

Mr. JOHNSTON of South Carolina. No; it would not. The present reserve is in excess of $100 million, and it is estimated that it will increase to more than $425 million within 15 years. The fund is increasing faster than was anticipated when Congress passed the law only 3 years ago.

Mr. LAUSCHE. Am I correct in my understanding that when the law was passed, the premium rate was fixed at an amount which now is greater than the actuarial studies indicate is required?

Mr. JOHNSTON of South Carolina. That is true; and the reserve is increasing much more rapidly than we were informed it would, at the time of the passage of the bill.

Mr. LAUSCHE. Was there any discussion about the provision of an alternative remedy: First, to reduce the premiums paid; second, to increase the coverage given prior to age 65; and, of course, third, the recommendation which has been made?

Mr. JOHNSTON of South Carolina. That came up in the discussion concerning the bill. The committee was unanimous in reporting the bill. The committee thought this measure, if enacted, would not jeopardize the fund, and would meet more immediate needs than would any other small liberalization which might be made at this time.

Mr. LAUSCHE. In other words, if the premium were reduced, the amount of reduction to the individual policyholder would be so negligible that it would be inadvisable to make such a reduction; is that correct?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LAUSCHE. Is the Senator from South Carolina able to tell me what was the reason for the inclusion in the initial policies of the provision that after the insured attained age 65, the face value of the policy would be reduced at the rate of 2 percent a month, until it was brought down to 25 percent of its original face value? What was the theory underlying that provision? I am at a loss to understand it.

Mr. JOHNSTON of South Carolina. That was done in order to make it possible to provide cheaper insurance to the employees.

Mr. LAUSCHE. In other words, if the policy, after age 65 was reached, was carried at its original face value, there was doubt as to whether the premiums would be adequate; is that correct?

Mr. JOHNSTON of South Carolina. That is correct.

We were more or less feeling our way.

Another point was that at that time a good many of the employees were rather close to age 65. It was not thought that it would be fair for them not to have to pay any premiums after age 65, at which age they could draw the full benefits. But after 3 years' time has elapsed, it is somewhat more justifiable to allow them to receive a little bit more.

Mr. LAUSCHE. What is the premium on each thousand dollars of coverage?

Mr. JOHNSTON of South Carolina. The employee's premium is $6.50 a thousand a year.

Mr. LAUSCHE. Does the Government contribute?

Mr. JOHNSTON of South Carolina. The Government premium is one-half that of the employee.

Mr. LAUSCHE. In other words, the insured pays $6.50 a thousand a year; and the Government——

Mr. JOHNSTON of South Carolina. The Government pays $3.25 and the employee $6.50 per year per thousand dollars of insurance.

Mr. LAUSCHE. In my opinion, if the actuaries have recommended that this change can be made and additional coverage given after age 65, I feel that the recommendation is sound.

Mr. JOHNSTON of South Carolina. To the best of my recollection, every actuary we consulted said this would not impair the solvency of the program.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I notice that the committee report does not contain a statement on the part of the Civil Service Commission. I wonder what the Commission recommended. Does it recommend that the proposed change would be actuarily sound?

Mr. JOHNSTON of South Carolina. The Commission views were not received until after the bill had been reported. The Commission does not approve it for a number of reasons.

Mr. WILLIAMS. Is it the understanding of the Senator from South Carolina that the Commission did not feel that enactment of the bill would render the fund actuarily unsound?

Mr. JOHNSTON of South Carolina. Yes; the Commission does not.

Mr. WILLIAMS. The Commission does not what?

Mr. JOHNSTON of South Carolina. In none of their statements to us have they said that enactment of the bill would render the fund unsound.

Mr. WILLIAMS. I notice that the report does not contain any letters from the Department.

Mr. JOHNSTON of South Carolina. That is true. We received the letter after the bill was reported.

Mr. WILLIAMS. Concerning that letter from the Commission which was sent to the Senator from South Carolina as chairman of the committee—I happen to have a copy of it before me; it is dated July 25, 1957—there are some statements which I should like to read into the RECORD. I read from page 3 one paragraph which is a little difficult to reconcile with your statement:

> The bill would weaken the financial soundness of the program. Enactment of S. 2127 would increase benefit payments at an accelerating rate. Additional disbursements over those under the present law would rise from $7 million in 1960 to $32 million in 1975, and would continue to climb. At about that time the insurance fund would become exhausted, under present contribution provisions. Either an increase in the contribution rate or a decrease in benefits would then be required to keep the program in operation.

I am a little concerned about the statement that in 1975 the funds will be exhausted under present rates if the bill is enacted. If that happens in 1975 what will be your solution? Will it then be necessary to raise the rates, or will you drop the benefits? What does the Senator from South Carolina have in mind in that respect?

Mr. JOHNSTON of South Carolina. Where does the Senator from Delaware find the words "would become exhausted"?

Mr. WILLIAMS. I am reading from page 3 of their letter dated July 25, 1957, addressed to you as chairman of the Senate Committee on Post Office and Civil Service.

Mr. JOHNSTON of South Carolina. Will the Senator from Delaware read the next paragraph, too?

Mr. WILLIAMS. Yes. I am referring to the paragraph which states that "at about that time the insurance fund would become exhausted under present contribution provisions."

Perhaps there is an explanation, but I am wondering what it is. While it is always very desirable to increase benefits, I do not think it is desirable to deplete or bankrupt the fund in the next 10 or 15 years.

The next paragraph of that letter reads:

> The present reserve is over $100 million, which is estimated to increase to over $425 million within 15 years, is not a surplus available for liberalization.

Under the present formula it is estimated that the fund will be $425 million by 1975, but as I understand the situation, the Commission has advised the chairman of the committee that if the bill now before us passes, rather than being $425 million at the end of 15 years the fund may be exhausted. If I misunderstand the letter I wish you would clarify it.

Mr. JOHNSTON of South Carolina. All the actuaries who came before the committee testified that the proposal would not in any way jeopardize the program.

Mr. WILLIAMS. I do not question the statement of the Senator from South Carolina so far as sincerity goes, but have hearings been printed on the bill so that we can have the statements of the actuaries put in the RECORD? I think when we are dealing with a trust

fund involving the security of life insurance policies a statement by the Commission that the fund will be exhausted in 15 years if the bill passes is something that cannot be brushed off.

Mr. JOHNSTON of South Carolina. To use their own figures, payments from the fund would increase gradually until they reach $7 million a year in 1960. By 1975 the figure would be $32 million. However, increased contributions can also be counted on being added to the fund. A fund of $100 million has been built up in 3 years. If the reserve continues at anything like that rate, all the actuaries think there will be double what would be needed to meet the new demands.

Mr. WILLIAMS. I do not question that statement, but I am wondering if copies of the hearings, with these statements by the actuaries, are available. The letter of this Commission is damaging unless refuted.

We should have the information the hearings afford. I do not question that the actuaries gave that information if you say they did, but are the hearings or testimony available?

Mr. JOHNSTON of South Carolina. No.

Mr. WILLIAMS. Were there any hearings on the bill?

Mr. JOHNSTON of South Carolina. We had no hearings. The committee acted from a consideration of the bill itself.

Mr. WILLIAMS. If the Senator will yield further for a question, if there were no hearings how did the actuaries testify?

Mr. JOHNSTON of South Carolina. A subcommittee has been making a study of the insurance program for a long time. In January a subcommittee was organized to make investigations into this particular field. We have had persons experienced in the insurance field looking into the program to see if the benefits could be liberalized, because it was brought to our attention that it ought to be done.

Mr. WILLIAMS. I agree with the Senator that if it can be done it should be done. I am well aware of the authorized study to which the Senator has referred. It was on January 3 that the Senator from Kansas [Mr. CARLSON] submitted a resolution for this study, and $25,000 was appropriated to finance an investigation into the soundness of the program to determine whether it should be liberalized. This study was under the jurisdiction of your committee. Has the committee issued a report or any summary of findings as a result of this study?

Mr. JOHNSTON of South Carolina. No. The committee is still making a study of the matter. Several changes in the insurance program have been suggested. In the proposal before the Senate, only a small change is suggested, rather than going more deeply into the matter, until the study can be completed.

I may say to the Senator, the committee probably will be back next year with additional recommendations to liberalize further the insurance program. If we find further liberalization practicable from the facts which the subcommittee has reported—and I believe it will be so found—it will be possible to take liberalizing action.

Mr. WILLIAMS. I hope the Senator is correct, and I do not question it, but I am wondering if after having provided $25,000 to study this question it would not be better to await the report. Is there not any report by the committee to support your claims?

Mr. JOHNSTON of South Carolina. The committee is to report back next year. The subcommittee will run until the first of next year. It will make a report at that time.

Mr. WILLIAMS. Is there not a possibility that we have put the cart before the horse?

Mr. JOHNSTON of South Carolina. I do not believe so.

Mr. WILLIAMS. In this instance a bill is before the Senate on which there have been no hearings and no reports to support the claims of the committee. I do not question the sincerity of the committee. But I am concerned about the letter from the Commission which states that the fund will be bankrupt in 15 years if the bill passes. I do not say the Commission is infallible but their report does stand unchallenged. I should like to have the identity of some of the actuaries whom you say supported this bill so that we can put their names in the RECORD. I do not question that they did make such recommendations, but who were they? What did they say? Where are their statements?

Mr. JOHNSTON of South Carolina. What really happened in this situation was that the Civil Service Commission reported that a reserve of $100 million had been built up in 3 years.

Mr. WILLIAMS. But they recommended against the bill.

Mr. JOHNSTON of South Carolina. That is correct. However, the Civil Service Commission report indicates that the additional expense of the amendment would increase gradually to $7 million in 1960. Anyone should know that an additional expenditure of $7 million will not deplete the insurance fund. If it were something we could not change, that would be a different matter; but the insurance plan can be changed in the future. If it should become necessary to make changes in the future, that can be done. In the meantime, I think it possible to provide those who become 65 years of age with a little greater protection.

Mr. WILLIAMS. I agree with the Senator fully that an increase in payments of $7 million between now and 1960 is not going to deplete the fund; but that is not the story in the letter which was addressed to the Senator from South Carolina as chairman of the committee by the Civil Service Commission stating:

> Benefit payments will double within the next 25 years, due primarily to the increasing number of deaths after retirement, whereas income will remain relatively stable. Financial prudence demands the establishment and maintenance of reserves to meet this inevitable and foreseeable future need.

I certainly want to liberalize the benefits if we can do it. But I hesitate to see it done in the face of the only official statement which is before us on the part of any department wherein it is emphatically stated that if we pass the bill we shall bankrupt the fund within 15 years. I do not think we would be doing justice to anyone who is retired, or who has insurance, if we give them an increased benefit today knowing that 15 years from now the fund will be bankrupt and he will get zero unless the rates are substantially increased. The security of a life insurance policy is paramount; the face value of the policy is secondary. While I should like to see the benefits increased if it can possibly be done, I should like to see testimony, somewhere, on the part of some actuary that it can be done. I am wondering what actuary the committee has to back up the statement that it can be done.

Mr. JOHNSTON of South Carolina. For the information of the Senator, we called the Commission actuaries before our committee. They went over the matter with us and gave us all the facts and figures we have.

Mr. WILLIAMS. What were their names?

Mr. JOHNSTON of South Carolina. They came from the Commission.

Mr. WILLIAMS. They may have come from the Commission, but I should like to have their names. I do not question that they came before your committee, but who were they, and what did they say? If we had their names and had their statements to put in the RECORD, we would have a basis upon which we could proceed. The letter objecting to this bill is signed by the Chairman of the Civil Service Commission. I assume he talked to his actuaries.

Mr. JOHNSTON of South Carolina. For the information of the Senator——

Mr. WILLIAMS. We should have the names of the actuaries. I do not question that they came before the committee, but I should like to know who they are.

Mr. JOHNSTON of South Carolina. For the information of the Senator from Delaware, I should like to state also that when Congress passed the original bill, although $100 million has been accumulated in 3 years, the Senator will find the same concern was expressed by the then Chairman of the Civil Service Commission.

Mr. WILLIAMS. I might say to the Senator from South Carolina that the approval of the Commission is not necessarily essential for me before I vote on the bill. I reserve the right to make up my own mind about it. I am not taking their objections to the bill as being infallible, but I point out that we face the situation that the Commission has put their reasons for objecting in a written statement, and we are told that somebody—"they"—has said otherwise. I should like to know who "they" are. I think it would be well to put that information in the RECORD.

I am sure somebody gave information to the Senator and his committee. I hope the Senator will not misunderstand me; I am not questioning his statement, but I should like to have that information in the RECORD.

Mr. JOHNSTON of South Carolina. The Senator served on the committee with me for several years. He knows

that the committee staff works on matters of this kind and provides information, to the committee as a whole.

Mr. WILLIAMS. I do not question that, but we face the situation where we have a letter from the Chairman of the Commission saying otherwise.

Mr. JOHNSTON of South Carolina. We have on our staff several very capable men. Don Kerlin for one was with the Bureau of the Budget for years. I think he is very capable in obtaining data on matters of this kind.

Mr. WILLIAMS. Is he the actuary to whom the Senator referred?

Mr. JOHNSTON of South Carolina. No, he is not an actuary.

Mr. WILLIAMS. I understood that a couple of actuaries testified.

Mr. JOHNSTON of South Carolina. In the investigation the staff has talked with a great many actuaries. They discussed the matter with them, and obtained information from them with respect to the insurance program.

Mr. WILLIAMS. Mr. President, if the Senator will yield, I should like to see the bill pass if the committee claims can be supported. I think the bill has much merit if the money is available; however, before the bill is passed, we should at least know what we are doing and that we are on solid ground.

I am very much concerned about the letter from the Commission, which is based upon their actuarial estimate, stating that if the bill is passed the fund will be bankrupt within 15 years.

I say again to the Senator that I do not accept the Commission's statement as being gospel, but it has not been refuted. We do have in the Government a group of men who are employed and paid, on the basis that they are qualified actuaries. I assume that the Commission's letter is based upon their report.

I am wondering if it would not be advisable, without prejudice to the bill, to hold up its consideration until we can get a statement from some group of actuaries. I would not want to see the bill unduly delayed, but we are dealing with a very important matter. This is a trust fund which supports the life insurance of the Federal employees. I think the Congress would be playing rather loosely if, without proper investigation, it should pass the bill in the face of a warning by the Commission that the fund would be bankrupt within 15 years. In the event that happened, we would have to raise the rates on a basis sufficient to carry the extra load at that time, or else suspend payments.

I think we should face the problem now. This is a trust fund, and we are the trustees. We have a responsibility to maintain the solvency of these insurance policies.

Mr. JOHNSTON of South Carolina. The Senator can consider the testimony or statement from Harris Ellsworth, the Chairman of the Civil Service Commission. It is stated that the additional cost will amount to $7 million by 1960. Then the limit in 1975 is $32 million. The Senator can take those figures, and determine the answer for himself.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the Chairman of the Civil Servise Commission not state that with the burden of $7 million plus the $32 million—or is it $62 million?

Mr. JOHNSTON of South Carolina. $32 million.

Mr. LAUSCHE. The $7 million and the $32 million are a total of $39 million?

Mr. JOHNSTON of South Carolina. No. The two are not separate. The amount increases on a graduated scale. The additional cost will eventually go up to $7 million by 1960, and then it will continue to go up until by 1975 it will reach a total of $32 million.

Mr. LAUSCHE. A total of $32 million.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. LAUSCHE. Does the Chairman of the Commission not say that the added burden of the $32 million in payments will reduce the capital to such an extent that the fund will not be actuarially sound and, therefore, in the eyes of the law, will be bankrupt at the end of that time?

Mr. WILLIAMS. I will quote for the Senator the exact language of the Commission's statement to the committee:

> Benefit payments will double within the next 25 years, due primarily to the increasing number of deaths after retirement, whereas income will remain relatively stable.

In the letter the Commission also points out that:

> Additional disbursements over those under the present law would rise from $7 million in 1960 to $32 million in 1975, and would continue to climb. At about that time the insurance fund would become exhausted under present contribution provisions. Either an increase in the contribution rate or a decrease in benefits would then be required to keep the fund in operation.

I think we should face the problem head on.

If that is a true statement, we had better reexamine this bill. If we shall face the necessity of increasing the contribution rates in order to keep the fund solvent, we should face that situation now.

Mr. JOHNSTON of South Carolina. For the information of the Senator, if it is found that the fund is not solvent at any time, Congress can raise the premium rates. I think that answers all the questions.

Mr. WILLIAMS. Who can raise the rates?

Mr. JOHNSTON of South Carolina. Congress. It would have to be done by Congress.

Mr. WILLIAMS. That is correct.

Mr. JOHNSTON of South Carolina. Any time Congress wants to do so.

Mr. WILLIAMS. I agree with the Senator as to our authority and responsibility, but if the rates are going to be raised as the result of action we take here today, is this not the time? Let us not kid these employees who are buying this insurance.

Mr. JOHNSTON of South Carolina. What really happened is that 3 years ago we anticipated what it would be necessary to pay, but instead of the estimate made at that time being correct the funds have risen more rapidly than was anticipated at that time.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. LAUSCHE. I should like very much to support the bill. I think, however, that there ought to be some preponderance of evidence given by actuaries that the procedure proposed is consistent with sound insurance practices. If there is not actuarial advice that it can be done, then in my judgment there is a danger in doing what has been recommended.

Mr. WILLIAMS. One of the things we must keep in mind is that we are dealing with a life insurance fund which is owned by more than 2 million Government employees. To enact the bill in the face of the warning from the Commission, unless their claim can be refuted, would be the height of irresponsibility. The Commission has said that if we pass the bill without raising the rates, the fund will be depleted within 15 years. We will be asking the 2 million employees to continue paying into the fund for the next 15 years in the face of a warning given to the chairman of the committee that at the existing rates the fund will be insolvent in 1975 or 1980. I think it would be the height of irresponsibility on our part to act in the face of such a warning. If it is claimed that a report from another group of actuaries supports the bill their statements should be produced. The Civil Service Commission has a group of qualified actuaries, and they have rendered this adverse report to us. As I see it, we have no report to contradict it except the statement that the committee staff has recommended that the proposed course be enacted. I have confidence in the committee staff, but we must have a little more support than that for our action.

Mr. JOHNSTON of South Carolina. The Commission is not speaking from an actuarial standpoint.

Mr. WILLIAMS. We have every right to assume that when the chairman of a commission sends a statement to us, he has at least conferred with his own actuaries. Certainly he would be subject to criticism if he did not.

In the fourth paragraph of his letter we find the following:

> The Advisory Council on Group Insurance opposes present liberalization.
>
> Section 12 of the Insurance Act establishes a Council consisting of the Secretary of the Treasury, the Secretary of Labor, and the Director of the Bureau of the Budget. The Council met with the preceding Commission on February 6, 1957, and after studying the effect on the fund of various suggestions for liberalization (among which was the minimum 50 percent after age 65, proposed by S. 2127), the Council unanimously voted to resist efforts to liberalize the Life Insurance Act until we have had several more years' experience with its operation.

I repeat what I previously said. I do not contend that we should necessarily accept the recommendations of an agency. I have voted for many bills against the recommendations of Government

agencies and reserve the right to do so again. But we are dealing here with a life-insurance fund, a trust fund. But I should like to have placed in the RECORD some substantiating statements on the part of qualified actuaries to the effect that the Commission is wrong, if Congress is to proceed to act against their recommendations. We must be sure we are right.

Mr. JOHNSTON of South Carolina. The Commissioners say:

Additional disbursements over those under the present law would rise from $7 million in 1960 to $32 million in 1975, and would continue to climb.

The additional disbursements will not reach even $7 million until 1960.

Mr. McNAMARA. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? A number of Senators are interested in the bill.

Mr. JOHNSTON of South Carolina. I yield.

Mr. McNAMARA. 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. FULBRIGHT. 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. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from the United States Civil Service Commission, dated July 25, 1957, dealing with the bill under consideration, S. 2127.

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

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 25, 1957.

Hon. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service, United States Senate.

DEAR SENATOR JOHNSTON: I am referring further to your letter of May 23, 1957, relative to S. 2127, a bill "To amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, relating to the reduction in amounts of insurance of persons over the age of 65."

Under present law, the amount of group life insurance in force at age 65 is reduced by 2 percent thereof at the end of each full calendar month following the date the employee attains age 65, subject to a minimum amount of not less than 25 percent of the insurance in force immediately preceding the first reduction. This reduction applies in all cases—to active employees, to retired employees, and to employees whose insurance is continued while in receipt of benefits under the Federal Employees' Compensation Act. A similar reduction operates in respect to the amount of group accidental death and dismemberment insurance in force on active employees.

The bill would change the monthly rate of reduction from 2 percent to 1 percent, and would raise the minimum amount—after reduction from 25 percent to 50 percent of the amount of insurance in force at age 65. Under present law, the amount of insurance payable is 25 percent of the amount in force at age 65 if death occurs in or after the 39th month following the month of attainment of age 65. Under S. 2127, the amount is 50 percent (twice that under present law) if death occurs in or after the 51st month, and the amount would of course exceed that under present law during the months after age 65 in which the reduction was operating.

The language of the bill does not indicate whether it is intended to have only a prospective effect or some retroactive effect. The present law provides for a 2-percent reduction of the amount of insurance at the end of each month after the employee attains age 65. As written, the bill could be interpreted as having only a prospective effect so that the full result of the 2-percent reduction rate sustained by an employee in the past would not be affected. The Commission understands that the intention is to apply the 1-percent reduction retroactively except where claims have already arisen, and subsequent comments in this report are premised on this understanding. If it is intended that the 1-percent rate apply to all insurance-amount determinations after the bill's enactment, it should contain an effective date section along the following lines:

"SEC. 2. This amendment shall be effective as of August 17, 1954, but shall not be applicable in any case in which the death, dismemberment, or conversion to an individual policy of life insurance has occurred before the date of enactment of this amendment."

The Commission is opposed to the enactment of S. 2127 for the following reasons:

1. The bill would increase benefits at ages where the need is least.

The primary purpose of a group life-insurance program is to provide protection of minimum cost during employment, at the time financial obligations are heavy. The costs of rearing children and establishing a home are generally incurred before age 65. Death of a young or middle-aged employee usually leaves a far greater void to be filled by insurance than does death after age 65. The Commission believes that any liberalization of benefits should preferably be below age 65, but that in any event the below-65 group should receive at least proportional liberalization.

2. The bill would increase benefits for those who have contributed the least.

Under the group insurance program, employee contributions cease at age 65, or upon retirement if earlier. The program has been in effect less than 3 years. On December 31, 1956, there were 57,000 insured active employees over age 65 who had contributed little or nothing, and there were an even greater number of insured, noncontributing, retired employees. The Commission sees no justification for doubling, in most cases, the amount of insurance payable upon the death of well over 100,000 persons who were granted, practically free, the insurance they now have. A present increase in the amount of insurance after age 65 seems premature. If an increase is to be made, it might well be deferred until employees attaining age 65 had more than token contributions under the program.

3. The bill would weaken the financial soundness of the program.

Enactment of S. 2127 would increase benefit payments at an accelerating rate. Additional disbursements over those under the present law would rise from $7 million in 1960 to $32 million in 1975, and would continue to climb. At about that time the insurance fund would become exhausted under present contribution provisions. Either an increase in the contribution rate or a decrease in benefits would then be required to keep the program in operation.

The present reserve of over $100 million, which is estimated to increase to over $425 million within 15 years, is not a surplus available for liberalization. It is needed to maintain the stability of the program under the present contribution and benefit provisions. Benefit payments will double within the next 25 years, due primarily to the increasing number of deaths after retirement, whereas income will remain relatively stable. Financial prudence demands the establishment and maintenance of reserves to meet this inevitable and foreseeable future need.

4. The Advisory Council on Group Insurance opposes present liberalization.

Section 12 of the Insurance Act establishes a Council consisting of the Secretary of the Treasury, the Secretary of Labor, and the Director of the Bureau of the Budget. This Council met with the preceding Commission on February 6, 1957, and after studying the effect on the fund of various suggestions for liberalization (among which was the minimum 50 percent after age 65 proposed by S. 2127), the Council unanimously voted to resist any efforts to liberalize the Life Insurance Act until we had had several more years of experience with its operation.

Based on the foregoing considerations the Commission recommends against enactment of S. 2127.

The Bureau of the Budget advises that there would be no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely yours,

HARRIS ELLSWORTH,
Chairman.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the bill now under discussion, S. 2127, be laid aside until I can furnish to the Senate some actuarial data on the matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

POSTAL PAY INCREASE

Mr. HUMPHREY. Mr. President, like other Members of the Senate, I have received literally thousands of letters from postal employees and friends of postal employees urging me—in fact, literally begging me—to do all I can to see that a pay increase for postal employees becomes law before the Congress adjourns.

I am most desirous of seeing this accomplished. I am most desirous to see a postal pay increase, as well as a general pay increase for civil-service employees, become a reality.

Recently these letters have been expressing growing concern over the possibility of Congress adjourning without taking final action on a pay bill. The House of Representatives has passed and sent us a pay bill to grant all postal employees a flat increase of $546 across the board.

I believe we should pass the House bill. It is a good bill. We should pass it and send it to the President for his signature.

We have been told that the President would veto a postal pay increase bill. To the best of my knowledge the President himself has not made such a statement, but it has been made for him, principally by those who are opposed to the pay bill, and are opposed to doing justice to our faithful and loyal employees.

It should not be necessary to present substantive arguments on behalf of a pay raise, which is so obviously necessary. However, there are apparently still a few who will require some convincing, though not in Minnesota, I am happy to say. In my State I find universal agreement that there should be a

postal pay raise. But there are some in the Nation's Capital who apparently need some convincing. I am happy to note that one of them is not the distinguished chairman of the Senate Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON], who has been the friend and champion of Federal workers.

To demonstrate the unanimity of opinion in my State of Minnesota, I present a statement by one of our leading citizens. He is not a postal employee. He does not wear the blue and gray uniform, with the new maroon trim, of the letter carrier. He is not a postal clerk. He is not the relative of a letter carrier. He is a banker. He is the president of the largest savings and loan association in Minneapolis, Minn. The letter signed by this Minneapolis banker was published in the Minneapolis Morning Tribune. It reads as follows:

I am not a postal worker nor do I have any connection with the postal service, but nevertheless I am greatly disturbed by the plight of the postal employee.

One reads articles of wage increases of 20 cents an hour to groups who have been getting an increase of approximately the same amount every year for 10 years running. On the same page is the statement that an increase in postal pay would cause inflation.

The postal workers and carriers I know have a take-home pay of approximately $60 per week.

Lending institutions consider them as poor customers in home purchases, unless they can make a 50 percent downpayment on a relatively inexpensive home, not because they are poor pay, but because they wouldn't want them to starve while paying.

One of the very few items that hasn't tripled or quadrupled since the war is postage cost. Certainly we could stand an increase in rates.

These loyal employees of the postal service have no force they can exert to obtain an increase in pay. Consequently they have thrown away their pride for a living wage, but to no avail. I am not a believer in radical methods to obtain an end, but in this case, even if they have signed a no-strike pledge, they are certainly justified in striking.

Here is an opportunity for one of our long-winded politicians (either side) to blow his horn in the right direction and obtain, not $10 per week as will be proposed but an increase of $40 per week minimum for the postal workers. They are 6 years behind in pay increases.

ROY C. LARSON,
President, Twin City Federal Savings and Loan Association.

I agree with Mr. Larson that our postal employees are away behind in their attempt to keep up with the cost of living; they are still further behind in their battle to keep up with the improved American standard of living. In our dynamic economy, we are constantly creating new products that bring improved living standards to our people. Some of these changes are mandatory—such as the improved packaging and preparation of foods. The Secretary of Agriculture chose to refer to this development as "built-in maid service." When a postal employee goes to the store today, he not only has to pay the increased cost of living, but he has to pay for the "built-in maid service." There are many inescapable improvements in our standard of living which people must accept. The decline of public transportation has made private transportation more necessary—it costs more, but this cost is not reflected in the cost of living.

I am sure that when we take up the pay bill for consideration in the Senate—and I hope it will be taken up, and the purpose of my remarks is to join with the distinguished chairman of the subcommittee, the Senator from Oregon [Mr. NEUBERGER], and the distinguished chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], in urging action on the bill—we will find those in the administration who are opposed to decent pay scales comparing the gross pay of postal employees with the changes in the cost of living. This is a distortion of the real situation. The cost-of-living index does not include taxes. The cost-of-living index is not a budget. The cost-of-living index, as has often been stated by the Commissioner of the Bureau of Labor Statistics, Ewan Clague, is merely a measure of the changes in the prices of certain selected commodities. It does not measure improvements in the standard of living, and as I stated previously, it does not make any allowance for taxes. I would like to ask where are the postal employees going to get the approximately 25-percent increase in their income to take care of their taxes if it is not in their pay checks? Do we expect them to reduce their standard of living by 25 percent? In comparing the increase in the cost of living with postal employees' pay, the comparison should be made with take-home pay, not with gross pay.

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

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. I wish to commend the Senator from Minnesota for the remarks he is making on the floor today. As chairman of the subcommittee which considered pay-raise legislation, I presided for 2 weeks over hearings into the entire issue of postal employee pay in particular and Federal employee pay in general.

I am a relatively new Member of the Senate, as the Senator from Minnesota knows. Perhaps that is why I was shocked by the data we received. What was brought out in the hearings seemed, in my opinion, a positive disgrace to the United States Government. We had testimony before our subcommittee—and it was not refuted or disputed—of families of postal workers, with 3 or 4 children, who had to get along on a food budget of $25 a week. Anyone who goes to a supermarket knows how much food can be bought for $25 a week. It is not very much or very nourishing.

I had a letter from a prominent physician in my community, who enclosed with his letter correspondence which he had had with the wife of a postal worker. The wife of the postal worker was his patient. She demonstrated to the doctor in detail why the family was unable to pay the doctor a medical bill of $8.50 a month. The doctor was so amazed and astounded by what she told him about the condition of her family, which is a typical postal worker's family, that he sent her letter to me along with a covering letter of his own, in which he expressed his disgust with the United States Government, so far as this policy was concerned.

I could go on indefinitely reciting similar situations to the able Senator from Minnesota. Suffice to say that the statistics presented to our subcommittee demonstrated conclusively that the pay of the postal employees has sadly lagged behind the cost of living, even though the cost-of-living figures do not accurately reflect all financial stress and strains, as the Senator from Minnesota has so ably pointed out.

I wish to say to the Senator that if there is any way in which I can aid him in his efforts to have the leadership bring out a bill before the end of the session, I certainly assure him that I will collaborate in every way possible.

I also hope to point out that the Senator from Minnesota is quite correct when he says that the House bill is now on the calendar and could be passed very quickly, without the necessity of going to conference. The Senate bill, which was reported out by our committee, under the leadership of the distinguished Senator from South Carolina [Mr. JOHNSTON], happens to be my own bill.

However, I am quite willing to put aside any pride of authorship I may have, or any individual claim there might be to personal glory, in order that the House-passed bill may take precedence over my own bill. In that way the Senate could act immediately, and the House bill could be sent to the White House, without the necessity of having a long conference on it. In such a way the President could act on the bill.

I wonder if I might have the attention of the Senator from South Carolina, who is in conference with other Senators on the floor at the moment.

I will state to the Senator from South Carolina that I was just saying to the Senator from Minnesota, in view of his discussion, that, so far as I am concerned, I am quite willing to have my own bill dealing with postal pay, which came from my own subcommittee, put aside, so that the bill already passed by the House may take precedence and be acted on immediately. Thus we could send the bill to the President at once without the necessity of going to conference, and perhaps in that way avoid a delay at this late day in the session.

I said to the Senator from Minnesota, who has initiated this helpful discussion, that I felt certain my attitude had the full cooperation of the chairman of the Committee on Post Office and Civil Service. That is why I sought the attention of the chairman of the full committee.

Mr. JOHNSTON of South Carolina. Under the circumstances and conditions of the present moment, so far as time is concerned, I believe it would probably be best to take up the House bill instead of the Senate bill. Of course, we have had under discussion in the committee, as the chairman of the subcommittee knows, the question whether we would favor a flat raise for everyone or a percentage increase for the various employees. We thought that it probably

would be best to have a percentage increase. In any event, I want the employees to get some kind of raise. It looks as though it will be necessary for us to take up the House bill instead of the Senate bill. When the time comes, it shall be my intention to ask that the House bill be considered, in order to expedite matters.

Mr. NEUBERGER. I am glad the chairman of the committee takes that position. From the standpoint of equity and sound governmental fiscal procedure, I honestly believe that the Senate bill is a better bill. But at this late hour in the session, with adjournment almost upon us, I believe it would be the part of wisdom to have the House bill considered by the Senate, in the interest of urgent haste.

Mr. HUMPHREY. I thank the Senator from Oregon and the Senator from South Carolina for their comments on the statement I am making. I am not here to give leadership; I am here to support the leadership that has been so ably given by the Senator from Oregon, who handled the bill in the subcommittee, and the distinguished chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON].

I felt I should make this statement because, as the Senator from South Carolina knows, and as the Senator from Oregon also knows, we have an obligation to act on a Federal pay bill, particularly on a postal pay bill. I happen to believe that we have an obligation to act on a pay bill for all Federal workers.

As a family man, I know what it costs to support a family. I do not understand how some of the Federal workers can do it on the pay they receive. I do not know how they are able to do it.

I have something to say to this administration about its crocodile tears over inflation. The administration creates its own problems, and then talks about them. It creates its own inflation. All the money that would have to be paid out for a Federal employee wage increase would be less than the interest charge the administration has foisted upon the American taxpayers. All it wants to do is "play footsie" with the bankers.

The trouble with this administration is that it likes to have certain types of friends. If the administration can get into a room with the representatives of the large commercial banks and investment trust companies and sort of negotiate new kinds of increases, not increases in pay for Government employees, but new increases in interest rates for the bankers, they come out of the room and say, "See what we have done." They point with pride to the rising interest rates.

But I say the administration would do better to point with pride to a little increase in Government employees' pay. Then, if they have a little more compassion in their hearts and would put their minds to it, I think they could even help the farmers.

Mr. JOHNSTON of South Carolina. During this administration, the income of the farmers has been reduced from $16,100 million to $11,600 million; in other words, a reduction of $3,500 million. Notice that it is a reduction in billions, not millions.

Then the administration talks about inflation resulting from giving to the Government employees a $300 million increase in pay.

Mr. HUMPHREY. Every time we have a Republican President, we can be certain of three things: The interest rate on the public debt will go up. That is No. 1. That is to the benefit of the bondholders.

Second, farm prices and farm income will go down, to the detriment of the farmer and the independent businessman in the small towns throughout the country. Third, the Federal employee will have a tough time getting a pay increase. We can put that down as being axiomatic. That is like a Mother Goose nursery rhyme. It just happens.

Mr. NEUBERGER. And, fourth, the natural resources of the Nation will be given away.

Mr. HUMPHREY. We can even extend the list still further, of course, but our immediate attention is to giving a living wage to those who work for the Government.

I shall proceed with a statement I have prepared. I call the attention of my colleagues to facts, not opinions.

In comparing the increase in the cost of living with the pay of postal employees, the comparison should be made with take-home pay, not with gross pay. It is the take-home pay that pays the grocery bills. It is the take-home pay that pays the rent. It is the take-home pay that pays the dentist and the doctor and buys the clothes for the little children in school. It is the take-home pay that sends the older daughter and older son to college—and they are entitled to a college education.

A letter carrier with a wife and one child in the District of Columbia, in the entrance grade receives a gross salary of $3,660; however, he receives only $3,045.12 as take-home pay. This is the amount he has with which to buy groceries, pay rent, buy clothes, furnish transportation for his family, pay for schooling, furnish his home, and take care of the multitude of individual items which constitute the family budget.

My colleagues can well imagine what a whopping good time that family will have on $3,045.12. What fun!

If the letter carrier has reached the top automatic grade, he receives a gross salary of $4,410, but he actually receives only $3,589.82.

In 1939 his gross salary was $2,100, but he actually took home $2,026.50. Since 1939 his take-home pay has been increased 77 percent, but the cost of living has increased from 59.4 in 1939 to 120.1 in June of this year, or 102 percent.

The cost of living has gone up 102 percent, and his take-home pay has gone up 77 percent. So if the postal worker was hoping only to stand still, and never to buy a television or never to see Around the World in Eighty Days; if he never went to a movie—he would be running behind approximately 25 percent. This is clear evidence that a substantial increase is needed at this time.

The only place to which these workers can go is to Congress. They do not have a business agent, like the ordinary unions have, who can meet with the employer and say, "This is what we think we should receive in the way of a fair wage. Either you will give it to us, or you will be taking a long vacation, because we will close down the shop."

The postal workers cannot do that under Federal law. Every Federal employee has to sign a no-strike pledge. This means that he cannot quit his job in a mass movement in order to enforce a salary increase request. So the only place to which the Federal employee can go is to Congress, and to ask us to act as his negotiator, because we are, in a sense, his employer.

The chairman of the board is at 1600 Pennsylvania Avenue—occasionally. If we can get the chairman of the board and his lieutenant, the Postmaster General—who occasionally is in the Post Office Department—to sit down together and consider the needs of those employees, we can get a bill through Congress and not have any threat of a veto. I am sure the President will not veto the bill. The President could not veto this bill. There are men working at the Burning Tree golf course who make more than our postal employees do. So the President is not going to veto this bill.

But the President has a good many self-appointed spokesmen who will tell Congress that the President will veto the bill. They are trying to carry on a political cold war.

But I happen to think President Eisenhower is a warmhearted man. If we can just get a message to him, if we can get through the barricades of advisers, we will be able to get a bill through Congress and have it signed by the President.

H. R. 2474 provides an increase of $546 across-the-board. That amounts to $21 a payday. A substantial part of that increase will be left with Uncle Sam. I do not believe the increase is what it should be. I believe the need is great, and I want to urge my colleagues to pass the bill with all due dispatch, so that it will become law before adjournment.

I say to the Senator from South Carolina that I think the Senate bill is better than the House bill. I think it is more equitable. I believe it takes into consideration the skills in the postal service. I believe a percentage-increase bill, arranged according to base salary, is a more desirable bill. But the truth is between the Senate bill and the House bill, and the shenanigans from the Post Office Department working on them, I know what will happen. I know what goes on. I have not been around Washington this long without having learned something.

The advisers will be coming from the executive branch, and they will have every Member of the Senate and the House fighting with one another as to whether to pass the House bill or the Senate bill. We will end by having passed no bill; the advisers will end with having to take no responsibility, and the postal workers will end in debt.

But we will not let the executive department get away with that. We will try to have a bill passed which will give

a modicum of relief to the postal workers.

The bill has been opposed because it has been said that a flat increase will distort pay scales; it will disturb the existing differences between various levels.

If the administration thinks the bill will distort pay scales, all they have to do is to get busy and undistort them. They can get busy and write a bill which will not distort pay scales.

If they think the bill will disturb the existing differences between various levels, they can cure that trouble.

There is nothing wrong with having the Postmaster General adjust the differences. He seems to have all kinds of ideas about raising the postal rates. He knows how to raise the postal rates which affect every man, woman, and child in the United States. He has the time for that. Why does he not assign a couple of employees to figure out a better pay scale? If he is short an expert or two, I think we might lend him 1 or 2 experts from the staff of the Committee on Post Office and Civil Service. I am sure the generous and kindly chairman of the committee would be willing to do that. Then these so-called problems would not develop.

If there is a salary of $3,660 in 1 level, and 2 levels higher there is a salary of $4,530, there is a difference of $870. One does not have to be a graduate of the Harvard Business School to figure that out. One simply adds up the figures. It is simple arithmetic.

Public Law 68 has been held up as being sacrosanct. We have been told, "Thou shalt not touch." That is the so-called postal classification law. Yet within a few short months after Public Law 68 became law, the administration sought and secured increases in the 3 top levels under the executive pay bill. When Public Law 68 was passed, I recall that strenuous last-minute efforts were made to amend it. It was imperfect then. But we are told now that it is perfect; that we must not touch.

No, I think it can be improved; and it can be improved by giving a pay increase to employees in the lower pay levels. There are 317,191 employees in level 4—this is out of a total of 520,000. All letter carriers, the great majority of postal clerks, and a substantial number of postal transport clerks are in this level. Let us pass the $546 pay increase as soon as possible. The majority of postal employees—the letter carrier, the clerk, the railway mail clerk, and others—are married men with families. They do not move from level to level. They receive a few automatic increases, then are confined to that level for the rest of their lives. The postal employees acquire skills that have no market value elsewhere. When they do not receive adequate pay increases, they are in economic chains. Congress alone can strike their economic shackles. Now is the time to do it.

We have been told that a postal pay raise would be inflationary. This indeed is a paradox I cannot accept. For 10 straight months the cost of living has zoomed upward. The postal employees, the same as other people, are the victims of inflation, not the cause of it. Like the massacred victims of Lidice, the victims are charged with being the aggressors.

The postal employees have not had a pay increase in 10 months, but the cost of living continues to rise.

While talking on the subject of inflation, let me say that I recall a statement made by President Eisenhower on the subject of rising prices, as printed in the New York Times:

> Question (by Mr. John R. Gibson of the Wall Street Journal): "Mr. President, on the inflation question, sir, could you give us your appraisal of just how serious the threat of inflation is now?"
>
> Answer: "Well, you have had the beginning of a type of inflation because, after having been successful over a period of almost 4 years in keeping the cost of living from rising more than a percent or two, I've forgotten exactly, within the past year, we now have it going up more rapidly and that becomes alarming because the curve bends upward.
>
> "Now, part of that, of course, is due to the deliberate policy to bring to the farmer his own proper share of national income. We say 'proper share,' and I am not exactly sure what that means but, as you know, they have taken certain years to be representative of justice in this matter, and have tried to approach that through all sorts of laws.
>
> "We are still, the whole country is still, experimenting with laws in that question.
>
> "But, that has accounted for a very considerable amount of this increase in cost."

So it would appear that, in the opinion of the White House, the villains of inflation are the farmers and the postal employees. These two groups, to the contrary, are not the villains—they are the helpless victims.

The President began to talk about what is causing inflation, but he wound up by referring to the one group in American society that is more deflated than any other group—the American farmer; and then he pointed to the group that is running a close second, which is the group of postal workers. The President says, in effect, "We have found the causes of inflation, and they are the farmer and the postal worker."

What an amazing discovery. I cannot understand what the President has been reading or to whom he has been listening or what in the world he has been hearing. Apparently he did not hear about the increase in the price of steel, or apparently he has not heard of the fantastic profits of the top 500 corporations of the country. Apparently he has not heard of the growing net profits of the commercial and investment banks.

But in response to a question, the President said this about the reason for the rise in the cost of living, the upward trend in the so-called inflation curve—and I read his own words:

> Now, part of that, of course, is due to the deliberate policy to bring to the farmer his own proper share of national income.

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

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Minnesota yield to the Senator from Montana?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Will the Senator from Minnesota inform the Senate how much farm income has declined in the 4 years and 8 months under the present administration?

Mr. HUMPHREY. Approximately $5 billion.

Mr. MANSFIELD. Can the Senator from Minnesota state the percentage of the decline?

Mr. HUMPHREY. Approximately 29 percent, if I am not mistaken.

Mr. MANSFIELD. Can the Senator from Minnesota inform the Senate how the increase in the cost of living has affected the farm population of the country?

Mr. HUMPHREY. The increase in the cost of living has been a burden on the American farmer second to no other group, because of the increased cost of farm machinery; the increased interest the farmer has to pay when he wishes to borrow—the higher interest rates and the increased interest on farm credit—the increased cost of fertilizer; the increased cost of food; the increased cost of petroleum; and the increased cost of the petroleum products which are used to lubricate the mechanized farm equipment. I can assure the Senator from Montana that the rise in the cost of farm operation has been a decided factor in farm income deflation and farm depression.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. How much has the United States dollar declined in value during the 4 years and 8 months of this administration?

Mr. HUMPHREY. I wish I had that information at my fingertips. I think the Senator from Montana discussed that point one day. I am not sure what the exact amount of the decline has been.

Mr. MANSFIELD. Based on the statistics predicated on the average from 1947 to 1949, I believe that over a year ago it was down by 5 cents—from approximately 55 cents to 50 cents. Since that time the dollar has declined still further, but I cannot obtain any accurate statistics at the moment.

For how many months has the cost of living been rising in the United States, under this administration?

Mr. HUMPHREY. The cost of living has risen for 14 months. There was one month in which it was steady. But at least there has been a continuous rise in the cost of living for more than 1 year.

Mr. MANSFIELD. What has the administration done to meet the cost of living and the curse of inflation which now is rampant throughout the country?

Mr. HUMPHREY. The best I have known the administration to do is to give a few little gentle pats on the wrist, and to say, "Bad things, boys. Musn't do this." The President has said it is bad for the workers to get higher wages; and he has said, "Tish, tish; tut, tut. Don't do these things."

Mr. JOHNSTON of South Carolina. The administration did not object to the increase in the price of steel, did it?

Mr. HUMPHREY. No; that is on sacred ground. The President speaks in general terms. He likes everyone. Therefore, he does not like to say anything which would offend anyone, even when someone is wrong. The President did say that industry and labor should not raise prices or wages. But when the steel companies raised the price of steel substantially—$6 a ton, I believe—the President was not too specific in his rejoinder.

In 1952, the farmers' share of the food dollar was approximately 47 cents; for every dollar the housewife spent in a supermarket or grocery store, the farmer received 47 cents. I can now report to my colleagues that after 5 years of this "giving the farmer"—in the words of the President—"his proper share," the farmer's share of the food dollar now is down to 37 cents. In other words, the farmer has lost 10 cents somewhere along the line. Where it went, I do not know. But, Mr. President, to return to my subject, certainly it did not go to the postal workers.

Mr. MANSFIELD. The farmer sells his wheat, let us say, for $2 a bushel and subsequently it is processed through the mills and the bakeries and the ultimate price of the bushel, in the form of bread, is between twelve and thirteen dollars. By that time it is worth a great deal more than the farmer was paid for it. The statistics indicate that the farmer's share of the dollar is decreasing all the time, and the farmer is more and more in a difficult position.

I recall that last year the Senator from Georgia [Mr. RUSSELL], I believe it was, stated, during a debate on the farm bill—and the figures which were used at that time were taken from this administration's Commodity Credit Corporation—that 1,400,000 farm families in the United States were earning less than $1,000 a year.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. And still some persons say that the farmer is the cause of the inflation. Mr. President, the farmer is getting it "in the neck."

Mr. HUMPHREY. The President did not say the farmer was all the cause; he said the farmer was a part of the cause. I should like to know what part. With farm prices going down and farm income going down and farm costs rising, I wish to know what kind of economic thinking would bring one to the conclusion that the farmer is the cause, or a part of the cause, of the inflation.

I am quite disturbed about that statement, because I am sure the President did not think it through. I am sure that Sherman Adams or James Hagerty or someone else put such a statement on the President's desk, and said to the President, "This is the reason for the inflation."

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield further to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Minnesota yield to the Senator from Montana?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator from Minnesota means that one of the palace guard, who tells those in authority what to do, made such a statement, and it was repeated.

In referring to advisers, I am reminded of the fact that in a short time the Senate is to consider the nomination of Mr. Paarlberg to be an Assistant Secretary of Agriculture. He is one of the present advisers to Secretary Benson who are saying that the farmer is to blame for his own hard luck and that there is no room for the family-type farm.

Is it not true that the total cost of the parity program to every person in the United States, over a 20-year period, was approximately $1,150,000,000, or 35 cents a year for every man, woman, and child in this country over a 20-year period?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much has this administration paid out in subsidies, and how much has this administration decreased the surpluses on the shelves?

Mr. HUMPHREY. In the last 4 years, on a farm program which was unworkable, which was ill conceived, ill advised, and poorly managed, this administration has spent more money than the previous Democratic administrations spent in 20 years. What is more, the present administration has accumulated, through its period of custodianship of the Government, more surpluses, and at the same time has depressed farm income, and at the same time has complained and bellyached more about farm surpluses than has any other administration within the memory of man.

The most colossal failure of all time, the apex of an utter and complete colossal failure, is the administration's farm program. I can furnish expert knowledge on this subject, and will welcome the opportunity to do so, and we are going to have an opportunity to review the program when the nomination of Mr. Paarlberg to be an Assistant Secretary of Agriculture comes before the Senate for confirmation. I shall hold most of my remarks for that most challenging moment.

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

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I look upon the Senator from Minnesota as being the most knowledgeable and the most expert of all Senators in the field of agricultural policy. I recall that in the debate on the farm bill several years ago the Senator put into the RECORD statistics which indicated that when this administration took over, in January 1953, if my recollection serves me correctly, there was a 3-month supply of wheat on hand.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. Will the Senator tell us how much of a supply of wheat, to take only one commodity, is now on hand?

Mr. HUMPHREY. About 14 months' supply.

Mr. MANSFIELD. Is there any indication that the policies of Mr. Benson and his cohorts have helped solve the problem of surplus which they seem to fear?

Mr. HUMPHREY. No. There is no indication at all that they have solved it. As a matter of fact, the situation grows worse. I should like to say, while my good friend from Montana speaks of the policies of Mr. Benson, that the most closely guarded secret of this administration is the whereabouts of Mr. Benson.

Mr. MANSFIELD. I can tell the Senator——

Mr. HUMPHREY. Mr. Benson has been absent from the Capital for weeks. He has been parading around the country. From what I have heard, he happens to be communing with Mother Nature in the forest lands of the beautiful Far West. I gather he is not planning to come back to Washington until Congress adjourns. That is at least a sign of caution on his part, if not responsible public service.

Mr. MANSFIELD. I can appreciate the Secretary of Agriculture, Mr. Benson, spending a month in the forests of western Montana and northern Idaho, but he has a job here. The Senator from Minnesota has been trying to get him back for months to answer questions which are of vital importance to agriculture. Has the Senator received an answer yet?

Mr. HUMPHREY. I have not. I think the Secretary is going to let loose a couple of homing pigeons and get an answer to us; but he is so far from any modern means of communication that we have been unable to get an answer.

Mr. President, I shall, today or tomorrow, present for the review of the Senate the itinerary of the Cabinet members. I want to say to my good friend from Montana, if he is looking for a Cabinet member now, the odds are he will not find him in Washington. We are at the concluding part of the session. We are now coming to the most crucial legislation which is to be enacted. It so happens that if we are looking for a Cabinet member in the field of the judiciary, we shall have to go beyond the Atlantic seacoast. If we are looking for a Cabinet member in the field of foreign policy, we shall have to go far beyond the State of New York. If we are looking for a Cabinet member in the field of agriculture, we shall have to try to find him in the untrodden paths of the wilderness of one of our great national forests. If we want to find a Cabinet member having to do with the Department of the Interior, we shall have to go into the Pacific.

I have a rundown of the itineraries of the Cabinet members. They are not here. They are enjoying life. I must say that in a way I am a little jealous. They are having a fine time. Here is the Congress of the United States with the responsibility of legislation. We are to have before us a mutual security bill, and the Cabinet officer in charge of that responsibility is not here. We are to have farm legislation, and the Cabinet officer in charge of that responsibility is not here. We are to have civil-rights legislation, and the Cabinet officer who made such a great demand for it is away, seeing Queen Elizabeth. We are to have legislation having to do with power and

reclamation, and the Cabinet officer who has such responsibility is in the Pacific.

The only Cabinet officer hanging around is the Postmaster General. He is going to see to it that the postal workers will not get a pay increase. [Laughter.] But what a surprise he has coming, because the Congress of the United States is going to legislate in this field. I am positive there is a will to confirm, by an overwhelming vote, what the House of Representatives has already done. The House of Representatives has already indicated, by an overwhelming vote, against administration pressure, that postal workers—and I hope it goes for all Federal workers—are going to get a fair day's pay for a fair day's work.

This administration can spend its time raising interest rates, and it does so every month. Do not worry, not a month will pass that the interest rates will not go up. Wait until we get out of town. Ho, ho! Wait until Congress leaves. They have been on good behavior while we have been here. Wait until the next refinancing comes up. We shall see where the money goes. There will be nobody saying the Government cannot stand it.

The one thing that has gone up more than anything else in this administration is the price of money. The administration is unwilling to face it. President Eisenhower says a part of the cost of inflation is the farmer's getting his proper share of the income. I shall not say anything more about that, because anyone who has studied agricultural economics knows the farmer has never had his share. The postal worker has received his share only by fighting for it and having friends backing him. He has had friends like the Senator from North Dakota [Mr. LANGER], who has fought the good fight for Federal workers, year in and year out.

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

Mr. HUMPHREY. I yield.

Mr. LANGER. I was interested in what the Senator had to say about Cabinet officers. Does the Senator believe that if once in a while Cabinet officers and Ambassadors had been appointed from States like Montana, Idaho, South Dakota, and other States small in population, we might have had better Cabinet officers and Ambassadors?

Mr. HUMPHREY. I wish to concur in what the Senator has said, that such fine jobs and fine positions should be made available so that such great States as North Dakota, Montana, South Dakota, Rhode Island, Minnesota, and Missouri would have an opportunity to be recognized.

Mr. LANGER. I notice the Senator from Florida [Mr. HOLLAND] sitting in the Chamber. I mentioned the fact that Florida has never had one of its citizens in the Cabinet in 105 years. Perhaps it is 107 years now. I was assured by my good friend from Florida that during the Confederacy there was a Secretary of the Navy from Florida.

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

Mr. HUMPHREY. I am glad to yield for a rejoinder.

Mr. HOLLAND. I am happy to refresh the memory of my distinguished friends from North Dakota and Minnesota, that in order to get a Cabinet member appointed from the State of Florida, Florida had to leave the Union, at which time we did get a Cabinet member from Florida as Secretary of the Navy. Incidentally, he had been chairman of the Naval Affairs Committee of the Senate prior to that time. He was a very, very great man in his field, and was recognized as such, but he is the only person from our State who has yet had the recognition of being appointed as a Cabinet member. I thank the distinguished Senator from North Dakota for reminding us of that fact. I hope the State of Florida will not have to leave the Union again in order to get recognition of that kind.

Mr. HUMPHREY. I may say to the Senator from Florida, I hope the honors which are due the State of Florida may come without any such pain, with or without the civil-rights bill.

Mr. President, I wish to conclude my remarks regarding our postal workers by stating that a wage increase for them will not cause inflation.

We are confronted today with a very peculiar inflation. Prices rise, according to our classic economists, when there is an oversupply of money and a shortage of goods. We had that condition during World War II. We were compelled to enact economic restraints. We do not have that condition now. Now practically every industry in America is producing goods in excess of demand; inventories are high, and great attempts are made to stimulate demand by high-powered advertising. We should be increasing the consuming power of those in lower paid groups—not confining it. Our economy will be stronger if such groups are enabled to increase their consuming ability. Only good can come to our Nation if we increase the income of the American farmer and the American postal employee.

A number of economists recently testified before the Kefauver antitrust subcommittee on this subject of inflation. If supply and demand worked as simply as Adam Smith assumed, then the cause of inflation would be easy to detect. The simple classic supply-and-demand theory looks rather foolish when one examines charts showing the increase in the price of food and the decline in the income of farmers who grow the food. The economists have come up with a new term, "administered prices." These prices are established by corporations without regard to supply and demand. Administered prices are to blame for our present inflation—not the farmer—not the postal employee.

We have heard a great deal about wage-price spiral. The spiral, however, is not a wage-price spiral—it is a price-wage spiral. I wish to present expert testimony from an outstanding witness to support that position. Who is this witness? Is he a long-haired economist? Oh, no. A New Dealer or Fair Dealer? Not in the slightest. A great industrialist? Yes. A member of President Eisenhower's Cabinet? Yes. He is none other than the Secretary of Defense, Charles Wilson. Writing in the March 1952 issue of the Reader's Digest, he had this to say:

> I contend that we should not say "the wage-price spiral." We should say "the price-wage spiral." For it is not necessarily wages that push up prices. It is primarily prices that pull up wages.

The neatest summation I have seen of the "postal wage increases will increase inflation" absurdity was a little verse published in John Cramer's column of the Washington Daily News that read as follows; it is titled "A Smile About No Laughing Matter":

> No wonder dogs bite him;
> Your postman's a heel:
> His appeal for more wages
> Caused higher priced steel.

No, sir; a postal wage increase would not cause inflation. If we are presently so close to the brink of disaster that increasing wages of our skilled, faithful postal workers would topple us into the abyss of disaster, then we are indeed in sad shape. The increase in the price of steel is taken lightly at the White House, but a cost-of-living increase for underpaid workers is dangerous. This is the most incongruous situation I have ever witnessed.

We have still another responsibility and that is to the postal service itself. It is up to us to see that the service does not suffer from loss of competent employees. Before resigning the position of postmaster in the largest post office in the world in a spirit of complete frustration, former Postmaster Robert H. Shaffer, of New York, made the following observation, as quoted in the New York Mirror:

> "The truth is," Shaffer declared, "that even as the Nation's economy began to expand in the late 1930's and through the 1950's, the salaries of postal workers went down and down. Until the time that the economic squeeze is lifted off the postal workers, no one will be able to say that morale is away up there."
>
> He said he wished "some of those who sit in the seats of the mighty in all branches of Government could be made aware of the plight of the postal worker, who has to augment his Government pay by income from outside employment in order to meet his family needs."
>
> And he added, "A lot of experts outside of the Department have been trying to demonstrate that we have adequate salaries. Just let them sit in the postmaster's chair for 6 days and they will learn differently."

In my own city of Minneapolis from July 1956 through June 1957, 1,348 men were called for employment in the post office; only 541 would accept employment at the present low wage schedule; and during the same period 517 employees left the postal service. We cannot retain and we cannot attract good employees with the present substandard pay scales. It is our absolute responsibility to pass pay legislation and see that it becomes law before we go home this year. The need is a most pressing one.

In a recent news article, I read that Cardinal Tisserant, a French cardinal, recently observed that "employers who

pay poorly commit sin." Cardinal Tisserant pointed out that, "measures for a prompt payment of just wages" were contained in the law proclaimed by Moses in the name of God, and that St. James had warned against this injustice in his epistle.

I agree with the learned holy man—if we have been guilty of this sin with reference to postal pay in the past—and I think we have—let us correct it immediately. Let us pass H. R. 2474 now and relieve the anxiety, worries, and pressing needs of our capable, loyal postal employees.

Mr. President, I ask unanimous consent to have printed in the RECORD a table relating to take-home pay for field service postal employees and the article from the Catholic Standard and Times of Philadelphia, Pa., to which I have referred.

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

LEVEL 4—TAKE-HOME PAY

Approximately 75 percent of all field service postal employees are in level 4. This level includes letter carriers; the great majority of post office clerks; a substantial number of postal transport employees; most of the motor vehicle employees; some custodial employees; and special delivery carriers. According to recent Post Office Department figures there are 225,162 regulars and 92,029 substitutes in this level.

This chart shows the actual take-home pay of a District of Columbia postal employee in level 4. The illustration shows the take-home pay of the employee in each step in level 4. In the chart, three exemptions for tax purposes are claimed:

Yearly gross salary	Biweekly gross pay	Federal withholding tax	District of Columbia withholding tax	Retirement deduction	Group life insurance	Total deductions	Net biweekly take-home pay	Total annual take-home pay
$3,660	$140.77	$11.70	$1.80	$9.15	$1.00	$23.65	$117.12	$3,045.12
$3,785	145.57	12.40	1.89	9.46	1.00	24.75	120.82	3,141.32
$3,910	150.37	13.20	1.98	9.77	1.00	25.95	124.42	3,234.92
$4,035	155.17	13.90	2.07	10.09	1.25	27.31	127.86	3,323.56
$4,160	159.97	14.60	2.16	10.40	1.25	28.41	131.56	3,420.56
$4,285	164.77	16.00	2.34	10.71	1.25	30.30	134.47	3,496.22
$4,410	169.57	16.80	2.43	11.02	1.25	31.50	138.07	3,589.82
$4,510 (after 13 years' service)	174.37	17.50	2.52	11.33	1.25	32.60	141.77	3,686.02
$4,610 (after 18 years' service)	179.17	18.20	2.61	11.65	1.25	33.71	145.46	3,781.96
$4,710 (after 25 years' service)	183.97	18.90	2.70	11.96	1.25	34.81	149.16	3,878.16

EMPLOYERS WHO PAY POORLY COMMIT SIN, CARDINAL SAYS

ROME.—Employers who pay inadequate wages violate the seventh commandment, "Thou shalt not steal," a cardinal has said in a pastoral letter.

His Eminence Eugene Cardinal Tisserant, who is dean of the Sacred College of Cardinals, said that the seventh commandment aims at the creation of perfect social justice, and that inadequate salary is a cause of some of the most harmful consequences of social life.

Habitual injustice in the remuneration of workers engenders discontent as a result of gradual increasing want. Cardinal Tisserant said that this fault constitutes one of the main causes of the origin and spread of the doctrines of Karl Marx.

The French-born cardinal declared that the seventh commandment "aims at achieving perfect justice in human society." And he noted that "the decalog—in this section as in the others—surpasses civil laws, since these consider only external acts, while the divine law applies to the deepest thoughts and desires as well."

Cardinal Tisserant recalled that "measures for a prompt payment of just wages" were contained in the law proclaimed by Moses in the name of God, and that St. James had warned against this injustice in his epistle.

SADDEST CONSEQUENCES

The dean of the College of Cardinals went on to say:

"Among the most recent popes, Leo XIII, Pius XI and Pius XII in particular have issued directives to management on the treatment of workers. There is no need to deal here at length on the subject. We need only to recall the principle: he who gives the worker a wage that is not adequate sins against the seventh commandment.

"The sin committed by management which pays insufficient wages or does not pay at the stipulated time is one of those sins which bring about the saddest consequences to the life of society."

MARX'S CHIEF MOTIVE

"Insufficient pay in industry was the principal motive to Karl Marx when he composed the works in which he expounded his system, and the propagandists of Marxism stress this argument to gain followers. Men are so made that they listen willingly when told that they deserve to be treated better. Thus those who resist just wage demands damage society as a whole."

Mr. HUMPHREY. Mr. President, what I have said with reference to the postal employees applies also to every member of the civil service of the Government of the United States. These employees are entitled to fair compensation.

I add, Mr. President, that the loss of a good worker is the most expensive loss the Government can possibly sustain. In order to train new people, to recruit them and fit them into the intricate mechanism of this great Government we must engage in an expensive and time-consuming program. It is prudent judgment and sound economy to maintain on the job the trained, skilled, faithful, trusted, and experienced employees we have. In so doing, even if we pay them more, we actually save the Government and the taxpayers money.

RAILROAD POWER BRAKES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 576, S. 1386.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1386) to authorize the Interstate Commerce Commission to prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of power or train brakes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1386), which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, line 3, after the word "That", to insert "(a) this Act may be cited as the 'Power or Train Brakes Safety Appliance Act of 1957'"; at the beginning of line 5, to insert "(b)"; and in the same line, after the amendment just above stated, to strike out "section" and insert "Section", and on page 2, line 1, after the word "language", to strike out "'The Commission shall prescribe, after hearing, rules, standards, and instructions for the installation, inspection, maintenance, and repair of all power or train brakes, and such rules, standards, and instructions shall remain the rules, standards, and instructions for the installation, inspection, maintenance, and repair of all power or train brakes, unless changed, after hearing, by order of the Commission. The provisions and requirements of this section shall be held to apply to all trains, locomotives, tenders, cars, and similar vehicles used, hauled, or permitted to be used or hauled, by any railroad engaged in interstate commerce; and failure to comply with any rule, regulation or requirement promulgated by the Commission pursuant to the provisions of this section shall be subject to the like penalty as failure to comply with any requirement of this section'" and insert "'Thirty days after the date of enactment of the Power or Train Brakes Safety Appliance Act of 1957, the Interstate Commerce Commission shall adopt and put into effect the rules, standards, and instructions of the Association of American Railroads, adopted in 1925 and revised in 1933, 1934, 1941, and 1953, with such revisions as may have been adopted prior to the enactment of such act, for the installation, inspection, maintenance, and repair of all power or train brakes for common carriers engaged in interstate commerce by railroads. Such rules, standards, and instructions shall thereafter remain the rules, standards, and instructions for the installation, inspection, maintenance, and repair of all power or train brakes unless changed, after hearing, by order of the Interstate Commerce Commission: *Provided, however,* That such rules or standards or instructions or changes therein shall be promulgated solely for the purpose of achieving safety. The provisions and requirements of this section shall apply to all trains, locomotives, tenders, cars, and similar vehicles used, hauled, or permitted to be used or hauled, by any railroad engaged in interstate commerce. In the execution of this section, the Interstate Commerce Commission may utilize the services of the Association of American Railroads, and may avail itself of the advice and assistance of any department, commission, or board of the United States Government, and of State governments, but no official or employee of the United States shall

receive any additional compensation for such service except as now permitted by law. Failure to comply with any rule, regulation, or requirement promulgated by the Interstate Commerce Commission pursuant to the provisions of this section shall be subject to the like penalty as failure to comply with any requirement of this section' "; so as to make the bill read:

Be it enacted, etc., That (a) this act may be cited as the "Power or Train Brakes Safety Appliance Act of 1957."

(b) Section 2 of the act of March 2, 1903 (chapter 976, sec. 2, 32 Stat. 943, 45 U. S. C., title 45, chapter 1, secs. 1–16) is amended (1) by changing the semicolon at the end of the third clause thereof to a period, (2) by striking the remaining language of the section, and (3) by adding at the end of that section the following new language: "30 days after the date of enactment of the Power or Train Brakes Safety Appliance Act of 1957, the Interstate Commerce Commission shall adopt and put into effect the rules, standards, and instructions of the Association of American Railroads, adopted in 1925 and revised in 1933, 1934, 1941, and 1953, with such revisions as may have been adopted prior to the enactment of such act, for the installation, inspection, maintenance, and repair of all power or train brakes for common carriers engaged in interstate commerce by railroad. Such rules, standards, and instructions shall thereafter remain the rules, standards, and instructions for the installation, inspection, maintenance, and repair of all power or train brakes unless changed, after hearing, by order of the Interstate Commerce Commission: *Provided, however,* That such rules or standards or instructions or changes therein shall be promulgated solely for the purpose of achieving safety. The provisions and requirements of this section shall apply to all trains, locomotives, tenders, cars, and similar vehicles used, hauled, or permitted to be used or hauled, by any railroad engaged in interstate commerce. In the execution of this section, the Interstate Commerce Commission may utilize the services of the Association of American Railroads, and may avail itself of the advice and assistance of any department, commission, or board of the United States Government, and of State governments, but no official or employee of the United States shall receive any additional compensation for such service except as now permitted by law. Failure to comply with any rule, regulation, or requirement promulgated by the Interstate Commerce Commission pursuant to the provisions of this section shall be subject to the like penalty as failure to comply with any requirement of this section."

Mr. SMATHERS. Mr. President, this bill is known as the power-brake bill.

Mr. KNOWLAND. Mr. President, I wonder if the Senator will yield temporarily, so that I may suggest the absence of a quorum. I had the bill cleared on my calendar, but I am informed by one of the staff members that some of the Senators had indicated to our calendar committee they might have some objection. I think perhaps that has been cleared away.

Mr. SMATHERS. I am happy to yield to the Senator from California.

Mr. KNOWLAND. Mr. President, 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. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, the pending bill is commonly known as the power-brake bill. It originates from a desire of the Interstate Commerce Commission not only to have the responsibility of bringing about safety with respect to railroads, but to have the necessary authority. The Commission desires authority to enforce reasonable safety regulations with respect to power brakes.

Back in 1925 the railroads and the Interstate Commerce Commission got together and, between them, devised a code of rules for the installation and maintenance of power brakes. Throughout the years they have tried to follow the rules which were agreed upon. But in recent years it has become increasingly evident that the Interstate Commerce Commission must have greater authority to see that power brakes are not only installed in a modern fashion, but maintained in such fashion as to bring about maximum safety in the operation of trains.

The bill was before our subcommittee. I do not think there has ever been a bill before a committee which received greater consideration. Opportunity was given for those on all sides to be heard. We received not only the representation of the Interstate Commerce Commission, but, at the same time, we allowed the American Railroad Association the right to make such recommendations for changes as it thought would be desirable in the bill proposed by the Interstate Commerce Commission.

We then invited the criticism of the Brotherhood of Railway Trainmen and other labor organizations.

Throughout the entire hearing we endeavored to get the various groups together. It required about 6 or 8 weeks to do so. We continued to amend the bill. We finally settled upon the bill which was reported to the Senate. Every member of the committee was satisfied that it was the nearest thing to a practicable, workable, power-brake bill it was possible to write.

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

Mr. SMATHERS. I yield.

Mr. LANGER. Did I correctly understand the distinguished Senator from Florida to say that the Brotherhood of Railway Trainmen indorsed the bill?

Mr. SMATHERS. The Senator is absolutely correct. The Association of American Railroads has indicated to me that it has no objection to the bill. It would prefer that such operations be continued on a voluntary basis. However, I think it was the opinion of all members of the committee that, so long as we were charging the Interstate Commerce Commission with responsibility for maintaining safety along the railroad routes, we should give the Commission the authority and power to see that power brakes were kept in order, so that safety might be assured.

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

Mr. SMATHERS. I yield.

Mr. COOPER. I am very happy that the able Senator from Florida has brought Senate bill 1386 before the Senate for consideration and passage.

As I understand, it would enable the Interstate Commerce Commission to see to it that the railroads comply with their own safety rules regarding airbrakes.

Mr. SMATHERS. The Senator is correct.

Mr. COOPER. Only recently, on June 29, a disastrous wreck occurred on the Louisville and Nashville Railway in Kentucky, at a point near Guthrie. Thirty freight cars, with an engine and caboose, crashed into the side of a passenger train. Six people were killed, and there was considerable damage. No one yet knows the exact cause of the wreck. I am not now ascribing negligence to the railroad, but there was evidence indicating that 12 of the cars had defective brakes, and that on one car the air was entirely cut off. I understand that is one of the situations with which the bill would deal.

Mr. SMATHERS. That is true.

Mr. COOPER. The Interstate Commerce Commission would be given the authority to see to it that the railroads really policed their own airbrake installations and observed their own rules.

Mr. SMATHERS. The Senator is correct.

To reemphasize what the Senator has just stated, the Chairman of the Interstate Commerce Commission went so far as to say, "We will adopt the rules of the American Railroad Association itself as our rules. However, of course, we want to reserve the right to modernize them and change them from time to time. However, we shall make changes only after a hearing has been given to all parties concerned."

If the proposed legislation were enacted, and if the Interstate Commerce Commission were to adopt as its rules the rules of the American Railroad Association, of course it would not penalize any railroad which was living up to the rules of its own association. The law would affect only those railroads which were not living up to their association rules.

Mr. COOPER. I understand that every opportunity would be given to the railroads for a fair hearing, to determine whether or not the rules were being observed.

Mr. SMATHERS. The Senator is correct.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the magazine Labor, dated July 20, on the subject of the wreck to which I have referred.

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

L. & N. FREEZEOUT OF UNION AT CRASH HEARING ASSAILED—INEFFICIENT BRAKES ON FREIGHT TRAIN ADMITTED BY OFFICIAL OF CARRIER

(By Edward P. Corwin)

A management investigation held in Louisville last week of the fatal crash of a freight train into the side of a passenger train on the Louisville & Nashville at Guthrie, Ky., on June 29, produced these extraordinary developments, among others:

1. Protection of the interests of the freight engineer, J. T. Raspberry, who was killed in

the crash, was denied by L. & N. officials when they refused the request of his union, the Locomotive Firemen and Enginemen, to speak for him in the probe.

They took the amazing stand that, since Raspberry had died, there was no one involved whom the brotherhood represented. Thus, the L. & N. would be free to blame the dead engineer, if it so concluded, without anyone being present to protect his reputation or the interests of his family. The BLFE strongly protested this freezeout.

COOPER HITS CARRIER STAND

This injustice was also hit by Senator JOHN COOPER, Republican, of Kentucky. In Washington he pointed out that this was a public matter, in view of the fact that the Interstate Commerce Commission had representatives at the scene while the railroad was making its own investigation, and the brotherhood should have been called in.

2. An L. & N. official, it was revealed, admitted at the hearing that nearly half the cars of the 30-car freight train had inefficient brakes. As a result, further evidence showed, the train could not be stopped in time to avoid running into the side of the passenger train, the Dixieland, at a crossing of two L. & N. lines. Five people on the passenger train lost their lives and 21 were injured.

The tragedy spotlighted the urgent need for measures now pending in Congress designed to guard against such brake conditions as were revealed. The bills are backed by all the standard railroad labor organizations and the ICC.

An ICC official said that a report will be issued later on the probe of the crash by Commission inspectors, who held no separate hearings, but sat in on the carrier's hearings at Louisville, Ky.

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

Mr. SMATHERS. I am happy to yield to the able Senator from Michigan, who is a member of the subcommittee, and who heard the testimony.

Mr. POTTER. Mr. President, I merely wish to reemphasize what the chairman of the subcommittee has stated. I know of no bill before the committee which has received more careful consideration than the pending bill. The distinguished Senator from Florida and the other members of his subcommittee have leaned over backward to meet the objections which were raised, and to carry out, so far as possible, the recommendations of all interested groups.

I think the bill presented to the Senate at this time is a good bill, and one which would carry out the objectives of the Interstate Commerce Commission and provide the safety which both labor and the railroad industry seek as an operating standard.

This was not a hastily considered bill. It received the sincere and serious attention of the committee for some time. The Senator from Florida has stated the facts accurately. I know of no objection to the bill on the part of any Member of the Senate.

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

Mr. SMATHERS. I yield.

Mr. JAVITS. I commend the Senator from Florida for bringing this measure before the Senate. Perhaps it will interest the Senator to know that I have heard a great deal about the bill through my mail. The Senator is justified in feeling that he is not only serving a policy, but serving the interests of people. I have received large quantities of mail regarding the bill from railroad workers who felt themselves endangered by the absence of such legislation. They urge very strongly that I take an interest in the subject, in terms of their own safety. They are the men who ride the trains and cabooses, and they feel very deeply on this subject.

I hope the Senator will feel, therefore, that in his fine service he is serving not only a policy which the committee is convinced is the correct one and I believe the Senate should be convinced is the proper policy, but a policy which individual workers in large numbers feel affects their own safety.

Mr. SMATHERS. I thank the able Senator from New York for his very kind remarks. Certainly we are aware that this is a safety measure which affects the lives of thousands of people. I yield to the Senator from Kansas, a member of the subcommittee, who has contributed yeoman service to the subject under consideration by the Senate.

Mr. SCHOEPPEL. Mr. President, I thank the Senator from Florida. He was chairman of the subcommittee which heard lengthy testimony on the bill. I concur in what he has said with relation to the bill which is before the Senate. It is a tremendous step forward in the safety provisions existing on our railroads, both from the standpoint of the railroads, and from the standpoint of those who labor on the railroad, as well as from the standpoint of the people who travel on the railroads.

I am sure that the Senator from Florida, the chairman of the subcommittee, will agree with me that many hours of laborious work were spent in considering the bill, and in conferences which had to be held on it, not only among the members of the subcommittee, but with railroad representatives and with other members of the Committee on Interstate and Foreign Commerce, and with staff members, as well as with labor groups, who were vitally interested in the proposed legislation.

Although the bill does not give everyone everything he wants, it represents what I believe to be a most constructive compromise approach to a problem which all of us recognize had to be met and solved. The bill can be truly called a genuine compromise bill. It is a good bill and a constructive bill. There was give-and-take on the part of all parties interested in this vital subject. It is a measure which will lend itself to readjustment and rechecking and revision from time to time. For the first time it gives the Interstate Commerce Commission the right to establish some guideposts which have heretofore been lacking.

I commend the Senator from Florida for his painstaking work, and for the tolerance he manifested in getting all the parties together and bringing about this culmination. I hope the Senate will overwhelmingly pass the bill.

Mr. SMATHERS. I thank the Senator from Kansas for his kind remarks, particularly for his generous words about me. He made a valuable contribution to the final drafting of the bill. I now yield to the Senator from Texas, a member of the subcommittee.

Mr. YARBOROUGH. Mr. President, I desire to associate myself with the remarks of the distinguished junior Senator from Florida [Mr. SMATHERS], and I wish to join in the words of commendation which have been spoken about the fair and thorough manner in which he conducted the hearings.

It was my privilege to sit on the subcommittee of which he was the chairman. All parties were heard; some changes were made in the bill, and differences were worked out. As a result, I believe we now have a good bill before us. It will result in greater safety factors, which will be of benefit to the transportation industry, to shippers, and to the people as a whole. I commend the Senator from Florida for the fair manner in which he conducted the hearings, and I wish also to commend the full committee for the manner in which it treated the report of the subcommittee. I believe the bill comes to the floor of the Senate with the unanimous support of all members of the committee.

Mr. SMATHERS. I thank the able Senator from Texas. I hope the Senate will pass the bill with an overwhelming vote.

Mr. JOHNSON of Texas. Mr. President, I wish to commend the committee, particularly the able chairman of the subcommittee, the Senator from Florida [Mr. SMATHERS]. The railroad brotherhoods have talked to me about it a number of times, and have asked me several times to schedule the bill for consideration. I am very happy that we have been able to bring it up for consideration this afternoon. I hope we may be able to pass the bill very shortly.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. REVERCOMB. Mr. President, before the bill is passed I should like to express my own sentiments regarding it. The purpose of the bill is to increase the safety of the workers on the railroads, and I am always interested in the safety of men. I commend the Senators who have been responsible for bringing the bill to the floor of the Senate, and I express the hope that it will pass the Senate by an overwhelming vote.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (S. 1386) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

OUTSTANDING RECORD MADE BY OREGON ENTRANTS IN FREEDOMS FOUNDATION PROGRAM

Mr. NEUBERGER. Mr. President, the Freedoms Foundation at Valley Forge, Pa., has taken the lead in encouraging pride of American history and traditions in millions of boys and girls. This has been done through essay contests and other competition, based upon genuine appreciation for our American way of life.

I have been pleased and honored to learn from Dr. Kenneth D. Wells, president of the Freedoms Foundation, that Oregon has excelled in this patriotic and meritorious undertaking.

On August 12 Dr. Wells wrote to me from Valley Forge:

> The wondrous work and clearly defined validity of the special programs for building an understanding of the American way of life, and excellent personal citizenship are shining brightly in your State of Oregon. There is clear proof in the remarkable series of awards earned in 5 of your major communities. No State has shone more brightly before the distinguished awards jury, the review panels, as they have met during the past 7 years.

This is one more indication of the excellence and thoroughness of Oregon schools. An earlier example was cited in my speech on the Senate floor June 26, when I discussed the fact that Oregon inductees ranked second in the Nation in their records during the educational tests conducted by the Army in the Korean emergency.

Dr. Wells places Oregon at the very top of the pinnacle in the attainments of Oregon students in the Freedoms Foundation awards contests. Five Oregon communities have participated in these achievements—Burns in Harney County, Grants Pass in Josephine County, Medford in Jackson County, Perrydale in Yamhill County, and Salem in Marion County.

Dr. Wells has provided me with the full list of Oregon award winners, which shows a remarkable performance by the students and teachers of the school system of our State capital city of Salem.

Indeed, this may be a factor in the decision of Dr. Wells himself to purchase a farm home in the lovely and verdant Willamette River Valley, a few miles north of Salem.

I ask unanimous consent that the list of Oregon participants in these successful efforts be included in the CONGRESSIONAL RECORD—as a demonstration of the caliber and quality of the educational systems of our great State. I also ask that Dr. Wells' moving and eloquent letter to me, of August 12, likewise be printed in the body of the RECORD.

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

FREEDOMS FOUNDATION AT VALLEY FORGE,
Valley Forge, Pa., August 12, 1957.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: The wondrous work and clearly defined validity of the special programs for building an understanding of the American way of life, and excellent personal citizenship are shining brightly in your home State of Oregon. There is clear proof in the remarkable series of awards earned in five of your major communities. No State has shone more brightly before the distinguished awards jury, the review panels, as they have met during the past 7 years.

May I express official thanks for your warm greeting and personal interest in and assistance to the considerable number of teachers and outstanding students we have brought to our Nation's Capital, as a part of their school award. Your remarks to them on the historic meanings of the Capitol itself, and of the price paid that Americans might be free, have contributed to their understanding of their individual rights and personal responsibilities to the fundamental principles of this Republic.

May I call your particular attention to the long list of awards to many schools in Salem, your State capital? These do not include teachers' medals earned by many of these outstanding women and men.

It is your hope that every State, and each city, will proceed with as great vigor in fine works, affirmatively telling the American story, while we are in the great battle with the swaggering ugly philosophy of atheist communism.

Faithfully yours,
KENNETH D. WELLS.

AWARDED SCHOOLS IN OREGON

BURNS

Burns Grade School, box 431; principal: Henry L. Slater; 1950, honor medal, school; 1952, Valley Forge pilgrimage, school.

GRANTS PASS

Grants Pass High School, Olive Street; principal: Frank W. Thomas, 1952, Valley Forge pilgrimage, school; 1955, Valley Forge pilgrimage, school.

MEDFORD

Medford Senior High School, 815 South Oakdale; principal: Lester D. Harris; 1954, Valley Forge pilgrimage, school; 1956, freedom library, school.

PERRYDALE

Perrydale High School; superintendent-principal: Donald F. Miller; 1950, certificate of merit, general.

SALEM

Bush School, University and Mission Streets; principal: Alvin W. Hoerauf; 1953, Valley Forge pilgrimage, school; 1954, honor medal, school; 1955, freedom library, school; 1956, freedom library, school.

Englewood School, 19th and Nebraska; principal: Dorothy Daughtery; 1950, honor medal, school; 1951, freedom library, and Valley Forge pilgrimage, school; 1952, Valley Forge pilgrimage, school; 1953, honor medal, school; 1954, Valley Forge pilgrimage, school; 1955, freedom library, school; 1956, Valley Forge pilgrimage, school.

Keizer School, 5005 North River Road; principal: Mrs. Carmelite I. Weddle, superintendent; 1953, Valley Forge pilgrimage, school; 1954, honor medal, school; 1955, Valley Forge pilgrimage, school; 1956, freedom library, school.

Leslie Junior High School, Howard and Cottage; 1955, Valley Forge pilgrimage, school; 1956, honor medal, school.

McKinley Elementary School, Miss Dorothy Rea, principal; 1954, Valley Forge pilgrimage, school; 1955 freedom library, school.

Morningside Elementary School, 3113 South 12th Street; Marion Miller, principal; 1956, Valley Forge pilgrimage, school.

Oregon State School for the Blind; 1955, Valley Forge pilgrimage, school.

Richmond Elementary School, Richmond Avenue and Mill Street; Miss Mathilda Gilles, principal; 1953, freedom library, school; 1954, freedom library, school; 1955, honor medal, school; 1956, freedom library, school.

Salem Heights School, Steve Irving, principal; 1955, freedom library, school.

South Salem High School, Carl E. Aschenbrenner, principal; 1956, honor medal, school.

MUTUAL SECURITY ACT OF 1957—CONFERENCE REPORT

Mr. GREEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2130) to amend further the Mutual Security Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of August 14, 1957, pp. 14740–14742, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bennett	Holland	O'Mahoney
Bible	Hruska	Pastore
Bricker	Humphrey	Potter
Bush	Ives	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Church	Kerr	Smith, Maine
Clark	Knowland	Smith, N. J.
Cooper	Kuchel	Sparkman
Cotton	Langer	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Thye
Ellender	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Flanders	Martin, Pa.	Williams
Fulbright	McClellan	Yarborough
Goldwater	McNamara	Young

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate in order to represent the Senate at the Latin American Economic Conference in Buenos Aires.

The Senator from South Dakota [Mr. MUNDT] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the conference report.

Mr. GREEN. Mr. President, the Mutual Security Act conference report provides an even split between the overall total provided by the Senate and that provided by the House in authorizations of appropriations for the fiscal year 1958. In most other respects, the conference report follows the provisions of the House version of the bill.

The total authorization provided by the conference report for the fiscal year 1958 is $3,367,083,000. This is a reduction of $250,250,000 from the Senate version of the bill, and is an increase of a like amount over the House version.

Actually, so far as the fiscal year 1958 is concerned, only three figures were in dispute between the two Houses. For military assistance, the Senate had authorized $1.8 billion; the House, $1.5 billion. The conferees agreed on $1.6 billion.

For defense support, the Senate had authorized $800 million; the House, $600 million. The conferees agreed on $750 million.

For administrative expenses, the Senate had authorized $33 million; the House, $32.5 million. The conferees agreed on $32,750,000.

Overshadowing the amounts to be authorized for 1958, however, was the issue of future-year authorizations, particularly so far as the development loan fund was concerned.

Senators will recall that the Senate version of the bill authorized appropriations for the fiscal year 1959 of $1.5 billion for military assistance, and appropriations of $710 million for defense support. The Senate version of the bill also authorized the development loan fund to borrow $750 million from the Treasury, beginning in each of the 2 fiscal years 1959 and 1960. The House version contained no authorizations for either appropriations or for borrowing beyond 1958.

The conferees met long and earnestly, in an attempt to resolve these differences, which really stem from a basic and fundamental difference in the concept of the foreign-aid program. The Senate approach reflected the results of the exhaustive studies made by the Special Committee To Study the Foreign Aid Program. The Senate version of the bill was also more nearly in line with the recommendations of the President.

Although I can speak only for myself, I believe that the Senate conferees are still unanimously of the view that the Senate version would have resulted in a sounder and more effective program. However, after many hours of discussion with our House colleagues, a majority of the Senate conferees became convinced that there was no practical possibility of House approval of the Senate approach at this session of Congress. The Senate conferees, therefore, yielded, but with great reluctance. As a result, the conference report contains no authorizations for military assistance or defense support beyond the fiscal year 1958.

On the paramount issue of financing for the development loan fund, however, the House did make a concession in agreeing to an authorization for appropriations of $625 million for the fiscal year 1959. This is in addition, of course, to the authorization for the appropriation of $500 million for the fiscal year 1958, which was in both the Senate and House versions.

A prerequisite to the fund's success is that it have sufficient capital and that it not be dependent upon annual appropriations. The Senate version would have provided a capital of $2 billion for the loan fund over a 3-year period.

The House version, which was limited to $500 million and a single year, gave the fund virtually no hope of success. The Senate version gave it every reasonable hope. The conference agreement gives it some hope. Just how much depends upon whether the appropriations authorized are in fact made available without fiscal-year limitation. The Senate conferees yielded as much as they did only after having received informal assurances from the House leadership that this would be done.

A final word needs to be said about administration of the fund. On this point, the conference report adopts the language of the House version, which provides for a Manager, to be appointed by the President and confirmed by the Senate; and for a Loan Committee, consisting of the Deputy Under Secretary of State for Economic Affairs, as Chairman, the Director of the International Cooperation Administration, and the Chairman of the Board of Directors of the Export-Import Bank.

The Manager will be an official of the International Cooperation Administration, but both he and the Loan Committee will operate under the close policy guidance and control of the Secretary of State. The Development Loan Fund will be a significant arm of United States foreign policy. It will fail of its purpose unless it is controlled by the official responsible for foreign policy—namely, the Secretary of State.

Mr. President, I daresay that no Senate conferee is entirely satisfied with this conference report. Certainly I am not. But it is the considered judgment of a majority of the Senate conferees that, in view of the situation prevailing in the House, this is the best agreement we can get at this session. The report does represent some improvement over the existing foreign-aid program. It is my hope and my expectation that next year further progress can be made.

Mr. SMITH of New Jersey subsequently said: Mr. President, it had been my purpose to make a few remarks in support of the statement by the chairman of the committee [Mr. GREEN], but I have decided instead to ask unanimous consent to have printed in the RECORD, following his presentation, a statement which I have had prepared. The statement includes a brief history of the Mutual Security Act, and makes some comments on the conference report. It also covers the subject of the foreign-aid studies made this past year before the bill was prepared and before it came before either House. The statement covers the results of those studies, and the Senate and House bills, and the differences. It also covers the sums authorized, as already reported by the chairman. It urges support of the conference report as the most feasible way to obtain mutual-security legislation this year. It finally points out, in conclusion, that the President has requested the appropriations be as near as possible to the conference report figure.

Mr. President, I ask unanimous consent that the statement be printed in full following the presentation of the chairman of the committee.

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

STATEMENT BY SENATOR SMITH OF NEW JERSEY

MUTUAL SECURITY ACT, 1957—CONFERENCE REPORT

I

The conference report on S. 2130, the Mutual Security Act of 1957, should be supported. Unfortunately, the conference bill differs in some important respects from the version as passed by the Senate, a bill adopted after a long and intensive examination by the Special Committee To Study the Foreign Aid Program, aided by the proposals of two Executive-appointed committees. I regret that the House stand has made it impossible to secure acceptance of all the Senate changes this year, especially the 3-year revolving loan fund, but the conference bill does contain many admirable features and I urge that it be supported.

II

Foreign aid studies

A reexamination of the mutual-security program was initiated last year because of the realization that it was not being clearly understood by the American people and its administration was not adapted so as to integrate it most effectively with American foreign policy. Its purposes were diffused and its policies were confusing.

Nine years of operation of the mutual-security program had produced some significant accomplishments; the strengthening of the military power of the Free World, and assisting the underdeveloped nations in their drive to attain economic progress and maintain their freedom, independence, and the right of self-determination.

But there was a need for a clarification of policies and purposes, and for a reappraisal of the administration of the program; these, in addition to the experience which had been accumulated, made it possible to survey and reexamine the entire program so as to ascertain more clearly its function in the foreign policy of this Nation.

III

Results of the studies

The special committee study, the reports of witnesses, proposals by the executive, and the final report of the special committee stressed the following aims and recommendations for the mutual-security program in the future:

1. Increased efficiency and effectiveness.
2. Clarification of policies and objectives.
3. More functional programing and administration.

From these general objectives certain important specific aims were set forth:

1. Separation of military and nonmilitary aid.
2. A closer integration of military assistance to the total overall defense effort of the United States, and a possible placing of military assistance in the Defense Department budget.
3. Creation of a program for a long-term economic assistance to be available on a continuing basis.

4. Emphasis on loans and a businesslike economic assistance program, rather than on grants.

5. Deletion of some existing restrictions on planning and programing of military and economic aid; that is, by authorizing funds to be spent on a "no-year" basis.

6. Continuation and extension of the technical cooperation program.

7. Increased flexibility to enable the President to meet emergencies and unexpected contingencies.

IV

Senate and House bills

The Senate bill largely carried out these objectives, especially through the creation of a 3-year revolving development loan fund, and 2-year authorization of military assistance and defense support funds on a "no-year" basis. The House bill eliminated the 2-year authorizations for these latter funds and thus prevented their placement in the Defense Department budget in fiscal year 1959. It restricted the loan fund to 1 year and substituted its own form of administrative organization for the fund, and it severely restricted the President's flexibility in the handling of special assistance moneys.

The House, however, did add certain advantageous features and these have been preserved in the conference bill:

1. It broadened the banking authorization in the loan fund by widening the power to make guaranties.

2. It authorized technical cooperation funds to remain available until expended, instead of having 25 percent of them available for 15 months.

3. It extended the time for reemployment rights of personnel hired by ICA from other Government agencies from 24 to 30 months in order to allow such personnel to spend more time abroad.

Sums authorized

The President's request for $3.8 billion was reduced in the Senate bill to $3.6 billion and was cut further by the House bill to $3.1 billion. The conference fixed the amount at $3.3 billion representing a reduction of $300 million in the military assistance authorization from the figure requested by the President, and a reduction of $150 million in defense support.

VI

Support of the conference bill

Despite the fact that the conference report emasculates the long-term revolving loan fund by substituting a 2-year authorization in the place of borrowing power, and replaces 2-year authorizations for military assistance and defense support monies with annual authorizations so that they cannot be placed in the Defense Department budget in fiscal year 1959, I urge that the report be supported.

I deeply regret that these provisions have been eliminated from the act this year, especially the long-term revolving loan fund because it constitutes a potent weapon in the mutual security program today when much of the cold war conflict between the free nations and international communism has shifted to the economic sphere where the underdeveloped countries are heavily involved.

However, an overall examination of the conference report does reveal that a considerable advance has been accomplished in this bill:

1. Military assistance and defense support funds are now available until expended, i. e. on a "no-year" basis, enabling planning and programing in these categories to be more effective than in the past.

2. Defense support has been limited to military items in the main, and a distinct separation of military and nonmilitary items had been achieved.

3. A long-term loan fund has been started with a possible capitalization of over $1 billion, although it will not be revolving.

4. The principle of long-term loans rather than grants in the economic field has been upheld.

5. Technical cooperation has been extended and placed on a "no-year" basis.

6. Greater flexibility has been provided for the President in the event of emergencies and contingencies.

7. Obsolete sections of the act have been eliminated and titles have been clarified.

8. Policies and objectives have been clarified; and

9. Administrative gains have been achieved which can promote efficiency and more effectiveness in carrying out the program in the future.

These are positive steps forward. Many of the recommendations made in the studies have been included in the bill, and the report urges that careful consideration be given to the creation of a corporation to administer long-term economic loans next year. Other steps can and will be taken. In fact, they must be attempted if the underdeveloped nations are to be enabled to become economically strong and to retain their independence.

VII

Conclusion

The conference report, even with its variances from the Senate bill, does provide for a more efficient and effective mutual-security program than has existed heretofore. It provides for substantial advances in policymaking and programing and, through its clarifiaction of objectives, the mutual-security program can be more fully integrated with the foreign policy of the Nation in the future. I urge that all my colleagues support the bill.

However, in adopting the report it must not be forgotten that the amounts authorized constitute the rock-bottom figures which the President has warned are essential for the security of the country. To appropriate anything less would be an unwise "saving" which could jeopardize the safety of the Nation.

Mr. LANGER. Mr. President, will the Senator from Rhode Island yield for a question?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Rhode Island yield to the Senator from North Dakota?

Mr. GREEN. I yield.

Mr. LANGER. Can the distinguished Senator from Rhode Island tell us the total of United States loans to foreign countries, from the very inception of this program?

Mr. GREEN. I shall have to obtain those figures. The sums are very large.

Mr. LANGER. Will the figures include the ones for the grants which have been made? Will the Senator from Rhode Island also obtain the figures for the grants?

Mr. GREEN. I can procure those figures.

Mr. LANGER. It always seemed to me that the so-called Marshall plan was entirely misnamed, and that all that the Marshall plan did was to carry out what William Gibbs McAdoo did following World War I, when the United States loaned billions of dollars to certain foreign countries, but the only country that ever repaid what we loaned was Finland. Is that correct?

Mr. GREEN. I think there are certain differences.

Mr. LANGER. As a matter of fact, those loans never have been canceled; and the office of the Secretary of the Treasury still carries on its books, as money owed to the United States by those foreign countries, the various amounts which the United States loaned to them during the administration of Woodrow Wilson.

Mr. GREEN. The total foreign aid since 1945 amounts to approximately $55 billion.

Mr. LANGER. That does not include the money given them after World War I, does it?

Mr. GREEN. No; the figure I have stated is for the period since 1945.

Mr. LANGER. I should like to have the Senator provide the other figures, if he can do so; and I should like to have them inserted in the RECORD.

Mr. GREEN. I shall be glad to obtain them, if they are immediately available.

Mr. LANGER. I should like to ask a further question: Is the presently proposed arrangement to be for 1 year or for more than 1 year?

Mr. GREEN. The arrangement provided in this measure is for 1 year.

Mr. LANGER. Yes; that is what I mean.

Mr. GREEN. The appropriation is for 1 year, but the development loan fund has an appropriation authorized for the following year, as well.

Mr. LANGER. What is the amount of that?

Mr. GREEN. One billion one hundred and twenty-five million dollars over 2 years.

Mr. LANGER. I think the Senator is aware, as a member of the Foreign Relations Committee, that I have been opposed to any loans or the granting of funds from the very inception of the program.

Mr. GREEN. I think the Senator has made it very clear.

Mr. LANGER. I have made it clear, and I should like to make it very clear that I am going to vote against the conference report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8090) making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior, for the fiscal year ending June 30, 1958, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 16, and 23 to the bill and concurred therein; that the House receded from its disagreement to the amendment of the Senate numbered 24 to the bill and concurred therein with an amendment, in which it requested the

concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 3 to the bill.

The message also announced that the House insisted upon its amendment to the bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes," disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLATNIK, Mr. FALLON, Mr. DAVIS of Tennessee, Mr. MACK of Washington, and Mr. SCUDDER were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 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; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCMILLAN, Mr. HARRIS, Mr. TEAGUE of Texas, Mr. SIMPSON of Illinois, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2973) for the relief of the estate of William V. Stepp, Jr.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. FORRESTER, and Mr. BURDICK were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 7 to the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct-loan program for veterans, and for other purposes, and that the House agreed to the amendment of the Senate numbered 6 to the bill, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its disagreement to the amendments of the Senate to the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes; asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORRISON, Mr. MULTER, Mr. GRANAHAN, Mr. KEARNS, and Mr. BROYHILL were appointed managers on the part of the House at the further conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6709) to implement a treaty and agreement with the Republic of Panama, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mrs. SULLIVAN, Mr. GARMATZ, Mr. TOLLEFSON, and Mr. SHEEHAN were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8240) to authorize certain construction at military installations, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS of Louisiana, Mr. KILDAY, Mr. DURHAM, Mr. RIVERS, Mr. ARENDS, Mr. COLE, Mr. GAVIN, and Mr. NORBLAD were appointed managers on the part of the House at the conference.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1672. An act for the relief of the legal guardian of Frederick Redmond;

H. R. 1682. An act for the relief of Edward J. Moskot;

H. R. 1864. An act for the relief of Mrs. Lidie Kammauf;

H. R. 2045. An act for the relief of Robert D. Miller, of Juneau, Alaska;

H. R. 2950. An act for the relief of Lt. Col. Emery A. Cook;

H. R. 3281. An act for the relief of Howard S. Gay;

H. R. 4023. An act for the relief of Oswald N. Smith;

H. R. 4154. An act for the relief of the legal guardian of Thomas Brainard, a minor; and

H. R. 5627. An act for the relief of Mrs. Emma Hankel.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 52. An act to provide increases in service-connected disability compensation and to increase dependency allowances;

H. R. 1058. An act to preserve the key deer and other wildlife resources in the Florida Keys by the establishment of a National Key Deer Refuge in the State of Florida;

H. R. 1460. An act for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley;

H. R. 1562. An act for the relief of Maj. John P. Ruppert;

H. R. 2049. An act for the relief of Mrs. Blanche Houser; and

H. R. 3440. An act for the relief of Lillian Schlossberg.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 426) amending a joint resolution making temporary appropriations for the fiscal year 1958, and for other purposes, and it was signed by the President pro tempore.

THE SENATE BILL, A CONSCIENTIOUS CONTRIBUTION TO CIVIL RIGHTS

Mr. O'MAHONEY. Mr. President, there has been so much discussion in the press, so many statements have been issued by responsible leaders in Government with respect to the jury-trial amendment to the civil-rights bill, there have been so many charges that the amendment emasculates the bill passed by the Senate, there have been so many intimations that there are men in this government who would prefer no legislation at all rather than see the Senate bill become a law, that I feel compelled to make some studied comments upon the situation.

I was very much impressed this morning, on opening a copy of the Washington Post, to see a cartoon drawn by the very noted and able cartoonist, Herblock, representing an elephant riding upon the back of the public desiring to make progress in handling civil rights. I can refer to that cartoon without hesitation and without giving offense to Republicans, because so much able and conscientious assistance was given to the Members of the Senate who sponsored the jury trial amendment by Republican Members of this body that it might be said it probably would have been impossible to have adopted the amendment without their assistance.

I want the country to know that Republican colleagues of mine in this body, because they were moved by a deep conviction that it is impossible to save one civil right by destroying another, gave their aid and assistance in working out the bill which now lies upon the desk of the Speaker of the House of Representatives.

So, Mr. President, in order that there may be in the RECORD, from one of the sponsors of the jury trial amendment, a statement on the amendment which was offered by the Senator from Tennessee [Mr. KEFAUVER], the Senator from Idaho [Mr. CHURCH], and myself, it seems desirable to tell the whole story as simply and as clearly as I am capable of doing it. I believe the Senate bill is a conscientious contribution to civil rights, and that nothing has transpired in the Congress of the United States dealing with this subject in 80 years that is comparable to it as a contribution to the public welfare and to harmonious racial relations.

From the beginning of this debate I have asserted my unreserved conviction that the right to vote belongs to all citizens without disqualification on account of race, color or creed. As a member of the Judiciary Committee I have worked to the full extent of my ability to bring about the enactment of a law that would preserve to all our citizens the voting rights guaranteed to them by the Constitution. No person can challenge my devotion to the principles of popular government. I devoutly hope that this Nation may be able to lead the world to the universal adoption of free political and economic institutions that will include all races and all people.

That end cannot be attained if, in the illusory hope that some temporary partisan gain could be won thereby, Republican leadership should now lend itself to the defeat of the civil-rights bill which has passed the Senate. I do not hesitate to say that any leader in this Republic, whatever his name or whatever his political affiliation, who is will-

ing to bring about the defeat of the civil-rights measure because of any fancied disagreement with the terms of the Senate bill is doing a great disservice to his country and to the world.

TO DROP BILL WOULD BE TO RISK LOSING WORLD LEADERSHIP FOR FREEDOM

I have just been informed that the former Speaker of the House of Representatives, JOSEPH MARTIN, Republican Congressman from the State of Massachusetts, has said that he would rather have no civil-rights bill at all than have the bill passed by the Senate. If this be true, then Mr. MARTIN is willing to risk the destruction of American leadership as a force for freedom in the world on the false assumption that the Senate bill is not a good one.

It is a good bill. It is a strong bill. It is a bill which has gone further to strengthen basic individual human rights than any measure enacted by Congress in 80 years, and it was passed in the Senate without a filibuster.

A STRONG BILL WAS FORGED ON SENATE FLOOR

The Senate is the only legislative body in which unlimited debate is still permissible. There can be no filibuster in the House of Representatives. There was no filibuster in the Senate, but in this body, in which the bill which came to us from the House was withheld from the Judiciary Committee where it normally would have gone, it was, by the courageous, conscientious, thoughtful actions of Members of both parties, subjected to studious, painstaking, and sincere analysis.

Without partisan distinction, the Members of this body in an open public forum welded the measure sent to us by the House into a potent weapon to advance the cause of liberty and equality.

I have been a Member of the Senate, with a slight exception, ever since the first of January 1934, and I have never seen a debate of such great importance conducted in this or any other body with such tolerance, with such patience, and with such evident determination to do what was right.

There were emotions, of course; there were deep emotions; but no Members of the Senate and no group in the Senate allowed their emotions to sway them to bring about the defeat of the measure. That might easily have been done.

IT AUTHORIZES ATTORNEY GENERAL TO PROTECT VOTING RIGHTS

This bill in part IV authorizes the Attorney General to institute civil proceedings in the courts of the United States to secure court orders prohibiting any act or practice which would deprive any citizen of his voting rights. It vests in the Federal Government the authority for which the 14th and 15th amendments were designed to throw the protecting circle of Federal power about the voting rights of all individual citizens.

In part III the bill protects the right of every United States citizen to recover damages or to secure equitable relief for the protection of his civil rights, including the right to vote.

IT SETS UP DIVISION TO PROTECT VOTING RIGHTS

In part II the bill establishes a new division in the Department of Justice headed by an additional Assistant Attorney General to assist the Attorney General in the performance of his duties. The nomination of this new Assistant Attorney General will be by the President, and his confirmation will be by the Senate, which is provided in order to strengthen the Department of Justice in the protection of the right of every citizen to vote.

COMMISSION WILL STUDY ALL ASPECTS OF CIVIL RIGHTS

This is not all. In part I of this bill there is established a Commission on Civil Rights, armed with the power to investigate allegations that citizens are being deprived of the right to vote by reason of race, color, or national origin, and to study and collect information concerning any legal developments that might constitute a denial to any citizen of equal protection of the laws under the Constitution, and finally to make an appraisal of the laws and policies of Federal Government in this regard. The Commission is charged with the duty of submitting interim reports to the President and to the Congress, and at the end of 2 years to submit a final comprehensive report including its findings and recommendations. As it came from the House, the bill required the report to be made only to the President. The Senate amended the bill to provide that the report should be made also to the Congress, thus guaranteeing complete publicity, through both the executive and legislative branches of Government, for the findings and recommendations on civil rights.

Thus is created a new Commission, the sole duty of which is to investigate the denial of civil rights. In passing upon this provision of the House bill, the Senate made several amendments, but was careful to preserve the basic plan to have an independent investigation of the whole problem.

The creation of this Commission, the members of which are to be nominated by the President and confirmed by the Senate of the United States, will make it possible to take this question out of the arena of possible partisan debate. The Senate did well in avoiding partisan debate upon this matter, because the bill was rendered possible solely by the cooperation of Senators of both parties and from all sections.

Mr. President, I firmly believe the Commission will also be created in such fashion that it will stand above mere political partisanship. The country can look forward to its report and to its recommendations in firm confidence that the report and the recommendations will be made with the same conscientious devotion which was displayed by the Members of the Senate in writing the bill which now is upon the desk of the Speaker of the House of Representatives.

JURY-TRIAL AMENDMENT WILL PROTECT AN EXISTING CIVIL RIGHT AND ESTABLISH A NEW ONE

Finally, in part V the Senate added the jury-trial amendment to protect the constitutional civil right of persons charged with crime to be protected from prosecution for criminal offenses by the Government without a jury. This amendment was carefully drawn so as to preserve untouched the right of the Federal courts by fine and imprisonment to compel obedience to their lawful orders without the intervention of a jury trial. In order to answer the unfounded charge that the juries which would be called to sit under the amendment in the United States courts would be exclusively all-white juries, the amendment eliminated the present provision of Federal law that a person to qualify to serve as a juror must be a voter under State law. Thus the jury-trial amendment extended a new civil right, namely, the right to serve on Federal juries, to citizens of the Negro race.

To any leader in the House of Representatives, from former Speaker MARTIN on down, and to any political leader upon any political committee, I say with all the emphasis at my command, "If you now scheme and endeavor and maneuver to bring about the defeat of this bill because the jury-trial amendment is included in it, you will be denying the right which the Senate has extended to the Negro citizens of the South to sit upon the juries without first having been registered as voters under State law." That represents a gain which any person who believes in civil rights must acknowledge to be extraordinary.

TO DISCARD BILL NOW WOULD DESTROY DOMESTIC UNITY AND IMPAIR OUR STANDING ABROAD

To say that this bill has been weakened or emasculated by the elimination of provisions that would have permitted the revival of the force bills of the reconstruction era and by the addition of the jury-trial amendment is to mislead the people, and to assert that no bill at all would be better than this bill is to exploit the fears of honest citizens of every race and color who have not had the opportunity to read the measure.

To advocate that the great achievement of humanitarian progress accomplished in the Senate should now be discarded is only to advocate that the Congress allow the Nation to be plunged into an era of emotional chaos that can only impair our standing abroad and destroy domestic unity at a time when the realization of our opportunity to lead the whole world to peace and freedom depends upon our capacity to maintain unity and understanding at home.

THIS IS NO TIME FOR POLITICAL MANEUVERING

This is the time for all our leaders to abandon all thoughts of political maneuvering and to apply the high considerations of public service which enabled Democrats and Republicans alike to revise and improve the bill that was sent to us from the House. This body made the House bill the pending business and, bypassing the Judiciary Committee, considered it on the floor. The public will be served and civil rights advanced, in my opinion, if the House now follows the same pattern and takes the bill as it was sent back from the Senate for consideration on the floor of the House.

BILL PRESERVES INTEGRITY OF THE JUDICIARY

I have been amazed at the manner in which some of the spokesmen of the Department of Justice have sought to convince the President that the jury-trial amendment is damaging to the entire Federal judiciary. This is a charge which cannot be sustained. This bill preserves and protects the integrity of the judiciary. Under the law as it now exists—section 401, title 18, Criminal Code and Criminal Procedure—any court of the United States has the power to punish by fine or imprisonment, at its discretion and without a jury, any contempt of its authority which consists of misbehavior by any person in its presence, misbehavior of any of its officers in their official duties, or disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

This is the law now. It remains the law under the jury-trial amendment. Every United States court, district, appellate, and supreme, and all special United States courts are protected in their right to maintain their integrity and to compel obedience to their lawful orders by the use of fines and imprisonment without a jury trial.

That is accomplished by the jury-trial amendment, and no one can deny it—wherever he sits, wherever he stands, wherever he walks, or whatever position in or out of Government he may hold.

The bill as passed by the Senate does not impair the power of United States courts—all the United States courts—to protect their integrity and enforce their orders by civil-contempt proceedings.

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

Mr. O'MAHONEY. I yield.

Mr. LONG. It seems to me particularly unfortunate that efforts have been made completely to mislead the public with regard to the issue of jury trials. Some of the Justice Department propaganda is as far from the actual facts of the case as anything I have seen in a long time.

It is unfortunate that some of our major magazines—I have in mind particularly Time magazine—have gone to such extremes to try to give the impression that the right of jury trial is given in cases in which it did not exist before, when actually the amendment the Senator has in mind merely preserves the right of citizens to have a jury trial, which they always had prior to the time the civil-rights bill was proposed. There is only one modification, and that is that in certain cases in which the United States is a party, the citizen will have the right of jury trial if he is being tried for criminal contempt. It makes no sense to say that a man is entitled to be tried by a jury of his peers if one man is suing him, but not if another man is suing him.

Mr. O'MAHONEY. I thank the Senator.

Any attempt, direct or indirect, by the Department of Justice or any of its spokesmen to convince the President or the people that the jury-trial amendment weakens this power of the judiciary can properly be described only as a deceitful practice. I use those words deliberately, with full knowledge of their meaning.

AMENDMENT DEALS ONLY WITH CRIMINAL CONTEMPT

The jury-trial amendment deals only with what may be called criminal contempt proceedings brought to punish defendants by fine and imprisonment. It has been said by some opponents that the Constitution does not guarantee a jury trial to persons accused of criminal contempt. The answer to that argument is that the Constitution gives no power to the courts to try citizens for criminal contempt without a jury. Indeed, the third clause of section 2 of article III of the Constitution of the United States, which establishes the courts, specifically provides that the trial of all crimes, except in cases of impeachment, shall be by jury.

Commonsense teaches us that criminal contempt is a crime. Otherwise the adjective "criminal" would have no place in the description. It will be observed that the drafters of the Constitution were of the impression that the word "crimes" would include cases of impeachment unless an exception were made, and so they made an exception of such cases from trial by jury because cases of impeachment were to be tried by the Senate. Nowhere in the whole document creating this Government is there the slightest reference to the trial of criminal contempt without a jury, and if it had been intended by the drafters of the Constitution that the courts were to have the power to try such cases without a jury then an exception would have been made, as it was made with respect to cases of impeachment. This is commonsense. This does not require any technical, legalistic argument. This is merely an appraisal of the simple words which were used by the drafters of the Constitution to define what they had in mind.

"CRIMINAL CONTEMPT" FIRST APPEARED ON STATUTES IN 1941

As a matter of fact, the words "criminal contempt" were never used in any act of Congress until on November 21, 1941, Congress passed a law to grant the Supreme Court the authority to make a rule of procedure in the case of criminal contempt.

When I recall that the Judiciary Committee, of which I was then a member, reported the bill granting the Supreme Court the right to draw a rule of procedure for criminal contempt, I wonder what those lawyers are thinking of who say that the power to punish for criminal contempt is an inherent power granted to the courts by the immemorial usages of the courts of England.

Congress, under the Constitution in article III, was given the right to make regulations for the Supreme Court. It was in the exercise of that right that Congress passed the act authorizing the Supreme Court to write criminal rule 42. If Congress had not passed the act, the Supreme Court would not have had the power to write the rule. Therefore, how can it be contended by any person who pretends to use the brains with which he was born that the courts of the United States have a power not given to them by the Constitution of the United States?

The fact that Congress had to pass and the President had to sign the act authorizing the Supreme Court to make a rule with respect to criminal contempt proves that the power of the court to deal with criminal contempt does not proceed from immemorial usage or from the inherent power of the courts, but from an act of Congress, and from no place else, except the Constitution which gave Congress the power to pass the law.

The words "criminal contempt" did not originate with Congress but with the experts who compiled the United States Code in 1940. In this compilation reference was made to criminal contempt, but it came from the mind of the compiler and not from any law of Congress. It was written into the code as a title for a law which did not use the word.

AMENDMENT CONTAINS NO THREAT TO JUDICIARY

The Supreme Court was not particularly anxious to exercise the new power that Congress gave it by the act of November 21, 1941, and it was not until March 21, 1946, almost 4½ years after the act was passed, that the Supreme Court adopted rule 42 of Federal Rules of Criminal Procedure. It is quite obvious that the Court was not disturbed by any thought that the lack of authority to make a rule of procedure for criminal contempt was a threat to the Federal judiciary, as the spokesmen of the Department of Justice now attempt to convince the President, without warrant, the jury trial would be.

Of course, it was not a threat, nor is it a threat now, even in the face of the misinformation the Department of Justice is distributing to Members of Congress and to the President. The prosecution of antitrust cases would be upset, they tell President Eisenhower, endeavoring to shake his confidence in the Congress with which he has repeatedly said he wants to work in cooperation. How does it come about, if these warnings have any basis in fact, that in the entire period since the Sherman Antitrust Act was adopted in 1890, a period of 67 years, there have been only 26 contempt cases filed? Of these 26, 9 were civil and 17 were criminal. Obviously criminal contempt is not a weapon for which the Department of Justice has found much use in the prosecution of antitrust cases, and therefore the granting of jury trials in cases of criminal contempt would not upset the judiciary. It would not even upset the Department of Justice.

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

Mr. O'MAHONEY. I yield.

Mr. LONG. If I correctly understood the Senator's statement, it means that there has been 1 criminal contempt case in every 3 years.

Mr. O'MAHONEY. The Senator is correct.

Mr. LONG. The act became effective in 1890.

Mr. O'MAHONEY. In 1890, 67 years ago. There have been 26 contempt cases. Nine were civil, and 17 were criminal.

Mr. LONG. That would mean that 1 case in every 4 cases was a criminal contempt case.

Mr. O'MAHONEY. The Senator's mathematics is correct. It certainly proves that these are imaginary arguments made for the illiterate, for those who have not read the law, and for those whose emotions, the Department of Justice feels, may be so stirred up as to defeat the civil-rights bill, and perhaps to gain a victory in the Congressional elections of 1958.

I say, however, if they entertain any such belief as that, the commonsense and the reason of the people of America will find them out before they know it, and they will lose, rather than gain, by turning their backs upon the greatest advance which has been accomplished in 80 years toward establishing universal rights.

Mr. LONG. The propagandists who are against the jury-trial amendment will be disappointed to find that the people of this Nation understand what a jury trial is. A person does not have to be a lawyer to know what it means.

Mr. O'MAHONEY. The Senator is correct. To repeat, obviously criminal contempt is not a weapon for which the Department of Justice has found much use in the prosecution of antitrust cases, and therefore the granting of jury trials in cases of criminal contempt would not upset the judiciary. Nor would it bother the corporations which are so frequently politely called into conference to reach consent decrees. It would, however, be of tremendous importance to the individual natural persons who might innocently become involved in the prosecution of criminal contempt cases under the civil-rights bill.

JURY TRIAL REQUIRED ONLY WHEN PUNISHMENT COULD BE CRIMINAL SENTENCE

Remember that there is no jury trial in this amendment for the person who disobeys an order of the court which the court is trying to enforce. Such person may be sent to prison and heavily fined by the judge whose order is flouted until such person agrees to obey the order. The jury trial comes into play only when the Department of Justice undertakes to punish a defendant by securing a criminal sentence from the court as a punishment instead of seeking fine or imprisonment by the court to secure compliance with the court order. The latter can be done without a jury, because the defendants in such cases are identifiable persons. It should not be done in the former cases because there the defendants could frequently be innocent bystanders without any official position but arrested because they were found accidentally in an area in which, for example, a riot was proceeding.

WEBSTER-BUCHANAN ACT PROVIDED FOR TRIAL BY JURY IN CRIMINAL CONTEMPT

As long ago as 1831, as I have previously pointed out, Daniel Webster, of the Senate, and James Buchanan, of the House of Representatives collaborated in the passage of an act designed to preserve the right of the court to punish for contempt in its presence or to secure obedience to its decrees without the intervention of a jury. This act, however, contained a second section which provided for the indictment of persons who attempted corruptly to bribe officials of the court or members of the jury in any court proceeding. That law provided for the indictment of persons. That means indictment by grand jury. That was recognized as long ago as 1831. Thus two of the outstanding public officials of our history clearly saw the distinction between civil and criminal contempt. They provided for the bringing of criminal contempt proceedings through the indictment of a grand jury and trial according to the usual practice of the law.

A PROSECUTION FOR CRIMINAL CONTEMPT IS A CRIMINAL PROSECUTION

Early in this century, a case in which Samuel Gompers, head of the American Federation of Labor was involved, went twice to the Supreme Court. Gompers and some of his associates, sued by a private company, were forbidden by the court to engage in certain practices. Tried without a jury they sought relief from the Supreme Court, which on May 15, 1911, held that civil and criminal contempts are essentially different and are governed by different rules of procedure. In this first case the Supreme Court held "that in proceedings for criminal contempt the defendant is presumed to be innocent" and "must be proved to be guilty beyond a reasonable doubt, and cannot be compelled to testify against himself."

These are all aspects of the crimes which article III of the Constitution of the United States says must be tried by jury. These are all aspects of criminal prosecution in which the sixth amendment of the Bill of Rights provides that "the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed." A prosecution for criminal contempt is a criminal prosecution and plainly within the thinking of the court in the Gompers case. In its decision of May 15, 1911, the Supreme Court reversed the judgment of the court of appeals upholding the penalties imposed upon Gompers but sent the case back to the Supreme Court of the District of Columbia to dismiss the proceedings which had been brought against Gompers by a private litigant "but without prejudice to the power and right of the Supreme Court of the District of Columbia to punish by a proper proceeding, contempt, if any, committed against it."

Thereafter the Supreme Court of the District of Columbia took up the case again in its own right and sought to punish for criminal contempt. This time the defendant Gompers pleaded the statute of limitations fixing the period within which criminal prosecutions must be begun. On behalf of the District court the Government argued that contempts cannot be crimes and if they are not crimes they are not within the statute of limitations.

That is exactly the same argument which the Department of Justice is now trying to impress upon the President, the former Republican Speaker of the House of Representatives, and others who may listen to their statements.

The Supreme Court would have none of that argument, saying:

> The English courts seem to think it wise, even when there is much seeming reason for the exercise of a summary power, to leave the punishment of this class of contempts to the regular and formal criminal process *Matter of Macleod* (6 Jr. 461). Maintenance of their authority does not often make it really necessary for courts to exert their own power to punish, as is shown by the English practice in more violent days than these, and there is no more reason for prolonging the period of liability when they see fit to do so than in the case where the same offense is proceeded against in the common way.

There speaks the Supreme Court of the United States, counseling the same course of action, the same caution, the same consideration, the same devotion to the basic principles of freedom which were followed by the United States Senate in 1957, when it adopted the jury trial amendment.

Then applying the wise thought of the English courts, the United States Supreme Court went on to say with respect to the statute of limitations:

> Even if the statute does not cover the case by its express words, as we think it does, still, in dealing with the punishment of a crime a rule should be laid down, if not by Congress by this Court. The power to punish for contempt must have some limit in time, and in defining that limit we should have regard to what has been the policy of the law from the foundation of the Government.

This, of course, was an invitation by the Supreme Court for Congress to do precisely what the Senate has done by the jury trial amendment, and so the judgment of the Supreme Court of the District of Columbia was reversed against Mr. Gompers. Quoting, in support of its action, from Chief Justice Marshall in *Adams* v. *Woods* (2 Cranch, 336, 340, 341, 342); the Court used these words:

> In a country where not even treason can be prosecuted after a lapse of 3 years, it could scarcely be supposed that an individual would remain forever liable to a pecuniary forfeiture.

CITIZEN MUST NOT BE DEPRIVED OF HIS RIGHT OF TRIAL BY JURY

It is true, of course, that the Gompers case was initiated by the plaintiff, Bucks Stove & Range Co., in a court of equity to restrain the defendants from making public statements that the plaintiff was guilty of unfair trade practices, and that Chief Justice Marshall's opinion was rendered in an action of debt for a penalty, but the Justice was saying that the statute of limitations applied there. How much more certain is it that the statute of limitations applies with respect to crimes. This is the genius of our laws, handed down thus from the beginning, that the individual has rights which not even the Government can take away. One of these rights is the right of trial by jury. The authority of the court to defend its integrity by civil contempt should not be expanded, in a bill presented as a civil rights bill, to include the grant of authority to the Attorney General of the United States

to take away from any citizen the right of trial by jury.

The bill which came from the House without the jury-trial provision was presented to the Senate as though it were designed to confer upon Negroes the sure and certain right to vote. I am for that. The Senate bill is for it. But I say to every citizen of the United States that the right to vote cannot long endure when we take away the right of jury trial in criminal cases.

When we give to an appointive officer of the Government of the United States the power to turn a civil offense into a criminal offense and to punish without a jury trial; when we give to an officer of the United States the authority to decide, in his own discretion, in what State he will proceed by indictment, by grand jury, and by trial before a petit jury, and in what State he will discard the jury principle and proceed in a court of equity—when we do that, we are undermining the basic principles of the Bill of Rights, the basic principle upon which our Government was founded, namely, that the people themselves are the source of all authority which may be exercised over them, political and economic.

JUSTICE DEPARTMENT ADVICE ON AMENDMENT IS UNRELIABLE AND MISLEADING

If the advice which the Department of Justice has submitted to the President is similar to that which has been submitted to Congress, I have no hesitation in saying that it is altogether unreliable and misleading. I have examined the memorandum of the Office of Legal Counsel for the Acting Attorney General which was made available to the Senate through the minority leader. I have received a memorandum from the Acting Attorney General, in response to the telegram of inquiry I sent to him on behalf of the sponsors of the jury-trial amendment—the Senator from Tennessee [Mr. KEFAUVER], the Senator from Idaho [Mr. CHURCH], and myself. An examination of these documents shows that they could not have been written by any person who had studied the Senate jury-trial amendment, or, indeed, by any person who had studied the bill which came to the Senate from the House of Representatives.

One entire memorandum is devoted to an attempt to establish the point that the jury-trial amendment would tend to destroy the effectiveness of the Supreme Court and the court of appeals. In this attempt the Department of Justice wholly fails, despite its dire forebodings.

The number of willful violations of orders and decrees of the Supreme Court and the courts of appeals is indeed negligible. It is noteworthy that the Department has been able to cite only one case in the Supreme Court in which that Court has had to invoke its criminal contempt powers—namely, the case of United States versus Shipp, which took place early in this century.

Not even in this case, however, was there a deliberate refusal to obey the order of the Supreme Court. The principal defendant was adjudged guilty of contempt because he was negligent in protecting a Federal prisoner from a lynch mob. Despite the fact that the defendant's negligence resulted in the death of the prisoner, the sentence imposed upon the defendant, Sheriff Shipp, was fixed at 90 days.

If the Acting Attorney General had studied the Shipp case in the light of the Senate amendment, he would have discovered that the case was not one in which a jury trial would be available. The principal defendant was a sheriff. The Supreme Court found that from the time when it entered its stay order, Shipp, the sheriff, was the custodian of a Federal prisoner, subject to the orders of the Supreme Court with respect to the prisoner. As custodian of a Federal prisoner for a Federal court, the sheriff was, in effect, a Federal court officer, because, as the Supreme Court said, he was the custodian of a Federal prisoner. He would not, under the Senate amendment, be entitled to a jury trial, since his contempt amounted to misbehavior, misconduct, or disobedience of an officer of the Court. The other defendants were found to be engaged in a direct obstruction of justice. They, too, would not be entitled to a jury trial under the Senate amendment, because their case falls within another exception.

Since the case clearly does not raise any problem under the Senate amendment, I can only assume that it was cited solely because of its civil rights overtones, in an attempt to inject emotion into a problem which should be decided upon evidence and reason.

The Shipp case is characteristic of both memorandums, which, I regret to say, display an evident purpose to use language for the purpose of concealing thoughts. This is not a satisfactory way for the Department of Justice to deal with a momentous issue such as civil rights, which rises far above the level of political maneuvering.

DEPARTMENT WILL BE INVITED TO APPEAR BEFORE COMMITTEE TO JUSTIFY ITS STAND ON AMENDMENT

Mr. President, I am chairman of the Subcommittee on Improvements in the Federal Criminal Code of the Senate Judiciary Committee; and in that position I am not willing to permit this issue of jury trials to rest upon the responses which thus far have been received from the Department. It will be my purpose to move promptly to invite the officers of the Department of Justice to appear before my subcommittee and to undertake, if they can, a justification of the emanations which have proceeded from the Department since the beginning of this debate, in an effort to create a misconception of the purpose, the object, and the effect of the Senate version of the bill, with the jury-trial amendment included.

Mr. President, several days ago I addressed to the Acting Attorney General a letter in which I requested, on behalf of myself, as chairman of the Judiciary Subcommittee on Improvements in the Federal Code, certain information. I also addressed to him a telegram. Several days ago a tentative reply to the telegram was received, and it was immediately placed in the RECORD, together with the text of the letter which I had addressed to the Acting Attorney General.

This afternoon I have received from the Acting Attorney General another response to my letter. This response contains some of the information—which I, myself, have already placed in the RECORD—coming from the administrative office of the United States courts, which shows that in 1957 the total number of contempt cases brought under title 18, in all the courts of the United States numbered only 39.

Mr. President, I ask unanimous consent to have printed in the RECORD, as an addendum to my remarks, a copy of the letter I sent to the Acting Attorney General and a copy of the response I have now received from him, dated August 12, 1957. I ask that the Official Reporters be good enough to make note that I should like to have the letter returned to me, after it has been used at the Government Printing Office.

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

AUGUST 5, 1957.

Hon. WILLIAM P. ROGERS,
Acting Attorney General,
Department of Justice,
Washington, D. C.

MY DEAR MR. ATTORNEY GENERAL: As chairman of the Subcommittee of the Senate Judicial Committee on Improvements in the Federal Criminal Code, I joined today with Senators ESTES KEFAUVER and FRANK CHURCH in requesting of the Department the following information:

The number of criminal contempt actions brought by the United States to punish for willful disobedience of equity orders or decrees issued by Federal courts in the enforcement of all Federal statutes since January 1953.

In addition we asked that as soon as possible thereafter, the Department provide in further detail complete identification of the cases, the statutes involved, the results of the actions, and whether or not a jury was offered to or used by the defendant in the proceedings.

I should now like to request the same information covering the life of every statute involved, with an annual breakdown identifying the particular year in which specific actions were brought.

It is important that this information be available to the Members of the Senate at the earliest possible time. I am assuming that the initial statistical request can be complied with immediately, and express the hope that the more detailed information can be supplied within a very few days.

Sincerely,

JOSEPH C. O'MAHONEY.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 12, 1957.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: Our staff is still engaged in gathering the information which was requested by you and Senators KEFAUVER and CHURCH, in your letter and telegram of August 5, 1957. We have, however, some data which I think might be of immediate interest to you.

The Administrative Office of the United States Courts has furnished us statistics reflecting the total number of criminal contempt cases filed in the United States courts during each of 5 fiscal years, the last ending on June 31, 1957. By eliminating from these overall figures the number of contempt cases identifiable as having been brought under provisions other than sections 401 and 402 of title 18 of the United States Code, the approximate number of criminal contempt cases brought under title 18 provisions has been arrived at by the Administrative Office. The figures are as follows:

	Total cases	*Title 18 cases*
1953	58	39
1954	49	46
1955	58	31
1956	48	45
1957	69	39

It is, I trust, needless to emphasize that the power to punish by criminal contempt is an effective deterrent to the willful disobedience of all court orders. The number of occasions on which criminal contempt is invoked can hardly be used as a measure of its effectiveness. On the contrary, an absence of the need to invoke it could well be regarded as a clear indication that the present threat of its use has been fully effective in securing compliance with court orders.

I am enclosing a copy of a tabulation prepared by the Department of Labor, showing the criminal contempt proceedings prosecuted since 1953 for violation of injunctions issued in litigation of that Department. We are advised by the Department of Labor that the number of contempt proceedings in recent years has been few as compared with the number in the early years of the enforcement of the Fair Labor Standards Act.

I am also enclosing a copy of a résumé of the cases in which criminal contempt actions have been instituted since January of 1953 for willful disobedience of equity orders or decrees in antitrust cases. In none of these cases do the records of the Department of Justice indicate that a jury trial was either offered to or used by the defendant in the proceedings.

We have noted that both the telegram of August 5 and your letter of the same date request information regarding criminal contempt actions arising from "disobedience of equity orders or decrees issued by Federal courts in the enforcement of all Federal statutes." However, H. R. 6127, in the form in which it was passed by the Senate, would also insert a jury trial in other types of contempt cases prosecuted by the Government. For instance, willful disobedience of a court's order to answer questions before a Federal grand jury is prosecuted under the provisions of title 18, United States Code, section 402, which provisions would be amended by H. R. 6127 to allow a jury trial. Likewise, willful disobedience of a court's subpena to appear and testify in either a criminal or civil trial would, under the present provisions of H. R. 6127, be punishable as criminal contempt only after opportunity for a separate trial by jury. Proceedings to punish for these types of contempt are generally regarded as ancillary to the main court proceedings and for that reason there is often no separate record kept of them either by the court or by the Government. Accordingly, it would be impossible to determine the number of contempt citations issued in all litigation by the Government. We are, however, attempting to obtain as much information as possible regarding contempt proceedings in Government cases, which proceedings would be subject to the jury trial provisions contained in H. R. 6127.

Sincerely,

WILLIAM P. ROGERS,
Acting Attorney General.

Department of Labor criminal contempt cases, fiscal years 1953 to date

Name of case	Court	Number	Filed	Jury	Disposition				
					Date	Plea	Trial	Fine	Restitution
In re M. H. Oswald, d. b. a. Twin City Lumber Co.	Eastern district of South Carolina, Columbia division.	Criminal No. 19195.	Mar. 18, 1952	No	June 12, 1953	No	Yes	(1)	
U. S. v. H. D. Castle, d. b. a. H. D. Castle Lumber Co.	Southern district of Mississippi, eastern division.	Criminal No. 4556.	Apr. 21, 1952	do	Sept. 23, 1954	Yes	No	$250	
In re Clarence Wheeland, Williamsport, Pa.[2]	Middle district of Pennsylvania.	Criminal No. 4384; civil action 4359.	June 18, 1952	do	Nov. 18, 1952	No	Yes		$3,823.89 (restitution); compensatory fine, $487.84.
U. S. v. K. W. H. N. Broadcasting Co. and Hiram S. Makdimen.	Western district of Arkansas, Fort Smith division.	Criminal No. 5040.	July 15, 1952	do	Oct. 14, 1952	Stipulation	No	(1)	Restitution, $500; compensatory fine, $300.
U. S. v. Julian M. Trevino, Inc.	Southern district of Texas, Laredo division.	Criminal No. 14711.	Sept. 12, 1952	do	Jan. 5, 1953	Yes	No	250	
U. S. v. Edison Mosely	Southern district of Georgia, Dublin division.	Criminal No. 1432.	Oct. 9, 1952	do	Dec. 16, 1952	do	No	500	$694.06.
U. S. v. Max Berwick	Eastern district of New York.	Criminal No. —; civil No. 3732.		do	Oct. 27, 1952	(3)	(3)	(3)	$455.26.
Durkin v. Puerto Rico Tobacco Marketing Coop. Assoc.	District of Puerto Rico	Criminal No. 7067.	Jan. 9, 1953	do	Feb. 20, 1953	Yes	No	(1)	$794.93 compensatory fine and restitution of about $2,000.
U. S. v. Keystone Mfg. Co. & Ray R. Parham.	Western district of Arkansas, El Dorado division.	Criminal No. 1010.	Feb. 16, 1953	do	Apr. 21, 1953	Yes (stipulated.)	No	(1)	Compensatory fine $250; restitution $807.10
In re Edward H. Taubman	District of Maryland	Criminal No. 5494.	June 12, 1953	do	Feb. 3, 1954	No	No	(1)	$251.09.
In re Lawrence A. Morningstar d. b. a. Ehrhardt Cooperage Co.	Eastern district of South Carolina, Orangeburg division.	Criminal No. 20,000.	Dec. 9, 1953	do	Jan. 5, 1954	Yes	No	[4] 500	Bankrupt.
Fleming v. Deshler Broom Factory.	District of Nebraska, Lincoln division.	File No. 4503 miscellaneous.	Mar. 15, 1954	do	July 26, 1954	do	No	(5)	Restitution—as much as possible.
U. S. v. Marie Bond d. b. a. Bond Detective Agency.	Southern district of California, central division.	Civil No. 17199–C.	Sept. 14, 1954	do	Apr. 25, 1955	Agree to pay back wages.	No	(1)	$1,500 restitution.
U. S. v. A. B. Cloer	Southern district of Georgia, Augusta division.	Criminal action No. 4093.	Jan. 20, 1955	do	Mar. 14, 1955	Yes	No	500	$2,133.06.
U. S. v. Marion Frank Elliot	Middle district of Georgia, Macon division.	Criminal No. 7160.	June 27, 1955	Demand for jury trial (denied).	June 22, 1956	do	No	750	
In re H. & L. Delivery Service	Southern district of Mississippi, Hattiesburg division.	Criminal	Feb. 8, 1956		Pending				
U. S. v. General Detective and Guard Service.	Southern district of California, central division.	No. 14147 H. W. (civil).	Mar. 2, 1956	No	Mar. 19, 1956	No	Yes	250	Restitution of $389.28.
U. S. v. Russell S. Duncan d. b. a., Scottsboro Dimension Mills.	Northern district of Alabama, northeast division.	Criminal No. 9422.	June 7, 1956	do	Aug. 31, 1956	Not guilty	No	750	
In re John T. Sictreenk, Jr.	Middle district of Alabama, eastern division.	Criminal No. 1962E.	Sept. 10, 1956	do	Apr. 16, 1957	Yes	No	500	$3,874.50.

[1] Dismissed.
[2] Failure to observe court order, Apr. 2, 1954, sentenced to 3 months at Allenwood Farms, a division of Lewisburg Penitentiary.
[3] Proceedings withdrawn in toto.
[4] $500 Suspended.
[5] Dismissed on motion by plaintiff.

One criminal contempt case was attempted within past year but rejected by the court who would not permit filing.

Four criminal contempt prosecutions are presently under consideration.

RÉSUMÉ OF CASES IN WHICH CRIMINAL CONTEMPT ACTIONS HAVE BEEN INSTITUTED SINCE JANUARY 1953 FOR WILLFUL DISOBEDIENCE OF EQUITY ORDERS OR DECREES IN ANTITRUST CASES

1. *United States* v. *Western Pennsylvania Sand & Gravel Association, et al.* (Criminal No. 13855—W. D. Pa.).

Criminal contempt proceeding filed April 20, 1953, charging the defendants with violation of the decree entered February 21, 1940, by continuing an illegal conspiracy to agree on prices for the sale of sand and gravel and by using and quoting agreed upon prices in connection with bids on United States and State projects with knowledge that such projects were financed in whole or in part by the United States Government.

On November 10, 1953, one corporate pled nolo contendere and was fined $10,000. A second corporate defendant pled nolo contendere March 11, 1954, and was fined $20,000. The defendant association, two corporate and two individual defendants pled nolo contendere March 30, 1954, and were fined a total of $67,500. The remaining individual defendant pled nolo contendere May 19, 1954, and was fined $5,000.

2. *United States* v. *Schine Chain Theatres, Inc.* (Criminal No. 6279-C—W. D. N. Y.).

Criminal contempt proceedings instituted March 10, 1954, charging violation of decree entered in 1949 against J. Myer Schine, Louis W. Schine, John A. May, Schine Chain Theatres, Inc., and five subsidiary corporations. The petition alleged that defendants in the original antitrust case continued an unlawful combination and conspiracy to maintain local motion picture monopolies in violation of the 1949 decree and that they failed to dispose of 23 out of 39 theaters which the court had ordered them to sell.

Trial of the case concluded March 1, 1955, and before the decision was handed down the judge died. A new trial was ordered and on December 27, 1956, the court found the defendants guilty of contempt. On March 26, 1957, the defendants were fined a total of $73,000.

3. *United States* v. *American Can Co.* (Criminal No. 34089—N. D. Calif.).

Contempt proceeding instituted May 21, 1954, charging violation by American Can Co. of decree entered June 22, 1950, by refusing to sell can containers to Davis Bros. Fisheries of Gloucester, Mass., except upon terms and conditions prohibited by the final judgment. The petition charged this action by American Can Co. prevented Davis Fisheries from resuming packing operations in January 1954 resulting in financial loss and unemployment in the town of Gloucester.

On December 8, 1954, the court handed down an opinion and order dismissing the Government's petition.

4. *United States* v. *Associated Credit Bureaus of America, Inc.* (Equity 10420—E. D. Mo.).

Criminal contempt proceedings instituted June 25, 1954, alleged violation by ACB of A (a national association of retail consumer credit reporting bureau) of an order entered October 19, 1953, amending a 1933 antitrust decree against its predecessor National Retail Credit Association. The Government charged the violation consisted of a failure and refusal by the defendant to furnish information upon request concerning prices charged by its members for credit reports and the type of report covered by such charge. During the pendency of the contempt proceeding the court offered the defendant an opportunity to purge itself which it did. Thereupon the court, at the request of the Government, dismissed the criminal contempt petition.

5. *United States* v. *Milk Wagon Driver Union Local 753* (Supplement to Civil 2088, N. D. Ill.).

Criminal contempt proceedings instituted July 30, 1954, charging respondents with violation of an antitrust decree entered September 16, 1940, enjoining them from attempting to compel or coerce any milk distributor not to serve any customer served by any other distributor or not to take customers away from any other distributor. Criminal contempt proceedings were combined with civil contempt proceedings which were instituted simultaneously.

In both cases the court ruled adversely to the Government June 1, 1955, holding that the actions complained of were part of a bona fide labor dispute and thus exempt from the decree. Both civil and criminal contempt proceedings were dismissed by the court at the same time.

Mr. O'MAHONEY. Mr. President, I yield the floor.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW—LIMITATIONS ON STATEMENTS DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until tomorrow at 12 o'clock noon.

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

Mr. JOHNSON of Texas. Mr. President, I also ask unanimous consent that during the usual morning hour following an adjournment there be a limitation of 3 minutes on statements by Senators.

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

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. We were told by the minority leader that at 12 o'clock noon tomorrow, time would be set aside for eulogies of the late Senator McCarthy. I believe that is an order of the Senate.

Mr. JOHNSON of Texas. I believe I am in error.

The PRESIDING OFFICER. That is an order of the Senate.

Mr. JOHNSON of Texas. I believe the Senator from Connecticut is correct.

Mr. BUSH. I understood that memorial addresses on the late Senator McCarthy would be delivered, starting at 12 noon tomorrow.

Mr. JOHNSON of Texas. I have just discussed this matter with the minority leader, and we thought the Senate might convene at 11 o'clock tomorrow morning, but there is an important committee hearing to be held tomorrow at which the Secretary of Defense is to testify, and there is also another important committee meeting scheduled. I believe we overlooked the 12 o'clock order. We had better meet at 11 o'clock, then.

Mr. President, I withdraw my previous request. Therefore, I ask unanimous consent that when the Senate adjourns today it adjourn as in executive session until 11 o'clock tomorrow.

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

Mr. JOHNSON of Texas. The Senator from California has entered the Chamber, and I should like to say to him that we overlooked the fact that we had an order for 12 o'clock tomorrow in connection with the McCarthy eulogies. I had forgotten completely about it until I was reminded by the Senator from Connecticut. Therefore, I have changed the request from 12 o'clock to 11 o'clock, a. m.

MUTUAL SECURITY ACT OF 1957—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2130) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I rise to oppose Senate acceptance of the conference report on the Mutual Security Act of 1957.

Last year, the then chairman of the Senate Committee on Foreign Relations, the late Senator George, supported the creation of a Special Senate Committee To Study Foreign Aid. He called for a thorough study of the program because he sensed—as did most Members of this body—that the foreign-aid program, if it was to be effective and acceptable to the American people, needed a deliberate and thorough overhauling.

Over the years since the inception of the Marshall plan, with its positive and definite purpose, the foreign-aid program had lost its way in the labyrinth of conflicting claims and inconsistent purposes. The Senate had serious doubts as to whether the program, as thus administered, was serving the interests of the American people.

Last year, Mr. President, many of the Members of this body went along with the administration's foreign-aid programs for 1 more year, on the condition that such time would be used to examine the program from the ground up, to determine, in the words of the resolution then adopted, "Whether foreign-aid served, could be made to serve, or did not serve the national interest."

After the late, distinguished Senator George proposed a thorough Senate study, the then chairman of the House Committee on Foreign Affairs, Mr. RICHARDS, proposed a similar study. And, finally, the administration itself decided to begin a reexamination of its own programs and the President created the Fairless Committee.

Mr. President, the special committee presided over first by the late Senator George, and then by the present chairman of the Committee on Foreign Relations, the distinguished senior Senator from Rhode Island [Mr. GREEN], was given $300,000 to carry on its study. Among its 19 members were the chairman and ranking minority members of the Senate Committee on Armed Services and the Senate Committee on Appropriations.

After some 9 months of serious and continuous work, which involved sending distinguished citizens of all political persuasions to every part of the world; after some 9 months during which the committee received scholarly and thor-

ough studies, undertaken by no less than 10 nonpolitical institutions of higher learning and other private contractors, the special committee brought forth a unanimous report. The report was supported by nearly 1,600 pages of surveys, hearings, and special studies.

Interestingly enough, Mr. President, that Senate report, on point after point after point, was in agreement with the study undertaken for the House by Representative RICHARDS, with the study undertaken by Mr. Fairless for the President, and with a study undertaken independently by the International Development Advisory Board.

Based upon this thorough preparation, the administration proposed an aid program which embodied a new approach to foreign aid. In two particulars, this foreign-aid proposal of last May broke new ground.

In the first place, it proposed that we take seriously the words of our Joint Chiefs of Staff over the years. They have asserted that the furnishing of arms and ammunition to our allies is an integral and important part of the defense program of the United States. The President proposed, therefore, in line with the recommendations of most of the outside studies, that henceforth military aid to foreign countries should be included in the Defense Department budget. The Senate accepted this suggestion. It was willing to try this approach for 2 years.

In the second place, the President, again in agreement with the findings of all of the research groups to which I have referred, and with the findings of the Senate committee, proposed that all economic assistance unrelated to military effort be put on a long-term, loan basis. He proposed a development loan fund which, over 3 years, would be capitalized at $2 billion. The Senate accepted this proposition, fully appreciating, I think, that it was taking a major bold step forward in endorsing the principle that the economic progress of other free peoples is important to the security and welfare of the United States.

Mr. President, I have refused to sign the report of the conferees because the committee of conference has now rejected efforts of the President, the Senate, and many of the most able students of United States foreign economic policy to put foreign aid on a sound basis. Adoption of this conference report will result in continuing right down the same old path. We shall continue to act hastily under 1-year appropriations instead of acting wisely under long-range planning. We shall continue to disguise economic assistance as military assistance. We shall do nothing to eliminate cases in which too many arms are put into countries which must grind themselves further into poverty in order to keep their military machines going.

I had hoped, Mr. President, that we would have the foresight and the ability to pull ourselves out of the old rut. I had hoped that the President could exert enough influence in the House of Representatives to support a more rational approach to foreign aid.

I am proud of the action this body took when it passed the Senate version of the aid program. I was pleased with the work of the House Committee on Foreign Affairs when, after some trembling, it came up with a program that had at least some semblance of the recommendations of all the study groups and the President.

The sad truth is, however, that the President of the United States failed miserably to push his program in the House. Members could not hear the voice of the President. They did not heed the voice of their own committee which had studied the program intensively. They did not even hear the voice of their own constituents who have been crying for a new approach to foreign aid.

Let me give an example of the kind of argument that was made in the House. The isolationist Members of the House used to complain bitterly because military and economic aid was considered in the same bill. They argued that military aid was in the bill in order to drag the economic aid along with it. They said that if military aid was so important, why not put it in the regular Department of the Defense budget and let it stand on its own feet? This year, Mr. President, the Senate bill and the bill approved by the House Foreign Affairs Committee proposed to do exactly that. The bill provided the mechanism by which military assistance would this year and in the following year be a part of the regular Department of the Defense budget, rather than be a part of the mutual security appropriation bill. Those House Members who had been calling for this for years finally had their chance. What did they do with it? They did a flipflop. This year they argued that the proponents of foreign aid were trying to hide in the regular Department of Defense bill the funds necessary to help support the military forces of our foreign allies. This record makes abundantly clear that these critics of foreign aid in the House are opposed to any kind of foreign aid in any form. It is a consistent position to oppose any foreign aid on the ground that it is hopeless, ineffective, and so forth. It is irrational to support the hand-to-mouth annual appropriated giveaways because one may be opposed to foreign aid. Such a policy is wasteful and inexcusable.

The other body listened again to the commands of a few critics who are able to bend Congress to their will. Even our Senate conferees, Mr. President, finally went down to defeat. The full extent of the Senate' capitulation is indicated in the report which has been filed. Mr. President, I ask unanimous consent that the clerk may read the first three paragraphs of the conference report on S. 2130.

The PRESIDING OFFICER (Mr. JAVITS in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2130) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 22, 24, 27, and 28.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, and 31 and agree to the same.

Mr. FULBRIGHT. Mr. President, if the whole report is studied one sees that the House receded on four amendments. The Senate receded on 21 amendments. These figures, Mr. President, do not look like the results of a conference. These figures represent a complete rout.

The conference, in which I participated, was one of the most amazing it has ever been my privilege to experience. I think I reveal no secrets if I report that time after time conferees from the other House found it necessary to suspend action while they consulted with members of the House Committee on Appropriations, with certain leaders in the House, and with the House Parliamentarian. On the last day, Thursday, the House conferees dragooned the Senate committee into canceling a previously scheduled meeting with the Secretary of State in order to force through without further delay their views.

I do not greatly oversimplify the matter when I say that a few members of the House Appropriations Committee wrote the conference bill now before the Senate. The conference bill was not written by the conferees from the Committees on Foreign Relations and Foreign Affairs. The expert knowledge they brought to bear was ignored. This fiasco of a conference was engineered by men behind the scenes who told the conferees what they could do and what they could not do.

Mr. President, in Congress we have two types of committees, legislative committees and appropriations committees. The task of legislative committees is to work out basic policies and programs for the United States. The task of the appropriations committees is to estimate how much money will be required to carry out the approved Congressional policies. This conference report on the Mutual Security Act of 1957 provides a case where the Appropriations Committee of the House has usurped the function of the Senate Committee on Foreign Relations as well as the House Committee on Foreign Affairs. The Senate of the United States and the House Foreign Affairs Committee decided on two major changes in the foreign-aid program. First, the military portion of the program was to be included in the regular Department of Defense budget so that military aid planning could go hand in hand with domestic defense planning.

Second, it was decided that there ought to be a development loan fund to handle the assistance determined to be necessary to underdeveloped countries. The Appropriations Committee of the House was opposed to these policies. Have we

reached the point in Congress where a few members of the House Appropriations Committee can frustrate the will of the rest of the House of Representatives and the will of the Senate and the views of the administration on a matter of basic foreign policy? If we have reached this point, then I say the foreign policy of the United States is indeed in a precarious condition.

The administration's foreign aid proposals, which started out with such promise and which were supported in this body with enthusiasm and virtually without change, were gutted, and we are now asked to approve the slaughter. Those of us who went down the line for the report of their own special committee on foreign aid are now asked to go down the line for a soiled version of what was once an imaginative new program.

I for one do not intend to become a part of this operation. This program, which started with such vigorous support a few months ago, has been deserted. The Director of the International Cooperation Administration resigned in the middle of the battle. The President apparently has lost interest in the program. The Secretary of State, who appeared once in behalf of the program before our committee in the Senate, has confined his activities in recent weeks to occasional answers to questions in his press conferences. I have not heard a word from the Secretary of Defense, the head of the Department which is to receive the lion's share of the funds herein authorized.

Mr. President, a handful of men on the Appropriations Committee of the House of Representatives have undertaken to reverse a major foreign policy decision taken by the Senate. The question is whether the Senate will permit this. I say "No." I say that the Senate should insist on having in the mutual security bill a development loan fund in substantially the same form as the Senate adopted it.

The Senate bill established a development loan fund, the capital of which would be built up over a 3-year period to a fund of $2 billion. The first year's increment of the fund was to be provided by a no-year appropriation, and the second and third year's increment was to be provided by borrowings from the Treasury under conditions similar to those established for the other Federal lending institutions like the Export-Import Bank. Careful criteria were spelled out in the bill for the making of loans. In other words, a major portion of the foreign aid program was to have been put on a long term loan or repayable basis, carefully planned by the best talent available to our Government.

The conference bill now before the Senate is very different from the Senate bill. The conference bill provides for authorization of an appropriation of $500 million for the fiscal year 1958 on a no-year basis and an authorization of an appropriation of $625 million for the fiscal year 1959 on a no-year basis. The conference bill is unwise first on the question of the method of capitalizing the development loan fund after the first year. The appropriation method is not as sound for this kind of institution as is the public debt transaction or borrowing authority. The appropriation method leaves the fund at the mercy of the House Appropriations Committee. It nullifies the principle of continuity and the assurance of continuity, which is necessary to induce foreign countries to undertake long term planning. I understand, Mr. President, that some kind of oral assurance has been given by certain members of the House Appropriations Committee with respect to future financing of the fund, but I submit that this is a wholly unsatisfactory foundation on which to try to establish the development loan fund.

The second defect in the conference bill with respect to the fund is that the amount of money authorized for the fund has been cut by more than one-half. The Senate loan authorization is $2 billion. The total House authorization is $500 million. Even splitting the difference between these two figures would have resulted in a figure of $1,250,000,000, but the conference agreement which is before us calls for a total of $1,125,000,000, which is $125 million below the one-half mark.

Mr. President, there are other features of the conference report which are not satisfactory. I shall mention only one of them. The Senate bill, in the portion dealing with the development fund, provided that the assets of the fund might be used to guarantee investments by United States individuals and corporations overseas under the same rules which are now applicable to the guaranty program being carried out by the International Cooperation Administration. Under the Senate bill the sole new feature is to provide an additional fund so that the guaranty program could be enlarged. The risk to be covered by the guaranties is not to be enlarged, that risk is to be confined to the risk of war, the risk of expropriation, and the risk of inconvertibility of earnings.

The House bill, by an amendment which was accepted by the Senate conferees, would make this guaranty authority in the development loan fund a wide-open authority, except for a limit which I shall mention in a moment. The conference bill would permit the development loan fund to be used to issue any kind of guaranty to anybody and for any purpose with the aforementioned exception. Guaranties could be issued to foreign investors as well as United States investors. Guaranties could be made of loans, or sales, or corporate investments. There is only one limitation included in the conference bill, which is:

> No guaranties of equity investment against normal business-type risks shall be made available under this subsection.

There was disagreement in the committee of conference as to what this language meant, and the provision is, therefore, bad on that ground alone. What is an "equity investment"? The Conferees were not sure, although some said that the language meant that while the Chase National Bank could be guaranteed its return of capital and interest on a loan against normal business-type risks, General Motors could not be given such a guaranty if it purchased a part of the stock of a foreign company. Before such contingent liabilities are accepted I think we should be more certain about the character and extent of such liabilities.

Mr. President, I shall not discuss any of the other unsatisfactory provisions of this conference report. I believe I have established a sufficient case to justify returning the bill to the committee of conference in an effort to have a better bill brought back to the Senate. Mr. President, my intention is to try to find out whether the Senate of the United States is to have any substantial influence over the foreign policy of the United States. Personally, I am unwilling to give up to the other body complete control of our foreign policy. I believe it our duty to exercise some influence upon these affairs.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Risky Frugality," published in the Washington Evening Star of August 12, 1957.

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

RISKY FRUGALITY

Although leaving himself open to misinterpretation, Secretary Dulles spoke realistically when he recently told a House Appropriations Subcommittee that the purpose of American foreign policy is not primarily to make friends in the world, but "to look out for the interests of the United States."

The more friends we have, of course, and the stronger and stabler they are, the better that is for us. But friendship, solely and simply for friendship's sake, is not the guiding principle of our country's international programs. Actually, far from being naively altruistic or sentimental, the guiding principle is aimed at the hard-headed objective of achieving those things that seem best calculated to advance our own national well-being and security. That is why our Government strives, for example, for good relations with dictatorships as different as Generalissimo Franco's in Spain and Marshal Tito's in Yugoslavia.

This is what is known as the policy of enlightened self-interest. It is a policy that motivates the actions of every mature and independent government in the world. Countries do not fall in love with each other. They are all selfish and self-centered, in their own ways, and when they develop close ties or enter upon a sort of international married life, they do so only because they have concluded that that is the wisest and most promising course for them to follow. This explains why we have the great alliance called the North Atlantic Treaty Organization. And it explains, too, why we have been investing billions of dollars each year in our mutual security program of defense support and economic aid to our friends and allies abroad, and even to neutralist powers and a maverick Communist land like Yugoslavia. The main objective, to repeat, is not to make friends, but to serve the best interests of our Nation.

It is against this background that Americans must judge what Congress has done to President Eisenhower's rock-bottom request for $3.8 billion to continue with the mutual security program in the current fiscal year. A Senate-House conference committee has reached an agreement under which the au-

thorizing legislation cuts that sum to $3.3 billion. Further, the agreement, which may suffer additional slashes when the time comes to appropriate the money for it, greatly weakens the President's commonsense proposal to set up a long-term revolving loan fund for developmental projects overseas. As a result, militarily, politically and economically, the Kremlin is now likely to find it easier to carry on its conspiratorial work in such vital areas as Asia and the Middle East.

True, both Houses of Congress have agreed on something that seems to have saved money for the American taxpayer. But appearances are often deceiving. In this instance, in terms of serving the interests of our country, the frugality may well prove to have been recklessly improvident.

Mr. FULBRIGHT. I particularly invite attention to one sentence, in which the editor said:

Further, the agreement—which may suffer additional slashes when the time comes to appropriate the money for it—greatly weakens the President's commonsense proposal to set up a long-term revolving loan fund for developmental projects overseas. As a result, militarily, politically, and economically, the Kremlin is now likely to find it easier to carry on its conspiratorial work in such vital areas as Asia and the Middle East.

In addition, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "The Foreign Aid Cuts," published in the New York Times of August 10; also an article entitled "The President and Nation Lose," written by Roscoe Drummond, and published in the Washington Post of August 9, 1957.

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

[From the New York Times of August 10, 1957]

THE FOREIGN AID CUTS

In preparation for the new mutual security program the Senate and House committees concerned initiated at considerable expense 21 separate official and private studies. All these studies agreed that in view of the continued threat of Communist aggression, and despite the $60 billion, including loans, already spent on it, both military and economic foreign aid must continue. They also made, with remarkable unanimity, certain specific recommendations on the basis of which President Eisenhower submitted to Congress a program designed not only to make foreign aid more effective but also to remove it as an annual football of domestic politics.

But Congress paid little heed to either the studies or the recommendations of the President and his aids. On the contrary, in the name of a false economy and falsely understood congressional prerogatives, it has now cut the program to shreds.

After trimming his original program by half a billion dollars, President Eisenhower asked for $3,865,000,000 for it. This, he warned, was a rock-bottom figure. Any further cut would imperil our own national security and that of our friends. The Senate-House conference has finally cut it to $3,366,000,000. This compares with $3,766,570,000 authorized and nearly $5 billion actually spent last year.

Such a cut might be welcomed if it were based on the same careful analysis and far-sighted statesmanship that guided the President's program. But how was the final figure fixed? Why, by simply splitting the difference between the Senate and House figures. The cut will inevitably weaken free world defenses in the Far and Middle East, where the Communists are now probing for weak spots. And the administration will still have to fight for the actual money appropriation, which is also subject to congressional politics.

In keeping with the recommendations mentioned, President Eisenhower had also proposed to put military aid in the regular defense budget, where it belongs, and so take it out of politics. But Congress refused. In line with the same recommendations he likewise proposed to create a revolving development loan fund from which repayable loans would be made to underdeveloped countries. For this the President asked $2 billion over the next 3 years. Congress authorized only the $500 million asked for this year plus $625 million for the next year, which must still be translated into actual money.

The best that can be said for the conference bill is that it could have been worse. One can only hope that it will not cost us much more than the cut has saved.

[From the Washington Post of August 9, 1957]

PRESIDENT AND NATION LOSE

(By Roscoe Drummond)

On one of the two crucial budget issues which he made a central test of his influence with Congress and on which he appealed strenuously to the country for support, President Eisenhower is losing badly.

The issue is the size and character of the mutual security program—military and economic aid to friendly nations. The battle is just about over and at this point there is no evidence that the President will be able to salvage much, if anything, from the wreckage.

The blunt fact is that Mr. Eisenhower has lost at every point. While his views have been supported almost uniformly by the Senate, they have been rejected almost uniformly by the House. Furthermore, he has lost in matters where he has the widest experience the highest credentials and, I believe the trust of the country.

Here is the score to date:

The appropriation—President Eisenhower proposed a mutual security budget of $3,864,000,000 as vital to America's defenses. He defended it as the most economic means of increasing our defenses, that is, by putting the weapons of defense, which they could not otherwise afford, into the hands of our allies.

The Senate cut the authorization $227 million. The House cut it another $500 million, a total slash of $727 million. The end is not yet. This is only what is authorized. The House Appropriations Committee is busy cutting it further.

Military side—President Eisenhower, and many others inside and outside the Government, proposed to separate the military from the economic development part of the so-called "foreign aid" program and to put it where it belongs—in the defense budget. The President holds that these overseas military expenditures are as essential to our defense as the costs of our own Army, Navy, and Air Force and should be identified as such in the budget and in the public mind. Almost 75 percent of all mutual security funds goes to help build the defense of our allies. Most of it goes to Korea, Formosa, Vietnam, Pakistan, and Turkey.

The Senate Foreign Relations Committee approved this procedure. The Senate approved it. The House Foreign Affairs Committee approved it. The House membership rejected it.

Long-term loans—President Eisenhower, and many others inside and outside the Government, proposed that all funds for economic—that is nonmilitary—assistance be put on the basis of long-term loans. The purpose is not only to get away from gifts, which are bad for receiver as well as benefactor—all agree with this part of the proposal—but also to make possible intelligent, practicable, business-like long-range planning so that the funds could be most efficiently used.

The Senate approved the President's request for a $500 million development loan revolving fund and for authority to borrow up to $750 million in each of the first two years to keep the fund going. The House rejected these provisions.

Mr. Eisenhower's recommendations are supported by every independent study which has been made of the aid program during the past year—by the Benjamin Fairless Committee, by the International Development Advisory Board headed by Eric Johnston, by the Massachusetts Institute of Technology Center for International Studies and by three special committees for whose detached advice the Senate appropriated $300,000.

Events by now have apparently overrun any opportunity to restore the mutual security program to the level equal to the need. Unless the House can be brought by the President and by the public to reverse itself next year, we will be recklessly throwing away one of the most valuable means of defense.

Mr. Eisenhower has a tremendous educational campaign ahead of him.

Mr. FULBRIGHT. Mr. President, I am ready to yield the floor.

Mr. SPARKMAN. Mr. President, will the Senate yield for a question before he yields the floor?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. I commend the Senator from Arkansas for making the point he has made with reference to this program.

Is it not true that every study our committee had made during the adjournment of Congress and in the early part of this year resulted in a recommendation in favor of the type of program which the Senate had adopted in its version of the bill?

Mr. FULBRIGHT. The Senator is quite correct. There was a unanimity which one rarely finds in fields of this kind, with regard to what should be done about the economic aspect of the program. All those who studied the problem recommended a program such as the committee approved, and which the Senate adopted.

Mr. SPARKMAN. Studies were made not only by one different group, but many different groups. As I understand, there were 21 different teams.

Mr. FULBRIGHT. There were many groups, and many studies, besides the Senate study, on which we expended $300,000. There was a recommendation by the Fairless Committee.

Mr. SPARKMAN. That was a group of industrialists.

Mr. FULBRIGHT. A group of businessmen.

Mr. SPARKMAN. They had been appointed by the President.

Mr. FULBRIGHT. The President appointed them.

Mr. SPARKMAN. The group was headed by Ben. F. Fairless, formerly president, and later chairman of the board of the United States Steel Corp.

Mr. FULBRIGHT. That is correct. They agreed on all important aspects of this part of the program.

Mr. SPARKMAN. Mr. Fairless testified before our committee.

Mr. FULBRIGHT. He did; and he was an excellent witness.

Mr. SPARKMAN. I am sure the Senator will remember another group, which was under the chairmanship of Eric Johnston.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. It made an independent study, and came forth with the same recommendation; did it not?

Mr. FULBRIGHT. The same recommendation.

Mr. SPARKMAN. Does the Senator remember the recommendations made to us by the United States Chamber of Commerce?

Mr. FULBRIGHT. Their representatives also felt that this was the proper approach.

Mr. SPARKMAN. In fact, every group which made a study of the problem came to the same conclusion, and made the same recommendation; is that not true?

Mr. FULBRIGHT. Yes. We must not overlook the Massachusetts Institute of Technology group which had been studying this problem long before our committee undertook to study it. That group made a study independently of the committee study. The group was headed by Walter Rostow and Max Millikan. They were also in accord with the conclusions reached as a result of the other studies.

Mr. SPARKMAN. Is it not true that in our committee during the past several years we have tried to work up to some such programs as this, and have made some headway heretofore in putting the program on a loan basis, and gradually working up to the point where we could get away from gifts and grants, and put the entire program on a proper lending basis?

Mr. FULBRIGHT. The Senator is absolutely correct. That was the objective of the Senate. The way to get out from under the heavy burden of the program as it has been operated in the past several years was to use the approach recommended by the committee. That was the only practical way we could see to finally relieve the American people from the heavy burden of the program.

Mr. SPARKMAN. I wonder if the Senator from Arkansas recalls that about 2 months ago there was published a study—I believe by the Congressional Quarterly—on the record of repayment of loans by various governments. It showed what to me was an amazing record. They had already paid back approximately 25 percent. They had an excellent record.

Mr. FULBRIGHT. I do not remember that particular study, but I know that during the course of the hearings, as the Senator will recall, I requested that we be furnished with the best figures available with regard to repayment, even under the original Marshall plan, and with respect to many loans which everyone regarded as gone. They were not seriously considered as loans at the time they were made. A substantial amount is being repaid today on those old loans.

In addition, there is the experience of the Export-Import Bank, which has a remarkably good record. It does not make governmental loans, but it makes foreign loans, which are based upon foreign trade.

The International Bank is not a United States agency, but I understand it has had no defaults.

Mr. SPARKMAN. They have made money.

Mr. FULBRIGHT. They have made an enormous amount of money.

Mr. SPARKMAN. I believe I saw an item the other day to the effect that they had made $31 million.

Mr. FULBRIGHT. That was for 6 months. They have made more than $250 million.

Mr. SPARKMAN. While I signed the conference report, I did so because I felt that it was the best we could possibly get out of the conference. However, let me say to the Senator from Arkansas that I am in complete accord with the views he has expressed as to the need for changing this program into one of the type such as was provided for in the bill as it passed the Senate.

I hope our action today will not serve as a letdown, but that we may give notice that in connection with any future programs it will be our purpose to place them on a repayable loan basis, under a plan which will operate in such a way as to give reasonable assurance of success.

Mr. FULBRIGHT. I appreciate the comments of the Senator from Alabama. That approach is the only practical way to stop a very wasteful program, under which we give away funds without proper planning, and when we know in advance that such grants will not achieve their purposes. If any other approach can be made to work, it will not only save money, but it will achieve the objective of restoring the prosperity and strength of the other countries.

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

Mr. FULBRIGHT. I yield.

Mr. SMITH of New Jersey. Let me recall to the mind of the distinguished Senator from Arkansas the situation in conference. Unfortunately the Senator was ill the second day, when we engaged in a discussion of what was best to do under the circumstances.

I think we all agree that the House rejected the revolving loan fund plan under pressure of the House Committee on Appropriations, which was a terrible mistake.

I agree with everything the Senator has said on that subject. The question was whether we should allow a stalemate to develop, or whether we could make some adjustment.

The House Committee on Appropriations said, in effect, "Unless we can adjust this program to a 1-year basis, there will be no appropriation this year at all," and the House bill reflected this fact.

That was pretty bad news. It is the reason why the Senate conferees finally felt that it was wiser to accept the adjustment, even though we did so with a great deal of hesitation and doubt as to the wisdom of such a course.

I ask the distinguished Senator from Arkansas, whether he does not believe that the thing to do is to approve the conference report now, and aim later on at what we all want to do, namely, to follow the advice and recommendations of our expert committees, which spent a year in trying to set up a new plan.

I assume the House conferees thought they could not accept the 2-year program for defense and the longer range program for the revolving loan. We are definitely committed to that program. But it seems to me that this year we cannot very well say that we will send the bill back to conference and deadlock the whole matter, when we are in need of the military part of the program especially. Therefore, I feel that we must approve the report. I join in commending the Senator for calling the matter to our attention, and particularly for his reference to the troubles which we encountered. We are now faced with the possibility of making no progress at all, of course, if we refuse to accept the report.

Mr. FULBRIGHT. I cannot go along with the Senator's feeling in the matter. I know that difficulties arise in every conference for I have served on a number of conference committees with Members of the House. This matter is of very grave importance, and it does not involve so much a question of money. In that connection, I told House Members that on several of the other items I would be perfectly willing to go along with them, and accept their figures, if that was what concerned them. What I was concerned with was getting the program on a proper basis and considering it as a matter of policy.

Mr. SMITH of New Jersey. We are all interested in that.

Mr. FULBRIGHT. The Senate has a responsibility in that regard. I do not believe we are justified in yielding to the Committee on Appropriations of the House. I believe we should accept a deadlock rather than to go along with the House. If the report is agreed to as it is, I do not know how we can ever resist the House on these items. This is the breaking point. This is the culmination of studies made by the Senate and by the executive department. The whole subject was studied by a presidential committee. The Fairless committee studied the subject, and so did the Johnston committee. All of them were in agreement. I do not know how we can afford to yield under a situation like that. To do so would mean we are giving up the whole principle, and yielding to the Committee on Appropriations of the House. Therefore, I do not know how the Senator can think there will ever be a better time for the Senate to stand its ground. We have never been in a better position. If we are going to give up our position now, I do not see any chance that we will ever be able to revive the policy next year. I will not be a party to sacrificing a principle so important as this one is. This is not a small matter. It involves hundreds of

millions of dollars, from the money standpoint alone, aside from the principle which is involved.

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

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. Reference has been made to various studies. We must not forget that the House made a study too, through the Richards committee, and that committee came up with the same recommendation.

Mr. FULBRIGHT. Certainly. The House Committee on Foreign Affairs was in agreement with the Senate on this matter. I have never seen a clearer case of agreement. We are being asked to give in to the Appropriations Committee of the House, because of its power over appropriations.

Mr. SMITH of New Jersey. Actually, we are on the spot. The question is whether we will accept a stalemate on the whole program, or let it go through this year and take it up again next year.

Mr. FULBRIGHT. I said twice in committee that I was not going to give up that principle. I said I would be willing to go along and support the House figures in connection with the military assistance program and the defense support program. The conferees on the part of the House did not want to stop at that. They were quite willing to split the difference on those figures, but they also insisted upon determining the policy. The basic policy. The basic policy, apparently, is to be established at the behest of the Committee on Appropriations of the House. That is my opinion.

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

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. I am sorry I missed a part of the Senator's remarks, but I was present when the presentation was made by the distinguished chairman of the Committee on Foreign Relations, the Senator from Rhode Island [Mr. GREEN]. It is true that there was a difference of viewpoint, as the Senator states, not only dollarwise, but policywise between the two Houses. It is not quite fair, however, to say that it was a matter of yielding to the House Committee on Appropriations. I have great respect for that committee. I serve as a member not only of the Committee on Foreign Relations but also of the Committee on Appropriations of the Senate. The House conferees are an able group of men, and I am sure they were trying to uphold the position, not of the Appropriations Committee of the House, but of the House of Representatives itself. In the House there had been cast some rather decisive votes.

We are a two-House legislature. We are two Houses of equal power when it comes to legislation. It is a matter of finding an area of agreement.

That is true, first of all, dollarwise. As the distinguished Senator from Arkansas has pointed out, in that connection there was agreement reached. The Senator from Arkansas, who is one of the most valued members of the Committee on Foreign Relations, and next to the chairman, is the ranking Democratic member of that committee, has pointed out that the dollar problem was not a major point of difficulty. We had arrived at an adjustment in that regard, which I think was fair to the Senate and fair to the House.

A question arose as to the borrowing authority. We did have a difference of opinion on that. At the same time, from the point of view of the development fund, it was important to have continuity, because one of the most wasteful things that can happen, if we have only a 1-year fund, is the necessity of doing all the planning between the time the Senate can act and the House can act. We are now in August, and by the time witnesses can be heard we will be in January or February next year. Therefore, we do not get a chance to make any plans. We did get the House to agree not only to the matter of having no-year funds so far as the defense support is concerned, and no-year funds so far as the military was concerned, but, in addition, we obtained a first year and a second year on the development fund so far as the authorization is concerned.

As the Senator has so ably pointed out, every recommendation of the various committees that were established by the Senate and House and the executive branch have stressed the importance of getting away from grants and into loans. While we did not get everything we desired, I believe we have made progress.

I remember many years ago, when I was a youngster in my State of California, riding up a mountain on a cog railroad. While we were riding, my father pointed out to me—and I think it was very good advice then and I still think it is—that sometimes when we are making a steep climb it is better to make slow and steady progress than it is to go too fast and perhaps strip the gears, so to speak, and lose the cars and all the passengers.

I believe we are making progress. We do have the development fund. We have the development fund with some continuity to it.

The House has had to go part way to meet us, and we have had to go part way to meet the House. I see nothing wrong in that. It is a matter of finding an adjustment between the two Houses. For that reason, I shall support the conference report. It does not satisfy me in every regard, but I shall wholeheartedly support the chairman of the Committee on Foreign Relations and vote to adopt the conference report.

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

Mr. FULBRIGHT. The distinguished minority leader says we must adjust differences. It seems we are doing more than that. The House has receded on 4 items, and the Senate on 21. That is just about the measure of what we have given up. It is not the money so much. We are yielding on a point of principle.

Mr. KNOWLAND. I do not dispute the actual number of recessions being made by each House. However, I say it is not quite a comparable situation with what we did in past years. This year, unlike prior years, the Senate originated the bill. The basic bill is a Senate bill. Therefore a great deal of the language in the bill is Senate language. In past years we have passed one bill and the House has passed another bill. Then we have had to allow some latitude between the two bills, and in many cases the two bills were vastly different from one another. The House has yielded in some instances and the Senate in others. It is not fair to make a comparison between what we did this year and what prevailed in prior years.

The House has actually yielded on a number of items on which I am sure the House would have preferred not to have yielded. Quite frankly, we have yielded on matters on which we did not desire to yield. It is true that philosophically the House Members have agreed on a great many points with the Senate conferees. Nevertheless, the House conferees, mindful of their obligations as conferees on the part of the House, have felt an obligation, not to the Committee on Appropriations of the House, but to the House itself, to represent the point of view of that body. I do not think we can have any quarrel with them because of that.

Mr. FULBRIGHT. I do not wish to reiterate my speech, but I cannot help reminding the Senate that I have treated the subject of policy and appropriations.

The Senator from New Jersey a moment ago confirmed what I said about the influence of the House Committee on Appropriations. We are concerned here with an authorization bill, and it is eminently proper that we insist upon our views concerning the policy in accordance with which the program shall be operated, leaving to the Committee on Appropriations, under the usual traditions of Congress, the question of what is a reasonable amount to carry it into effect.

But it was quite clear in the committee of conference that the House conferees were subject to dictation by the House Committee on Appropriations.

There is one other point I wish to make to confirm that statement. I recall a conference not very long ago with the House conferees on the State Department appropriation bill. We were confronted with very much the same situation, and it was an extremely arbitrary and difficult situation.

It irritates me, especially when I pick up a newspaper, as I did yesterday, to read that Congress is to blame for the situation concerning ambassadors, because Congress refuses to appropriate sufficient representation money for the Embassies in London and Paris. I recall very well who cut those appropriations down—and it was over the Senate's protest. It seems to me that in every conference in which I have participated, which has involved foreign affairs, the Senate has been dragooned by the House into adopting policies which I think are disastrous to the long-term welfare of the United States in the field of foreign affairs.

I recall very well what happened at the conference this spring. The House had

its way very largely. They cut down the representation allowances, thus making it necessary from now on, I suppose, to appoint persons to ambassadorships because of their party contributions and because of their wealth, but not because of their qualifications.

Congress is blamed by the press for this situation. I say it should be the House Committee on Appropriations. I am becoming a little tired of taking the responsibility for their attitude in matters of policy.

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

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. I was a member of the Senator's committee which studied the question of economic loans and policies, and all that went into the whole program. Our committee, the Richards committee, and the Fairless Committee, as the Senator has said, agreed upon a policy. I agreed with the policy. I still agree with it.

But I point out to the Senator from Arkansas that I have been concerned with problems of defense ever since I have been in Congress. During all the years of my membership in this body, I have been a member of the Committee on Armed Services. We must never forget that in the authorization bill, the principal items are for defense support and defense assistance. It seems to me that we have got to get some results out of a conference.

I was not a member of the committee of conference, but I have listened to the minority leader, the Senator from California [Mr. KNOWLAND]; the Senator from New Jersey [Mr. SMITH]; and the Senator from Rhode Island [Mr. GREEN]. I am certain the Senator from Arkansas feels as I do, namely, that if we are to get that defense assistance and defense support, we shall have to compromise to a certain extent on the economic side.

I have listened to the discussion and read the report. We now have authority granted for 2 years. The problem next year will not be one of authority, but one of appropriation. While it may be that we will have difficulties when it comes to appropriations, at least we will have authority for 2 years; and, what is more, defense assistance and defense support this year.

So while the Senate may have yielded on some points, the principle has been established and the authority granted with which we can act in the Committee on Appropriations later.

I agree to the conference report, although I am sorry, as a member of the Subcommittee on Economic Aid, headed by the Senator from Arkansas, that we did not get an appropriation for 2 years, or even 3, because I think that principle is a good one.

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

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I agree with the Senator, and support him, because I have found that a spirit of fight pays. The Senator has made a fight for a very major principle, in which I know he believes deeply, namely, economic aid on a business basis, with business opportunity, which means a fund in hand.

The Senator from Arkansas ranks very high on the Committee on Foreign Relations. This is not the end of the battle. I notice from the report that it is contemplated that a corporation will be organized to administer foreign aid. I think, in addition to all the other expressions which have been made in the Senate, that the Senator from Arkansas should be encouraged in this fight. I think he is fighting for the best in a bipartisan foreign policy, and is fighting for the best long-range interests of our country.

Mr. FULBRIGHT. I thank the Senator from New York.

Mr. ELLENDER. Mr. President, early this year, Congress was presented with a new look foreign-aid bill. Programs were juggled, figures were changed, and we were told that the entire concept of mutual assistance had been brought up to date.

The most important of the face lifting processes which the program underwent was the substitution of a program of economic development loans for outright gifts. A great fanfare accompanied the announcement of this program. The press and radio were filled with glowing accounts of this reappraisal of policy. The development loan fund concept was supposed to put the economic aid program on a more realistic basis.

As Senators will recall, the development loan program—as submitted to Congress—was to operate in the following manner:

First, in fiscal 1958, Congress was to appropriate $500 million to begin these loans. In addition, during fiscal years 1959 and 1960, the aid program was to be authorized to borrow up to $1.5 billion from the Treasury to make foreign economic loans, without having to return to Congress for appropriations.

This 3-year fund, aggregating $2 billion, was described as a revolving fund. The concept was advanced by the President, justified by the International Cooperation Administration, endorsed by the Senate Foreign Relations Committee, and approved by the Senate.

However, the record is replete with evidence that this is a revolving fund which will not revolve. The 3-year authorization voted by the Senate would have been only a starter. In essence, the fund—even as it now stands—will be a loan fund in name only. The money to be made available from this new foreign-aid "kitty" will, for all practical purposes, constitute outright gifts.

As I warned during the debate on the bill, congressional endorsement of this program as voted by the Senate would have committed Congress to continuing a foreign economic-aid program over at least a 3-year period. Congressional control over the program during the last 2 years of this period would have been surrendered by permitting the International Cooperation Administration to bypass the Appropriations Committees of both Houses. This would have occurred since the development loan fund would have been empowered to borrow directly from the Treasury in fiscal 1959 and 1960 instead of justifying its budget to Congress, as has been the custom in the past, and, I submit, as should continue to be the practice in the future—if, indeed, the program is to continue at all.

With great prudence, the House of Representatives eliminated the 1959 and 1960 borrowing authority and confined the loan-fund program to a 1-year, $500-million authorization.

In conference, the differences between the House and Senate bills were compromised. An initial appropriation of $500 million was authorized for fiscal 1958; in addition, a loan program was authorized for fiscal 1959 in the amount of $625 million, with the provision that the fund would have to be financed in fiscal 1959 by an appropriation, instead of a Treasury loan.

With all due respect to the committee of conference, the compromise reached on this particular item ignores the evidence offered to date on the program.

I am opposed to any 1959 or subsequent-year authority, for two reasons:

First, the agreement reached on this item marks a distinct departure from an established congressional policy with respect to foreign aid. As Senators well know, we have never authorized the program for more than 1 year at a time. By authorizing a 2-year-aid fund at this time, we are opening the door to a long-range foreign-aid authorization to cover future years.

Of course, proponents of the revised 2-year development-loan fund have said that the 1959 authority is necessary in order to give the program continuity.

I remind Senators that before 1 penny in loans can be consummated, over and above the $500 million authorized for the fiscal year 1957, the fund must first obtain an appropriation. In other words, none of the fiscal 1959 lending authority can be exercised until that authority has been implemented by cash—and this, of necessity, means that loans for the fiscal year 1959 must be preceded by an appropriation next year.

It is obvious, Mr. President, that the fiscal year 1959 authority is meaningless. Therefore, provision for it should be deleted from the conference report. I realize the pressure under which the Senate is working, but I believe the report should be returned to the committee of conference. I want to make it perfectly clear that the fiscal year 1959 authority is unnecessary. In addition, as I have stated, it is dangerous, since it is a complete departure from the long-standing Congressional policy to authorize foreign aid only on a year-by-year basis.

My second objection to the loan fund is more basic. As I indicated previously, this is a loan fund in name only. We have been told it is a revolving fund, but I submit that it will never revolve. It is patently clear that the fund is to be used to make loans upon which we expect little or no repayment. However, even if repayments on these loans are made on schedule, the fund cannot revolve for at least 5, and probably not for as long as 10, years.

A revolving fund presupposes prompt payments, with the payments used to finance future loans. We are not going to see any such develoment on this fund, in my humble opinion.

First, there is to be a moratorium on both principal and interest for a period of time, probably 5 years. Since for at least 5 years, neither interest nor principal will be repaid, there will be nothing flowing into the fund.

For this period of time, at least, the only way our money will go is out. None will come in.

In addition, although loans are to be made in dollars, repayments can be made in local currencies. The testimony before both the Senate and the House committees on this item indicates very clearly that the overwhelming demand of potential borrowers from this fund is for dollars. They have little or no need for local currencies. I should like to know, Mr. President, how this so-called revolving fund is ever going to revolve, if repayments are made in local currencies, while loans are made in dollars. The answer is obvious. The so-called revolving fund is going to require revolving appropriations from the Treasury; we are going to be called upon to replenish the fund's supply of dollars year after year, ad infinitum.

Let us not fool ourselves. Although the fund would be set up on a 2-year basis, under the conference report, we are going to find ourselves extending this authorization and appropriating dollars to sustain the fund for many years to come.

Mr. President, I wish to call the attention of the Senate to the fact that I personally examined Mr. C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs. He testified quite frankly before the Senate Appropriations Committee that even the original 3-year authority requested by the administration and approved by the Senate was "just a starter." I quote from that testimony:

Senator ELLENDER. Now, is it not a fact as to any of these loans that are made to any particular country, that unless the repayment in the local currency can be used elsewhere, then any revolving fund that will be created will have to be used within that host country?

Mr. DILLON. That is certainly one of the most likely uses, Senator; that is correct.

Senator ELLENDER. So that as you have just indicated, the original request of $500 million for this fiscal year, that is, 1958, and for the fiscal years 1959 and 1960, is just a beginner?

Mr. DILLON. That is correct.

Senator ELLENDER. And you no doubt will come back in the future in order to obtain more money to continue this lending operation?

Mr. DILLON. If the world situation stays the same, and I presume it will, we will probably be back.

That is the same story we have heard for the past 10 years.

Later, Mr. President, Mr. Dillon gave us an estimate as to how long it may take for this so-called revolving fund to revolve:

Senator ELLENDER. The point I wish to make is that it is not contemplated that these loan funds are going to be repaid within the next 5 years.

Mr. DILLON. No sir. They will not be repaid on such a scale as to obviate the fund's need for further resources.

In other words, for at least 5 years, Mr. President, there will be no income for the fund. All there will be will be expense, and this expense will have to be absorbed by the Treasury—by our taxpayers.

I continue to quote from Mr. Dillon's testimony:

Senator ELLENDER. Nor within the next 10 years.

Mr. DILLON. That is correct, although it is much more difficult to predict 10 years ahead. We should certainly be getting larger repayments by then and these countries should be able to meet more of their need from their own production.

Mr. ELLENDER. In the meantime, it will be necessary, in order to continue this program, for Congress to authorize more and more funds in the event conditions remain as you say they are.

Mr. DILLON. That is correct. We will need further resources for some years.

Mr. President, it goes without saying that if world conditions remain as they are and if the fund is not replenished by collections, or if any collections which may be made are not converted into dollars, good old Uncle Sam will have to keep on pouring money into the revolving fund, in order to keep the fund going.

There is the picture, Mr. President. This highly advertised, "self-supporting" loan fund is nothing more than a new method for making economic-aid grants. Furthermore, although it was advanced as a 3-year program, a program which was to be self-liquidating and self-perpetuating, we now find that it is going to require continued outlays of tax dollars—and outlays which may cover, not 3 years, but as long as 10 years.

As I indicated previously, the report should be returned to conference. I do not want the Senate or our people to be under any illusion as to what we are getting into. The conference report as it now stands, and particularly the provisions dealing with the so-called development loan fund, constitutes a long-range commitment. We are binding ourselves to a long-range program of gifts, although they are labeled "loans." We are committing ourselves to appropriations of tax dollars for perhaps as long as a decade, although the fund is described as a "revolving fund."

I only desire to set the record straight, and to serve warning upon the administration that I intend to do everything I can to correct this obnoxious situation, when the time comes to mark up the appropriation bill containing this item, as well as other items.

Our foreign-aid administrators should be made to fish or cut bait. There is a growing public sentiment against economic-aid grants. The administration should not be permitted to play both ends against the middle—to appease public opinion by camouflaging a long-range program of economic-aid grants under the guise of a short-term, self-supporting loan fund.

Mr. FULBRIGHT. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. In order to make the matter clear, is it not true that the Senator from Louisiana is simply opposed to any kind of foreign-aid program? He is opposed, is he not?

Mr. ELLENDER. No; I am not. I want to taper off on the foreign-aid program. I would favor a sound program of loans—loans which would be repaid. But such a program is yet to come. The so-called development loan fund would certainly not be such a program, as I have already demonstrated.

The Senator from Arkansas well knows that I supported the Marshall plan for a period of approximately 5 years. After the goals set for recovery were reached, I opposed further gifts. Senators and the committees who studied the original program said the Marshall plan was to end in a certain period of time; they said that if the United States spent a certain amount of money, certain objectives could be attained.

I was willing to go along on that basis. But I wish to say to my good friend, the Senator from Arkansas, that the program has been going for 4 years longer than we anticipated. The objectives originally proposed have been reached and surpassed, yet, now we are being asked to enter into another program. This new program is said to be of 3 years' duration, but the facts prove otherwise. It will require at least another decade of handouts. That is the opinion of Mr. C. Douglas Dillon, who is now Under Secretary of State, and who formerly was our Ambassador to France.

Mr. FULBRIGHT. I am not trying to criticize the Senator at all. I am trying to elicit his basic ideas. If he is against foreign aid altogether, I quite understand his position; but I do not understand a position wherein he is for it, but insists on a method of dispensing aid which everybody in and out of Congress is against. I do not mean every individual, but every committee in the Congress, including both committees dealing with foreign-aid policy, plus the Fairless Committee, plus the International Development Advisory Board, plus all the other organizations has said, "If we are going to have foreign aid, the better way to do it is this way." The Senator dismisses it by saying it should not be done some other way. I can quite understand the position that foreign aid is hopeless and that we ought to get out of it. That is a logical position. But to say we ought to have a foreign-aid program, and then resist the method which the committee has approved, and which practically everybody agrees is an improvement—that is where I leave the Senator. I do not quite understand his insisting that it be a giveaway, grant program if there is the slightest chance that the loan program will operate properly. Surely the Senator will agree that there is a slight chance.

Mr. ELLENDER. The Senator pointed out a while ago that in the past some loans were made and repaid.

Mr. FULBRIGHT. They are being repaid now.

Mr. ELLENDER. By some countries in Western Europe.

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. Those countries have made payments on their loans only because we have continued to furnish money to them by way of gifts and other kinds of aid, and have otherwise kept their economy bolstered. The Senator knows what happened to the British loan a short time ago. We had to postpone interest payments on it. If we want to make loans to foreign countries, why do we not utilize the Export-Import Bank and the World Bank? Why should we create another agency to get into the business of lending?

Mr. FULBRIGHT. The Senator is saying what I thought he said in the beginning. He is against the program. I think that is a logical position. I do not quarrel with the Senator when he takes that position. The only thing I quarrel with is the statement of the Senator from Louisiana that he is for the program, but then he insists on carrying out the program the wrong way.

I can understand the position of anyone who says, "This is a hopeless program. I do not quite go along with it." Sometimes I have doubts about it; but in view of Russian competition, I do not think we can afford to let the uncommitted part of the world find its own way without any guidance from us. I cannot follow the position that "I am for it, but I insist on doing it the old way," using methods which I think we have demonstrated should come to an end. I do not see any justification for the old short-term program, which necessitated our rushing at the end of the year to obligate sums for programs which might be for good purposes in themselves, such as a program for the eradication of mosquitoes, or other small programs, but which did not include any of the basic programs for increasing the production of wealth in the recipient countries. That is where I leave the Senator. If the Senator were to say, "I think this whole program should come to an end," I would at least have no quarrel with his logic.

Mr. ELLENDER. Mr. President, I think I have made my position clear in the many years we have had the program on the statute books. I voted for the program at its inception and for a number of years thereafter. I do not recall the exact number of years. When the goals proposed under the Marshall plan were reached, that is when I drew the line.

When we started the Marshall plan back in 1948, Mr. Paul Hoffman, who was the first administrator of the program, indicated that after 4 or 5 years, and after spending about $18 billion, we could increase the industrial capacity of Western Europe to the point where we could withdraw. He set a productive goal and said when that goal was reached Europe could stand on her own feet. Moreover, it was understood that once Europe recovered she would help us in other areas. What was that goal? It is in the record. Mr. Hoffman said if we could increase industrial production in those countries by 25 percent over prewar, we could withdraw. What is the situation today? Industrial production in those countries has increased to over 66 percent of prewar, and we are still assisting those countries. In addition, we are now assisting other countries as well. We are receiving no help from Europe in carrying these burdens. On the contrary, Europe has her hand out for more United States money.

We have started a program in Southeast Asia that will continue to grow and grow and grow like Topsy if we keep pouring funds into that area. We are trying to create for those people the kind of economies which they cannot possibly support alone. If the assistance we render were kept within the ability of the people to understand, and within their capacity to maintain, I would be in favor of the program. However, Mr. President, when we pour into countries like South Vietnam and South Korea more money than they ever had before, when we inaugurate programs which they do not have the technicians to maintain, and do not have the economic capacity to support themselves, it simply means we are going to have to keep spending tax dollars in order to assist them.

Loan programs sound good. If I thought we could make loans which would be repaid in dollars, and that such loans would help those countries to help themselves, I would be in favor of them. However, that is not the way it will be.

We have been led to believe that the program was going to be on a 3-year basis, that if we put $2 billion in the kitty that would be the end of it. But Mr. Dillon, who is Under Secretary of State, a former Ambassador to France, a recognized economist, and a businessman, stated this was just the beginning. He said the program might last for as long as 10 years. That means every year Congress will have to put up from $500 million to $750 million in order to keep enough money in the kitty to keep the fund in business.

It is my judgment that such a program would be nothing more than a continuation of the same philosophy which has brought the present aid scheme into such disrepute.

The loans contemplated under any loan program should be sound loans. There should be some prospect of repayment. We should have some assurance that the funds loaned would be put to sound and prudent uses.

In other words, a loan program based on sound lending practices could prove useful. However, as constituted now, the development loan fund is merely a device to maintain economic aid grants in the guise of loans, for I am sure that we will see our planners beating their way up to Capitol Hill in just a few years begging Congress to forgive those loans.

When we make loans that are neither sound nor prudent, we are not only doing our taxpayers a disservice, but we are also doing a disservice to the borrowers.

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

Mr. ELLENDER. I yield.

Mr. LANGER. If it is of any satisfaction to the Senator from Louisiana, I want him to know that the Senator from North Dakota fully agrees with every word he has said this afternoon.

Mr. ELLENDER. I thank the Senator.

Mr. LANGER. In my opinion, future history will record the fact that the Senator from Louisiana was absolutely right. I did not vote for the Marshall plan. I did not vote for it because history after World War I showed that, under Woodrow Wilson and William McAdoo, we poured billions and billions of dollars into Europe. The only country that ever repaid us was Finland. So the Marshall plan was nothing new. It was simply a reinauguration and a continuation of the program started by Woodrow Wilson. The very fact that Coolidge, Harding, and Hoover, 3 Republican Presidents, gave away not $1, and took the nearly $3 billion which was received—it may not have been quite that much—and applied it on the national debt showed that we had 3 Republican Presidents interested in keeping the national debt down. It was not until Franklin Roosevelt that we inaugurated the system of more loans, grants, and gifts. To me the Marshall plan was nothing new. It was as old as the hills. After World War I we did everything that Winston Churchill and other foreign representatives asked us to do. In line with the previous example, Churchill was right back here getting more money.

It does my heart good to find the distinguished Senator from Louisiana fighting for the taxpayers of the United States. If the United States Government had hired Winston Churchill and paid him $4 million or $5 million just to keep quiet, it would have been the best investment the United States had ever made.

Mr. MALONE obtained the floor.

Mr. JAVITS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the distinguished Senator from New York.

Mr. JAVITS. I thank the Senator.

Mr. President, I wish to invite attention to a provision of the bill to which this conference report relates, found on page 42, lines 2 to 6, wherein it is stated:

> In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees.

Mr. President, for the purpose of discussion of the conference report I wish to state that I consider this the most nettling and difficult problem in the whole Middle East situation, and perhaps the key to peace there. I shall at a later time, without intruding upon the patience of the Senator from Nevada, who has been very gracious in yielding to me, analyze the subject in detail. It keys directly to this provision of the bill.

I wish to invite the attention of the Senate to this matter, and state I hope to address myself to it constructively. I consider it not only a formidable problem, but the key to the situation in this very difficult problem area of the world.

I thank the Senator from Nevada.

SO-CALLED MUTUAL SECURITY—THE DISTRIBUTION OF THE AMERICAN TAXPAYERS' WEALTH THROUGHOUT THE WORLD THROUGH INFLATION, FREE TRADE, AND CASH—PATTERN OF INTERNATIONAL SOCIALISM

Mr. MALONE. Mr. President, the Mutual Security Act of 1957 did not start, of course, in 1957. It really did not start in 1946, but 1946 was the first open and brazen attack upon the United States Treasury following World War II.

It was then in the form of a so-called loan. Of course, the loan referred to was of the type generally made in a family, when there is no hope or expectancy of repayment.

THE GIFT TO END ALL GIFTS

It was $3¾ billion, Mr. President, in 1946. That was going to end all gifts and all loans. Everything in Europe was to be perfect from then on. That was the argument. That was the promise and debate on this floor.

The senior Senator from Nevada was not in the Senate at that time, but he read the newspapers very closely, and has since read some of the records. Assurances that this aid would be the last accompanied the arguments for that loan, designed perhaps to break the ice in the United States Senate.

PERPETUAL FOREIGN AID, THE STATE DEPARTMENT PLAN

Mr. President, Mr. Dulles has been a very frank man in all his testimony which I have heard. I am a member of the Senate Committee on Finance, where Mr. Dulles comes to justify his foreign plans when the spending of money is involved. I have heard him testify that foreign aid should be a permanent thing—not only for 1 year, 2 years or 3 years, but permanent. The State Department has never made any secret about that, from the time the senior Senator from Nevada arrived in the Senate Chamber.

A PARAGRAPH THAT COST UNITED STATES TAXPAYERS AN INITIAL $17 BILLION

In 1947 General Marshall made his famous speech at Harvard, which included a paragraph that we should do something about business conditions in Europe. It has always been the opinion of the Senator from Nevada that General Marshall did not know the paragraph was in his speech. It was a very inoffensive paragraph, but somebody knew it was in the speech. The trans-Atlantic telephone no doubt was working well, and so the Prime Minister of England took that statement on the first bounce, and in 30 days told the United States of America exactly how much it was going to cost, which was $17 billion for 5 years. That, of course, was supposed to end all help.

The argument was made on the Senate floor in 1948. The Senator from Nevada had his say then, as he is going to have it now. The argument was that we should reestablish the productive capacity of European nations.

DOLLAR CURE PRESCRIBED FOR ALREADY HEALTHY NATIONS

Mr. President, Senators will find in the RECORD at that time a table prepared by the senior Senator from Nevada which showed that the nations which were to get the money were then producing from 92 to 98 percent of their production prior to the war. When the next round came about, whatever it was, the ECA or something else—for they change the name nearly every year, so that the public and the taxpayers can hardly keep up with what is being done—those nations had reached their prewar production, and in many cases had passed it.

BRITAIN ALWAYS TARDY ON LOAN REPAYMENTS

Of course, no one expects any loan to be repaid. As to the loan to England, there has been some interest paid at different times—at opportune times, when it was necessary to have a headline showing that they were paying their debts, but in the meantime we had given them much more money than they had ever repaid or ever did repay in interest.

In 1947, after the distinguished General Marshall made his famous speech at Harvard, the statesmen in London were busily engaged in determining just exactly how much the American taxpayer should pay for the following 5 years. At that time the senior Senator from Nevada was a freshman, and he took occasion to go to Europe, to visit almost every nation on the continent. He did not go over for social purposes. He even went into the Ruhr and visited the coal mines and the steel mills of Germany, as well as the chemical industries in Frankfort. He went into France and into England, into the steel mills and coal mines, because he thought at that time, in his youth and innocence, that perhaps there was some excuse for loaning some money or in some way helping them get started again.

After reviewing the situation in all of those countries in Europe, and coming back to the United States, the Senator from Nevada formed a pretty definite conclusion. He had some very interesting conversations while making his inspection tour.

HOW BRITAIN SUPERVISED COAL PRODUCTION

England, of course, was supervising the coal production in Europe. All of the propaganda in this country was that England was trying to increase production. They were not trying to increase it; they were trying to decrease it. I could tell some stories about that, but I will tell only one.

After reaching the end of a tunnel, on an inspection trip, watching the production and the loading, I had a conversation with one coal man in the Ruhr, while we were going to a new head, crawling on our hands and knees for a while in a mine wet with water. There was a good 6-foot coal cutter which had been set up, and I was asking the German worker, who talked a little broken English, about the production. I looked at the cutter, which was cutting down the coal. I looked at the 35- or 40-foot shaker, the steel conveyor, taking the coal to a conveyor belt and up to another level, down 300 or 400 yards to the loading chutes, and dropping it in the 35-ton cars, automatically, without anybody touching the coal.

They were running it out to a four-shift elevator, hoisting it to the surface a couple of thousand feet, and coming back in. I said to the man, "This looks pretty good to me. Why do you not open up more faces? That is what we do in the mining country, when we have the room, and you have it here." He said, "We would like to, but the only factory which makes the coal cutters is on the reparations list."

KEY INDUSTRIES OF GERMANY PLACED ON REPARATIONS LIST

That was only one incident. There were 50 incidents like that. The propaganda in the United States was that only 10 percent of the German industry was on the reparations list. But, Mr. President, it was the 10 percent which was like the mainspring out of the watch, that industry could not operate without. That was true in many other instances.

Finally, when they were crowded into a corner, they would laugh and say, "You know you are going to pass that Marshall plan to save your own industry."

That startled me a little, but I still did not believe we were that silly, until I returned and watched the Senate and House. I had to watch them for a couple of years before I knew what was going on.

HOW EUROPE WAS BANKROLLED AFTER WORLD WAR I

Before I continue, let me say that there is one advantage of being old enough to have experienced two wars. In the First World War I took a battery of field artillery to France and dug into the engineering business after I returned in 1919. This is what I noticed.

The New York bankers loaned the European nations $8 billion to $10 billion to buy our goods, believing, of course, that when they distributed those bonds or notes, or whatever they used, among their branch banks throughout the country, or their cooperative banks, or whatever the connections happened to be, the foreign nations would buy the goods, and then pay the debt.

The way that money was handled was this: Foreign nations bought a great deal of American goods, because they had the credit here, and did not actually send the money across, as we are foolish enough to do now.

LOANS TO EUROPE PRELUDE TO DEPRESSION

We did not get any of the money back. There is no time to recount the history of that debacle. It had a sharp hand in producing the catastrophe which happened in 1929, called the depression. The loss was distributed among the bankers of the country, and in the long run many of the banks went broke. That was the foundation of the break, in many cases.

WORLD WAR II ENDS AND THE PATTERN CHANGES; FOREIGN AID BURDEN PUT ON BACKS OF TAXPAYERS

I will say one thing for the New York bankers. It does not take them long to learn, and they do not forget. After World War II, when we could have cut down production to the size of the market we had, which would have been the smart thing to do, what was done was to start building propaganda.

Mr. Marshall was only one link in the chain.

All of the propaganda was to the effect that we must help foreign countries. So the burden was loaded onto the taxpayers. No bank loaned the money, with a chance of perhaps not selling all the goods. Instead of $8 billion or $10 billion, in this case $70 billion was involved, and, again we never got any of the money back. The burden was placed on the backs of the taxpayers to start with. There was never any question about it.

I have listened to a great deal of debate on the floor of the Senate about stopping world war III, or winning it if it starts, or making friends throughout the world for the American system.

What is the American system? Without going into detail, the American system is being badly bent now. The system is not working very well. I will go into that subject in a few minutes. If we want to make friends for the American system throughout the world, the best thing we can do is to make the American system work; and the way to make the American system work is not to divide the capital, the markets, and the cash of the American taxpayer with every other nation on earth.

CONSTITUTIONALITY OF FOREIGN AID CHALLENGED

There is little question in my mind that the distribution throughout the world of American capital, the money of the taxpayers, is unconstitutional. It has been hung on the excuse of national defense, which is very thin. There has been some criticism of the Supreme Court. I do not intend to join in it, because I think Congress is mostly to blame for the freak laws it passes. But those who wrote the Constitution never intended to divide the capital of the United States of America with foreign nations.

Our excuse, of course, is national defense. What we are doing is dividing our capital with other nations every year. We say we are making friends. Dulles said the other day that he did not care whether we made friends or not; he wanted to keep other nations from communism. What does he think they have?

NATIONS WE AID ARE AIDING RUSSIA

Almost every nation in Europe is selling directly or indirectly to Russia. They are using our money, our capital, and the goods we are sending them. Everyone knows that. It is not denied.

So, Mr. President, with all the commitments we have made, all the pacts we have signed, we have the most expensive foreign diplomacy on earth. We have bought every pact. We have given money, at random, almost, to support other nations. All they do is to sign their names, which means nothing when the showdown comes. That is when we shall find it out when our money is gone.

Mr. President, what has become of honest diplomacy, of dealing with other nations on a basis of mutual honor and respect, of regulating our trade with them on the time-honored principle of fair and reasonable competition? For that matter, what has become of honest money with which the trade of the world was formerly conducted, gold and silver the value of which could be readily determined in any country by its weight and fineness? When nations deal honestly with one another they deal with honest money and on the basis of fair and reasonable competition.

GRATITUDE RUNS THIN WHEN THE FLOW OF MONEY SLOWS

Today we are like a man at a bar, with his money on the bar. He has been paid off. Men are standing three deep at the bar. After a while he runs out of money, and he looks around, and no one is there. That is what we are riding for.

The history of all agreements is that no nation ever keeps an agreement which becomes obnoxious to it.

The conference report involves an expenditure of $3,367,083,000. We talk about billions of dollars as we used to discuss thousands of dollars. No one understands what a billion dollars is. All we know, all the Senate knows, all the House knows, and apparently all the White House knows is that all we have to do is to vote more bonds, and we must raise the money to pay the interest.

CARRYING CHARGE ON OUR NATIONAL DEBT GROWS AND GROWS

Finally, the carrying charge on the debt, instead of being $5 billion or $6 billion, will be $15 billion or $16 billion, and no one cares anything about it.

In 1933 and 1934, when all this started to happen, the foundation was laid. It required $3½ billion a year to operate the United States Government. At the present time, when we add interest at the increased rate, it costs five times that amount of money for interest on the national debt.

Whom do we find in the foreground in connection with many of these programs, for example, in the organization of the World Bank, called the International Bank? We find Mr. Harry Dexter White. In 1945, after I had been all over Asia and Alaska and the South Seas as a consultant to the Senate Military Affairs Committee, that committee sent me to San Francisco as an observer.

ALGER HISS, HARRY DEXTER WHITE POLICIES STILL BEING FOLLOWED

What did I observe? I observed Mr. Alger Hiss leading around by the nose some of the finest Members of the Senate I have ever had the pleasure of knowing. We signed an agreement out there with very few votes, and very tight obligations.

Mr. Harry Dexter White organized the International Bank to lend money to anyone who will take American capital abroad, take advantage of our practically free trade, and then bring the low-labor cost foreign manufactured goods back into the United States.

Mr. Hiss spearheaded the organization of the United Nations. Just as Mr. White had great influence in the Treasury Department for many years under Mr. Morgenthau, Mr. Hiss had great influence in the State Department during the same time. One of them is dead, and the other has served a term in a United States prison. Both of them were traitors to this country. We are still following their policies.

INFLATIONARY SPIRAL BEGAN IN 1933

In 1933 we started the inflationary spiral by giving up the gold standard. Everybody knows it, but nobody seems to be in favor of doing anything about it. Therefore, every day from that day forward we have lowered the wages and pensions and insurance benefits in this country through inflation.

In 1934, we passed an act called the Reciprocal Trade Act. That was a wonderful word—reciprocal. It was thought up by the London bankers and sold to the taxpayers of the United States.

What did it do? It transferred the constitutional responsibility of Congress to regulate foreign trade and the national economy to the White House. We did not stop there. We gave full authority, as testified by Mr. Dulles in 1955 before the Committee on Finance, to the President to transfer it to any place in the world under the auspices of any organization he might designate or spearhead.

GATT GIVEN CONSTITUTIONAL POWERS OF CONGRESS IN 1947

In 1947—events are piling up now—the then President spearheaded the organization of the General Agreement on Tariffs and Trade. It is called GATT. Those initials have become rather famous—or infamous—depending on how one wishes to regard them. Those powers were transferred to Geneva. At this moment, Mr. President, 34 foreign competitive nations, under the General Agreement on Tariffs and Trade, regulate our foreign trade and national economy.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. This is accomplished by GATT through the simple expedient of lowering the duties and tariffs, which have the effect of equalizing the wages of the competitive countries and our country, and the lowering of tariffs continues under an act passed in 1955 by Congress. In that act we extended the 1934 Trade Agreements Act to June 1958, with permission to lower the duties further by 15 percent, at the rate of 5 percent a year. That is being done today.

TRADE ACT FORCING UNITED STATES DEPENDENCE ON FOREIGN NATIONS

The process I have described started in 1934. In addition to that policy, we have become dependent upon foreign nations. By destroying our industries we have become dependent on foreign nations for critical and strategic minerals and ma-

terials, without which we cannot fight a war or live in peace.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. In 1933 we started the debacle by starting the inflationary spiral. In 1934 we started the free trade which, in turn, started the influx of low labor-cost materials into the United States. In 1947, in accordance with the same act, that authority was transferred to Geneva, where now 34 foreign competitive nations are regulating our foreign trade and national economy.

AMERICAN INVESTMENT ABROAD SUBSIDIZED BY TAXPAYERS THROUGH FOUR ORGANIZATIONS

In addition, Mr. President, we have created four different organizations to encourage American capital to invest abroad.

Organizations such as the Export-Import Bank have been entirely financed by American taxpayers, up to $5 billion, to encourage the export of American plant and capital to the low-wage foreign nations by means of low interest, long-term loans. This was the testimony of the distinguished former Secretary of the Treasury, Mr. George Humphrey, whom I greatly admire and believe to be one of the greatest men who has ever served in the present Cabinet.

He further testified that the International Monetary Fund, the International Bank for Construction and Development, and the International Finance Corporation are all set up with the objective of encouraging American capital to move into foreign, cheap-labor countries, which will not only furnish the markets, but which also will supply low-cost labor products to compete with products produced in this Nation with our higher standards of living, higher wages, and higher cost of doing business. In addition this capital which has gone abroad will escape having to pay American taxes.

What does the pattern lead to? It leads to a simple division of the wealth, the markets, the cash, and the assets of the taxpayers of the United States with the nations of the world.

THE PATTERN OF INTERNATIONAL SOCIALISM

The entire pattern, from the time of the abandonment of the gold standard in 1933, to the passage of the Trade Agreements Act in 1934, to the transfer to Geneva, in 1947, of the constitutional responsibility of Congress to regulate our foreign trade, to the creation of four corporations to encourage American capital to invest in foreign, low-wage standard nations, to the mutual security giveaway program, is to distribute American markets and American dollars among the low-wage-standard-of-living European and Asiatic nations. It all adds up to international socialism in its worst form.

The United States is the only producing nation in the world today which does not protect its own workingmen and investors by a duty or a tariff or by import and exchange permits, or both.

PROTECTION OF OUR OWN CITIZENS VITAL NEED

Protection of our own citizens will become feasible only when the flexible duty or tariff provided in article I, section 8, of the Constitution is adjusted on imports so as to take the profit out of foreign sweatshop labor at the water's edge. Then the foreign nations will allow their wage standard of living to increase and will create a market within their own borders.

The objective of free trade would be reached automatically when their living standard reached the level of ours, because the duty or tariff could be reduced as their wage standard of living increased, and as they stood on an equal basis. But that would be up to the foreign country.

WORLD COLONIAL SYSTEM GUARANTEED BY ATLANTIC PACT ARMS GIVEAWAYS

We signed the Atlantic Pact, and by so doing we guaranteed the security of the colonial system throughout the world. We are finding it very hard to follow through on. A part of the money which is authorized in the bill which is before the Senate today, added to the $70 billion or $75 billion—whichever it is—which we have already given to the foreign nations, will be used for the arms and armies of those nations to preserve their colonial systems. That happened in Indochina. It happened in North Africa. It is now happening in the Middle East, in the oil area, where England is trying desperately to save the only oil area it can now control. According to the news reports this morning, British jet planes finally ran the opposition away, so the British can continue in that area; continue to control it.

FOREIGN AID HYPOCRISY

But that simply goes to show that the things we do here support the things which we deny we are supporting. As a matter of fact, we all know where the money is being used. It is futile to deny it. The money is being used in North Africa, and in the Middle East. There is no end to all this, and we get into it deeper every day.

The cost of this temporary friendship is a division of American wealth with the nations of the world, and we will be standing alone after our wealth is gone.

The nations of Europe are just as helpless as a babe in arms. England and France must have trade. They must trade with China; they must trade with the nations of Europe and Asia. Anyone who is familiar with foreign trade knows that. It is a matter of geographical location; it is not a matter of intent.

Some persons were led by the State Department to believe that by a division of our wealth and by supporting those nations in their geographical locations we could keep them from trading with the nations surrounding them. Of course, we would believe no such thing if we were to stop to think for just a minute.

UNITED STATES FIRST GAVE JAPAN BILLIONS; NOW SHARING WITH HER OUR TRADE

We have given Japan billions of dollars. We have divided our trade with Japan—the textile trade, the optical instrument trade, and trade in many other fields.

We said we would keep Japan from trading with China, with Manchuria, and with other areas controlled by the Communists.

Mr. President, that is the silliest thing on earth. It seems almost impossible that anyone would make a remark of that kind. But we made a treaty a few years ago, and some distinguished Senators flew to San Francisco to have their pictures taken with the great Secretary of State signing the treaty with Japan. That treaty provided that Japan was not to trade with Red China; she was to trade with us.

IMPORTS FROM JAPAN DAMAGING AMERICAN INDUSTRIES

How would Japan trade with us? By displacing our American workingmen and investors. That is the only way in which Japan could trade with us.

So at the moment our textile factories are closing down. Our optical instrument industry is in danger. Our sewing machine manufactureres are in danger. The manufacturers of dozens of other products are in danger. Why? Because we in the United States pay $1.75 to $2 an hour to our labor, while Japanese labor is paid from 13 cents to 15 cents an hour.

FOUR AGENCIES ENCOURAGING AMERICAN INVESTMENT IN JAPAN WITH AMERICAN MARKET THEIR TARGET

We have four great organizations, one totally financed by ourselves, up to $5 billion—the Export-Import Bank. All of them have the same purpose; namely, to encourage American investors to go to Japan and buy into Japanese industries and to use American machinery to produce products with low-cost labor, and then to bring the products back to the United States.

The other three organizations I mentioned, besides the Export-Import Bank, were financed up to 35 percent. That was the testimony of the former Secretary of the Treasury.

At the moment, not an industry which is being established in Japan with American capital can survive in America. It has no chance on earth. At the moment, the Japanese are negotiating with both China and Russia, and with other nations in the area. They must do that in order to survive.

STATE DEPARTMENT NEEDS AN INDUSTRIAL ENGINEER

Any industrial engineer could tell us that what the State Department needs, apparently, is an industrial engineer; someone who could be asked how a nation must conduct itself in order to live and to feed its people, or to make it so that they can feed themselves in a particular area. All that such an industrial engineer would have to be told would be where the country is located, the production, the consumption, and the surrounding nations. He would then be able to say with whom that nation would trade.

Our representatives would sign anything. When they came back to the floor of the Senate a few years ago with that great treaty, which was a treaty to end all trade by Japan with Communist

nations, the senior Senator from Nevada took the floor for about 30 minutes.

SENATOR RECALLS HIS OPPOSITION TO JAPANESE TREATY

If anyone is interested in knowing exactly what I said at that time, let me say it has been reprinted, and copies are available. Mr. President, everything I predicted at that time has happened. Of course, it had to happen; there was no other possibility.

Again, I emphasize that we are not content with inflation, which normally lowers fixed duties to the extent of the inflation. We are not content with passing a 1934 Trade Agreements Act giving the State Department 50 percent leeway in the case of lowering duties, and then several years later allowing another 50 percent leeway, making a total of 75 percent. In addition, in 1955 the Congress passed an act extending the 1934 Trade Agreements Act for 3 years—to June 30, 1958—and allowing a further 15 percent reduction—with the 34 competitive foreign nations doing the job, and laughing at us, at Geneva.

MEETING WITH GATT CHIEF AT GENEVA RECOUNTED

Mr. President, when I was on my way to Russia, in 1955, I stopped at Geneva. The meeting there happened to be the first meeting that the top scientific experts of all those countries had ever had. I was in the room there, at the first meeting those atomic-energy engineers and experts ever had.

Later, when I was in Russia, I went to see the atomic energy reactor, near Moscow. There I met the man I had seen in the room at Geneva.

But my purpose in going to Geneva was to meet the head, or the secretary, of the General Agreements on Trade and Tariffs—the organization which is dominating our foreign trade and is dividing the markets of the United States among the 34 member nations.

I found him to be a very delightful British subject. I was not surprised at that, because, Mr. President, I want you to know that Russia may not be the most dangerous nation to the United States of America. We can whip Russia. We know it, and Russia knows it. But it is a little tough for us to whip a nation which has a representative on our Cabinet. In my opinion, in our Cabinet the Secretary of State does not move without telephoning London. That is where the things I have enumerated here today have come from—not from Russia.

Mr. President, where did the Iron Curtain come from?

The Iron Curtain was manufactured in Missouri, where Mr. Churchill made a speech for Mr. Truman. When I went to Czechoslovakia, and then to Austria and Hungary, I took pictures of the Iron Curtain. It is there, all right. It had a name. We mouth these catchwords and phrases which are invented for us, and we pass bills in support of them.

THE MANUFACTURED DOLLAR SHORTAGE

For instance, consider the dollar shortage. Mr. President, why define a dollar shortage? A 7-year-old schoolchild knows that there is only one way for an individual to have a dollar shortage, and that is when he spends more than he earns. In that event, he is broke when his bank will no longer make loans to him.

On the other hand, a nation can have a dollar shortage in two ways: either by spending more than it earns—which all the other nations do, today, because they know the United States will pick up the check; or, second—and this is the most destructive way, in the long run—by fixing a value on its own money, a value, in terms of the dollar, that is higher than the market price—with the result that no one will take its currency at that price except the silly Congress of the United States.

Mr. President, that is what these countries do. I could go into detail in the case of almost every nation on the face of the earth, because I have visited all the principal foreign nations, and not for social purposes. I visited them to observe their industries and to see what their workingmen were eating and what they were being paid and how they did their work and how they approached their work.

CURRENCIES JUGGLED TO FLEECE UNCLE SAM

Mr. President, when these countries manipulate their currencies, in terms of the dollar, they do so in order to take advantage of the United States and to get our cash, in order to meet their dollar shortage. Then what happens? The Congress of the United States picks up the check. But, Mr. President, what will happen when Uncle Sam goes broke? The only trouble then will be that Uncle Sam has no uncle; and that time is not far away.

BRITISH POUND GIVEN ARTIFICIAL VALUE

When I was in Hong Kong, in 1948, my purpose was to find out what was the real value of the British pound. I traveled to the other countries I visited in order to find out the real value of their currencies, as well. However, for the moment let us confine our attention to the British pound.

When I was in Hong Kong, one could go to a bank window and could lay down a silver United States dollar, and could get, in exchange, 6 Hong Kong silver dollars. Then one could walk to another bank window—and, Mr. President, this is not the first time I have stated this matter on the floor of the Senate, but I do not expect anyone to pay any more attention now than was paid before—and could lay down a silver United States dollar, and could in exchange get 16½ Hong Kong silver dollars. As a result, what was the British pound worth? It was worth $2.60, which is what it cost.

No one in New York—no importer I knew, no one trading in world affairs that I knew, no one who had any sense—was paying any more than that for the British pound. The only one who was paying any more for it was the United States Congress, which still is paying $4.03 for the British pound.

EUROPE'S TRADE AND TRADE WARS FINANCED BY UNITED STATES FOR 40 YEARS

Mr. President, for 40 years we have been financing old Europe's trade and trade wars, through foreign aid. As a result, we have the biggest national debt of any country in the world—larger than that of all other nations put together.

As a result, more nations are imposing against us barriers in one form or another—high tariffs, restrictive exchange controls, or import licenses and skimpy quotas—than at any time in history.

As a result, we are more disliked, dishonored, or detested by the people in the 84 countries we have aided than we have ever been before.

There have been 4 periods of billion-dollar foreign aid in the past 40 years, and each period has added to our public debt, and to the trade barriers and ill will against us.

We financed our allies in World War I.

We financed both our former allies and former enemies after World War I.

We financed Germany in her preparations for World War II.

We financed our allies in World War II.

We have financed both our former allies and former enemies since World War II.

We are financing allies, enemies, neutrals, and nobodies now, and will continue to finance them for years to come, if this bill is enacted.

RESPONSIBILITY FOR PERPETUAL FOREIGN AID PLACED ON CONGRESS

Congress alone is responsible for it all. No Member of the Senate, no Member of the House of Representatives, can blame it on the White House and can say correctly that the President recommended that we do this, because nowhere in the Constitution of the United States can one find that the Congress of the United States shall be guided by anything except the consciences of the Members of the Senate and the consciences of the Members of the House of Representatives.

INTERNATIONAL WPA FATTENED BY CONGRESS

It is Congress that is compelling our taxpayers to finance foreign nations around the world in their eternal conflicts, hot and cold.

It is Congress that set up this international WPA that has cost our taxpayers $120 billion and created a $280 billion Federal debt.

Forty years ago, before we embarked on three world wars and, between wars, global giving, this country was the least debt ridden and tax ridden of all the nations.

Today we are the most debt ridden and tax ridden. Congress is responsible.

Mr. President, there are—or were—three distinct departments in this Government, and Congress according to the Constitution, heads the list. Whether it actually does or not is another matter. The Executive comes next.

Congress is to make the laws, to pass the laws, not to pick up the telephone and ask, "What do you want?" Issues are to be debated on the floor of Congress. The Executive is to enforce the laws that Congress enacts and administer those laws. That is its sole job.

WHY THE SUPREME COURT IS NOW WRITING OUR LAWS

The Supreme Court, the judiciary, the third branch, and the third on the totem

pole in the Constitution of the United States, is to interpret those laws when they come before it, both as to constitutionality and as to an interpretation of the meaning of the laws. It is not its function to write the laws of the country. Only because the Congress of the United States has been stumbling in the last 24 years is the Supreme Court writing the laws. Congress can blame itself, not the Supreme Court, not the Executive. It is silly to blame anybody else.

NATIONAL DEBT EXCEEDS COMBINED DEBT OF ALL OTHER NATIONS IN THE WORLD

Several months ago the New York Daily News Bureau in Washington compiled a list of the Federal debts of all the principal nations in the world, 26 of them excluding the United States.

The total debts of all these nations came to $153,738,000,000.

The United States debt at that time was $280,800,000,000. It varies from day to day.

Yet we are being asked here today to vote more billions to nations with federal debts only a fraction of our own, or whose debts are negligible.

Whom were we elected to serve, foreign taxpayers or our own constituents? The senior Senator from Nevada prefers to vote in the interest of our own taxpayers.

FOREIGN AID TOO ONEROUS A BURDEN FOR UNITED STATES TAXPAYERS TO HAVE TO SHARE

Mr. President, even if it were a good idea to distribute the wealth, we do not have it to distribute. There are many things an individual would like to do in his community. He sees poor people, those whose children do not have satisfactory clothes with which to go to school. What does he do? He pays his taxes, contributes to the Red Cross, and does everything else that is the custom in the community. What would happen if he sold his home and business and gave everybody in the community $2? Then everybody would be broke. That is what we are doing.

Our taxpayers do not have the money. Ninety percent of the taxpayers in my State of Nevada—and I believe it is true of the rest of the country—are either paying their taxes on the installment plan or going to the bank to borrow money to pay them. That is the fault of Congress.

I take part of the blame for that, because of my inabiliy to stop it. We sit here. All we have to do is grant foreign aid every year. One time when I was working my way through school and I was doing surveying on the open range with someone else, I observed that we could buy out a homesteader or someone else near a waterhole. My companion said, "I wouldn't mind buying them if they stayed bought, but their brother comes along the next year and buys them up. They don't stay bought."

There was a world of wisdom in that remark.

NATIONAL DEBT OF FOREIGN NATIONS LISTED

Mr. President, I ask unanimous consent to have printed in the RECORD the list of nations and their national debts, arranged in alphabetical order, published in the New York Daily News, to which I have previously referred.

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

Here's a laboriously worked out table showing the debts of the important nations of the world as translated into American dollars and presented in millions:

United States	280,800
Australia	2,930
Belgium-Luxembourg	6,378
Brazil	1,037
Burma	140
Canada	14,546
Chile	74
Colombia	281
Denmark	1,306
France	16,229
Germany	5,024
Greece	295
India	6,408
Israel	506
Italy	7,233
Japan	2,601
Mexico	300
Netherlands	5,423
Norway	1,726
Pakistan	681
Philippines	452
Portugal	486
Sweden	2,803
Thailand	353
Turkey	1,158
United Kingdom	74,200
Venezuela	10

This total does not include those minor nations of the world whole trivial debts (in current money talk) are in the millions—not billions. In the last 12 months of prosperity, we've run our debts up by another mere $5 billion.

Mr. MALONE. Mr. President, one of the fictions of the foreign aid promoters, including those in the administration, is that we are buying trade, good will, and friendship with our foreign aid billions.

In the foreign trade field how successful have we been? The June 10, 1957 issue of Foreign Commerce Weekly, published by the Department of Commerce, gives one answer.

COMMERCE DEPARTMENT PROMOTING EXPORT OF AMERICAN WEALTH TO LOW-WAGE FOREIGN COUNTRIES

Mr. President, I digress to say that the Department of Commerce, one of the executive departments, is devoting a good deal of time getting American citizens to invest money abroad so that they may take advantage of the low cost of foreign production, and so that those goods can be exported to this country to compete with goods produced here under our higher standard of living. That is the business of the Department. I am not trying to direct the Department of Commerce, but I should like to call attention to what it is doing.

The Foreign Commerce Weekly lists 95 trading countries and dependencies which make their own import and exchange regulations, and arranges them in three categories, those which require import licenses and/or exchange permits, those which require them on some imports and do not require them on others, and those that do not require them at all.

Those which require import licenses on some goods but not on others are listed as "No, except for," and so on.

Sixty-five nations definitely require import licenses without qualification; 23 others require them on some commodities; and only seven do not require them at all.

HOW OTHER COUNTRIES ERECT TRADE BARRIERS AGAINST AMERICAN PRODUCTS

As the Department of Commerce puts it:

Many countries do not permit foreign goods to be imported unless they are covered by import licenses, which must be obtained by the importer. In some cases an import license must be granted before the order for goods is placed and some countries also require the importer to obtain an exchange permit before he may make payment for the import.

United States exporters, the Department continues, therefore are urged to make certain before shipping that the foreign importer has obtained the required permit, and they should insist on being furnished the identifying number or symbol of the permit.

There is no problem about import licenses, the International Cooperation Administration informs me, when foreign nations are getting their imports free; that is, when the products entering their country are being paid for by the American taxpayer. But, of course, there is a very great problem for the American producer who exports through commercial channels, as can be seen.

SYSTEM PROMOTES INTERNATIONAL SOCIALISM

Any government can deny an import license for his product, or a permit to enable him to be paid, and any government which operates under such a system, as nearly all of them do, can exert absolute control over their import trade.

They can, if they choose, admit only American goods that they get for free through ICA, thus excluding the American free enterpriser entirely.

ICA is promoting international socialism, and has achieved remarkable success in its promotion.

Mr. President, going through the hearings on the bill now before us, I note that the chairman on one occasion brought up the question of tariffs, while examining an ICA witness.

FOREIGN AIDERS IGNORE FOREIGN TRADE BARRIERS

The chairman, the Senator from Rhode Island [Mr. GREEN], was questioning G. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, about the proposed multimillion dollar development fund for foreign countries.

The chairman said:

There is a question that I would like to ask, which is fundamental. You have said those administering the fund would take into account the broad foreign policy interests of the United States.

I wonder if that applies to tariffs.

In other words, would you lend money to a factory making a product, say woolen goods, cotton goods, jewelry, or farm products? Would, in making the loan, consideration be taken of the fact that in some cases we have tariffs on those products, or in some cases have not. Would an element in making a decision be the effect on our country of the way the money is spent?

Mr. DILLON. I would think that we would take everything of that nature into account.

The CHAIRMAN. Is there anything anywhere to intimate that that should be taken into consideration?

Mr. DILLON. I don't think there is; no, sir.

Of course, there is not. The State Department has not been interested in safeguarding American free enterprise in 20 years.

It has only been interested in furthering international socialism.

No mention whatever was made during the hearings of other drastic foreign trade barriers, of quotas, import licenses, or exchange permits.

ALL FOREIGN NATIONS CONTROL IMPORTS

Mr. President, I have been in every nation. As I said before, I did not go there for social purposes. I wanted to learn how they handled their imports, exports, and money exchange systems, and how they controlled them. They all do control them. If an American wanted to export a product to one of those countries, what would he have to do? He would have to go to an official of the country to which he wished to export the product. That official would look much the same as our officials do. When the officials do not want certain imports to enter their country, they put off from day to day the one trying to send his goods into that country. "Manana" is good enough for them, and the person never gets an import license.

MECHANICS OF FOREIGN TRADE RESTRICTIONS EXPLAINED

If the subject gets hot enough and the officials think it is a good idea to have the product imported into their country, they issue an import license. Then the person has to have an exchange permit. What is that? He goes to the proper government official and offers dollars to secure the exchange for the goods. They have to be paid for in that nation's money. Then one is put off again. If the country does not want the goods, one never is successful. If one finally does accomplish the result, Mr. President, it will be at such a rate of exchange that the profit is taken out of the transaction.

Mr. President, in 1955, I think it was, I was in Bolivia. All South American nations operate about the same. There are only about two exceptions in the world, in addition to the United States.

EXCHANGE FOR FOREIGN CURRENCY COMPULSORY IN MOST NATIONS

If you get a dollar in your hands, or a pound, or some other foreign currency while in the country, there is a law or a ruling which says you must exchange it. The legislature of the country does not need to act, in many cases. That matter can be handled by the dictator, the president, the king, or whoever it is. We are fast approaching that stage, so that it will not be necessary for Congress to pass certain legislation or to attempt to control the monetary system, because the Federal Reserve knows best, and the 34 competitive nations in Europe know best what we ought to import. So why should Congress have anything to do with it?

I suppose we are patterning ourselves after those countries. They do not have to go through their legislative units in most cases.

What they would do in Bolivia, for example, is this: When they have a ruling or the law, within 30 or 60 days after one gets a dollar or a pound, he must turn it in to the central bank and take a number of bolivianos for the dollar that they officially fix for the rate of exchange.

THE BOLIVIAN EXCHANGE SYSTEM

At that moment, in 1955, if one secured a dollar in trade in 30 days he would become an outlaw if he did not turn it in. If he turned it in, he would be given 500 bolivianos for it. On the street, the dollar is worth 1,700 bolivianos. They stole two-thirds of the value the first go-round. There is not much of a profit for importing goods on that basis into Bolivia. There was not at that time.

On the other hand, if they wanted the goods imported, if the goods were something they did not produce, then the exchange would be made in a fair method, and the goods could be imported.

In the United States, we allow them to import and put our own people on the street. We are living on a war economy. We all should know that, without it being necessary to explain it.

FOREIGN IMPORT AND EXCHANGE RESTRICTIONS LISTED

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the compilation made by the Department of Commerce of countries requiring import licenses and exchange permits, as published in the Foreign Commerce Weekly of June 10, 1957.

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

SUMMARY OF FOREIGN CONTROL REGULATIONS APPLYING TO IMPORTS FROM THE UNITED STATES

The following tabulation of the import and exchange permit requirements of foreign countries, prepared by the Bureau of Foreign Commerce as an aid to exporters, has been revised as of May 21, 1957.

These regulations apply primarily to goods of United States origin and to other goods payable in United States dollars.

Many countries do not permit foreign goods to be imported unless they are covered by import licenses, which must be obtained by the importer. In some cases an import license must be granted before the order for goods is placed, and some countries also require the importer to obtain an exchange permit before he may make payment for the import.

United States exporters therefore are urged to make certain before shipping that the foreign importer has obtained the required permit, and they should insist on being furnished the identifying number or symbol of the permit.

More detailed information on licensing and exchange controls may be obtained from the field offices of the United States Department of Commerce. Publications covering licensing and exchange controls of individual countries also are available from the field offices at a nominal charge.

Country	Is import license necessary?	Is exchange permit required?
Afghanistan	No; but a declaration or customs permit must be obtained from Afghan border officials or trade agents abroad.	No; but permission to remit foreign exchange to exporters abroad must be obtained from the Government bank.
Arabian Peninsula areas:		
Saudi Arabia	Yes	No.
Aden, Bahrein, Qatar, Trucial Oman	Yes	Yes.
Muscat and Oman, Yemen	No	No.
Argentina	No; except for certain products subject to import quota	Yes, for goods contained in lists of imports granted official rate of exchange. No, for goods contained in free-market lists.
Australia	Yes	No; import license carries right to foreign exchange.
Austria	Yes; except for specially exempted items	Yes; but cannot be refused for items on dollar-import free list.
Belgium-Luxembourg	Yes; but automatically granted for most commodities	No separate permit required.
Belgian Congo	Yes; combination import license and exchange authorization is required for all imports except shipments valued at $100 or less, provided the goods are not intended for resale. License is usually granted as formality.	Yes.
Bolivia	No	No.
Brazil	Yes	No; exchange for most imports is sold at auction.
British colonies not specified elsewhere [1]	Yes	Yes; import license generally assures release of foreign exchange.
Bulgaria	do	Import license automatically assures foreign exchange.
Burma	Yes; except for Government imports	Yes.
Cambodia	Yes	Yes; import license carries right to foreign exchange.
Canada	No; except for a few commodities	No.
Ceylon	Yes; unless the commodity is under open general license.	Yes.
Chile	No; but items permitted import are listed, and items not on the list are prohibited import. Importers of merchandise permitted import must place a deposit with the central bank, and the foreign exporter must present a copy of the deposit certificate to a Chilean consulate.	No.

See footnote at end of table.

Country	Is import license necessary?	Is exchange permit required?
Colombia	All imports require prior import license, called import registration certificate, which is issued without quota upon payment of a stamp tax. In addition, certain food products and chemical and pharmaceutical products require permits from appropriate Government ministries. Many items considered nonessential are prohibited import. Spare parts for agricultural machinery and for roadbuilding and maintenance equipment may be imported at a reduced stamp tax rate with prior approval of the Caja Agraria.	Payment for imports requires exchange registration (registro), which normally is granted upon submission of the import registration and evidence (customs manifests) that the goods have entered the country.
Costa Rica	No; except for live animals.	Yes, for imports with official exchange. No permit required for imports with free market exchange.
Cuba	No; except for wheat and wheat flour, rice, tires and tubes, red and pink beans, potatoes, condensed milk, and butter. Imports of butter, cheese, powdered skim milk, and cream or fats obtained from milk are subject to special requirements involving registration of purchase contracts and prior authorization for customs clearance.	No.
Czechoslovakia	Yes	Import license automatically provides for allocation of necessary foreign exchange.
Denmark	Yes; but no license required for dollar goods on extensive general free list.	Yes; copy of license or importer's declaration with customs certification of import takes place of exchange license.
Dominican Republic	No; except for wheat and wheat flour, rice, fertilizer, radio transmission apparatus, air-conditioning units, treated wood posts, barbed wire, wire staples, fruit, vegetables, seed, tubers, empty bags and sacks, lard and rendered pork fat, and confectionery and other edible products in which sugar or chocolate constitutes the principal ingredient.	No; but all applications for foreign exchange require Government approval, which is granted automatically for bona fide commercial transactions.
Ecuador	Yes; one copy must be presented to obtain consular legalization of prescribed documents. Many items considered nonessential are prohibited import. Import quotas are imposed on certain items to stimulate local production.	No; import license carries right to foreign exchange.
Egypt	Yes; unlicensed imports are subject to confiscation	Yes.
El Salvador	No; except for a few items such as chemical and pharmaceutical products, strong liquors, essences for making liquor, and cotton.	No.
Ethiopia	No	Yes.
Finland	Yes	No separate permit required; import license carries right to foreign exchange.
France	Yes; with a few exceptions	No separate permit required; import license carries right to foreign exchange.
French oversea territories not elsewhere specified, except French Somaliland.	Yes	Yes; import license carries right to foreign exchange.
French Somaliland	No	No.
Germany, Federal Republic, including Western Berlin	Yes; except for items on dollar import free list. At present over 90 percent of imports except state-traded goods are liberalized for the dollar area.	Yes; import and payments license combined in one document.
Germany, Soviet zone, including Soviet sector of Berlin	Yes; Government monopolies for foreign trade are the only importers.	Yes.
Greece	No; except for certain machinery and a few luxury items	No; but applications for foreign exchange must be registered with the authorities; for imports financed by International Cooperation Administration procurement authorization, Bank of Greece approval is required.
Ghana	Yes	Yes; import license generally assures release of foreign exchange.
Guatemala	No; except for wheat and wheat flour, strongboxes, certain safety vault doors, cement, and Salk polio vaccine.	No.
Haiti	No; except for wheat-quota imports and tobacco products.	No.
Honduras	No; except for firearms, gunpowder, munitions, explosives, alcohol, narcotics and pharmaceutical specialties, and live animals.	No.
Hong Kong	Yes; for dutiable, strategic, or short-supply goods	No; except for few transactions financed at official rate of exchange.
Hungary	Yes	Yes.
Iceland	Yes; except for items on "special conditional free list" and a limited number of staples.	Yes; except for "special conditional free list" imports.
India	Yes; unless the commodity is under open general license	Yes; however, foreign exchange is automatically released upon presentation of validated import license to exchange bank.
Indonesia	Yes	No separate permit required; combined import license-foreign exchange permit necessary.
Iran	Yes; but only to release goods from customs	Yes.
Iraq	Yes	Yes; permits are obtained through licensed dealers, unless specifically authorized by national bank.
Ireland	For a few products only	Yes.
Israel	Yes	Yes; import license carries authority (an exchange permit) to obtain foreign exchange.
Italy	Yes; from Italian Exchange Office except for list A goods—mostly industrial raw materials and certain types of machines.	No separate permit required.
Japan	Yes	Some commodities, announced by Japanese Government from time to time, require allocation certificate; for others, import license carries right to foreign exchange.
Jordan	Yes; except for imports from nearby Arab States	Yes.
Korea, Republic of	No. A limited number of commodities require approval from certain Government agencies.	No. Items on Government's ordinary (essential) import list may be imported with foreign exchange deposited in an import account in the Bank of Korea, purchased from the bank, or purchased at Government dollar sales. Items on the special (less essential) list are importable only with exchange earned from exports.
Kuwait	No; except for firearms, munitions, poisonous substances, pork, pork products, and alcoholic beverages.	No.
Laos	Yes	Yes; import license carries right to foreign exchange.
Lebanon	Yes	No.
Liberia	No; except for arms, ammunition, used clothing, pharmaceuticals, and rice.	No.
Libya	Yes	Yes; exchange permit issued automatically if import license has been issued.
Malaya, Federation of [1]	Yes; only certain items may be imported directly from hard-currency sources. Licenses to import non-sterling-area goods via Hong Kong are issued provided certain exchange regulations are observed.	Yes; for direct imports. For imports from hard-currency areas via Hong Kong no permit is necessary but payment must be made in a sterling-area currency and shipment effected on a bill of lading issued in Hong Kong.
Mexico	Yes; for an extensive list of articles	No.

See footnote at end of table.

Country	Is import license necessary?	Is exchange permit required?
Morocco (the three former zones of Morocco were united in 1956, but the regulations of each continue pending development of a unified system):		
Former French Zone	Yes; with exception of goods imported sans devise, i. e., shipments financed by importer with his own funds held abroad. A temporary import-quota system requiring special permits for import of used clothing, certain textiles, readymade men's garments, and electric cable and wire, established in March 1955, covers all such imports regardless of means of financing or country of origin and includes imports sans devise.	Yes; except for goods imported sans devise.
Former Spanish Zone	Yes	Yes; import license carries right to foreign exchange.
Tangier (former International Zone)	No	No.
Netherlands	Yes; but automatically granted for most commodities	No separate permit required.
Netherlands West Indies	No; except for certain luxury items	Yes.
New Zealand	Yes; except for some commodities on world exemption list.	No; import license carries right to foreign exchange.
Nicaragua	Yes	No; import permit authorizes purchase of exchange.
Norway	Yes; but issued automatically for wide range of products.	No; foreign exchange is automatically made available in currency specified in import license.
Pakistan	Yes	Yes; however, foreign exchange is automatically released upon presentation of validated import license to exchange bank.
Panama	No; except for lettuce, potatoes, copra, hatching eggs, powdered and evaporated milk, tomato paste, sauce, and canned tomatoes, baby chicks, and salt. A few agricultural items are subject to quota restrictions and some are prohibited import.	No.
Paraguay	No	Yes; exchange permit serves also as import license.
Peru	No; except for plants, roots, seeds, cuttings, animals, medicinal cigarettes, explosives, firearms and other weapons, alcoholic beverages, salt, tobacco, chemical and pharmaceutical products, matches, hatching eggs, and duplicating machines. Prior authorization also is required for import of automobiles to be brought into the country outside the quota established for import of automobiles.	No.
Philippines, Republic of	No	No permit as such; exchange generally allocated to importers semiannually for one or more of five classes of imports. A certain number of decontrolled commodities may be imported without quota limitations. Letter of credit opened against allocation considered as exchange license.
Poland	Yes	Yes.
Portugal, including the Azores and Madeira	Yes; but granted automatically for certain items	Do.
Portuguese colonies	Yes	Yes; in Angola, however, import license carries with it authorization to obtain foreign exchange needed for payment of goods to which license pertains.
Rhodesia and Nyasaland, Federation of	Yes; some items are limited by quota; many are prohibited entirely, and other goods not prohibited or under quota are liberally licensed.	Yes; import license carries right to foreign exchange.
Rumania	Yes	Yes.
Singapore [1]	Yes; only certain items may be imported directly from hard-currency sources. Licenses to import non-sterling-area goods via Hong Kong are issued provided certain exchange regulations are observed.	Yes, for direct imports. For imports from hard-currency areas via Hong Kong no permit is necessary, but payment must be made in a sterling-area currency and shipment effected on a bill of lading issued in Hong Kong.
Spain, including the Canary Islands	Yes; obtainable mainly for essential raw materials	Yes; special exchange rates fixed for many import products.
Spanish Africa	Yes	Yes; import license carries right to foreign exchange.
Sudan	Yes; for hard-currency imports	Yes.
Surinam	Yes	No; import license carries right to foreign exchange.
Sweden	No; for most goods imported from the United States import license still required for such commodities as automobiles, coal, and certain agricultural products.	No separate permit required. Foreign exchange, including dollar exchange, is automatically made available if import license specifies payment in such currency and if license is registered with a foreign-exchange bank within 2 months after issuance.
Switzerland	Import license required for certain agricultural products and some types of vehicles and machinery. Also, special import authorizations must be obtained for most animals and fowl, shellfish, bees, beeswax, and honeycomb.	No.
Syria	Yes	No.
Taiwan (Formosa)	Yes	No.
Thailand	No; except for 23 categories of specified goods	No; but a "certificate of payment" issued by Bank of Thailand or authorized bank for company is required.
Turkey	Yes	One application suffices for both import permit and exchange-control purposes.
Union of South Africa, including Southwest Africa, Basutoland, Bechuanaland, and Swaziland.	Yes, for most goods. Import licenses are issued to importers on basis of periodic exchange quotas established by Government. Special licensing restrictions apply to certain nonessential items; recent trend has been toward liberalization of such restrictions and outright decontrol of many consumer goods and industrial raw materials.	No; import license carries right to foreign exchange up to amount expressed in local currency in relevant import license.
United Kingdom	Yes; except some foodstuffs, raw materials, fertilizers, etc.	Yes; granted automatically following issuance of import license.
Uruguay	Yes	No; import license carries right to foreign exchange.
U. S. S. R.	Yes; importing Government agencies are responsible for securing own permit.	Yes; all exchange is allocated by U. S. S. R. State Bank upon receipt of import license.
Venezuela	No; except for approximately 25 tariff items	No.
Vietnam	Yes	Yes; import license carries right to foreign exchange.
Yugoslavia	No; individual import license abolished July 1, 1952; since that time only licensed import firms are permitted to carry on import operations.	No; but Government maintains strict control over foreign exchange allocations.

[1] Includes Bermuda, British West Indies, British East Africa, Gambia, Nigeria, Sierra Leone, British Honduras, and minor colonies, protectorates, and trusteeship territories. For British Borneo—Brunei, North Borneo, and Sarawak—the regulations are the same as for Singapore and the Federation of Malaya.

NATIONS WHICH BAR AMERICAN GOODS RECEIVE HUGE FOREIGN AID GRANTS, MANY NATIONS BARRING AMERICAN GOODS HAVE RECEIVED FOREIGN AID OVER A PERIOD OF 40 YEARS

Mr. MALONE. Mr. President, among these countries imposing drastic and rigid trade barriers against American products are countries we have been squandering taxpayer's dollars on for 40 years.

During World War I we financed Great Britain, France, Italy, Russia, Belgium, and Serbia. Our loans to these nations were made with proceeds from Liberty Bond sales, not from taxes.

The United States, in effect, borrowed $10 billion from its citizens through the device of selling them bonds which later depreciated.

Congress stipulated that proceeds of these sales should go only to the Allies and only for the duration of the war.

WORLD WAR I FOREIGN AID TOTALED

When the war ended $7,296,000,000 had been advanced, and under the letter and intent of the Liberty Loan Act that is where they should have stopped. Instead, under pressure of our foreign debtors, particularly Great Britain, another $2,170,000,000 was sent abroad.

I might invite attention to the fact, Mr. President, that since I am referring to 1919 or 1920, $1 was worth approximately four or five of the ones that are floating around currently, so instead of $10 billion, we are talking about $40 billion or $50 billion in present currency.

FOREIGN AID

This was nothing more or less than peacetime foreign aid, and aid from Liberty-bond sales did not stop going to Europe until September, 1920. Some of the money went also to Germany and Austria contrary to provisions of the act.

Of the more than two billion dollars thus illegally disbursed after World War I, Harvey E. Fisk in "The Inter-Ally Debts" states:

> It is unquestionably a fact that millions of dollars' worth of products purchased with United States money loaned to foreign governments were sent directly to Germany with our sanction. It is also true that large quantities of supplies for relief of other distressed peoples were bought with Liberty Loan money, while millions of dollars were lent to Great Britain after hostilities had ceased to enable her to build up her trade.

Mr. President, may we have order?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Nevada requests order. Senators who desire to converse will please retire from the Chamber, at the request of the Senator from Nevada.

The Senator from Nevada is recognized.

Mr. MALONE. I understood the Chair was requesting that there be order. Would the Chair take that responsibilty?

The PRESIDING OFFICER. The Chair is prepared to take the responsibility. In the opinion of the Chair, the Senate is in order.

Mr. MALONE. I thank the Chair.

FOREIGN-AID FUNDS USED BY BRITAIN TO PAY BACK LOANS TO WALL STREET BANKS

Britain also used Liberty Loan money to pay back $648 million borrowed from New York banks, and $1,872,000,000 to pay back loans she had made with foreign governments other than the United States.

Britain did not pay back the United States, but foreign aid continued.

When Germany could not pay her reparations to Britain and France, and Britain would not pay their debt to the United States, two plans—the Dawes and Young plans—were contrived to extend foreign aid to Germany. With this money Germany was to pay reparations to her former European adversaries, who were, in turn, to pay similar amounts on their war debts to the United States.

The United States advanced Germany $2,475,000,000. Germany paid this and her own money to the Allies in the sum of $4,470,000,000. The Allies paid $2,616,000,000 on their war debt. Thus Uncle Sam paid half of Germany's reparations, and the Allies made nearly $2 billion profit on the deal, which was not unusual.

Not long after that our ever-loving allies stopped paying anything on their debt to the United States.

WORLD WAR I DEBT OF FOREIGN COUNTRIES NOW ALMOST $18 BILLION

Principal and interest on the World War I debt, as of June 30, 1956, stood at $17,882,359,850.18, according to the last annual report of the Secretary of the Treasury.

When the next annual report comes out it will be higher because of accumulated and unpaid interest.

None of it, of course, will ever be paid, unless we receive some contributions from honest Finland, the only nation that has made any payments at all in recent years.

Britain's World War I debt still owed to the United States is $8,086,559,301.93. That of France is $5,569,707,289.34.

POST-WORLD-WAR I LOANS TO GERMANY DID NOT PREVENT WORLD WAR II

Neither country ever intended to pay up its war debts, including that owed on post-World War I foreign aid. Yet after World War II with the enormous British World War debt still standing on the books, the United States blithely loaned Britain another $3,750,000,000, and with our sanction she has begun to welch on paying that.

A post-World War I debt owed by Germany for foreign aid extended to her totals $1,192,804,499.26.

Germany borrowed money from Britain, France, and Holland, her former enemies. She borrowed billions more than she needed to meet her reparations payments. All of the money loaned to Germany was foreign aid. She used the excess to prepare for World War II.

Foreign aid to Germany after World War I helped her to build up the mighty war machine with which she struck at her old adversaries in World War II. Most of this foreign aid came from the United States.

FAILURE OF FOREIGN AID TO ASSURE PEACE A MATTER OF HISTORIC RECORD

There are few more preposterous claims for foreign aid than the one that it will assure peace. The record shows it did not keep the peace after World War I; it prepared the nations of old Europe for another and bigger war.

Who can assure us that foreign aid extended since World War II will keep the peace, or that it will even contribute to maintaining peace?

Foreign aid has been extended by the United States in connection with World War II and its aftermath for 17 years, beginning from more than a year before our entry into that war until the present day.

FOREIGN AID BURDEN SHIFTED TO TAXPAYERS BEFORE WORLE WAR II

When World War II loomed, the problem of financing Britain and France perplexed our statesmen in the White House. It would be difficult, after the disastrous experience of World War I, to finance them from sales of liberty bonds. It would be equally absurd to finance them through loans, because everyone then knew that such loans are not repaid. So the decision was made to finance them through taxes imposed on all our citizens, which is the way foreign aid is being financed today, 17 years later.

This is money extracted from our citizens in taxes to hand over to some foreign country.

We began giving World War II foreign aid on September 3, 1940, 14 months before Pearl Harbor, when President Roosevelt handed over to Britain 50 destroyers which had initially cost the taxpayers $75 million.

Then in March 1941, 9 months before Pearl Harbor, Congress passed the Lend-Lease Act. Before the war was over lend-lease had cost the taxpayers $47.1 billion, of which 90 percent went to three countries: $28.6 to the United Kingdom, $10.8 to Soviet Russia, and $2.6 to France. Other countries received a total of $5.1 billion.

Congress set up UNRRA, United Nations Relief and Rehabilitation Administration, in November 1943, which cost our taxpayers another $2.7 billion. UNRRA was an international operation. The other 45 nations put up a total of only $1 billion.

WARTIME PLANS LAID FOR POSTWAR FOREIGN AID

During the latter part of the war Congress also authorized the International Monetary Fund, of which Harry Dexter White, the Soviet spy, would become Executive Director, and to which $2,750 million in American taxpayers' money was paid.

Another foreign-aid scheme was the International Bank, to which the United States is obligated to subscribe in capital stock to the amount of $3,175 million, of which $635 million has been paid.

Then there were the post-UNRA $350 million authorization; the interim-aid program for Austria, France, and Italy, costing $597 million; and the Greek-Turkish aid program, $627 million.

All of these, except the British loan, were presented to Congress as temporary measures. Even the so-called Marshall plan, proposed in 1947 and enacted in 1948, was supposed to continue for only 4 years and cost no more than $17 billion.

PROGRAM CALLS FOR PERPETUAL FOREIGN HANDOUTS

The bill before us contemplates foreign aid for at least another 3 years and actually proposes between the lines to go on forever.

Perpetual handouts for perpetual beggars is the program.

For 17 years Congress has required our taxpayers to finance foreign wars, foreign industry, foreign trade, and foreign competition against American farmers, wage earners, producers, and investors.

During these 17 years we have fought two wars ourselves at a terrible cost in lives, blood, and treasure.

Yet in addition to paying our own way, the taxpayers of the United States have

been compelled by Congress to support at one time or another every country on the globe, including those that were or have gone Communist.

AVERAGE COST OF FOREIGN AID TO EACH AMERICAN FAMILY NOW $2,459

Mr. President, we have given or loaned—mostly given—foreign nations $107 billion since the outbreak of World War II. That $107 billion breaks down to $2,459 for every family in the United States, and $619 for every individual in the United States, man, woman, or child.

The nations to which we have given money cover a considerable list. I have received such a list from a Mr. Hill, Assistant Secretary of State. I ask unanimous consent to have the list printed in the RECORD at this point as a part of my remarks.

NATIONS ON OUR FOREIGN-AID DOLE LIST

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

CALENDAR OF TRADE AGREEMENTS

Listed below are the 51 countries with which the United States has concluded reciprocal trade agreements under the provisions and authority of the Trade Agreements Act of 1934, as amended and extended. Agreements with 41 of these countries are presently in effect; 33 are under the multilateral General Agreement on Tariffs and Trade (GATT), and the remaining 8 are bilateral agreements.

Meanings of symbols used in the list are as follows:

* indicates that a former bilateral agreement was suspended because the country became a contracting party to the General Agreement on Tariffs and Trade (GATT).

(B) indicates bilateral agreement.

(G), (A), (T), or (J) indicates multilateral conference at which country negotiated for accession to GATT: (G)—Geneva, Switzerland, 1947; (A)—Annecy, France, 1949; (T)—Torquay, England, 1951; (J)—Geneva, Switzerland, 1955.

The 10 countries with which trade agreements are no longer in effect are indicated by striking through.

Country	Date concluded	Date effective	Date terminated
Argentina (B)	Oct. 14, 1941	Nov. 15, 1941	
Australia (G)	Oct. 30, 1947	Jan. 1, 1948	
Austria (T)	Apr. 21, 1951	Oct. 19, 1951	
Belgium * (G)	Oct. 30, 1947	Jan. 1, 1948	
Brazil * (G)	do	July 31, 1948	
Burma (G)	do	July 30, 1948	
Canada * (G)	do	Jan. 1, 1948	
Ceylon (G)	do	July 30, 1948	
Chile (G)	do	Mar. 16, 1949	
[China] (G)	do	May 22, 1948	[1] May 5, 1950
[Colombia] (B)	Sept. 13, 1935	May 20, 1936	[2] Dec. 1, 1949
[Costa Rica] (B)	Nov. 28, 1936	Aug. 2, 1937	[2] June 1, 1951
Cuba* (G)	Oct. 30, 1947	Jan. 1, 1948	
[Czechoslovakia]* (G)	do	Apr. 21, 1948	[3] Sept. 29, 1951
Denmark (A)	Oct. 10, 1949	May 28, 1950	
Dominican Republic (A)	do	May 19, 1950	
[Ecuador]	Aug. 6, 1938	Oct. 23, 1938	[2] July 17, 1956
El Salvador (B)	Feb. 19, 1937	May 31, 1937	
Finland* (A)	Oct. 10, 1949	May 25, 1950	
France* (G)	Oct. 30, 1947	Jan. 1, 1948	
Germany (T)	Apr. 21, 1951	Oct. 1, 1951	
Greece (A)	Oct. 10, 1949	Mar. 9, 1950	
[Guatemala] (B)	Apr. 24, 1936	June 15, 1936	[2] Oct. 15, 1955
Haiti*(A)	Oct. 10, 1949	Jan. 1, 1950	
Honduras (B)	Dec. 18, 1935	Mar. 2, 1936	
Iceland (B)	Aug. 27, 1943	Nov. 19, 1943	
India (G)	Oct. 30, 1947	July 9, 1948	
Indonesia (G) [4]	do	Mar. 11, 1948	
Iran (B)	Apr. 8, 1943	June 28, 1944	
Italy (A)	Oct. 10, 1949	May 30, 1950	
Japan (J)	June 8, 1955	Sept. 10, 1955	
[Lebanon] (G)	Oct. 30, 1947	July 30, 1948	[1] Feb. 25, 1951
[Liberia] (A)	Oct. 10, 1949	May 20, 1950	[2] June 13, 1953
Luxembourg* (G)	Oct. 30, 1947	Jan. 1, 1948	
[Mexico] (B)	Dec. 23, 1942	Jan. 30, 1943	[2] Jan. 1, 1951
Netherlands* (G)	Oct. 30, 1947	Jan. 1, 1948	
New Zealand (G)	do	July 31, 1948	
Nicaragua* (A)	Oct. 10, 1949	May 28, 1950	
Norway (G)	Oct. 30, 1947	July 11, 1948	
Pakistan (G)	do	July 31, 1948	
Paraguay (B)	Sept. 12, 1946	Apr. 9, 1947	
Peru * (T)	Apr. 21, 1951	Oct. 7, 1951	
Rhodesia and Nyasaland (G) [5]	Oct. 30, 1947	July 12, 1948	
Sweden * (A)	Oct. 10, 1949	Apr. 30, 1950	
Switzerland (B)	Jan. 9, 1936	Feb. 15, 1936	
[Syria] (G)	Oct. 30, 1947	July 31, 1948	[1] Aug. 6, 1951
Turkey * (T)	Apr. 21, 1951	Oct. 17, 1951	
Union of South Africa (G)	Oct. 30, 1947	June 14, 1948	
United Kingdom * (G)	do	Jan. 1, 1948	
Uruguay * (A)	Oct. 10, 1949	Dec. 16, 1953	
Venezuela (B)	Nov. 6, 1939	Dec. 16, 1939	
Supplemental agreement	Aug. 28, 1952	Oct. 11, 1952	

[1] Country indicated withdrew from the GATT effective as of the termination date shown.
[2] Bilateral agreement terminated by joint agreement effective as of the date shown.
[3] United States obligations to Czechoslovakia under the GATT were suspended as of Sept. 29, 1951.
[4] Prior to Feb. 24, 1950, the date on which the Republic of Indonesia was recognized as a contracting party, the Netherlands applied the general agreement to the Netherlands Indies as a Netherlands territory.
[5] Prior to Oct. 29, 1954, the date on which the Federation of Rhodesia and Nyasaland was recognized as a contracting party, the general agreement was applied in the present Federation area by Southern Rhodesia and by the United Kingdom (for Northern Rhodesia and Nyasaland).

NATIONS AIDED BY UNITED STATES MAKE TRADE PACTS WITH IRON CURTAIN COUNTRIES

Mr. MALONE. A list of trade agreements made with nations to which we have given money, including the amounts within the $107 billion I have mentioned, and the nations included in the list of those which have made foreign trade agreements with our actual and potential enemies behind the Iron Curtain was received from Robert C. Hill, Assistant Secretary, on June 27, in a letter. I ask unanimous consent that this letter, together with the enclosures, be made a part of the RECORD at this point.

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

DEPARTMENT OF STATE,
Washington, June 27, 1957.

The Honorable GEORGE W. MALONE,
United States Senate.

DEAR SENATOR MALONE: The four categories of date on Soviet bloc trade requested in your letter of June 19, 1957, have been assembled on an urgent basis and are set forth in four enclosures to this letter.

A listing of all known trade agreements between countries of the Free World and the Soviet bloc is contained in enclosure No. 1. More detailed information on certain of these agreements is available and, on request, could be furnished.

Lists of goods that the Soviet Union imports are included in the data presented in enclosures Nos. 2 and 4.

Lists of goods that the Soviet union imports from satellite countries, as a bloc, are given in enclosure No. 2 and the distribution of Soviet imports from the various satellites is enumerated in enclosure No. 3. A detailed breakdown by commodity of Soviet imports from each Soviet bloc member is not available.

Finally, experts during 1955 of all Free World countries to each Soviet bloc country, broken down by commodity, are tabulated in enclosure 4. Preliminary data for the first 6 months of 1956 are available but are not enclosed since you requested data on the most recent 12-month period. Data for the full year 1956 are in the process of preparation and, if you require this information, it may be provided late this year.

I trust the enclosed information is fully responsive to your needs.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

Trade and/or payments agreements between the Sino-Soviet bloc and the Free World as of June 24, 1957 [1]

	Albania	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania	U. S. S. R.	China	North Korea	North Vietnam
Europe:											
Austria		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
Belgium		(*)	(*)		(*)	(*)	(*)	(*)			
Denmark		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
Finland		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
France		(*)	(*)	(*)	(*)	(*)	(*)	(*)			(*)
Germany, West		(*)	(*)	(*)	(*)	(*)	(*)				
Greece		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
Iceland			(*)	(*)	(*)	(*)	(*)	(*)			
Italy	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)			
Netherlands		(*)	(*)	(*)	(*)	(*)		(*)			
Norway		(*)	(*)	(*)	(*)	(*)	(*)	(*)			

See footnotes at end of table.

Trade and/or payments agreements between the Sino-Soviet bloc and the free world as of June 24, 1957 [1]—Continued

	Albania	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania	U.S.S.R.	China	North Korea	North Vietnam
Europe—Continued											
Portugal			(2)	(2)	(2)	(2)					
Sweden		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
Switzerland		(*)	(*)		(*)	(*)	(*)	(*)			
Turkey		(*)	(*)	(*)	(*)	(*)	(*)	(*)			
United Kingdom		(*)	(*)		(*)	(*)					
Yugoslavia	(*)	(*)	(*)		(*)	(*)	(*)	(*)	(*)		
Near East and Africa:											
Egypt		(*)	(*)	(*)		(*)	(*)	(*)	(*)		
Ethiopia			(*)								
Iran			(*)		(*)	(*)		(*)			
Israel		(*)			(*)	(*)	(*)	(2)			
Lebanon		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)		
Morocco								(*)			
Sudan			(2)	(*)	(*)	(*)					
Syria	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)		
Yemen			(*)	(*)				(*)			
South Asia:											
Afghanistan			(*)			(*)		(*)			
Ceylon		(*)	(*)		(*)		(*)		(*)		
India		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)		(*)
Pakistan			(*)		(*)	(*)		(*)			
South East Asia:											
Burma			(*)	(*)	(*)	(*)	(*)	(*)			
Cambodia			(*)					(*)			
Indonesia			(*)	(*)			(*)	(*)	(*)	(*)	(*)
Latin America:											
Argentina			(*)		(*)	(*)	(*)	(*)			
Brazil			(*)		(*)						
Colombia			(*)	(*)							
Mexico			(*)								
Paraguay			(*)		(*)	(*)					
Uruguay		(*)	(*)	(2)	(*)	(*)		(*)			
Other:											
Canada								(*)			
Australia							(*)				

[1] The list includes agreements known to be in force, agreements which are assumed to have been tacitly renewed, and newly signed agreements of uncertain date of entry into force.

[2] Payments agreement only.

Composition of Soviet trade in 1955

[In millions of current United States dollars]

	Percent of total	Total value	Bloc (percent)	Nonbloc [1] (percent)
Imports:				
1. Machinery and equipment	33.0	1,025	81.5	19.5
2. Crude materials and fuels	48.0	1,500	84.5	15.5
Coal and coke	3.1	95	99.0	1.0
Oil and oil products	2.8	85	60.0	40.0
Metals and ores	9.5	295		
Natural rubber	.8	25	20.0	80.0
Cotton	.6	20	0	100.0
Other textile materials	5.4	170	79.5	20.5
Peanuts, soy beans, and oilseeds	3.6	110	100.0	0
Others	22.2	695	88.0	12.0
3. Foods and consumer goods	19.0	595	72.5	27.5
Meats and dairy products	4.2	131	82.5	17.5
Sugar	2.9	90	41.0	59.0
Grains	2.2	70	66.0	34.0
Textile fabrics	3.2	100	95.0	5.0
Total	100.0	3,125		

	Percent of total	Total value	Bloc (percent)	Nonbloc [1] (percent)
Exports:				
1. Machinery and equipment	22.1	690	97.5	2.5
2. Fuels and crude materials	59.9	1,870	74.5	25.5
Coal	1.3	40	[2] .0	100.0
Oil and oil products	6.4	200	59.5	40.5
Metals	15.2	470	82.0	18.0
Lumber and wood products	4.7	145	29.5	70.5
Cotton	11.3	355	83.0	17.0
Furs	1.5	45	40.0	60.0
Fiber flax	.1	5	87.5	12.5
Others	19.4	605	87.5	12.5
3. Foods and consumer goods	18.0	560	83.0	17.0
Grains	10.3	320	84.5	15.5
Sugar	.8	25	8.0	92.0
Meat and dairy products	.3	10	90.0	10.0
Textiles	1.6	50	88.0	12.0
Fruits and vegetables	1.5	45	72.0	28.0
Total	100.0	3,125		

[1] Based upon statistics from the Department of Commerce: figures would be slightly higher were Soviet statistics available.

[2] Small amounts were exported to East Germany, Rumania, and Hungary.

Distribution of the trade of the U. S. S. R.

[In millions of current United States dollars]

	1937	1950	1953	1954	1955	1956
Total	801	2,570	5,750	6,250	6,250	6,830
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Bloc	61	2,010	4,750	4,900	4,875	5,160
Percent	7.5	78.5	82.5	78.5	78.0	75.5
Communist China	17	350	1,050	1,175	1,250	1,300
Percent	2.0	10.0	18.0	18.5	20.0	19.0
East Germany	28	327	915	1,040	935	1,090
Percent	3.5	12.5	16.0	16.5	15.0	16.0
Czechoslovakia	8	416	690	745	795	925
Percent	1.0	16.0	12.0	12.0	12.5	13.5
Poland	6	340	595	665	595	505
Percent	0.7	13.0	10.5	10.5	9.5	7.5
Rumania		235	320	325	365	420
Percent		9.0	5.5	5.0	6.0	6.0
Hungary		130	320	300	250	190
Percent		5.0	5.5	4.5	4.0	2.5
Bulgaria		120	195	205	180	190
Percent		4.5	4.0	3.5	3.0	2.5
Albania		12	16	14	23	24
Percent		0.5	0.3	0.2	0.4	0.3
Other bloc countries and unaccounted for			650	430	480	505
Nonbloc	740	560	1,000	1,350	1,375	1,670
Percent	92.5	22.0	17.5	21.5	22.0	24.5
Alternative nonbloc			815	1,130	1,190	1,520

NOTES FOR SUMMARY TABLES SHOWING EXPORTS TO AND IMPORTS FROM SOVIET BLOC COUNTRIES BY FREE-WORLD COUNTRIES, JANUARY–DECEMBER 1955

These summary tables show the trade of Free World countries, by commodity groups, with the Soviet bloc (i. e., Albania, Bulgaria, Czechoslovakia, Soviet Zone of Germany, Hungary, Poland, Rumania, U. S. S. R., and China). The total value of Free World exports and imports as shown on the attached sheets represents all the known officially reported trade of Free World countries (totaling 69) with Soviet bloc countries, except those whose trade did not exceed $1 million in any year after 1950. The commodity details in these tables relate only to the trade of 44 countries. However, their exports comprised 99 percent of the total known free-world exports to the Soviet bloc and their imports were 94 percent.

Commodity data were compiled from the latest available official publications of each country or from other official sources as of August 1956. The 44 countries included in the tables are: OEEC countries—Austria, Belgium-Luxembourg, Denmark, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey and United Kingdom; other countries—Algeria, Argentina, Australia, Brazil, Burma, Canada, Ceylon, Cuba (exports only), Egypt, Finland, French Morocco, Gold Coast, Hong Kong, India, Indonesia, Israel, Iran, Japan, Malaya, New Zealand, Nigeria, Pakistan, Sudan, Taiwan, Union of South Africa, United States, Uruguay, and Yugoslavia.

The above list includes Organization for European Economic Cooperation (OEEC) countries and all other countries whose exports to or imports from the Soviet bloc totaled $5 million or more in any year after 1951 with 5 exceptions. These—Cuba (imports only), Iraq, Lebanon, Syria, and Vietnam—have not yet published commodity data showing trade with the bloc for the year 1955.

Of the countries for which commodity detail is presented, the following do not show the Soviet Zone of Germany separately: Brazil, Hong Kong, Indonesia, Iran, Taiwan, and Uruguay. The total official trade with the Soviet Zone of Germany is therefore greater than the totals shown by an unknown, though probably quite small, amount.

China data as far as possible refer to mainland (Communist) China, including Manchuria, Inner Mongolia, and Tibet. The following are known exceptions to this rule: Algeria, France, Iran, and Italy include Taiwan; Austria, Norway and the United Kingdom include Outer Mongolia; Australia excludes Manchuria; Egypt includes Mongolia; Indonesia includes Outer Mongolia and excludes Manchuria; Ireland includes Taiwan and excludes Manchuria; Switzerland includes Taiwan, Hong Kong and Macao; Portugal includes Taiwan and excludes Inner Mongolia. Total values include an unknown amount of duplication of trade through Hong Kong.

Exports are valued f. o. b., port of shipment, by all countries except Canada and the Union of South Africa, which value exports f. o. b., inland point of shipment, and the United States which values exports f. a. s. Imports are valued c. i. f. by all countries except Australia, Canada, Union of South Africa, and the United States, which report f. o. b. values. Adjustments have not been made for these differences.

Figures are for special trade (i. e., imports from consumption and domestic exports) except for the following countries which report general trade (i. e., general imports and exports, including reexports): Australia, Brazil (imports only), Burma, Ceylon, Cuba, Gold Coast, Hong Kong, India, Ireland, Japan, Malaya, Nigeria, New Zealand, Pakistan, Sudan, Union of South Africa, United Kingdom, and United States. Taiwan reports general imports minus reexports.

Commodity groups are arranged as far as possible according to the United Nations Standard International Trade Classification. Because of the nature of the raw data, the commodity group totals cannot be entirely complete. Detailed commodity figures are not available for all Free World countries by each Soviet bloc country. Moreover, the data as published by the individual countries could not be combined into strictly comparable categories. The groups shown are those categories into which a substantial amount of the trade could be combined, and generally understate the total value of the trade in each group.

An "other and unspecified" item has been listed under many commodity groups, as well as at the end of the tables, to cover items not comparable with more detailed SITC categories and, in some instances, to group items valued at less than $10,000. The value of "other and unspecified merchandise" at the end of each table also includes a considerable amount for which commodity detail is not available because data were not reported in complete detail, or are entirely lacking for all or part of 1955. The major share of unspecified exports is accounted for by exports valued at $7,800,000 from India, $11,700,000 from Burma, $9,900,000 from Iran, and $2 million from Lebanon. The major unknown import detail consists of imports valued at $17,700,000 by India, $2,700,000 by Burma, $5,846,000 by Iran, $5,200,000 by Iraq, $5,400,000 by Lebanon, $5,500,000 by Syria, and $8,500,000 by Vietnam.

Wherever possible, the statistics have been converted from original currency units to United States dollars at the rates published by the International Monetary Fund. Otherwise, rates as reported by the countries themselves have been used.

Free World exports to Soviet bloc countries by commodity groups, January–December 1955

[Value in thousands of United States dollars]

Commodity group	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czechoslovakia	Soviet zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Exports, total	[3] [4] 2,061,808	[3] 1,747,290	681	25,900	261,962	275,050	190,043	325,703	77,797	590,148		314,493
Food	422,497	401,943		1,837	77,196	82,149	49,490	53,079	11,633	126,257	302	20,554
Live animals, chiefly for food	12,626	12,511		151	2,191	6,134	77	54		3,868	36	115
Meat and meat preparations	34,619	34,561		4	9,982	3,440	1,273	199	1	19,656	6	58
Butter	20,402	20,402			9,097	11,305						
Cheese	7,422	7,418			1,098	5,594		24		648	54	4
Eggs	1,520	1,520			319	1,201						
Other and unspecified dairy products; honey	1,536	1,478				988	52	58	380			58
Fish and fish preparations	49,722	49,600		311	7,931	21,128	160	1,093	864	18,001	112	122
Cereals and cereal preparations	119,927	107,171		255	9,191	6,936	32,819	44,359	4,633	8,978		12,756
Wheat and wheat flour	69,548	69,480			1,398		27,003	37,356	3,709	14		68
Rice	31,056	18,460			2,200	3,523	6	3,440	327	8,964		12,596
Barley	7,161	7,069		255	3,479	1,517	1,650	168				92
Corn	2,542	2,542			2,086		356	55	45			
Other and unspecified cereals and cereal preparations	9,620	9,620			28	1,896	3,804	3,340	552			
Fruits and vegetables	49,163	48,787		1,075	11,179	15,666	3,592	1,685	2,139	13,447	4	376
Sugar and sugar preparations	62,452	59,098			4,732	359	3,947	23	1,958	48,079		3,354
Cocoa, chocolate, and preparations	25,614	25,410		32	6,462	2,655	1,253	3,047	470	11,468	23	204
Coffee, tea, spices and manufactures	15,980	14,073			5,959	1,851	2,015	1,891	294	2,019	44	1,907
Feeding stuff for animals	10,658	10,658			7,829	689	1,493	535	110	2		
Margarine and shortenings	7,878	7,878			1,200	2,945	2,783	104	755	91		
Other and unspecified foods	2,978	1,378		9	26	1,258	26	7	29		23	1,600
Beverages and tobacco	40,897	38,824		1	7,252	11,302	2,987	12,261	230	4,723	68	2,073
Beverages	2,833	2,796		1	718	1,057	268	343	207	168	34	37
Tobacco and tobacco manufactures	38,064	36,028			6,534	10,245	2,719	11,918	23	4,555	34	2,036
Crude materials, inedible, except mineral fuels	617,870	501,194		6,443	106,873	38,456	64,961	131,738	22,626	129,763	334	116,670
Hides and skins, undressed	42,680	42,463			9,173	1,153	4,885	9,801	1,713	15,711	27	217
Fur skins and unspecified hides and skins, undressed	3,695	3,695			361	3,262	53			1	18	
Oilseeds, oilnuts and oil kernels	7,113	4,893			2,062	538	210	1,199	686	198		2,220
Crude rubber, including synthetic and reclaimed	79,921	54,862		451	11,175		1,694	21,463	613	19,466		25,059
Fuelwood	1,715	1,715				9	1,251			455		
Wood in the round or simply worked	43,435	43,349		718	2,656	9,491	12,673	352	1	17,449	9	86
Cork, raw and waste	8,905	8,551		208	1,297	234	644	302	647	5,219		354
Pulp and waste paper	23,096	22,616		575	1,783	1,523	2,744	9,062	417	6,512		480

See footnotes at end of table.

Free World exports to Soviet bloc countries by commodity groups, January–December 1955—Continued

[Value in thousands of United States dollars]

Commodity group	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czechoslovakia	Soviet zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Crude materials, etc.—Continued												
Textile fibers	360, 422	275, 016	------	3, 914	68, 591	15, 409	37, 959	68, 608	18, 081	61, 390	64	85, 400
Wool and other animal hair	139, 095	117, 720	------	2, 278	27, 238	4, 792	8, 377	35, 207	6, 705	33, 074	49	21, 369
Cotton	158, 798	100, 979	------	281	32, 563	4, 096	20, 813	17, 656	6, 383	19, 187	------	57, 819
Jute	11, 050	5, 765	------	------	720	------	640	4, 405	------	------	------	5, 285
Other vegetable fibers	14, 886	14, 358	------	------	5, 279	1, 220	2, 662	3, 245	172	1, 780	------	528
Synthetic fibers	20, 358	19, 959	------	503	99	1, 580	2, 833	3, 220	4, 388	7, 329	7	399
Waste materials from textile fabrics	15, 496	15, 496	------	852	2, 690	3, 030	2, 634	5, 862	427	1	------	------
Other and unspecified textile fibers	739	739	------	------	2	691	------	13	6	19	8	------
Crude fertilizers and minerals, except coal, petroleum and precious stones	10, 074	10, 044	------	237	2, 184	1, 998	750	4, 587	50	189	49	30
Natural phosphates	3, 757	3, 757	------	------	613	151	59	2, 920	14	------	------	------
Crude minerals except fertilizers and fuels	6, 317	6, 287	------	237	1, 571	1, 847	691	1, 667	36	189	49	30
Metalliferous ores and metal scrap	22, 400	22, 400	------	------	6, 431	399	439	13, 754	11	1, 325	41	------
Iron ore and concentrates	17, 055	17, 055	------	------	5, 622	262	160	11, 008	------	3	------	------
Ores of nonferrous base metals and concentrates	3, 052	3, 052	------	------	169	------	12	2, 239	11	591	30	------
Unspecified ores and metal scrap	2, 293	2, 293	------	------	640	137	267	507	------	731	11	------
Animal and vegetable crude materials, inedible	14, 003	11, 205	------	340	1, 116	4, 107	1, 655	1, 610	403	1, 848	126	2, 798
Crude animal materials, inedible	1, 207	919	------	25	281	217	119	178	7	57	35	288
Crude vegetable materials, inedible	12, 796	10, 286	------	315	835	3, 890	1, 536	1, 432	396	1, 791	91	2, 510
Unspecified crude materials	411	385	------	------	44	333	4	------	4	------	------	26
Mineral fuels, lubricants, and related materials	20, 874	20, 718	------	108	1, 769	9, 258	5, 663	3, 245	23	603	49	156
Coal, coke, and briquets	12, 007	12, 007	------	------	------	6, 230	5, 565	------	------	212	------	------
Petroleum, crude, and products	5, 711	5, 555	------	108	1, 355	337	98	3, 245	23	340	49	156
Gas, natural and manufactured; electric energy	3, 105	3, 105	------	------	414	2, 691	------	------	------	------	------	------
Unspecified mineral fuels and related materials	51	51	------	------	------	------	------	------	------	51	------	------
Animal and vegetable oils and fats	45, 335	39, 832	43	168	3, 305	5, 508	5, 084	3, 211	456	21, 983	74	5, 503
Chemicals	[3] 195, 555	98, 981	11	3, 985	20, 401	27, 260	11, 918	17, 617	9, 311	5, 255	3, 223	96, 574
Inorganic chemicals	20, 150	15, 981	7	1, 394	2, 693	2, 089	4, 135	4, 050	554	1, 025	34	4, 169
Organic chemicals	26, 629	10, 067	1	149	2, 194	1, 262	1, 575	2, 198	1, 054	1, 583	51	16, 562
Mineral tar and crude coal-tar chemicals	397	328	------	13	40	211	56	7	1	------	------	69
Dyeing, tanning and coloring materials	50, 452	27, 947	------	1, 638	5, 982	6, 545	2, 509	6, 579	4, 017	582	95	22, 505
Coal-tar dyestuffs and natural indigo	35, 880	16, 040	------	653	3, 260	5, 008	1, 976	2, 896	1, 804	422	21	19, 840
Dyeing and tanning extracts and materials	10, 597	8, 430	------	933	1, 721	416	271	2, 923	2, 166	------	------	2, 167
Pigments, paints, varnishes and related materials	3, 975	3, 477	------	52	1, 001	1, 121	262	760	47	160	74	498
Medicinal and pharmaceutical products	18, 314	8, 815	2	383	1, 639	2, 014	1, 038	1, 450	1, 771	440	78	9, 499
Essential oils and perfume materials; toilet, polishing, and cleansing preparations	4, 967	4, 355	------	41	695	1, 149	512	237	290	1, 431	------	612
Fertilizers, manufactured	46, 207	7, 266	------	4	792	5, 040	7	1, 296	127	------	------	38, 941
Nitrogenous fertilizers and fertilizer materials, n. e. s.	36, 450	803	------	4	792	------	7	------	------	------	------	35, 647
Phosphatic fertilizers and fertilizer materials, n. e. s.	9, 517	6, 463	------	------	------	5, 040	------	1, 296	127	------	------	3, 054
Potassic fertilizers and fertilizer materials, n. e. s.	240	------	------	------	------	------	------	------	------	------	------	240
Explosives	724	724	------	72	90	428	27	12	72	23	------	------
Synthetic plastic materials in primary forms	8, 646	7, 964	------	57	1, 940	3, 964	1, 044	687	213	------	59	682
Other and unspecified chemicals	[3] 19, 069	15, 534	1	234	4, 336	4, 558	1, 015	1, 101	1, 212	171	2, 906	3, 535
Manufactured goods classified chiefly by material	342, 780	314, 298	452	7, 908	24, 635	71, 808	36, 587	54, 365	26, 634	90, 628	1, 281	28, 482
Leather, dressed furs, and manufactures, except travel goods, clothing and footwear	5, 798	5, 782	289	8	49	521	1, 331	49	6	3, 525	4	16
Rubber manufactures except clothing and footwear	4, 876	4, 703	------	172	194	946	142	3, 023	97	21	108	173
Wood manufactures	7, 604	7, 594	------	------	751	3, 920	1, 460	304	------	1, 142	17	10
Cork manufactures	1, 020	942	------	------	375	87	186	24	48	222	------	78
Paper, paperboard, and manufactures	40, 589	35, 158	------	410	786	4, 584	2, 616	2, 027	1, 729	22, 954	52	5, 431
Textile yarn, fabrics and manufactures, except clothing	68, 759	51, 065	48	597	5, 742	9, 146	11, 211	4, 083	14, 214	5, 491	533	17, 694
Wool and hair yarn, fabrics and manufactures	8, 094	7, 305	------	249	841	960	1, 618	1, 380	12	2, 036	209	789
Cotton yarn, fabrics and manufactures	18, 916	16, 637	15	41	948	2, 458	1, 557	257	11, 178	------	183	2, 279
Jute yarn, fabrics and manufactures	6, 334	265	10	------	167	------	88	------	------	------	------	6, 069
Synthetic fiber yarn, fabrics and manufactures	22, 864	16, 840	------	227	2, 775	554	6, 618	1, 441	2, 242	2, 909	74	6, 024
Other and unspecified yarn, fabrics and manufactures	12, 551	10, 018	23	80	1, 011	5, 174	1, 330	1, 005	782	546	67	2, 533
Nonmetallic mineral manufactures	4, 042	3, 868	------	65	422	569	552	1, 262	272	620	106	174
Lime, cement, and fabricated construction materials, except glass	1, 788	1, 726	------	42	4	184	193	764	26	513	------	62
Other mineral manufactures, except pottery and glass	1, 196	1, 101	------	6	165	3	205	391	189	54	88	95
Glass, glassware and pottery	1, 058	1, 041	------	17	253	382	154	107	57	53	18	17
Silver, platinum, gems and jewelry	915	271	------	2	122	14	17	16	99	1	------	644
Base metals and manufactures	208, 537	204, 324	115	6, 649	16, 178	51, 486	19, 070	43, 565	10, 166	56, 646	449	4, 213
Pig iron and ferroalloys	3, 592	3, 335	------	11	440	2, 299	------	585	------	------	------	257
Other and unspecified iron and steel and semimanufactures	84, 461	82, 913	75	4, 861	4, 485	14, 330	12, 645	27, 224	7, 724	11, 463	106	1, 548
Copper wire rods and wire	53, 210	53, 202	------	------	6, 444	253	3, 071	5, 977	812	36, 645	------	8
Other and unspecified copper and semimanufactures	4, 887	4, 742	------	4	404	143	36	3, 200	233	684	38	145
Nickel and semimanufactures	99	66	------	------	12	------	16	38	------	------	------	33
Aluminum and semimanufactures	229	224	------	30	7	------	75	99	13	------	------	5
Lead and semimanufactures	2, 988	2, 981	------	------	2, 276	------	341	359	------	5	------	7

See footnotes at end of table.

Free World exports to Soviet bloc countries by commodity groups, January–December 1955—Continued

[Value in thousands of United States dollars]

Commodity group	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czechoslovakia	Soviet Zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Manufactured goods, classified, etc.—Continued												
Base metals and manufactures—Continued												
Zinc and semimanufactures	132	104	------	1	--------	--------	83	3	--------	17	----------	28
Tin and semimanufactures	3,828	3,828	------	--------	607	--------	1,137	1,980	104	----------	----------	--------
Other and unspecified base metals and semimanufactures	2,970	2,944	------	--------	795	1,102	77	709	9	----------	252	26
Arms and ammunition	282	87	------	36	6	--------	3	23	17	2	----------	195
Iron and steel structural parts, wire cables, netting, and related manufactures	3,933	3,917	5	355	24	47	280	873	492	1,841	----------	16
Copper structural parts, wire cables, netting, and related manufactures	709	702	------	3	55	--------	101	523	20	----------	----------	7
Manufactures of metals, other	17,069	15,585	35	1,340	606	3,690	1,188	1,951	740	5,982	53	1,484
Other and unspecified metals and manufactures	30,148	29,694	------	8	17	29,622	17	21	2	7	----------	454
Unspecified manufactured goods classified chiefly by material	640	591	------	5	16	535	2	12	3	6	12	49
Machinery and transport equipment	275,265	260,230	5	3,861	8,132	14,369	8,373	35,651	4,564	184,678	597	15,035
Machinery other than electric	114,879	108,657	1	1,690	4,430	9,654	5,225	22,600	3,076	61,588	393	6,222
Power generating machinery, except electric	25,484	25,306	------	514	320	1,924	761	10,173	345	11,167	102	178
Agricultural machinery and implements	2,291	2,291	------	11	124	19	127	621	70	1,294	25	--------
Tractors other than steam	210	210	------	5	23	--------	116	5	52	9	----------	--------
Office machinery	505	306	------	5	8	72	13	197	2	4	5	199
Metalworking machinery	3,513	3,451	------	83	132	616	273	435	81	1,798	33	62
Conveying, hoisting, excavating, road construction and mining machinery	13,626	13,403	------	147	390	759	154	2,623	57	9,193	80	223
Paper mill, pulp mill, and paper processing machinery	7,831	4,948	------	5	35	2	14	197	1,138	3,557	----------	2,883
Textile machinery and accessories	19,614	18,458	------	143	128	338	278	549	29	16,875	118	1,156
Sewing machines	3,721	3,561	------	17	63	380	123	63	53	2,862	----------	160
Ball, needle or roller bearings	5,061	4,978	------	81	1,398	124	1,452	1,804	119	----------	----------	83
Other and unspecified mining, construction and industrial machinery	15,301	14,685	1	446	779	240	1,398	3,636	729	7,456	----------	616
Unspecified nonelectrical machinery	17,722	17,060	------	233	1,030	5,180	516	2,297	401	7,373	30	662
Electric machinery, apparatus and appliances	38,222	35,527	1	1,559	2,436	3,430	2,162	9,045	662	16,128	104	2,695
Electric generators, alternators, motors, converters, transformers, switchgear	14,968	14,730	------	1,073	383	13	194	4,218	41	8,772	36	238
Radio and other apparatus for telegraphy, telephony, television and radar	1,730	1,477	1	127	147	42	227	673	97	160	3	253
Insulated cables and wire for electricity	2,486	2,272	------	114	24	77	107	460	361	1,129	----------	214
Other and unspecified electric machinery	19,038	17,048	------	245	1,882	3,298	1,634	3,694	163	6,067	65	1,990
Transport equipment	120,489	115,674	3	499	1,154	1,269	952	3,924	817	106,956	100	4,815
Railway vehicles	1,263	1,202	------	10	111	--------	34	447	309	260	31	61
Road motor vehicles	7,977	7,634	3	448	870	452	670	2,954	491	1,694	52	343
Road vehicles other than motor vehicles	769	412	------	24	14	34	247	48	8	37	----------	357
Ships and boats	109,625	105,601	------	--------	153	--------	--------	466	--------	104,965	17	4,024
Unspecified transport equipment	855	825	------	17	6	783	1	9	9	----------	----------	30
Unspecified machinery and transport equipment	1,675	372	------	113	112	16	34	82	9	6	----------	1,303
Miscellaneous manufactured articles	53,448	35,124	3	565	3,535	10,176	2,026	6,167	1,215	10,934	497	18,324
Prefabricated buildings and assembled parts	8,702	8,702	------	--------	351	--------	--------	--------	--------	8,351	----------	--------
Clothing	1,514	1,415	------	13	54	598	1	497	12	189	51	99
Footwear	3,925	3,925	------	--------	126	2,321	5	829	80	563	1	--------
Instruments, photographic goods, watches and clocks	31,684	14,060	3	484	2,433	3,701	1,651	3,298	670	1,548	272	17,624
Professional and scientific instruments and apparatus	6,799	4,330	------	108	822	574	510	1,112	192	835	177	2,469
Photographic and motion-picture supplies and film	3,858	2,914	------	8	424	114	321	1,233	43	676	95	944
Watches and clocks	[6] 19,798	5,587	3	368	1,187	1,795	820	942	435	37	----------	[6] 14,211
Unspecified instruments, photographic goods, watches and clocks	1,229	1,229	------	--------	--------	1,218	--------	11	--------	----------	----------	--------
Other and unspecified manufactured articles	7,623	7,022	------	68	571	3,556	369	1,543	453	283	173	601
Miscellaneous transactions and commodities	5,912	5,543	------	16	790	46	565	3,343	170	599	14	369
Other and unspecified merchandise [7]	[8] 41,375	[8] 30,603	167	1,008	8,074	[9] 4,718	2,389	5,026	935	14,725	----------	[10] 10,753

[1] Includes exports to the Soviet bloc countries in Europe which could not be broken down by individual countries.

[2] China data as far as possible refer to mainland (Communist) China, including Manchuria, Inner Mongolia, and Tibet. The following are known exceptions to this rule: Algeria, Chile, France, Iran, Italy, Spain, and Syria include Taiwan; Austria, Norway and the United Kingdom include Outer Mongolia; Australia excludes Manchuria; Egypt includes Mongolia; Indonesia includes Outer Mongolia and excludes Manchuria; Ireland includes Taiwan and excludes Manchuria; Switzerland includes Taiwan, Hong Kong and Macao; Portugal includes Taiwan and excludes Inner Mongolia.

[3] Includes exports to East Austria of miscellaneous manufactured articles valued at $6,000.

[4] Includes exports to North Korea of wool and other animal hair valued at $6,000; to North Vietnam, unspecified merchandise valued at $18,000; and to Outer Mongolia, unspecified merchandise valued at $1,000.

[5] Includes exports from the Netherlands valued at $2,504,000 for which Eastern European country detail is not available, representing a combined total of coal-tar dyestuffs and chemical fertilizers without further value detail.

[6] Includes exports of watches and clocks from Switzerland to "China" valued at $13,503,000, most of which may have been shipped to Hong Kong since Switzerland's reported trade with China comprises Communist China, Taiwan, Hong Kong and Macao. Hong Kong's 1955 imports of watches and clocks from Switzerland were valued at $12,977,000; exports of watches and clocks from Hong Kong to Communist China during the same period were valued at $560,000, which may include some reexports of goods originating in Switzerland.

[7] The major share of unspecified exports is accounted for by exports from India valued at $7,825,000 for which commodity detail is unavailable and by exports for which commodity detail is entirely lacking in all or part of 1955 (indicated in the following by the months for which no detail is included), exports valued at $5,710,000 from Burma (October–December), $9,893,000 from Iran (July–December), $1,997,000 from Lebanon (January–December), and $2,059,000 for French West Africa (January–December).

[8] Figure shown is balancing figure and is less than the sum of other and unspecified merchandise by $6,439,000, the total of the column headed "Soviet Bloc in Eastern Europe."

[9] Includes certain exports from the Federal Republic of Germany to the Soviet Zone of Germany which are not shown above because they are reported in broad categories, as follows: stones, earths and their manufactures, valued at $670,000; other minerals and their products, $138,000; wood and cork manufactures, $679,000 and other and unspecified wood, $363,000.

[10] Includes exports from the Netherlands to China valued at $875,000, representing a combined total of synthetic fibers, coal-tar dyestuffs and chemical fertilizers for which value detail is not available.

NOTE.—Leaders indicated negligible values or no trade.

Free World imports from Soviet bloc countries by commodity groups, January–December 1955

[Value in thousands of United States dollars]

Commodity	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czechoslovakia	Soviet Zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Imports, total	[3] [4] 2,418,388	[3] 1,914,347	292	24,664	344,149	292,541	144,255	355,814	119,365	632,861		494,425
Food	503,763	309,098		7,272	31,676	13,495	52,909	84,463	24,478	94,120	669	194,661
Live animals, chiefly for food	40,995	11,179		309	280	3	10,213	17	347	10		29,816
Meat and meat preparations	74,912	65,454		155	1,203	412	9,817	51,702	351	1,714	100	9,458
Butter	5,297	5,297		14			2,261	3,022				
Eggs	45,329	18,596		2,970	11	731	4,215	10,523	146			26,733
Other and unspecified dairy products; honey	1,614	1,468			153		1,271		22		22	146
Fish and fish preparations	21,983	12,607				43	46	564	33	11,911	10	9,376
Cereals and cereal preparations	150,230	106,411		927	16,196	2,661	13,943	3,505	19,110	50,051	18	43,819
Wheat and wheat flour	44,532	44,532		92	1,380		6,122		3,361	33,577		
Rice and rice flour	41,737	950		34	8		836		1	70	1	40,787
Barley	4,845	4,413			1,922			439		2,052		432
Corn	23,059	23,038		701			4,729		15,722	1,886		21
Other and unspecified cereals and cereal preparations	36,057	33,478		100	12,886	2,661	2,256	3,066	26	12,466	17	2,579
Fruits and vegetables	66,145	21,793		2,218	5,229	304	7,757	5,107	434	445	299	44,348
Sugar and sugar preparations	41,353	41,229			7,845	7,537	1,186	9,572		14,996	77	124
Tea	25,935	2								2		25,933
Coffee, cocoa, spices, and preparations	4,169	1,125		38	152	1	556	144	138		96	3,044
Feeding stuff for animals	19,000	18,598		179	2		840	197	3,525	13,840	15	402
Other and unspecified foods	6,801	5,339		462	605	1,803	804	110	372	1,151	32	1,462
Beverages and tobacco	11,034	8,394		5,452	444	195	856	57	7	1,223	160	2,640
Beverages	2,992	1,250		19	433	30	611	56	1	23	77	1,742
Tobacco and tobacco manufactures	8,042	7,144		5,433	11	165	245	1	6	1,200	83	898
Crude materials, inedible, except mineral fuels	565,084	391,348	125	3,715	35,132	18,080	7,386	37,235	29,252	259,791	632	164,644
Hides and skins, undressed	3,486	997		22	59			835	1	73	7	2,489
Fur skins, undressed	32,749	29,055	81	59	878	45	50	13	389	27,532	8	2,503
Soybeans	42,696	678		617			2		59			42,018
Other and unspecified oilseeds, oilnuts, and oil kernels	31,587	5,480		1,500	336	277	904	732	1,665	3	63	26,107
Crude rubber, including synthetic and reclaimed	2,175	2,175				2,087				86	2	
Fuelwood and charcoal	2,239	795			563	33		18	181			1,444
Wood in the round or simply worked	200,936	200,396		193	22,141	1,223	20	28,225	24,857	123,728	9	540
Pulp and waste paper	13,218	13,218			1,690			35		11,493		
Textile fibers	101,288	62,299		482	831	82	463	2,043	211	57,977	210	31,088
Silk	11,992	869		224			83			476	86	11,123
Cashmere goat hair	9,586											2,573
Wool and other animal hair, except cashmere	17,861	3,268		13	600		50	1,075	63	1,424	43	13,705
Cotton	57,109	55,215		46			11		64	55,088	6	1,894
Jute and other vegetable fibers	3,251	1,487		177	91		122	106	48	923	20	1,764
Other and unspecified textile fibers	1,489	1,460		22	140	82	197	862	36	66	55	29
Crude fertilizers and minerals, except coal, petroleum, and precious stones	44,443	34,137		48	4,191	12,581	1,148	1,851	391	13,789	138	10,306
Natural phosphates	6,145	6,145			45		2			6,098		
Crude potash salts	10,445	10,445				10,445						
Other and unspecified crude fertilizers	1,238	1,013		20		379		40	27	526	21	225
Crude minerals, except fertilizers and fuels	26,615	16,534		28	4,146	1,757	1,146	1,811	364	7,165	117	10,081
Metalliferous ores and metal scrap	22,812	21,727	20	210	2,778	146	243	6	4	18,316	4	1,085
Iron ore and concentrates	917	18								18		899
Iron and steel scrap	1,872	1,829							4	1,825		43
Manganese ore and concentrates	12,286	12,286								12,286		
Chromium ore and concentrates	2,539	2,539	20			146				2,373		
Other and unspecified ores of nonferrous base metals and concentrates	2,278	2,171		210	143					1,814	4	107
Nonferrous metal scrap	2,920	2,884			2,635		243	6				36
Animal and vegetable crude materials, inedible	66,881	20,038	24	580	1,642	1,461	4,443	3,444	1,475	6,778	191	46,843
Bristles	20,316	5,539		36	53		7	718	60	4,634	31	14,777
Feathers	13,338	5,260		39	674		2,317	1,248	821	161		8,078
Other and unspecified crude animal materials	4,238	1,668		1	135	18	156	316	19	956	67	2,570
Vegetable materials for plaiting, including bamboo	2,453	385					304	81				2,068
Plants, seeds, and parts of plants, mainly for use in medicines or perfumery	12,004	1,670		264	48	1	416	110	152	679		10,334
Other and unspecified crude vegetable materials	14,327	5,315	24	141	693	1,425	1,216	966	418	339	93	9,012
Unspecified animal and vegetable crude materials	205	201		99	39	17	27	5	5	9		4
Unspecified crude materials	574	353		4	23	145	113	33	19	16		221
Mineral fuels, lubricants and related materials	402,245	400,444		99	14,466	66,174	3,372	156,340	49,788	110,162	43	1,801
Coal, coke, and briquettes	259,521	257,720		74	12,964	49,990	561	154,543	1	39,587		1,801
Petroleum, crude and partly refined	15,376	15,376								15,376		
Gasoline and other light oils for similar uses	28,415	28,415			167	3,966	6		15,268	9,008		
Gas oil, diesel oil, and other fuel oils	45,271	45,271			1	3,373	348	121	19,758	21,670		
Other and unspecified petroleum and products	53,043	53,043		25	1,161	8,547	2,457	1,528	14,761	24,521	43	
Gas, natural and manufactured; electric energy	619	619			173	298		148				
Animal and vegetable oils and fats	23,394	6,933		811	53	141	4,944	39	52	877	16	16,461
Tung oil	10,817											10,817
Other and unspecified animal and vegetable oils and fats	12,577	6,933		811	53	141	4,944	39	52	877	16	5,644

See footnotes at end of table.

Free World imports from Soviet bloc countries by commodity groups, January–December 1955—Continued

[Value in thousands of United States dollars]

Commodity	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czechoslovakia	Soviet Zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Chemicals	124,482	108,568		1,560	14,137	54,156	4,216	16,712	458	16,831	498	15,914
Inorganic chemicals	22,849	21,762		394	2,776	14,068	519	2,359	169	1,365	112	1,087
Organic chemicals	20,026	18,005			3,753	10,617	165	876	76	2,452	66	2,021
Mineral tar and crude coal-tar chemicals	18,002	17,618			4,434	289	27	4,944		7,897	27	384
Coal-tar dyestuffs and natural indigo	3,073	3,055			322	707	437	804	22	741	22	18
Pigments, paints, varnishes, and related materials	3,157	2,256		12	432	384	615	478	67	177	91	901
Other and unspecified dyeing, tanning, and coloring materials	216	104			33			20		51		112
Medicinal and pharmaceutical products	3,638	2,423			386	367	1,193	226	4	205	42	1,215
Essential oils and perfume materials; toilet, polishing, and cleansing preparations	7,457	2,293		1,033	43	286	322	169	1	411	28	5,164
Fertilizers, manufactured	25,246	25,245			4	23,035	347	157		1,702		1
Nitrogenous fertilizers and fertilizer materials	4,779	4,779				2,736	260	111		1,672		
Potassic fertilizers and fertilizer materials	20,217	20,217				20,181		6		30		
Other and unspecified manufactured fertilizers	250	249			4	118	87	40				1
Explosives	507	293			53	48	118	12			62	214
Synthetic plastic materials in primary forms	2,770	2,770			324	2,339	81	1		25		
Other and unspecified chemicals	17,541	12,744		121	1,577	2,016	392	6,666	119	1,805	48	4,797
Manufactured goods classified chiefly by material	457,016	395,817		3,721	135,217	51,426	35,015	43,529	7,837	117,315	1,708	61,199
Furs, dressed, except clothing	8,364	7,532			535	440	683		1	5,847	26	832
Rubber manufactures, except clothing and footwear	3,039	3,039		1	1,967	518	433	3		52	65	
Wood manufactures	20,818	19,484		50	3,027	579	7	1,361	524	13,850	86	1,334
Paper, paperboard, and manufactures	26,820	18,969		2	7,712	4,892	37	1,923	713	3,580	110	7,851
Textile yarn, fabrics and manufactures, except clothing	124,111	82,220		1,694	22,982	22,671	17,188	10,851	33	6,285	467	41,891
Silk yarn, fabrics, and manufactures	7,749	6				5	1					7,743
Wool and hair yarn, fabrics, and manufactures	4,699	4,681		94	2,022	781	174	1,546	5	59		18
Cotton yarn, fabrics, and manufactures	62,869	41,803		50	13,697	2,466	11,908	7,488	24	6,054	116	21,066
Synthetic fiber yarn, fabrics, and manufactures	6,719	6,467		1,493	1,590	1,256	1,379	699		1		252
Other and unspecified yarn, fabrics, and manufactures	42,075	29,263		57	5,673	18,163	3,726	1,118	4	171	351	12,812
Nonmetallic mineral manufactures	80,325	76,928		1,075	29,080	15,268	4,278	17,116	6,381	3,340	390	3,397
Cement	32,283	31,999		608	5,574	1,788	2,804	12,660	5,302	3,252	11	284
Other and unspecified lime, cement, and fabricated construction materials, except glass	7,362	6,870		90	4,479	2,002	172	55			72	492
Other mineral manufactures, except pottery and glass	2,894	2,791			1,132	828	241	503	6	5	76	103
Glass, glassware, and pottery	37,627	35,129		377	17,815	10,647	1,052	3,887	1,064	56	231	2,498
Unspecified nonmetallic mineral manufactures	159	139			80	3	9	11	9	27		20
Silver, platinum, gems, and jewelry	44,416	42,641		171	17,859	106	516			23,925	64	1,775
Silver, unworked and partly worked	10,372	10,372		171						10,201		
Platinum	26,894	26,894			13,885					13,009		
Other and unspecified platinum group metals	1,956	1,956			1,230		112			614		
Other and unspecified silver, platinum, gems, and jewelry	5,194	3,419			2,744	106	404			101	64	1,775
Base metals and manufactures	147,890	143,913		724	51,616	6,651	11,726	12,159	184	60,423	430	3,977
Pig iron	25,190	25,190						329		24,861		
Ferroalloys	5,765	5,765			323	1,320	48	818		3,127	129	
Other and unspecified iron and steel and semimanufactures	76,260	75,597		304	39,588	487	7,374	6,172	155	21,390	127	663
Nickel and semimanufactures	568	568								568		
Aluminum and semimanufactures	6,829	6,802			1,246		1,387	247		3,917	5	27
Lead and semimanufactures	291	291			291							
Zinc and semimanufactures	5,981	5,981			88	17		2,313		3,485	78	
Tin and semimanufactures	149	149				19	109			21		
Other and unspecified base metals and semimanufactures	1,658	750			118	157	3	7		446	19	908
Arms and ammunition	1,118	1,118			399	707	2				10	
Manufactures of metals	19,640	17,346		420	8,071	2,460	2,382	2,132	29	1,815	37	2,294
Other and unspecified metals and manufactures	4,441	4,356			1,492	1,484	421	141		793	25	85
Unspecified manufactured goods classified chiefly by material	1,233	1,091		4	439	301	147	116	1	13	70	142
Machinery and transport equipment	145,396	143,890		226	55,401	47,976	18,033	5,729	229	15,862	434	1,506
Machinery other than electric	68,308	67,154		67	23,808	35,411	3,929	2,162	27	1,450	300	1,154
Power-generating machinery, except electric	3,727	3,717		16	2,392	583	555	68	19	34	50	10
Agricultural machinery and implements	1,662	1,662			804	573	66	175	4	17	23	
Tractors, other than steam	5,338	5,338			4,905	13	2	252		144	22	
Office machinery	11,279	11,266			494	10,732	1				39	13
Metalworking machinery	17,666	17,608		41	6,609	7,770	1,865	1,140	3	87	93	58
Conveying, hoisting, excavating, road-construction and mining machinery	1,645	1,548			653	200	339	5		351		97
Paper mill, pulp mill, and paper processing machinery	506	506			88	390				28		
Textile machinery and accessories	7,275	7,105			2,270	4,645	37	145			8	170
Sewing machines	3,416	2,662			939	1,460	137			126		754
Other and unspecified mining, construction, and industrial machinery	12,471	12,461		2	3,367	7,351	748	359	1	568	65	10
Unspecified nonelectrical machinery	3,323	3,281		8	1,287	1,694	179	18		95		42
Electric machinery, apparatus, and appliances	17,254	17,030		159	5,587	4,413	6,104	613	1	66	87	224
Transport equipment	53,244	53,118			23,487	8,094	6,501	683	201	14,120	32	126
Railway vehicles	7,683	7,683			199		4,303	23		3,158		
Road motor vehicles	40,772	40,772			20,914	6,938	1,332	628	1	10,938	21	
Road vehicles, other than motor vehicles	3,504	3,379			1,970	511	860	24		4	10	125
Aircraft	130	130			129						1	
Ships and boats	267	267			16	51			200			
Unspecified transport equipment	888	887			259	594	6	8		20		1
Unspecified machinery and transport equipment	6,590	6,588			2,519	58	1,499	2,271		226	15	2

See footnotes at end of table.

Free World imports from Soviet bloc countries by commodity groups, January–December 1955—Continued

[Value in thousands of United States dollars]

Commodity	Total to Soviet bloc	Total to Soviet bloc in Europe	Albania	Bulgaria	Czecho-Slovakia	Soviet Zone of Germany	Hungary	Poland	Rumania	U.S.S.R.	Soviet bloc in Eastern Europe [1]	China [2]
Miscellaneous manufactured articles	81,500	71,047	49	135	24,321	32,877	8,518	3,125	69	1,251	702	10,453
Clothing	21,033	18,961	------	--------	3,936	10,875	3,739	329	2	52	28	2,072
Footwear	6,074	5,959	------	--------	5,144	83	622	63	--------	----------	47	115
Professional and scientific instruments and apparatus	8,160	8,143	1	--------	1,769	5,642	450	127	--------	72	82	17
Photographic and motion-picture supplies and film	4,067	4,052	------	--------	91	2,429	814	245	--------	338	135	15
Other and unspecified manufactured articles	42,166	33,932	48	135	13,381	13,848	2,893	2,361	67	789	410	8,234
Miscellaneous transactions and commodities	3,318	2,851	------	91	859	261	939	571	31	24	75	467
Other and unspecified merchandise [5]	[6] 101,156	[6] 75,957	118	1,582	32,443	[7] 7,760	8,067	8,014	7,164	15,405	----------	24,679

[1] Includes imports from the Soviet bloc countries in Europe which could not be broken down by individual countries.

[2] China data as far as possible refer to Mainland (Communist) China, including Manchuria, Inner Mongolia, and Tibet. The following are known exceptions to this rule: Algeria, Chile, France, Iran, Italy, Spain, and Syria include Taiwan; Austria, Norway and the United Kingdom include Outer Mongolia; Australia excludes Manchuria; Egypt includes Mongolia; Indonesia includes Outer Mongolia and excludes Manchuria; Ireland includes Taiwan and excludes Manchuria; Switzerland includes Taiwan, Hong Kong and Macao; Portugal includes Taiwan and excludes Inner Mongolia.

[3] Includes imports from East Austria of sugar valued at $16,000; and imports from Bulgaria and Rumania which were not reported separately, valued at $390,000, consisting of synthetic fiber fabrics, $49,000, and other and unspecified merchandise, $341,000. Totals do not include gold imports which amounted $8,846,000, consisting of $3,690,000 admitted by France from Czechoslovakia on a temporary basis; $56,000 imported by the Federal Republic of Germany from Poland for commercial use; and $5,100,000 returned to Iran from U. S. S. R. where it was deposited to Iran's account during World War II.

[4] Includes imports from Outer Mongolia valued at $9,614,000, consisting of fruits and vegetables valued at $4,000; fur skins, undressed, $1,191,000; cashmere goat hair, $7,013,000; other wool and animal hair, $888,000; and other and unspecified merchandise, $518,000. Also includes imports from North Korea of other and unspecified merchandise valued at $2,000.

[5] The major share of unspecified imports is accounted for by imports from India valued at $17,717,000 for which commodity detail is unavailable and by imports for which commodity detail is entirely lacking in all or part of 1955 (indicated in the following by the months for which no detail is included), imports valued at $2,724,000 into Burma (October-December), $10,942,000 into Iran (July-December), $2,093,000 into French West Africa (January-December), $5,168,000 into Iraq (January-December), $6,316,000 into Lebanon (January-December), $5,512,000 into Syria (January-December), and $9,165,000 into Vietnam.

[6] Figure shown is balancing figure and is less than the sum of other and unspecified merchandise by $4,937,000, the total of the column headed "Soviet bloc in Eastern Europe."

[7] Includes certain imports into the Federal Republic of Germany from the Soviet Zone of Germany which are not shown above because they are reported in broad categories, as follows: clay, kaolin, coloring earths, and their manufactures, $696,000; stone, slate, asphalt, and their manufactures, $396,000; slag and slag products, $996,000; other stones, earths and their manufactures, $1,251,000; miscellaneous mineral products, $518,000; wood and cork manufactures, $485,000; and other and unspecified wood, $34,000.

NOTE.—Leaders indicate negligible values or no trade.

NATIONS MAKING TRADE PACTS WITH POTENTIAL ENEMIES LISTED

Mr. MALONE. I also ask that a list of nations, together with the trade agreements which have been made with our actual or potential enemies by the countries which we are financing today, and have been financing since World War II, be printed in the RECORD at this point as a part of my remarks.

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

Trade and/or payments agreements between the Soviet bloc and the Free World, Dec. 31, 1956, and June 14, 1957

	Estimated number as of June 14, 1957 [1]		Estimated number as of Dec. 31, 1956
	Number	Increase over 1956	
Europe:			
Austria	7	0	7
Belgium	6	−1	7
Denmark	7	0	7
Finland	7	0	8
France	8	0	8
Germany	6	0	6
Iceland	6	0	6
Italy	8	0	8
Netherlands	6	0	6
Norway	7	0	7
Portugal	4	0	4
Sweden	7	0	7
Switzerland	6	0	6
United Kingdom	4	0	4
Yugoslavia	8	−1	9
Total	97	−2	100
South Asia:			
Afghanistan	3	0	3
Ceylon	5	−1	6
India	8	0	8
Pakistan	4	0	4
Total	20	−1	21

See footnote at end of table.

Trade and/or payments agreements between the Soviet bloc and the Free World, Dec. 31, 1956, and June 14, 1957—Continued

	Estimated number as of June 14, 1957 [1]		Estimated number as of Dec. 31, 1956
	Number	Increase over 1956	
Southeast Asia:			
Burma	6	−2	8
Cambodia	2	0	2
Indonesia	7	1	6
Total	15	−1	16
Middle East:			
Egypt	7	0	7
Ethiopia	1	0	1
Greece	7	0	7
Iran	4	0	4
Israel	5	0	5
Lebanon	8	0	8
Morocco	1	1	0
Sudan	4	0	4
Syria	9	0	9
Turkey	7	0	7
Yemen	3	0	3
Total	56	1	55
Latin America:			
Argentina	5	0	5
Brazil	2	−1	3
Colombia	2	1	1
Mexico	1	0	1
Paraguay	3	0	3
Uruguay	7	1	6
Total	20	1	19
Other:			
Canada	1	0	1
Australia	1	1	0
Grand total	210	−2	212

[1] No information is available indicating that the agreements between Yugoslavia-East Germany, Indonesia-Poland, Brazil-Poland, Finland-Communist China, Ceylon-Poland, Belgium-East Germany, Cambodia-Communist China and Burma-Communist China-Bulgaria have been specifically extended to June 14, 1957. Since these pacts do not provide for tacit renewal they are not included in this list.

NOTE.—Includes agreements known to be in force, agreements which are assumed to have been tacitly renewed, and newly signed agreements of uncertain date of entry into force.

ICA DISTRIBUTING AGENCY FOR TAXPAYERS' CASH

Mr. MALONE. We now come down to what is called the ICA, that being the latest name for the distribution of the American taxpayers' cash. I have not made an accurate count of the number of names in this organization. It is a rather loosely operated agency. I understand it is becoming very difficult at present to obtain men to take jobs with it, because they are beginning to realize that the American taxpayer is waking up to just what kind of deal he has been getting. They are not quite sure about it yet.

One of the things which has mystified me during the 11 years I have been a Member of the Senate is this: Coming here, as I did, fresh from a business, to my mind there was only one office above that of Senator, and that was President of the United States.

A Senator of the United States then, was someone to look up to, to trust, to depend upon. Therefore he was not someone that one had to check upon to find out what he was trying to do with the taxpayers' money. One trusted the United States Senate, as the greatest body on earth; and it was. I will not say it is, Mr. President. I will not say that I believe it is. I will say that I believe it was.

The people of the United States also trust a President. They almost worship him. We have seen it with our own eyes. It does not depend so much upon who the individual is; if he is President of the United States, the people almost worship him—and he will let them do it. They refuse to believe that he is not looking out for their interests.

VALUE OF DOLLAR CONTINUALLY SHRINKING

The Senate comes next, and then the House. Times are changing very fast in this country; and it will be a terrible

loss to the Congress when the people of the Nation wake up—and they are beginning to wake up—to the fact that the value of their money is being destroyed. When they put $2 in the bank one day, the next day it is worth $1.98.

This process started in 1934. It did not start in 1952 or 1957. I am attending the hearings before the Senate Committee on Finance, which I hope will result in one of the greatest reports ever made in the Congress. I cannot guarantee it, but I hope so, if we stay on the subject.

PURCHASING POWER OF THE DOLLAR DWINDLING RAPIDLY

For 24 years we have been destroying the purchasing power of the dollar for which workingmen work with their hands. The thrifty ones try to save enough to invest in a business.

We saw the time, not long since, when a $1,000 10-year bond was sold for $750. At the end of the 10-year period it was worth less in purchasing power than the $750 paid for it in the first instance.

When we do that we are robbing the people. We are stealing their money. It can be called nothing else. The sad part is that Members of this body know it. How could they help it? They are intelligent men. They know that they are not stopping inflation. They know that there has been no serious effort to stop it for 24 years.

LIFETIME SAVINGS OF MANY AGED CITIZENS NOW WIPED OUT BY INFLATION

What was the result? The savings of the old people who retired 15 years ago or 10 years ago have been destroyed. They have to go back to live with relatives, or, if they were able to do so, they tried to get work again.

The insurance which people had taken out to educate their children, when the children were 2 or 3 or 4 years old, would not even start them in college when they reached the age of 17 or 18. Members of this body know it, and they do nothing about it.

TESTIMONY OF SECRETARY HUMPHREY BEFORE FINANCE COMMITTEE AVAILABLE

Testimony is available now to every Senator. It is testimony given before the Committee on Finance, and volume I of that testimony has already been printed and is available to every Senator. There was the testimony of the Secretary of the Treasury to the effect that the fixing of the interest on the bonds which are to be sold was his duty. He had the duty to fix the interest rate. He said he did his best to fix the interest rate high, so that the bonds would sell. Of course, the value of the money fixed it for him. However, in the last analysis, it was his judgment whether a bond carried 2 percent or 3 percent or 4 percent or 5 percent interest, or even 10 percent interest. The bonds had to sell.

He testified that the Federal Reserve Board could determine the amount of money in circulation. Any 7-year-old schoolchild knows that the amount of money in circulation will ultimately fix its value. There is no mystery about that.

MORE IMPORTANT TESTIMONY GIVEN

Mr. Martin, who is currently appearing before the Committee on Finance, is the man who, with his board, can determine, to the best of his judgment, how much money ought to be in circulation.

CONSTITUTIONAL POWERS DISSIPATED BY CONGRESS

The Constitution provides that Congress shall issue money and fix its value. The Constitution also states that Congress shall regulate foreign trade. However, it is no longer that way. Senators who are interested will find, by digging a little into the matter, that about all this body has left is the fixing of the tax rate.

Under my questioning, something else was developed. I asked the Secretary of the Treasury a certain question. He kept referring to the fact that Congress controlled the appropriations. I got a little tired of hearing that, and I said, "Is that so? Would you mind digging up the record for about 20 years, and put in the RECORD the recommendations that came from the White House and what was actually appropriated?"

I said, I did not think it would vary 3 percent. It did vary at one time, but not now.

Congress fixes nothing. It follows orders. I cannot tell where along the line Congress lost it, its authority and its courage, but it lost it. It lost it in connection with the regulation of the trade and the national economy, and lost it in regulating the amount of money to be appropriated. Congress does not move without asking what the White House wants. Congress is afraid to do anything.

PROFESSED OBJECTIVES OF FOREIGN AID EXAMINED

Mr. President, what are the real objectives of foreign aid? According to the testimony of administration promoters of the program, the primary objectives are:

First. To provide military equipment to other countries. I want to say on that point that most of the military equipment has been used to do things that we do not countenance, and a great deal of it has fallen into the hands of our enemies, as it did in Indochina and in other places, when a country falls, which it always does.

Second. To provide economic aid which will compensate the other countries for expenditures they are making in their own behalf for defense.

Third. To assist in the economic development of other nations.

WIDE UNDEVELOPED AREAS OF UNITED STATES RECEIVE NO HELP WHILE AID POURS OUT TO FOREIGN COUNTRIES

I have heard a great deal about the development of underdevelopment areas and undeveloped areas. I want to state for the record that a very small percent of the United States has been geologically mapped.

If any Senators want to see some undeveloped areas, and will spend a few weeks with me after the Senate finally gets through with its work—if we can call it that—and spending taxpayers' money, I will show them in the United States some really undeveloped country, and also areas of the country which have been developed and which have gone back to the savage state because of inflation or because of the things that I have described today.

Half of the people who are talking about undeveloped areas have never been west of the Potomac River or west of the Hudson River. They would not know what we are talking about. They would not recognize an undeveloped area if they saw it, particularly if they saw it in the United States. It looks good on paper to talk about undeveloped areas. Those people are not trying to improve our own vast underdeveloped areas; they are trying to do 1 of 2 things, stay on the payroll or save the world.

FOREIGN AID MEMORANDUM

The salesmen of the program which is costing our taxpayers $4 billion a year make it sound very attractive and entirely altruistic.

When they come up here on Capitol Hill to testify before committees they profess a mission to save the world.

In their own offices, I suspect, there are also other motives.

A memorandum of the International Cooperation Commission which I have here, issued last December, adds to my suspicions.

It is titled "ICA Policy Relating to Worldwide Procurement."

That policy is to obtain commodities for ICA distribution to foreign countries at the lowest free world price at which they can be obtained anywhere in the world.

ICA TEXTILE PURCHASES IN JAPAN

If the lowest price can be obtained in Japan, as happens to be the case with textiles, ICA procures its textiles from Japan.

The ICA memorandum states frankly:

> In 1955–56, Japan was the largest beneficiary of the ICA world wide procurement policy, including offshore procurement of basic textiles.

ICA purchases in Japan totaled $66,139,000.

That should make our American textile men and workers suffering from imports of low-cost Japanese textiles a little skeptical of the advantages to them of foreign aid.

At the same time it knocks the props out of the argument of the foreign-aid promoters that one objective is to assist in the economic development of a nation.

When they buy offshore goods in the lowest cost market—the lowest cost foreign market, that is—they are putting a premium on low wages and low living standards.

JAPANESE TEXTILES CHEAPEST BECAUSE WAGE RATES LOWEST

Japanese textiles are cheap because Japanese textile workers get 13 to 19 cents an hour.

As long as Japanese employers keep wages lower than anywhere else in the world they can enjoy the millions of dollars shelled out to them by ICA's procurement agents.

So the real ICA objective is not merely low-cost goods but cheap labor and low wages.

Foreign workers are not dumb.

When they see a policy of another country working to keep their own wages at minimum levels they must consciously

or subconsciously resent both the policy and the country that laid it down.

They are not concerned about the profits accruing to their employers through having ICA as a customer. They know and the employer knows that the reason ICA is a customer is that nowhere are prices and wages lower in the particular item they produce and sell to ICA.

ICA POLICY HOLDS WORLD WAGES TO LOWEST LEVELS

The employer knows that if he is to continue having ICA as a customer he must hold his wages down and if some other foreign country can get its labor cheaper he must meet the competition.

Mr. President, is it any wonder that throughout the low-wage countries of the world the working people are becoming more and more cynical about American idealism and more and more antagonistic toward the United States?

The riots and disorders that have occurred in other parts of the world to disturb our missions have all taken place in low-wage countries. We blame Communist agents and there is no doubt that Communist agents are active in fomenting these riots. They always are where there is a fertile field for such activity.

COST-WAGE POLICY PRESENTS FERTILE FIELD FOR COMMUNISM

And wherever foreign aid is subsidizing employers of low-wage or subsistence-wage labor and encouraging them through a misguided policy to keep wages at a minimum there is a fertile field for Communist agents and propaganda.

Mr. President, this brings me back to the real objectives of ICA as expressed in the Memorandum previously referred to.

The memorandum states:

In the management of procurement this means the obtaining of the lowest Free World price for the commodities furnished or purchased through the Mutual Security Act:

1. Development of strong mutually beneficial international trade relations among the nations of the Free World.

2. Promoting a sounder basis for our own international trade in competition with that of the friendly nations. (Trade which requires aid to sustain it will create pressures to continue aid after the original justification has ceased.)

3. Sustaining the development of the economies of the friendly nations, including those we are giving direct assistance to at this time as well as those which are no longer receiving direct aid.

FOREIGN AID A SUBSIDY TO TRADE

Those are ICA's inner-office objectives, and they all boil down to trade. The real purpose of foreign aid is to increase foreign trade by subsidies paid out of the pockets of American taxpayers. Since World War II these subsidies have amounted to nearly $60 billion, all to promote foreign trade.

Point No. 2 or objective No. 2 if you prefer is designed to perpetuate foreign aid forever.

ICA'S PRESSURE TACTIC

Let me read the second sentence of this ICA paragraph again.

Trade which requires aid to sustain it will create pressures to continue aid after the original justification has ceased.

What trade? Trade that requires aid to sustain it.

What effect? Such trade will create pressures.

What pressures? Why pressures to continue foreign aid after the original excuses for the foreign aid program have vanished.

One might examine this sentence further and ask what trade requires foreign aid to sustain it. That is simply trade that cannot stand on its own feet, trade that is artificial, unsound or uneconomic both from the standpoint of quality or quantity. Or it may be trade founded on such pitiful and abysmal wages that the producer refuses to pursue it without a perpetual subsidy.

Artificial trade in any form does not assist in the development of economies. If it does anything, it holds them down and ICA's lowest Free-World-price policy is designed to hold wages and living standards down.

DISTRIBUTION OF ICA PROCUREMENT DOLLARS GIVEN

ICA will answer that irregardless of this policy it is purchasing most of the goods it supplies to foreign nations in the United States, that during the 1956 fiscal year of a total of $912,899,000 spent on commodities $624,520,000 were spent in the United States and $288,379,000 in foreign countries. Thus the taxpayers, they will contend, got back more than two-thirds of the total expended on commodity procurement in wages, dividends, or profits.

Procurement of food and agricultural commodities was almost entirely in the United States, 96 percent, but that of miscellaneous fibers was only 5 percent, that of nonmetallic minerals 4 percent, and the percentage of metallic ores and concentrates procured for overseas distribution in the United States was so negligible that it was not recorded.

Thirty-six percent of the iron and steel mill material and products, including ferroalloys which ICA supplied to foreign countries was purchased in the United States and 64 percent abroad. Twenty-two percent of the nonferrous metals and products distributed by ICA were procured in the United States and 78 percent abroad. Forty-two percent of the lumber and lumber manufactures were bought in the United States and 58 percent abroad, all foreign purchases, of course, being made with American taxpayers' money.

POWER TO REMAKE INDUSTRIAL MAP OF NATION NOW HELD JOINTLY BY ICA AND STATE DEPARTMENT

Mr. President, I have observed on this floor on several occasions that the State Department through passage of the 1934 Trade Agreements Act, obtained the power to remake the industrial map of America. ICA now has obtained the same power through foreign-aid legislation passed by Congress.

If any particular industry is in disfavor as the metals and mining industries obviously have been through three administrations and as the textile industry seems to be, ICA can channel its purchases abroad to the cheapest market. If a particular industry is in favor ICA can concentrate its purchases at home.

ICA itself notes in its policy memorandum that there are exceptions to its policy of obtaining the lowest Free World price when procuring commodities for foreign distribution. One exception imposed by Congress in previous acts affects purchases of surplus agricultural commodities. Perhaps that is the reason ICA has bought a larger percentage of agricultural products here and a smaller percentage abroad than any other item.

ICA PURCHASES IN FOREIGN COUNTRIES LISTED

Mr. President, I ask unanimous consent to have printed in the RECORD a list of foreign countries and the amounts paid to each in fiscal 1956 by ICA for commodities for foreign distribution.

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

Nonproject commodity expenditures during fiscal year 1956 [1] by area of source, July 1, 1955–June 30, 1956

		Thousands of dollars
Grand total		912,899
Source of procurement:		
United States		624,520
Canada		11,816
Far East		94,328
Japan	66,139	
British overseas territories	14,244	
Indonesia	7,154	
China (Taiwan)	3,414	
Philippines	2,951	
Other countries	427	
Near East, Africa, and south Asia		14,519
Overseas territories	4,379	
Union of South Africa	3,847	
Israel	3,099	
India	2,918	
Other countries	276	
Latin America		10,174
Cuba	3,071	
Uruguay	2,653	
Dominican Republic	1,549	
Brazil	1,054	
Other countries	1,847	
Europe		156,529
Germany (Federal Republic)	43,113	
France	39,755	
United Kingdom	31,950	
Italy	11,643	
Belgium	6,772	
Sweden	6,108	
Austria	5,910	
Switzerland	3,712	
Netherlands	2,792	
Denmark	1,673	
Other Europe	3,102	
Other countries		1,013

[1] The above data do not include project expenditures during period fiscal year 1956 which were as follows:

Source:	Thousands of dollars
Worldwide total	126,715
United States	78,754
Offshore	47,961

ICA'S RESPONSE TO INQUIRE ON PROCUREMENT POLICY

Mr. MALONE. Mr. President, in connection with this program of worldwide procurement by ICA using taxpayers money I addressed a letter a year ago to John B. Hollister, administrator of ICA,

requesting certain information about the program and policy. A little more than a month later I received a reply from Guilford Jameson, Deputy Director for Congressional Relations, containing the information sought.

I ask unanimous consent that this correspondence be printed in the RECORD, as it provides data on ICA purchases in the United States and abroad prior to the current fiscal year.

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

JUNE 13, 1956.

Mr. JOHN B. HOLLISTER,
Administrator, International Cooperation Administrator, Washington, D. C.

DEAR MR. HOLLISTER: In numerous ICA bulletins offering procurement information to businessmen, the procurement source of many commodities is given as "worldwide." Please define this term for me, listing the countries which it includes, and those countries, if any, which it excludes.

For example, in ICA Bulletin No. 116 the procurement source for truck contracts for the benefit of Brazil is given as "worldwide." Does that mean that any American or foreign company manufacturing trucks abroad may bid on this contract, and if not, companies operating in which foreign countries may not so bid?

Procurement items for India, Pakistan, Indonesia, the Philippines, Spain, and Formosa also are listed in this bulletin for "worldwide" procurement, although many of these commodities are manufactured in the United States in ample supply to meet both domestic and export demand.

Kindly advise me also the total of ICA expenditures on foreign products and manufactures for foreign use or distribution, and the total of ICA expenditures on products and manufactures of the United States and its possessions for use or distribution abroad.

I would appreciate similar information with regard to the respective totals on expenditures by predecessor foreign-aid agencies since adoption of the Marshall plan. This information is needed for legislative purposes.

Sincerely yours,
GEORGE W. MALONE,
United States Senator.

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D. C., July 17, 1956.

Hon. GEORGE W. MALONE,
United States Senate, Washington, D. C.

DEAR SENATOR MALONE: Reference is made to your letter of June 13, 1956, receipt of which I acknowledged on June 18. In your letter, you asked for clarification of the term "worldwide" and for certain statistical data regarding purchases financed by the International Cooperation Administration and its predecessor agencies.

The term "worldwide" as defined in this agency's Geographic Code Book means: Any country in the world except those listed below (and the participating country itself when used as a possible source for purchases):

Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland (including Danzig), Rumania, China mainland (including Singkiang, Manchuria, and Tibet), North Korea, Vietnam (North of the 17th parallel), and the U. S. S. R. (including Estonia, Latvia, South Sakhalin, and the Kurile Islands, formerly Japanese territories under U. S. S. R. administration).

The term does mean that the materials authorized may be purchased from any eligible source country. The procurement policy of the International Cooperation Administration is to encourage the purchase of commodities, equipment, or materials financed under its programs at the lowest cost, all other relevant factors being equal.

This is not to be interpreted as making "lowest cost" the only governing factor in determining source of procurement; there is a need to make certain that bids by or purchases from foreign suppliers are evaluated in terms of other relevant factors, such as quality, specification and design, terms of delivery, etc., as well as price, so as to insure that the United States and the beneficiaries of our dollar aid will receive full value for the expenditures.

In authorizing worldwide procurement, the International Cooperation Administration takes care to insure that the United States is always included as a source and that American industry has the opportunity to participate in all ICA-financed procurement through the wide publicity given procurement, as well as through this agency's insistence on adequate and comparable quality standards. It is believed that the foreign interests of the United States and the purposes of the Mutual Security Act are best served by a policy which permits all Free World countries, including the United States, to compete for ICA-financed procurement.

During the period from April 3, 1948, to June 30, 1955, the predecessor agencies of ICA expended $14,464,321,000 for commodities, of which $10,113,102,000 came from United States suppliers. For the 8-month period from the establishment of ICA on July 1, 1955, through February 28, 1956, a total of $609,365,000 was expended, of which $394,209,000 went to suppliers in the United States.

Trusting that this is the information you require, I remain,

Sincerely yours,
GUILFORD JAMESON,
Deputy Director for Congressional Relations.

Mr. MALONE. ICA stands for International Cooperation Administration. I say that for the information of people who have not known of the fast changes in the names of late.

Mr. President, it is noteworthy that Mr. Jameson confirms what I have stated about the procurement policy of ICA. He states:

The procurement policy of the International Cooperation Administration is to encourage the purchase of commodities, equipment or materials financed under its programs at the lowest cost, all other relevant factors being equal.

FIFTEEN-CENT PER HOUR FOREIGN LABOR PREFERRED TO AMERICAN WAGE RATES

He speaks of the lowest cost. That means 15-cent an hour labor or no-cost labor all over the world, in competition with our labor, under conditions where a man lives in a home with curtains on the windows, who makes about $15 or $17 or $20 a day.

Later on he states:

In authorizing worldwide procurement, the International Cooperation Administration takes care to insure that the United States is always included as a source and that American industry has the opportunity to participate in all ICA-financed procurement through the wide publicity given procurement, as well as through this agency's insistence on adequate and comparable quality standards.

It is believed that the foreign interests of the United States and the purposes of the Mutual Security Act are best served by a policy which permits all Free World countries, including the United States, to compete for ICA-financed procurement.

In other words, industries and wage earners must compete with those of foreign countries to get back a portion of their own tax dollars and in addition must compete on a lowest cost basis.

Competition on a low-cost basis usually is achieved by superior mechanization or a lowering of wage rates.

FOREIGN INDUSTRIES SUPPLIED WITH LATEST EQUIPMENT THROUGH FOREIGN AID

ICA has seen to it that old world industries and factories obtain at American taxpayers' expense, of course, machinery and equipment equal to their competitors here at home and frequently superior.

It is frequently superior because it is the newest and most modern available. Many American industries, burdened by taxes and with their capital and margins of profit cut to the bone by competition against foreign goods entering the United States on a free-trade basis cannot afford to modernize and must be content with obsolete equipment.

There remains wage competition.

Fortunately labor in America has been able to resist lowering of their wage rates to meet foreign standards. They have succeeded because they are strongly organized, and the senior Senator from Nevada hopes that they will continue to succeed.

THE MENACE OF FOREIGN-AID-PROMOTED COMPETITION

But ICA and the State Department is exerting pressures on the American economy designed to do 1 of 2 things:

First. Eliminate the job, or

Second. Reduce wages.

ICA's policy of worldwide procurement with American tax dollars at the "lowest cost," threatens to do both.

First, when foreign commodities are purchased they displace American labor. A Japanese textile worker, for example, producing for ICA's world giveaway, means one less American worker given the opportunity to produce for the commercial world market.

Second, to regain such an opportunity, there are the inevitable pressures to reduce wages in American textile factories to the Japanese level.

It was not for the purpose of finding a more delightful climate that many of our northern textile enterprises moved south. A more important location factor was the lower wage rates to be found there. Now the business of these mills and factories, and many of the jobs also, are going to Japan where wages are infinitesimal. And ICA is encouraging this trend.

A THREAT TO ECONOMIC SUICIDE

Foreign aid is a continuing threat to American industry, the wage earner and investor, compelled all to help pay, through taxes, for their own injury or extinction.

Foreign aid creates and stimulates artificial competition against American free enterprise, as virtually admitted in the ICA policy memorandum I referred to previously. It will also stimulate further artificial trade and aid as many

years as Congress votes to continue it. Because, and I again quote from the ICA policy memorandum:

> Trade which requires aid to sustain it will create pressures to continue aid after the original justification has ceased.

Foreign aid forever appears to be the ICA motto.

AMERICAN DOLLARS BUILDING BIGGER AND BETTER FOREIGN INDUSTRIES AND PROJECTS

Mr. President, some of the greatest projects we have in America have been duplicated in foreign countries. I have seen industries developed which were equal to and frequently superior to those in the United States, and they were all paid for by the taxpayers of the United States.

Earlier in my address I mentioned four organizations organized by the United States, one of them entirely financed by the United States, up to $5 billion—the Import-Export Bank. The other three world organizations have been financed up to 35 percent by the money of the American taxpayers.

The board of directors includes one member from each country. From 60 to 70 countries are represented. The vote is according to the amount of money invested, which means that they control the organizations. The organizations are under foreign control.

So all we have to do is say where the money is going. The United States of America has very little to say about what is done except to put up its taxpayers' money.

As my good friend of 1914 or 1915 said, when I was sleeping out in the brush and making the surveys of cattle ranges, "I would not mind paying them once if they would stay bought. But paying them every year gets a little monotonous."

HARRY DEXTER WHITE'S MEMORANDUM ON RESOURCES RECALLED

The first World War II foreign aid program was proposed by Harry Dexter White, as I said earlier in my address. Harry Dexter White was a great American except for one thing: He was a traitor, like Benedict Arnold and others who have gone down in history. Of course, we did not finance and spend our money as Mr. Benedict Arnold told us to. After he left in a sort of rush, we quit following his advice.

But Harry Dexter White died, and we are still following every program he proposed, except for one thing which we did not accept, and only the Lord knows why we did not do that.

When he was Assistant Secretary of the Treasury under Mr. Morgenthau in 1945, Harry Dexter White submitted a memorandum which is included verbatim in Senate Report 1627, 83d Congress. We sent our research men to Princeton University to dig it out.

MULTI-BILLION-DOLLAR LOAN TO RUSSIA URGED BY WHITE

White suggested to the Secretary of the Treasury, in detail, that we give Russia from $5 billion to $10 billion. For what? To furnish us the raw material—manganese, tungsten, oil, and other raw materials—which he said we did not have. We placed in the report the memorandum and the table. He said we had a 3-year supply of tungsten; that we had a 5-year supply of manganese; and a 10- or 12-year supply of oil.

Of course, everyone knows that we now have 10 times as much of everything he mentioned as we had then. All we had to do was to pay the difference in the wages and other fixed prices, or a duty, as mentioned in article I, section 8, of the Constitution. If Congress will fix the duty, we are in business in all those materials of which Harry Dexter White said we did not have.

Mr. Harold Ickes, that great Secretary of the Interior, died believing that the United States had none of those materials. Every year he would urge that steps be taken to make the Harry Dexter White doctrine effective. I do not believe he did it as a traitor. I think he was a loyal American. But the fact is that he followed Harry Dexter White's line. But, was he any worse in doing it then than we are in doing it now?

MEMORANDUM PASSED ON TO WHITE HOUSE BY SECRETARY MORGENTHAU

Harry Dexter White submitted that memorandum. If anyone is interested in knowing what is in it, he can look it up. Copies are available in the Government Printing Office. Secretary Morgenthau submitted the memorandum intact, practically without a word changed, to the President of the United States. It consisted of 3 pages. The President was quite impressed, and refused to approve continuation of the buy-American act. He said we should get these materials from foreign nations and save our own supplies. Save what? What can we save if we do not know where it is?

How can anything be saved if it is not produced, and produced profitably, under our system? How can we know where it is?

THE TUNGSTEN SHORTAGE MYTH

Harry Dexter White said the United States had a 2-year supply of tungsten in 1945. In 1953, under the Malone-Aspinall Act, a price was fixed which we figured, after consulting many authorities, would equal practically the difference in the wages in the United States and in the chief competing country. In 3 years tungsten was practically running out of our ears. We had more in the stockpile than we could use. We still had free trade, but we developed a tungsten industry. Tungsten is still bought from foreign countries which pay their labor low wages.

But we are now proving that all we needed was either a duty or a fixed price to make up the difference between the wages and the taxes in this country and the wages and the taxes in the chief competing country. We have all the tungsten we want, more than we can possibly use in 500 years.

TUNGSTEN MINES NOW CLOSING DOWN

The tungsten mines are now closed down, and we are back where Harry Dexter White started us. We are following his plan and do not even know it, just as Mr. Ickes did not know it.

Undoubtedly Mr. Ickes was a fine man. I never had the pleasure of knowing him intimately. He would talk, and there seemed to be no connection at all between the facts and what he said. It was a case of his opening his mouth and talking, but he had the authority and backing of the President of the United States, and he made Congress like it.

NO ASSURANCE OF ETERNAL FRIENDSHIP BOUGHT BY FOREIGN AID

Can anyone in the International Cooperation Administration—that is the ICA—or in the State Department, or in any other agency of the Government give us the assurance that if the bill is passed, that 12 years from now everyone of the 81 countries will be friendly to us, or will even be neutral?

Secretary of State Dulles made the remark of the century. He said he did not care whether those nations were friendly to us or not. He simply did not want them to go Communist. Mr. President, the word "Communist" is loosely used.

In 1955 I had already visited all of our star boarders in Europe and Asia. I thought I had finished the job, so I got in touch with the Russian Ambassador here. The Ambassador is still here. He happens to be in the engineering business, so we spoke a sort of common language.

I said, "I would like to go to Russia and take a look at some of your plants."

SENATOR RECALLS U. S. S. R. INSPECTION TOUR

A passport was issued to me. The State Department also issued what they called a passport, at first, but they wrote on it, "This is not good to go from one country to another in certain places, without the further approval of the State Department." So I sent that one back and got another one.

So I got into Russia. Whoever the Ambassador was at that time is not there now, but he spoke Russian better than the Russians do. But he was under the civil service, and he could not do anything which would offend anyone, because it might get back to the civil service, and he was under the retirement setup. That is one thing which has ruined our Foreign Service. Our Foreign Service employees simply have to be friendly and must be complimented all the time by the nation in which they are serving.

When I first paid my respects to the Ambassador, he said, "You understand that your visit is unofficial, and that I cannot do anything to introduce you to anyone."

I said, "Mr. Ambassador, if you will take another look at this visa, I have news for you. I have no connection with the State Department. I am not looking for any connection with the State Department. All I want you to do, when you say my trip is unofficial, is to do your duty according to the rules of the State Department. Then you and I will get along all right. Otherwise you and I will be in serious trouble."

INTRODUCTION OFFERED

Some news reporter must have gotten hold of that statement, because it went

all over the world. The next day the Ambassador called me in and said, "I will introduce you to anyone whom you suggest."

I said, "You could, but it would not be much of a recommendation for you to do that." At that time the Russians would not let the Ambassador or anyone else from the State Department leave Moscow. But I was able to travel all over Russia. I covered some 7,000 miles. I traveled into the Urals and got as far as Tashkent, in the heart of Russia.

RUSSIA HEAVILY MINERALIZED

All the minerals in the world are to be found in Russia. I could tell the Senate a good deal about Russian industry. We are now making a report, which will be the equivalent of two reports. One relates to the Western Hemisphere, and shows the location and the economic setup of each of the 46 nations of the Western Hemisphere.

We are now doing that also for the Eastern Hemisphere, under a Senate resolution. I hope that will be completed sometime early next year. I believe it will be considerable news to the people who are taking what they hear from the State Department and other places in the way that a bass takes a bait.

I wanted to take one of the Ambassador's staff members as an interpreter, but they would not let him leave Moscow. Finally, I was able to go anywhere I wanted to go. So I am not so sure that the recommendation I received would have been of much account if I had had it to begin with.

VISIT TO BULGARIA

Then I went to Bulgaria. One of our representatives there some time previously did not exactly conform to the Bulgarian social customs, and the Bulgarian officials took him to task. As a result, we canceled our diplomatic relations with Bulgaria. Since Bulgaria is a very powerful nation, of course we were very bold in taking that action. However, I notice that we did not cancel our diplomatic relations with Russia when Russia told us to go to places which the Russians described, which would not be very habitable. But we canceled our diplomatic relations with Bulgaria.

I visited all the Balkan countries, after first going to Czechoslovakia and Austria and Hungary. Later I visited Rumania, and finally I reached Bulgaria. I had obtained a considerable amount of information about the Balkans.

ENGINEERING BACKGROUND VALUABLE IN TOUR BEHIND IRON CURTAIN

For years I have been in the engineering business, and I have gathered information throughout the world, because that has been part of my business. I knew that there were fissionable materials in Bulgaria. So I wanted to go there. So, from Rumania, I telephoned our Ambassador in Bulgaria. Then I talked to one of the Bulgarian officials. I could not speak his language, and he could not speak mine. So communication was a little complicated for a while, but was not too difficult.

I made arrangements to go to Sofia. There I had a meeting with 7 or 8 of the Bulgarian Ministers. I spent some time there. I asked them to tell me something about their history. I said to them, "I have no great knowledge of history; I have never had much time to study it." So they started to tell me about their history. At one point they said, "Turkey occupied us for 500 years." Then they proceeded with the discussion; they seemed to make no great point of that catastrophe.

BALKAN NATIONS LONG DOMINATED BY GREAT POWERS

But we say we are going to make all those little countries free. Mr. President, for 2,000 years those countries have been subjected to the influences of Germany, Russia, and Turkey.

Germany, Russia, and Turkey have dominated practically all the other nations of Europe. Even when I was in Finland, I found that at one time Sweden dominated Finland for many years. I was surprised to learn that; I never knew that the Swedes had that sort of disposition. But I guess there was a good deal that I did not know until I began to meander around the world. I also found that Poland occupied Moscow at one period of time.

However, my point is that none of the Balkan nations has ever been free for any great length of time. The only question was who would control them. Therefore, Mr. President, if we were to turn one of them lose today, it would be just like turning a minnow loose in a catfish pond; the only question would be who would catch it.

SENATE REPORT NO. 1627 CITED

While I was in Bulgaria, I found out about the Bulgarian deposits of uranium and other materials, which we used to think we could obtain only from South Africa. You know, Mr. President, until 1954, when we brought to the President the report on the Western Hemisphere, he used to think that of course we had to protect Belgium and the Belgian colonies because we had to get uranium from the Belgian Congo.

The report shows that the Western Hemisphere can be made self-sufficient, either for war or for peace.

Mr. President, in July 1954, I said that if our taxpayers were treated half as well as the United States has treated the foreigners, uranium found in the United States of America would be "running out of our ears" in 2 years. Actually, Mr. President, it began to "run out of our ears" within 1 year.

URANIUM DEPOSITS IN UTAH AND COLORADO FIRST STUDIED IN 1938

I had studied the uranium deposits in Utah and Colorado as long ago as 1938, when I made a report on the 11 Western States. The report also covered the situation in Alaska, the Philippines, and Hawaii. That report is still available, and the deposits described in it are still available.

But now the United States is going to buy uranium and ship it all over the world. Is that not wonderful, Mr. President?

In the last few days I have noticed in the newspaper articles which state that the United States is again going to recognize Bulgaria. I guess the Bulgarians have, by now, been properly disciplined. Of course they seemed to get along fairly well without being recognized by the United States.

But perhaps we wish to send to Bulgaria some more of our money, and no doubt we must recognize Bulgaria if we wish to send money and equipment there, if we wish to treat Bulgaria in the same way that we treat the dictator of Yugoslavia, who has "worked both sides of the street" ever since World War II, although everyone knows that in the event of war, he will be on the side of Russia.

BALKAN NATIONS SMALLER THAN SOME UNITED STATES COUNTIES

Some of these countries are not as large as some counties in the United States. On many occasions I have gotten into an automobile at 7 o'clock in the morning, to travel from one of those countries to the next one.

The country I was in would have its Ambassador travel with me. But he could not cross the boundary line. So I would drive up to the boundary line with one Ambassador, and there I would meet the Ambassador of the other country.

In the morning Mrs. Malone would put on her levis—you see, Mr. President, she travels with me almost everywhere I go—and, accompanied by the Ambassador of that country, we would drive up to the border line, and there we would meet the Ambassador of the next country, and from that point we would travel with him. Is that not a fine howdy-do, Mr. President? And we finance the whole business.

EDITORIAL COMMENT ON FOREIGN AID CITED

Mr. President, beginning on May 21 and concluding on June 10, 1957, a series of four editorials on the question of foreign aid was published in the Wall Street Journal. The first of the editorial is simply entitled "Foreign Aid." It points out that—

> The people are now disillusioned with this 20 years of foreign aid programs.
>
> Reasons for the disillusionment of the people are not hard to pin down.
>
> It is not just that taxes continue at a high level. It is not just that inflation continues to chop away at salaries and savings. There is the overriding fact that foreign aid just hasn't seemed to have gotten anywhere.
>
> Just since the end of World War II some $55 billion has been rushed abroad, much of it to hold back communism. But where communism has been held back there is the very great question of whether it wouldn't have been held back anyway. And in some places where contributions have been made, the people there have come to regard the aid as a permanent price for not going Communist.
>
> Then there have been cases—as in the Middle East recently—where offers of aid have been more embarrassing to anti-Communist forces than of help to them: Offers of dollars were offered as proof by pro-Reds that the United States was about to take over the country.

Elsewhere the editorial states:

> The administration must have some favorable examples to set against the case of Indonesia—freed as a Dutch colony from the Japanese with American help, backed in its drive for independence from the Dutch by

this country, granted dollar help and now—so its leaders announce—looking to Moscow for precept in molding itself into a nation.

Indonesia, which has received $259 million in grants and credits, more than a quarter billion dollars, is the country cited in this editorial.

THE RECORD OF FOREIGN AID TO BRITAIN

But what about Britain, which was given $4,277,000,000 in World War I in loans that have never been repaid and never will be, $28,600,000,000 in World War II, $3,750,000,000 in 1946, and $3,087,000,000 of American taxpayers' money since then?

Britain, in return for this $39,714,000,000 in foreign aid has recently signed a pact with Red China to supply her with materials and equipment that will inevitably go to build up the Communist war machine; has reduced her own military budget by more than $600 million, has welshed on her commitments to help defend Western Europe, has reduced her armed forces, has waged aggressive war against weak Egypt until deterred by Soviet threats and a United Nations resolution, and has begged off from payments on the $3,750,000,000 loan she made from the United States in 1946.

BRITAIN'S BID FOR MORE RED TRADE

Britain today is closer to Soviet Russia than she has ever been since the height of World War II. Where have the billions loaned and given Britain by the United States helped us in deterring communism?

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. David Lawrence, titled "Shades of the Days of Munich," published in the Washington Evening Star and other newspapers under date of June 12, 1957.

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

SHADES OF THE DAYS OF MUNICH—BRITISH TRADE WITH RED CHINA, AS WITH HITLER, SEEN SPEEDING WAR

(By David Lawrence)

Sometimes the biggest news is invisible, glossed over, or minimized because government, itself, doesn't speak out about the dangers of what is happening contemporaneously. For something very alarming has just happened that could be one of the steps which would force a world war on the American people in the next decade.

The question might well be asked out of bitter experience—are the free nations today preparing to arm the enemy and will they not thereby accelerate the time when a third world war may sweep the globe?

The decision on the part of Great Britain to break faith with the United States and seven other nations by relaxing the embargo on trade with Red China is a sensational development. It is unquestionably a turn of affairs which spells a weakening of the position of the free governments in the cold war.

Hitler bought his arms from British colonies and territories and kept supplying his munitions stockpile up to almost the very month when the Second World War broke out in 1939. The allies paid for that mistake—in human lives lost.

British merchants kept on trading with the enemy through nearly 3 years of the First World War at the same time that American trade with neutral countries was being interferred with by the London government. This prolonged the conflict and the casualty lists.

Had there been an economic embargo against the dictatorships, as the League of Nations proposed in the 1930's, there would never have been a Second World War. Had the British ceased their trade with the enemy earlier than they did in the First World War, the conflict would have been terminated sooner.

Now is history to repeat itself? For the sake of material gains, are the Red Chinese to be industrialized so that they can become a menace to Japan, to the Philippines, to all of southeast Asia as well as to Indochina and perhaps India?

The British are eager to send goods to Red China which they declare are not strategic. But this, nevertheless, will relieve the shortages that the Red Chinese must overcome in order to concentrate on articles of a strategic nature. It also will ease Russia's present burden in supplying Red China.

The Red Chinese do not have an abundance of foreign exchange with which to buy any substantial amounts from the British, but they will substitute goods of a higher strategic priority for war purposes which they need badly.

This is the biggest victory which the Communists have won since the cold war began. It has spread nervousness throughout the Far East, and it could easily lead to such a crumbling of the situation as to add materially to the cost the American taxpayers eventually will have to bear to defend the American line from Japan to the Philippines.

The story of what happened at the international conference which considered the revision of the trade embargoes has not been fully told. Eight of the fifteen nations agreed with the American position of restriction. Only five sided with the British, and neither Japan nor Canada voted. This means that in the face of the majority of the free nations involved, Great Britain decided to go it alone and open up trade with Red China.

This victory for the Communists, moreover, comes at the very time when the United States and its allies in Asia have gotten the upper hand. It comes when Indonesia and India are more worried about Soviet intentions than they ever have been. It comes when Western influence in Burma and Cambodia has been rising. It comes when a strong defense is being built up by the free people in Indochina. It comes at a time when the Chinese Communists have not shown the slightest sign of becoming peaceful but on the contrary, have manifested a greater degree of belligerency than before. They have violated the armistice in Korea and have built up airfields for jets. They have constructed new military supply lines to mount a threat against Formosa. They hold by force of arms two provinces of Laos and Cambodia.

Now the Asian nations see Great Britain weakening on the embargo and observe also lots of people in America talking naively about going along with that decision as a practical matter. It is all so reminiscent of Munich and the prewar days when many people thought you could do business with Hitler.

President Eisenhower has not spoken out clearly as yet about the situation. In fact, his offhand comments at the press conference last week gave the impression that it is up to Congress and that there is a law which prevents our trading with the Red Chinese. The embargo can be dissolved overnight by a Presidential revision of the Executive order now in effect. The President doubtless has been briefed by now on the implications of any weakening by America and on the dangerous consequences in southeast Asia as well as the Far East. It may be assumed that an official statement reiterating the position of the United States and expressing regret at Britain's decision to go it alone in world affairs will soon be forthcoming.

It is by mistakes arising out of a selfish materialism that the peaceful nations of the world find themselves dragged into war. To arm the Red Chinese now by letting them industrialize rapidly is to bring nearer the day of a third world war.

THE RECORD OF FOREIGN AID TO FRANCE

Mr. MALONE. Mr. President, France offers an example of foreign gratitude for American aid.

During and after World War I the United States loaned France $3,996,658,000. During World War II we gave her $2.6 billion. Since World War II we have given her another $5,257,000,000. France thus has benefited by more than $11 billion of American taxpayers' hard-earned dollars.

Yet, here is France today, after the abortive Egyptian invasion, imposing drastic new import curbs on American and other foreign products and readying, according to reports from Paris, plans to tap the United States for a loan or gift of another $400 million.

More disturbing than that is the fact that, while the United States has been lavishing military aid and supplying France with military airplanes, France has been selling warplanes of her own manufacture to other countries.

In the hearings before the Foreign Relations Committee on June 4, 1957, Mr. President, that fact was admitted by Brig. Gen. John S. Guthrie, Director of the European Region, Office of European Regional Affairs, Department of Defense.

UNITED STATES SUPPLIES PLANES TO FRANCE WHILE FRANCE SELLS OWN PLANES TO FOREIGN COUNTRIES

General Guthrie was being questioned about the need to increase funds for military assistance to Europe from $261 million to $338.5 million.

One of the reasons, he testified, was the desire to supply France with P-2V aircraft.

The distinguished Senator from Vermont [Mr. AIKEN] questioned General Guthrie.

Senator AIKEN. Hasn't France sold military equipment of her own manufacture to other countries?

General GUTHRIE. We have encouraged all the countries, who are capable of doing so, to manufacture equipment.

Senator AIKEN. For sale?

General GUTHRIE. Including sale to other countries. They have to have a market somewhere.

Senator AIKEN. And France has made sales to other countries?

General GUTHRIE. I believe they have. So has England.

FRENCH SALES RECALL BRITISH JET-ENGINE SALES TO RUSSIA

Mr. President, some of the Members of this body may recall that in 1947, while we were advancing billions to Britain in foreign aid, the senior Senator stated on this floor that Britain was selling jet engines to Soviet Russia.

At first my statement was denied by responsible authorities in the executive branch, but later it was admitted, substantiated and confirmed.

The jet engines that England sold to Soviet Russia were prototypes of jet engines used in Korea to shoot down American flyers.

Through foreign aid we supply foreign countries with military aircraft so they can sell military aircraft of their own manufacture to other foreign countries, including those which may or may not be friendly.

Under the withering influence of gifts and loans from the United States extended over a period of 40 years the once proud and self-reliant European powers, Britain and France, have been reduced, I regret to say, to perpetual boarders at Uncle Sam's banquet table. It would be uncharitable to call them perpetual beggars.

UNITED STATES MILITARY EQUIPMENT USED BY FRENCH IN ALGERIA

Foreign aid may have strengthened their economy, but certainly their will to resist the menace of international communism and their ability to do so has been weakened.

France, for example, is using American military equipment, not to strengthen its defenses against communism, but against subjects in Algeria.

The distinguished Senator from Arkansas, Senator FULBRIGHT, during the interrogation of General Guthrie, asked:

How much of the aid for France goes into Algeria?

General GUTHRIE. It would be difficult for me to say. You mean the equipment itself, the hardware?

Senator FULBRIGHT. Yes.

General GUTHRIE. Everyone knows that a good deal of the hardware we have delivered in the past has gone to Africa, and even France reports that it cannot determine exactly which rifle or truck it acquired as a result of the aid program, but I am safe in saying it is a substantial portion of the equipment in Alegria.

Thus foreign aid is being used to support imperial colonialism.

TWO SCORE PACT NATIONS ON FOREIGN AID DOLE

Mr. President, on May 23, 1957 the Wall Street Journal published another editorial on the subject of foreign aid, this one titled: "The President's Case Against Foreign Aid," certainly a most unusual title.

Briefly it points out that under the theory that we must continue to finance the defense of the 42 or 44 nations with which we have entered into pacts, these nations have no real determination to oppose communism and in that case are highly unreliable allies.

The editorial also discounts the contention that if foreign aid were discontinued the United States would find itself in the position of "going it alone."

I ask unanimous consent that this editorial, titled "The President's Case Against Foreign Aid," be printed in the RECORD.

THE PRESIDENT'S CASE AGAINST FOREIGN AID

Let us assume for a moment that President Eisenhower is correct when he says that to cut even a dollar out of the foreign aid program would be reckless, would weaken the Nation and could lose both peace and freedom. What does that acutally mean?

Mr. Eisenhower contends that without our military help overseas, we would have to spend "many billions of dollars more" on our own defense, put more men in uniform and keep them there longer. If that is so, it plainly means that but for our aid the forty-two nations with which we are associated in defense treaties would do little or nothing in their own defense.

And if that is true, it means in turn that these forty-two nations have no real determination to oppose Communism; they are building up their own defenses mainly because the United States helps them. If that is the case, they are highly unreliable allies.

If all this, moreover, is the real significance of foreign aid, it clearly indicates we can never stop. To do so, ever, would be to bring the whole anti-Communist defense structure toppling down, since it presumably rests on nothing more substantial than handouts from Washington.

The President, in fact, offers no hope that foreign aid will ever end. On the contrary, he seeks to establish the principle of permanence, first by proposing to make military aid a direct charge against the Defense Department budget, and second by recommending to Congress a long-range revolving loan fund for some types of economic aid. The program that was originally to last 4 short years is now to be a program in perpetuity.

It is thus the bleakest kind of picture the President paints. For ourselves, we do not believe the outlook is all that bad.

We doubt very much that the alternative to military aid is "going it alone." We think a good many of our allies would make considerable defense efforts in their own self-interest and would remain allies, without any dollars from us. A nation like Britain has never been unaware of the need for military preparedness, or allergic to its national interest. Even now the British Government is glad to show, by developing its own hydrogen bomb, how much it can defend itself.

Many other allies have powerful defense capabilities with which to deter the Communists. What's more, they would still come under the protective shield of the United States even without American military aid. The greatest deterrent to Communist aggression is not the number of jets in Europe or Formosa, but the United States treaty obligations to assist its allies should they be attacked.

But if that is somehow not the case—if the allies are so crass and so blind that they will do little or nothing without our help and the assurance of our help forever—then God help us. Such allies would not be worth having in a showdown.

In making this kind of argument, the administration is not making an argument for foreign aid. It is unwittingly making the strongest possible case against foreign aid.

Mr. President, the Wall Street Journal on May 27, 1957, published the third of its series of editorials opposing foreign aid.

I ask unanimous consent that this editorial, titled "All or Nothing," be printed in the RECORD.

ALL OR NOTHING?

Not the least of the difficulties with President Eisenhower's position on foreign aid is that it makes the present package an all-or-nothing proposition.

For Mr. Eisenhower says that to change it at all, either in cost or concept, will render it utterly useless. To support that position he has to argue that our allies and friends are so weak in determination and capacity that they will fold up before the Communist threat the moment we reduce our subsidy by an iota. We must thus subsidize not only some of the non-Communist nations but all of them, just as a general proposition. And if they are not to falter we must subsidize them not only now but forever.

This argument becomes a powerful one for abandoning all foreign aid altogether. If we are just pouring our aid into a bottomless pit, then all is futility.

Yet that is not the real case at all. In our opinion this country would be very well advised to abandon the foreign-aid program as presently conceived and executed. It would not be well advised, we think, to adopt the attitude, "We will not now or ever give any aid to any foreign country under any circumstances."

This is no contradiction or tricky paradox. It is simply a recognition that the idea of helping ourselves by helping others is not something mystical to be "for" or "against" in the abstract; the idea is a commonsense one to which commonsense tests ought to be applied in particular cases.

In the case of Greece and Turkey, where all this started, the practical matter was that the two countries were beset by an immediate and tangible danger. More importantly, there was a will to resist independent of any aid from the United States. As a practical matter a little extra help could, and possibly did, tip the balance. The cost was not exorbitant and the gain redounded both to the two countries and to our own interests.

There are, or may be, other like cases to be considered on their individual merits. But this is not the same thing as a mammoth and permanent program of handing out guns indiscriminately in the guise of "fighting international communism." It is a far cry from the global ideals of building dams in Egypt or roads in Afghanistan in the belief that we are thus buying their allegiance and friendship.

The difficulty with this kind of approach is that it cuts loose from all anchors. Foreign aid is held up as a good in itself without anything except the vaguest requirements that the recipients be on our side or seem to be persuadable with a few dollars. Anyone who questions this is "against foreign aid" is therefore stupid and most likely that wicked creature, an isolationist.

The sad part of all this is that foreign aid, used sparingly and disciplined by commonsense, could well be a useful instrument of foreign policy. But if the choice is all of the present shapeless package or else nothing—then the sensible answer is, very plainly, "nothing."

LOAN PLAN VIEWED AS PERPETUAL AID SCHEME

Mr. President, on June 10 of this year the Wall Street Journal published the last of its series of editorials opposing the pending foreign-aid bill, and in this editorial it went to the heart of the pending legislation.

Titled "Foreign Aid in Disguise" the editors of the newspaper analyzed the bill and its astounding implications.

With reference to the new international RFC provided in section 202 of the bill, the editorial observes:

All this could easily mean simply the addition of hundreds of millions a year in loans to the $4-billion plus a year currently being spent for military and economic aid.

Moreover, the loan fund idea would cement into the Federal budgets, perhaps ineradicably, the principle of foreign aid; Mr. Dulles said the fund "would need continuing authority and a capital authorization for several years, to be renewed, when needed."

Once Congress bought this plan, it would be extremely difficult, and maybe impossible, for Congress ever to call a halt to heavy foreign-aid spending.

Of course it would; that undoubtedly is the reason the proponents of perpetual foreign aid included it.

It required Congress more than 20 years to rid itself of the Reconstruction Finance Corporation, set up as a temporary stopgap agency in the early de-

pression years. As a matter of fact RFC still has a substantial payroll engaged in what is sweetly called the process of liquidating the agency.

CONGRESS LOSING ITS CONTROLS

The editorial Foreign Aid in Disguise, notes as follows:

The proposal would remove foreign aid further from the control of Congress.

Mr. President, there is a tremendous drive in the executive branch to remove virtually everything except our dignity away from the control of Congress.

The constitutional power to lay and collect duties and to regulate the foreign commerce has been removed from the power of Congress.

The power to coin money and determine the value thereof was removed from Congress during the Roosevelt administration: the power to declare war was lifted from Congress by President Truman in the Korean conflict.

The international RFC plan, as the Wall Street Journal observes, would remove foreign aid further from the control of Congress and put it undoubtedly in the State Department.

A Deputy Undersecretary of State would act as Chairman of the so-called Advisory Loan Committee which would be created.

"The administration," the editorial continues, "already has such funds for use at its own discretion. Under the new plan the administration would have greater leeway to embark on big long-range projects: As Mr. Dulles put it, the administration wants to 'break away from the cycle of annual authorizations and appropriations' by Congress."

The editorial also includes comments of interest on the military aid aspects of the pending legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial titled "Foreign Aid in Disguise" published in the Wall Street Journal under date of June 10, 1957.

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

FOREIGN AID IN DISGUISE

The handling of foreign aid has been rejuggled time and again, usually with a rechristening of the responsible agency. The administration's latest proposed revamping has some particularly disturbing features.

One big objective of the new proposal is pretty plainly to make foreign aid more palatable to Congress, which has been prepared to cut the fiscal 1958 program substantially. That in itself is a dubious approach; either the program stands on its merits or not at all.

As outlined by Secretary of State Dulles, the rearrangement would put military aid and so-called defense support aid under the Defense Department budget. In addition, a continuing economic development fund would be established to make loans which might soon total $750 million a year.

Now if there is to be foreign economic aid, it is certainly better that it be on a loan basis instead of a grant basis, and in proposing the loan fund the administration was presumably aware that many in Congress share that opinion. But it should be noted that this loan fund would not supplant either direct grants of economic aid or the technical assistance program; both would go on largely as they are.

So all this could easily mean simply the addition of hundreds of millions a year in loans to the $4 billion-plus a year currently being spent for military and economic aid.

Moreover, the loan fund idea would cement into the Federal budgets, perhaps ineradicably, the principle of foreign aid; Mr. Dulles said the fund "would need continuing authority and a capital authorization sufficient for several years, to be renewed when needed." Once Congress bought this plan, it would be extremely difficult and maybe impossible for Congress ever to call a halt to heavy foreign aid spending.

At the same time, the proposal would remove foreign aid further from the control of Congress. The administration already has such funds for use at its own discretion. Under the new plan the administration would have greater leeway to embark on big long-range projects; as Mr. Dulles put it, the administration wants to "break away from the cycle of annual authorizations and appropriations" by Congress.

Even with the present degree of Congressional control the spending of foreign aid money has been notoriously sloppy or worse in some instances. What it would be with the watchdog thus chained is not pleasant to contemplate.

The argument for putting military aid in the Defense Department budget is equally unsound. To do so would make it that much harder to tell just how much we are pouring out to arm our allies. Also, it is designed to persuade the American people that military aid is just as integral and permanent a part of American defense as are the dollars spent to maintain the United States Armed Forces—a proposition never proved and which many might feel misgivings about putting to a test.

The fact is that indefinitely continued military aid is, like economic aid, a questionable activity. Mr. Dulles argued its necessity because "many nations cannot support the military establishments which, in the common interest, should be on their soil." The answer is that if they cannot support them they will not in the long run keep them, as the big new British military retrenchment amply attests.

Mr. Dulles' presentation of the new plan is reported to have been well received in Congress. Before the lawmakers get too enthusiastic, however, they ought to recall that it was never the intent of Congress to make either military or economic aid a permanent drain on the taxpayer. And they ought to take a good look at their own diminished role under the administration proposal.

The American people, from all the evidence, want changes in foreign aid, but not changes which tend to entrench and disguise it. They want changes that will lower the cost of the program and, in a reasonably near future, rejuggle it right out of existence.

PERPETUAL AID MEANS PERPETUAL HIGH TAXES

Mr. MALONE. Mr. President, S. 2130 is a perpetual foreign aid bill.

Perpetual foreign aid means perpetual heavy taxes on the American people to support not their interests but the interests of foreign nations.

Perpetual foreign aid means perpetual beggary by these foreign nations.

Perpetual foreign aid means perpetual abandonment of American industry, wage earners, and markets to the avarice of foreign competitors.

And perpetual foreign aid, in my opinion, means perpetual wars.

THE "VULCANIZER SPECIAL"

Mr. President, in my visits with Mr. Bulganin and Mr. Khrushchev—whom I came to know about as well as anyone can know a person after meeting him and talking with him for 8 or 10 hours—I obtained some very pertinent information.

Visit them in their office; they are great people for going to cocktail parties. These various Ambassadors would give cocktail parties. Every time one would come back, there would be a cocktail party. They were drinking that vulcanizer special they call vodka. I quit drinking character building whiskey 7 or 8 or 9 years ago, so I was not tempted very much. I told Mr. Bulganin on the first round that it looked like the "white mule" we used to have during prohibition days. I thought I would confine my drinking to wine.

I want to warn anybody who is going there that they do not have to drink. They can go just as they wish. There was a time when Ambassadors had to get drunk in order to have a conference. That is not so any more.

BULGANIN'S DEFINITION OF "SOCIALISM"

I asked Mr. Bulganin, among a lot of other things that I will not now go into, to tell me the difference between socialism and communism. I have my own ideas about it. I have debated it quite at length at different times. He was talking to me through an interpreter. I think he understood a lot of English, but he did not answer in English. He said, "I will be glad to tell you. Socialism is the first step to communism."

I visited every one of the 16 socialist republics, from Siberia to Georgia, including the rest of them. It is quite a story. One of these days I shall have a report on it. I hope someone will look at it. I could not guarantee that someone will look at it, the way such reports are treated in the Senate and the House. Mr. Bulganin said, "We do not have communism. That is our objective. What we have is socialism, and socialism is the first step toward communism."

I said, "Mr. Bulganin, what is the difference, then, if socialism is the first step?" He said, in no uncertain terms—he did not stutter—"Under socialism, you work according to your ability and get paid according to your work; and under communism, you work according to your ability and get paid according to your needs." That is when socialism becomes communism. So we know what communism is. Only 3 percent of the Russian people are Communists.

FOREIGN STATESMEN SERVING INTERESTS OF THEIR COUNTRIES

Mr. President, we cannot joke about what this country is doing. I have said this before, and I say it again, I am for the United States of America as Churchill is for England and as Khrushchev is for Russia. We are the only nation on earth that breeds people who want to divide the wealth of their country with the rest of the world.

What did Mr. Churchill say when the effort was being made to liquidate the colonial empire? He said, "I did not become the Prime Minister to participate in the liquidation of the colonial empire of Great Britain."

I have been in every nation on earth. I have found that every man is for his country. I did not hear anybody in those countries say, "Let us appropriate $2 billion, or $10 billion, or $10 to send to the United States, or to any other nation on earth," and we do not hear it now. Every other nation that lends money gets back dollar for dollar, with interest. Why does Great Britain send jet airplanes into the Middle East? Is it to protect a little king in that country? Great Britain wants to protect the only area from which she can get oil.

MIDDLE EAST OIL RESOURCES VAST

I was in the Middle East in 1947. I was in Iran. I went through the greatest oil-reduction plant in the world. It was the greatest then, and I think it still is. I went through that plant with the British, with a fine-tooth comb. I knew when I left they were going to lose Iran, because they paid an insignificant royalty. I think Great Britain paid 18 or 20 cents a barrel in royalties, when across the boundary a great deal more was being paid.

The royalties were going to about 350,000 persons, and the rest of the millions of people in Iran were not getting the benefit of it. Of course, the British were run out. When Great Britain was run out, we stepped in and paid its debt and helped salvage the situation, and perhaps became a partner of Great Britain.

SOCIALISM, COMMUNISM, FASCISM HAVE SAME OBJECTIVE

I did not complete the story I was telling. When Mr. Bulganin was explaining what the difference was between socialism and communism, namely, that under socialism that everyone worked according to his ability and got paid according to his work, and under communism—which was the final objective—everyone worked according to his ability and got paid according to his needs, Mr. Bulganin asked me what I thought the difference was. I said, "Mr. Bulganin, here is the way I have always described it: That there is no difference between socialism, communism, and fascism. There is no difference in the final objective of all three, which is government ownership, with the individual owning nothing. The difference is in how the government gets into power."

Mr. Bulganin asked me what I considered that difference to be.

The first thing I had done when we opened the conversation was to say, "We do not like your form of government. You do not like ours." And we got right down to business. I said, "The only difference between socialism and communism is that a Communist will shoot you to gain his ends, to get into power, and a Socialist will spend you into it."

THE THREE SALES ARGUMENTS FOR FOREIGN AID

Mr. President, critical materials, markets for American goods, and mutual security were the three themes of Harry Dexter White in his pitch for foreign aid to Russia, which I referred to earlier in my remarks.

The critical materials argument was used by proponents of perpetual foreign aid in the recent hearings before the Foreign Relations Committee. They listed it as one of the reasons for foreign aid in a chart but did not elaborate. The reason they did not elaborate, I think, is that the argument is as phony as a $3 bill.

Senate Report 1627 of the 83d Congress exposed the fallacy of squandering taxpayers' money all around the globe to "safeguard critical materials," as these witnesses put it. The report showed that on the basis of expert testimony, some of it from military men themselves, that in the event of any all-out war Soviet submarines and/or bombing planes could cut off these supplies from distant overseas areas.

WESTERN HEMISPHERE SELF-SUFFICIENT IN CRITICAL MATERIALS

The report further demonstrated that every one of the 77 critical and strategic materials could be obtained in the Western Hemisphere, that the Western Hemisphere could be made self-sufficient for everything needed for war or an expanding peace, and that the Western Hemisphere, and only the Western Hemisphere, could be adequately defended in the event of an all-out war.

Yet from the days of Harry Dexter White foreign aid has been advocated in the name of protecting distant sources of critical materials, most of them in areas we could not defend until we had achieved overwhelming air superiority.

Mr. White knew his argument was "bunk." What he was interested in was diverting a large chunk of America's wealth to his favorite foreign country; namely Russia, and in destroying America's own strategic and critical materials potential.

MINERALS SPECIFIED WHICH RUSSIA COULD PROVIDE

Manganese, tungsten, graphite, mica, chrome, mercury, iron ore, platinum, and copper were specified by White as metals Soviet Russia could well spare and send us, and the President was assured that Russia could supply us also with petroleum in substantial quantity.

The argument was made that we would conserve our mineral and fuel reserves "by importing from abroad to meet ordinary annual production requirements." In other words, that we should close down our mines and oil wells and depend on Soviet Russia for our metal and liquid fuel supplies.

Twelve years later this proposal seems fantastic, and it was fantastic. Twelve years from now some of the mutual security, critical material, and export trade schemes that are before us now may seem equally fantastic. Twelve years ago Russia was an ally, and Germany and Japan were enemies. Today Russia is an enemy, and the German Republic and Japan are listed by our foreign aid spokesmen as friendly nations.

Can anyone in the International Cooperation Administration, State Department, or any other agency of Government give us assurance while this bill is being debated that 12 years from now each of the 84 foreign countries to which foreign aid in some form is being extended will be friendly to us or even neutrals?

White's theory in general has been put into execution everywhere else in the world this side of the Iron Curtain.

During the past 3 years alone barter deals have been made with foreign countries to exchange surplus foods for critical materials valued at $767,500,000, or more than three-quarters of a million dollars.

ICA FINANCING FOREIGN MINERALS DEVELOPMENT

ICA has handed out $53,500,000 to foreign countries to be used there in mining and minerals development which inevitably will compete with our own domestic mining industries.

ICA has given to foreign countries $54 million more to acquire new and modern mining equipment so that these foreign mines will not have to compete at a mechanical disadvantage with our American industries.

None of this money has gone to Soviet Russia but some of it has gone to Communist Yugoslavia and pro-Communist Indonesia.

ICA has advanced $44,200,000 to foreign countries for petroleum projects and equipment so that they can compete in the world market or the American market against American oil.

FOREIGN IRRIGATION PROJECTS FINANCED BY ICA

ICA has given foreign countries $355,800,000 to build irrigation, reclamation, and power projects so that they can compete against American farm products of which we have a surplus. This surplus, in the absence of export markets which ICA has helped to close, has to be virtually given away for foreign currencies, or in barter deals, or both, in order to dispose of it at all, while in the meantime with American tax dollars, many of them extracted from our own farmers, ICA strives to increase foreign agricultural production.

THIRTY-FOUR FOREIGN NATIONS GET MINING HELP

Mining and minerals development has been financed by ICA in 34 foreign nations, 6 in Europe, 9 in Latin America, 7 in the Far East, from which no materials would reach us in the event of war, and 12 in the Near East, south Asia, and Africa.

The European nations in which ICA has financed mining ventures are Austria, France, Italy, Norway, Spain, and Communist Yugoslavia.

Latin American countries are Bolivia, British Guiana, Brazil, Chile, Colombia, Cuba, Honduras, Mexico, Peru.

Far Eastern countries: Cambodia, Nationalist China, Indonesia, Korea, the Philippines, Thailand, and Vietnam.

Countries in other parts of the world which have been assisted in their mining and minerals developments by ICA are Afghanistan, Egypt, Greece, India, Iran, Israel, Jordan, Lebanon, Liberia, Nepal, Pakistan, and Turkey.

Mining equipment paid for with American tax dollars has gone to Austria, Belgium, Luxembourg, Denmark, France, Germany, Iceland, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, United Kingdom, Burma, Nationalist China, Indochina, Indonesia, Korea, the Philippines, Thailand, Vietnam, Greece, Iran, Israel, Lebanon, and Bolivia.

PETROLEUM PROJECTS FINANCED IN MANY COUNTRIES WITH FOREIGN-AID FUNDS

Petroleum refining projects costing a total of $24,686,000 of American money have been financed by ICA in France, Italy, Germany, and the United Kingdom, and oil drilling and refining equipment totaling $19,495,000 in value has gone to France, Italy, Germany, United Kingdom, Turkey, Austria, the Netherlands, and China.

In addition to ICA's contributions to foreign extraction industries, the Export-Import Bank several years ago loaned $100 million to the 6-nation European Coal and Steel Authority to expand its operations and provide new houses for foreign miners.

This totals up to $607,500,000 of taxpayers money spent in building up competitive extraction industries in foreign countries—$507,500,000, or more than half a billion dollars by ICA.

Mr. President, we are all familiar with the struggle our domestic mining industry, both metals and solid fuels, has been having in recent years. Mines have closed. Miners have been thrown out of work. Distressed areas have been created. The Agriculture Department in some parts of the country has had to rush in supplies of surplus foods to alleviate the hunger and suffering of unemployed miners' families.

But dollar aid to foreign miners and mining interests rolls merrily on and on in the hundreds of millions.

CONGRESS CREATING FOREIGN COMPETITION AGAINST AMERICAN INDUSTRIES

Could it be that Congress itself, in voting year after year new foreign aid funds to be spent in developing more and more foreign competition against our miners, is contributing to domestic distress and unemployment?

Could it be also that Congress itself, in voting year after year, millions upon millions in new foreign aid funds for foreign irrigation, reclamation and power projects—while American farm income continually declines—is destroying the traditional foreign markets for our food products and thus increasing our farm surpluses?

Are we financing our own economic suicide?

The Wall Street Journal of June 11, 1957 carries this headline: "American Zinc Cuts Zinc Smelting Output to Reduce Oversupply."

Firm plans to curtail operations at Fort Smith, Ark., 40 percent now and at Dumas, Tex., 10 percent July 1.

Howard I. Young, president of American Zinc, is quoted as stating:

It is believed by management that metal output should be curtailed until there is either a reduction in imports of foreign refined zinc into this country or a substantial increase in demand from domestic consumer.

NINETEEN HUNDRED AND FIFTY-SIX ZINC IMPORTS LISTED

Last year we imported $118,873,555 worth of zinc, much of it from Austria, Belgium, Germany, Italy, Communist Yugoslavia, Iran, Peru, Bolivia, Honduras,, Guatemala, countries in which ICA has financed mining ventures or equipment.

On June 10 the same newspaper noted that "lead and zinc consumers expect prices of both to go still lower," noting that prices on the previous Friday had closed at 11 cents a pound.

BARTER CONTRACTS FOR MORE FOREIGN ZINC SIGNED

It noted that the week previously the administration had announced that in April it had signed zinc barter contracts for $20,700,000.

"No tonnages were given," the news article continued, "but figured on the basis of the 13½-cent East St. Louis United States price then prevailing, it indicated a whopping 74,000 tons of foreign zinc contracted in April will be delivered to United States authorities over the next few months."

Foreign aid in any form, Mr. President, means foreign wages, costs and prices dominate our markets and closes or cuts back production in American plants and mills. Perhaps that is one of the objectives of its proponents.

FOREIGN AID WORKING HARDSHIP ON AMERICAN FARMERS

Foreign aid also is an injustice to our industrious American farmers.

ICA has expended a total of $355,800,000 in American tax dollars, as previously stated, for irrigation, reclamation and power development in foreign lands. That is a third of a billion dollars.

European countries aided by ICA in such development are Denmark, Belgium—Congo; France—both Europe and Africa; Iceland, Italy, the Netherlands—both in Europe and Surinam; Portugal, Spain, Austria, Germany, Yugoslavia and the United Kingdom—Malta, Jamaica, Somaliland and Cyprus.

What possibly can be the obligation of hard-pressed American taxpayers to spend millions in developing British, Belgian and Netherlands colonies I do not profess to understand.

Colonial-minded nations previously in history have been responsible for the economy of their own colonies as long as they could hold them. It is a strange circumstance that a Nation which in 1776 threw off colonialism would now be spending tax dollars to strengthen and preserve the colonial policies of other nations.

BRITISH EXPORT TRADE BOOMING, DEFENSE EFFORT CUT BACK

Britain is booming, thanks to our aid.

In the first 4 months of this year, according to the Wall Street Journal, her exports reached a record of $3.1 billion, $300 million above that of the same period in 1956.

Exports to the United States were $233 million, an increase of 22 percent over the same period in 1956.

Automobiles and textiles ranked with whiskey as major exports to the United States.

Britain has cut back her defense budget $607,600,000 and has opened trade with Red China in vital machine tools, electric motors and generators, rubber-manufacturing machinery, motor vehicles, railway locomotives, scientific instruments, chemicals, rubber and internal-combustion engines, all of which will increase Red China's military potential.

UNITED STATES TAXPAYERS FINANCING FARM DEVELOPMENT IN BRITISH COLONIES

Yet American taxpayers are required by Congress and the ICA to finance the agricultural development of Malta, Somaliland, Cyprus and Jamaica, all British colonial possessions.

In the Far East ICA has developed irrigation, reclamation, and power projects in Cambodia, Nationalist China, Indonesia, Korea, Laos, the Philippines, Thailand, and Vietnam, improving them so that they will be more attractive prizes or targets for the Reds.

In the Near East and South Asia irrigation and power developments have been financed by ICA in Afghanistan, Ceylon, Egypt, Greece, India, Iran, Iraq, Israel, Jordan, Lebanon, Nepal, Pakistan, and Turkey.

In Africa ICA is financing irrigation, reclamation or power projects in Libya, Somaliland, Liberia, Ethiopia, and the Gold Coast, and in Latin America in Chile, Colombia, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama, a total of 46 countries and 6 colonies.

Probably from ICA's viewpoint this program has been a great success.

FOREIGN COTTON, TOBACCO PRODUCTION SKYROCKETS

In the Near East cotton production has tripled over that of prewar years, from an annual pre-war average of 471,000 bales to 1,544,000 bales in 1956. In South America it has doubled from 361,000 to 741,000 bales, and in Central America from a negligible 9,000 to 300,000 bales.

ICA-aided areas also have increased tobacco production.

India, a major exporter of flue-cured tobacco, has increased production from 27 million pounds to 125 million pounds and the Central African Federation has increased production from 28 million to 166 million pounds.

The Free World, excluding the United States, has increased production from 243.7 million pounds to 971.3 million pounds.

Production of oriental and semi-oriental type tobaccos also has increased; in Turkey from 128 million to 245 million pounds, in Greece from 132 million to 185 million, in Yugoslavia from 33 million to 75 million, and in Iran from 10 million to 25 million pounds. Also have received bountiful foreign aid paid for by the American taxpayer including the cotton and tobacco growers.

Free World wheat, meat, and dairy production also has increased enormously in foreign countries as agriculture and husbandry improve with ICA assistance.

As foreign production of farm commodities increases the world market for our own farm products contracts and the world price at which our Government is attempting to dispose of much of our farm surplus sinks.

ICA is subsidizing foreign food production and using American tax dollars to compete against American industry and agriculture.

TAXPAYERS' AWAKENING AWAITED

Mr. President, I will say at this point that if there ever comes to the taxpayers

of America the knowledge of the colossal bungling and waste of American taxpayers' money in foreign lands, it will really cause a furor. How can anyone spend $5 billion or even $3 billion in a year, through all of these widespread organizations, and in countries where graft and corruption are rampant and the practice is to keep a part of any money that goes through their hands?

China is a good example. I was in China in 1948. They call it kumshaw. They pay people nothing, but it is understood, a part of everything that goes through their hands will be kept. There is just a difference as to what it is called in the various foreign countries, that is all.

If the taxpayers of America ever fully realize what Congress has done with their money, it will be a sad day. We are responsible for this, whether we think so or not.

BARTERING FARM PRODUCTS FOR FOREIGN MINERALS CLOSING AMERICAN MINES

Early last year at a meeting with a few Senators Mr. Dulles said, "I am running into trouble. When I go out to sell our products at the world price or below the world price, in order to move them, as you have told me to do, I make enemies of the nations which have been furnishing this market."

I told him, "One thing more you are doing, Mr. Secretary, does not suit some of us very well. That is that you are trading the surplus farm products for minerals which our own miners are mining, and shutting down our mines. Some of us do not like that."

TAXPAYERS HELPLESS WHILE THEIR DOLLARS SQUANDERED ABROAD

If Senators will listen to their constituents they will know what the effect of continually assessing the helpless taxpayers of America is.

And they are helpless. They are helpless to a point, Mr. President. Let me tell Senators that we could well read a little history. The taxpayers of this country will remain helpless, until they make up their minds what we are doing to them. If some day about 20 percent of them sit on their hands instead of anteing up this money, what are we going to do? I know what we are going to do. That would scare every Senator and every Representative within an inch of his life, and he would never vote for another dime to go any place outside of this country.

MR. PRESIDENT, WE HAVE BEEN LUCKY SO FAR

There is a confidence which is inbred in Americans. It has been so for 180 years. The people have an inbred confidence in their public officials.

The President of the United States is the greatest man in the world—and he is. Let me say to Senators what I think of the President we have now. I think he is an honest man. I think he is one of the finest men I ever met. And I think he is in the hands of the wrong people. He will wake up sometime, and when he does, the people who have been leading him around with these programs of inflation, free trade, billions to Europe, four big organizations to finance American investment abroad to use cheap foreign labor bringing their products back to compete with the very people he was raised with in Texas and Kansas will be shocked. Do not tell me that the President will go for that, when he finally wakes up to it. He will not.

REPORT SHOWS GRANTS OF FOREIGN AID BY AGENCIES

Mr. President, I have in my hand what is called a statistical appendix, which is available to Senators here in the Chamber and to others in Congress, but I doubt that many of them have noticed it. This is headed:

REPORTING AGENCIES

Data on foreign grants and credits for the period January through March 1, 1957, are based upon information made available to the Office of Business Economics by the various fiscal, statistical, and operating branches of the agencies listed below. The sources of data for periods prior to December 31, 1956, are given on page S-3 of the preceding quarterly report.

EXPORTING UNITED STATES CAPITAL A MAJOR COMMERCE DEPARTMENT OBJECTIVE

That is a reference which might be interesting. The reporting agencies are listed. They start with the Agriculture Department, the Commodity Credit Corporation, and the Commerce Department.

I have already described one of the real objectives of the Department of Commerce and one of the Cabinet officers of this Nation of ours, which has been the emphasizing of a program, probably more than any other program, of sending American capital abroad and financing through the World Bank, through the Export-Import Bank, and the other organizations.

One is all financed by American capital and the others are 33 percent financed by American capital, controlled by foreign directors. They have emphasized what great success they have had in sending $44½ billion of American capital into the foreign low-wage nations to establish plants and mines and other industries, and thereafter send the material back to the United States, to compete with the production of the high-wage, high-living standard workingmen here.

I say again that when the American taxpayer finally wakes up there will be woe to the Senate and to the House of Representatives, and it does not matter who is in them at the time, Mr. President.

OTHER AGENCIES VIE IN SPREADING UNITED STATES WEALTH AROUND THE WORLD

I could go ahead with these other departments. They listed the Defense Department, Air Force Department, Army Department, Navy Department, Export-Import Bank, General Services Administration, State Department, International Cooperation Administration, Treasury Department, and United States Information Agency—that great organization.

Mr. President, I do not desire to read this material. It will be interesting, but I doubt if very many will ever review it seriously. It would stand them in good stead if they should do so.

This information is turned out by the Department of Commerce. It has the stamp of the Department of Commerce on it. It is labeled for the Department of Commerce, United States of America, March 1957 quarter.

The June quarter is due, but it will be available in September. Any Senator can get it when it finally comes out.

BREAKDOWN OF FOREIGN GRANTS AND CREDITS PLACED IN THE RECORD

Why it takes 3 months to get 1 of these quarterly reports out I could not say, but at least this is the report.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time as a part of my remarks the statistical appendix, from page S-1 to and including S-18. This gives a breakdown by geographical area, using the statistical tables in the report, to show where the $107 billion, or whatever amount is included in this up to June 1957, went, showing all of the nations that I have mentioned, with the list in the quarterly report.

Mr. President, I ask unanimous consent to have printed pages S-1 through S-18 of this report as a part of my remarks.

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

FOREIGN GRANTS AND CREDITS BY THE UNITED STATES GOVERNMENT

REPORTING AGENCIES

Data on foreign grants and credits for the period January through March 1957 are based upon information made available to the Office of Business Economics by the various fiscal, statistical, and operating branches of the agencies listed below. The sources of data for periods prior to December 31, 1956, are given on page S-3 of the preceding quarterly report.

Agriculture Department; Commodity Credit Corporation; Commerce Department; Defense Department; Air Force Department; Army Department; Navy Department; Export-Import Bank; General Services Administration; State Department; International Cooperation Administration; Treasury Department; United States Information Agency.

GEOGRAPHICAL ARRANGEMENT USED IN STATISTICAL TABLES IN THIS REPORT

The following list designates the dependent areas of countries which are included in the grouping Western Europe and dependencies in table 2. Activity has not necessarily been reported for the listed dependency. Because of the inclusion of dependencies in the grouping Western Europe, data shown for other groupings in table 2, particularly Near East and Africa, are correspondingly understated.

Belgium—Luxembourg: Belgian Congo, Ruanda-Urundi.

France: Algeria, Clipperton, French Cameroons, French Equatorial Africa, French Guiana, French Oceania, French Somaliland, French West Africa, French West Indies, Madagascar, New Caledonia, St. Pierre and Miquelon.

Italy (including Trieste): Somaliland Trust Territory.

Netherlands: Netherlands New Guiana, Netherlands West Indies, Surinam.

Portugal: Angola, Azores, Cape Verde Islands, Macao, Madeira Islands, Mozambique,

Portuguese Guinea, Portuguese India, Portuguese Timor.

Spain: Canary Islands, Spanish Sahara.

United Kingdom: Aden, Bahamas, Barbados, Bermuda, British Borneo, British East Africa, British Guiana, British Honduras, British Islands East of Africa, British Leeward and Windward Islands, British Solomon Islands, British Somaliland, British South Africa, Cyprus, Fiji, Gambia, Gibraltar, Gilbert and Ellice Islands, Gold Coast, Hong Kong, Jamaica, Malaya, Malta, New Hebrides (British-French), Nigeria, St. Helena, Sierra Leone, Singapore, South Atlantic areas, Tonga Islands, Trinidad and Tobago Western Pacific Islands (miscellaneous).

Transactions with international agencies are considered foreign transactions. Major agencies for which transactions are reported include the following:

European Coal and Steel Community [1]
European Payments Union [1]
European Productivity Agency [1]
Intergovernmental Committee for European Migration
Intergovernmental Committee for Refugees
International Refugee Organization
Organization of American States [2]
Pan American Sanitary Bureau [2]
United Nations
United Nations Children's Fund
United Nations Relief and Rehabilitation Administration

[1] Transactions included in Western Europe.

[2] Transactions included in American Republics.

TABLE 1.—*Summary of foreign grants and credits, by program:* [1] *Postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950), calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Net grants and credits	58,653	32,306	26,346	4,337	1,090	1,656	768	823	993
Net grants (less conversions)	47,809	30,748	17,062	4,365	1,088	1,584	818	875	997
Gross grants	51,779	32,520	19,259	4,448	1,113	1,601	841	893	1,022
Mutual security	37,407	30,336	7,071	4,208	1,042	1,532	794	841	980
Military aid:									
Military supplies and services [2 3] M	17,224	17,161	63	2,593	652	1,091	436	414	599
Multilateral-construction program contributions M	405	405		68	13	31	22	1	21
Other aid (economic and technical assistance):									
Famine and other urgent and extraordinary) relief	330	330		108	28	26	21	34	20
Other [2]	19,448	12,440	7,008	1,440	348	384	315	393	341
Civilian supplies	5,856	978	4,878	4	1	1	1	2	1
UNRRA, post-UNRRA, and interim aid	3,443		3,443						
Lend-lease	1,906		1,906						
Military M	679		679						
Postwar pipelines	1,227		1,227						
Greek-Turkish aid	653	23	629						
Military M	530	23	507						
Other	122	(3)	122						
Philippine rehabilitations	635	116	519						
Surplus agricultural commodities through private welfare agencies [6]	547	541	6	185	52	59	34	39	34
Military equipment loans [7] M	326	326		23	13	5	3	3	
Chinese military and naval aid M	261	4	258						
Inter-American programs	186	51	134	10	1	3	2	4	4
Other	561	145	416	18	4	2	8	5	3
Less:									
Prior grants converted into credits	2,257	1,001	1,256	1			1		
Reverse grants and returns	1,713	772	941	83	25	18	23	17	25
Mutual security counterpart funds:									
Military aid M	60	58	1	16	7	2	1	5	3
Other aid (economic and technical assistance)	903	570	333	64	15	15	21	13	22
Reverse lend-lease	133		133						
Cash war-account settlements for lend-lease and other grants	120	(3)	120	(3)			(3)		
Return of lend-lease ships	490	136	354						
For military use M	189	123	67						
For economic value	301	14	287						
Return of civilian supplies	4	4		3	3				
Return of military equipment loans [7] M	4	4							
Net credits (including conversions)	10,843	1,559	9,285	−27	2	72	−50	−52	−3
New credits	12,898	3,565	9,333	482	112	181	71	116	118
Export-Import Bank (for own account)	4,840	2,188	2,651	233	54	74	34	72	61
Direct loans	4,564	2,066	2,498	223	47	68	36	72	59
Loans through agent banks	275	122	153	10	6	6	Credit 2	(3)	2
British loan	3,750		3,750						
Mutual security [2]	2,234	1,243	990	227	54	106	27	40	57
Surplus property (including merchant ships)	1,492	9	1,482	6			6		
Lend-lease (excluding settlement credits)	71	2	69						
Other	513	122	390	15	5	2	4	4	1
Plus prior grants converted into credits	2,257	1,001	1,256	1			1		
Less principal collections	4,311	3,007	1,305	509	110	109	122	168	122
Export-Import Bank (for own account)	2,441	1,809	632	266	85	60	57	64	85
Direct loans	2,115	1,633	482	220	59	47	54	61	82
Loans through agent banks	326	176	149	46	26	13	4	3	3

See footnotes at end of table.

TABLE 1.—*Summary of foreign grants and credits, by program:* [1] *Postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950), calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Net grants and credits—continued									
Net credits (including conversions)—continued									
Less principal collections—continued									
British loan	280	280	----------	49	----------	----------	----------	49	----------
Mutual security [8]	63	63	----------	25	4	10	3	9	3
Surplus property (including merchant ships)	567	443	124	65	12	16	19	19	18
Grants converted into credits	139	118	22	20	(5)	(5)	12	8	1
Lend-lease (excluding settlement credits)	159	139	21	71	7	19	26	18	15
Other [9]	662	155	507	13	2	3	5	3	(5)

[1] Grants are transfers for which no payment is expected (other than a limited percentage of the foreign currency funds generated by the grant), or which at most involve an obligation on the part of the receiver to extend aid to the United States or other countries to achieve a common objective. Credits are loan disbursements or transfers under other agreements which give rise to specific obligations to repay, over a period of years, usually with interest. In some instances assistance has been given with the understanding that a decision as to repayment will be made at a later date; such assistance is included in grants. At such time as an agreement is reached for repayment over a period of years, a credit is established. Such credits, cannot, as a rule, be deducted from specific grants recorded in previous periods; an adjustment for grants converted into credits is made at the time of agreement. All known returns to the U. S. Government stemming from grants and credits, other than interest, are taken into account in net grants and net credits. The measure of foreign grants and credits generally is in terms of goods delivered or shipped by the U. S. Government, services rendered by the U. S. Government, or cash disbursed by the U. S. Government to or for the account of a foreign government or other foreign entity. The Government's capital investments in the International Bank ($635,000,000), International Finance Corporation ($35,000,000), and International Monetary Fund ($2,750,000,000) are not included in these data although they constitute an additional measure taken by this Government to promote foreign economic recovery and development. Payments to these international financial institutions do not result in immediate equivalent aid to foreign countries. Use of available dollar funds is largely determined by the managements of the institutions, in some instances subject to certain controls which can be exercised by the U. S. Government.

Further definition and explanation of these data are contained in the Foreign Aid supplement to the Survey of Current Business, published November 1952, and in the explanatory notes to the appendixes of the National Advisory Council on International Monetary and Financial Problem Semiannual Reports to the President and to the Congress.

[2] Includes foreign currencies which were obtained through sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act (Public Law 83-480, as amended) and which were available under secs. 104 (c), (d), (e), and (g) for expenditure without charge to a dollar appropriation.

[3] Includes mutual security program aid for common-use items which are to be used by military forces of nations receiving assistance, and for direct forces support, when such assistance provided under secs. 123 and 124 of Public Law 83-665, as amended, is administered in accordance with ch. 1, Military Assistance, of title I of that act; Cash transfers are included in "Other aid (economic and technical assistance)", see footnote 4.

[4] Includes mutual security program aid for economic and technical assistance use from military aid appropriations. Also includes mutual security program aid from appropriations for common-use items which are to be used by military forces of nations receiving assistance, and for direct forces support, when such assistance under secs. 123 and 124 of Public Law 83-665 is administered in accordance with ch. 3, Defense Support, of title I of that act. Also includes transfers of funds for forces support (for example, in Cambodia, Laos, and Vietnam (and forces of France located in such states)) and of funds in support of production for forces support.

[5] Less than $500,000. M—Programs identified by M are included in "Military grants" in table 2.

[6] Includes donations of agricultural commodities transferred through United Nations Children's Fund under authority of sec. 416 of Public Law 81-439, as amended by title III of Public Law 831-480.

[7] "Military equipment loans" are included in this report as part of military grants; these "loans" are essentially transfers on an indeterminate basis, generally requiring only the return of the identical item, if available. In essence this was the requirement pertaining to wartime lend-lease transfers of watercraft, which were included as grant transfers in these data.

[8] Values for deliveries of materials in payment of principal reported as collected by the General Services Administration on deficiency and strategic-materials-development loans are in some instances estimated when first reported. Reported data have been adjusted to eliminate obvious (negative) bookkeeping adjustments as final values are recorded.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,* [1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Net grants and credits	58,653	32,306	26,346	4,337	1,090	1,656	768	823	993
Net grants (less conversions)	47,809	30,748	17,062	4,365	1,088	1,584	818	875	997
Gross grants	51,779	32,520	19,259	4,448	1,113	1,601	841	893	1,022
Less prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less reverse grants and returns	1,713	772	941	83	25	18	23	17	25
Net credits (including conversions)	10,843	1,559	9,285	−27	2	72	−50	−52	−3
New credits	12,898	3,565	9,333	482	112	181	71	116	118
Plus prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less principal collections	4,311	3,007	1,305	509	110	109	122	168	122
Total grants and credits, by type:									
Military grants, net [2] [3]	19,172	17,735	1,438	2,668	671	1,124	459	413	617
Gross grants	19,426	17,920	1,506	2,684	679	1,127	461	417	620
Less reverse grants and returns	253	185	68	16	7	2	1	5	3
Other grants and credits, net	39,480	14,571	24,909	1,670	419	532	309	410	377
Net grants (less conversions)	28,637	13,013	15,624	1,697	416	459	359	463	380
Gross grants	32,354	14,601	17,753	1,765	434	475	381	475	402
Less prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less reverse grants and returns	1,460	587	873	67	18	15	21	13	22
Net credits (including conversions)	10,843	1,559	9,285	−27	2	72	−50	−52	−3
New credits	12,898	3,565	9,333	482	112	181	71	116	118
Plus prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less principal collections	4,311	3,007	1,305	509	110	109	122	168	122

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Total grants and credits, by area:									
Western Europe (excluding Greece and Turkey) and dependent areas: [2] [4]									
Net grants and credits	36,221	18,286	17,934	1,726	470	782	248	226	348
Net grants (less conversions)	28,005	18,177	9,828	1,953	517	792	325	320	403
Gross grants	31,199	19,737	11,463	2,018	537	805	344	333	423
Less prior grants converted into credits	1,970	1,000	970						
Less reverse grants and returns	1,225	560	665	66	20	13	19	13	19
Net credits (including conversions)	8,215	110	8,106	−226	−47	−10	−76	−93	−56
New credits	8,625	1,008	7,617	52	2	34	3	13	6
Plus prior grants convered into credits	1,970	1,000	970						
Less principal collections	2,379	1,898	481	278	49	44	79	106	61
Eastern Europe:									
Net grants and credits	1,095	−12	1,107	−3	−1	−1	1	−1	(5)
Net grants (less conversions)	803	14	788	3	(5)		3		2
Gross grants	1,065	28	1,037	3	[6] Credit		3		2
Less prior grants converted into credits	222		222				(5)		
Less reverse grants and returns	39	14	26	(5)					
Net credits (including conversions)	292	−26	319	−6	−1	−1	−2	−1	−1
New credits	123		123						
Plus prior grants converted into credits	222		222						
Less principal collections	53	26	27	6	1	1	2	1	1
Near East (including Greece and Turkey) and Africa: [6]									
Net grants and credits	5,514	4,148	1,366	678	168	223	151	136	156
Net grants (less conversions)	4,863	3,739	1,124	594	140	204	128	122	158
Gross grants	5,085	3,833	1,252	603	142	208	130	124	159
Less prior grants converted into credits	9		9						
Less reverse grants and returns	214	94	120	9	2	3	2	2	2
Net credits (including conversions)	651	409	242	84	28	19	23	14	−1
New credits	856	558	298	110	34	27	27	22	9
Plus prior grants converted into credits	9		9						
Less principal collections	214	148	65	26	6	8	4	8	9
South Asia, other Asia, and Pacific:									
Net grants and credits	13,064	8,217	4,847	1,720	408	603	306	403	370
Net grants (less conversions)	12,163	7,677	4,486	1,567	380	517	306	365	343
Gross grants	12,394	7,724	4,670	1,575	384	518	307	366	347
Less prior grants converted into credits	53		53						
Less reverse grants and returns	178	47	130	8	4	1	1	2	4
Net credits (including conversions)	901	540	361	153	29	86	1	38	27
New credits	1,633	905	728	226	58	99	19	50	59
Plus prior grants converted into credits	53		53						
Less principal collections	785	365	420	73	29	13	19	12	32
American Republics: [7]									
Net grants and credits	1,477	1,121	356	113	22	25	40	27	77
Net grants (less conversions)	743	606	137	138	26	43	33	36	49
Gross grants	800	660	140	139	26	43	34	36	49
Less prior grants converted into credits	3	1	2	1			1		
Less reverse grants and returns	54	53	(5)	(5)		(5)		(5)	
Net credits (including conversions)	733	515	219	−25	−4	−18	7	−9	27
New credits	1,433	1,045	388	94	18	21	23	32	45
Plus prior grants converted into credits	3	1	2	1			1		
Less principal collections	702	531	171	120	22	40	16	41	18
Canada:									
Net grants and credits	−6	−7	1	−5	−2	−3	−(5)	−(5)	−(5)
Net grants									
Gross grants	4	4							
Less reverse grants and returns	4	4							
Net credits	−6	−7	1	−5	−2	−3	−(5)	−(5)	−(5)
New credits	163	22	142	(5)		(5)			(5)
Less principal collections	169	28	141	5	2	3	(5)	(5)	(5)
Other international organizations and unspecified areas:									
Net grants and credits	1,288	553	736	108	26	28	22	33	43
Net grants (gross grants)	1,232	534	698	110	26	28	24	33	43
Net credits	56	18	38	−2			−2		
New credits	65	27	38						
Less principal collections	9	9		2			2		

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Total grants and credits by area—Continued									
Military grants:[2,3]									
Net grants	19,172	17,735	1,438	2,668	671	1,124	459	413	617
Gross grants	19,426	17,920	1,506	2,684	679	1,127	461	417	620
Less: Reverse grants and returns	253	185	68	16	7	2	1	5	3
Western Europe (excluding Greece and Turkey):[2]									
Net grants	11,626	11,581	45	1,601	444	682	246	230	345
Gross grants	11,722	11,676	46	1,610	448	683	246	232	346
Less: Reverse grants and returns	96	94	1	9	4	2	1	2	2
Near East (including Greece and Turkey) and Africa:									
Net grants	2,499	1,982	518	341	72	134	80	55	93
Gross grants	2,516	1,998	518	342	73	134	80	56	93
Less: Reverse grants and returns	16	16	----------	1	1	(5)	(5)	1	----------
South Asia, other Asia, and Pacific:									
Net grants	4,537	3,665	871	643	144	279	110	110	147
Gross grants	4,620	3,682	938	649	147	279	111	112	149
Less: Reverse grants and returns	84	17	67	5	3	(5)	1	2	2
American Republics:									
Net grants	317	317	----------	58	6	21	18	12	25
Gross grants	371	371	----------	58	6	21	18	12	25
Less: Reverse grants and returns	53	53	----------	(5)	----------	(5)	----------	(5)	----------
Canada:									
Net grants	----------	----------	----------	----------	----------	----------	----------	----------	----------
Gross grants	4	4	----------	----------	----------	----------	----------	----------	----------
Less: Reverse grants and returns	4	4	----------	----------	----------	----------	----------	----------	----------
Unspecified areas: Net grants (gross grants)	193	189	4	25	4	9	6	6	7
Other grants and credits:									
Net grants and credits	39,480	14,571	24,909	1,670	419	532	309	410	377
Net grants (less conversions)	28,637	13,013	15,624	1,697	416	459	359	463	380
Gross grants	32,354	14,601	17,753	1,765	434	475	381	475	402
Less: Prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less: Reverse grants and returns	1,460	587	873	67	18	15	21	13	22
Net credits (including conversions)	10,843	1,559	9,285	−27	2	72	−50	−52	−3
New credits	12,898	3,565	9,333	482	112	181	72	116	118
Plus: Prior grants converted into credits	2,257	1,001	1,256	1	----------	----------	1	----------	----------
Less: Principal collections	4,311	3,007	1,305	509	110	109	122	168	122
Western Europe (excluding Greece and Turkey) and dependent areas:[4]									
Net grants and credits	24,595	6,705	17,889	125	26	100	3	−3	3
Net grants (less conversions)	16,379	6,596	9,783	351	73	110	79	90	59
Gross grants	19,477	8,061	11,416	408	89	121	97	101	77
Less: Prior grants converted into credits	1,970	1,000	97	----------	----------	----------	----------	----------	----------
Less: Reverse grants and returns	1,129	465	664	57	16	11	19	11	18
Net credits (including conversions)	8,216	110	8,106	−226	−47	−10	−76	−93	−56
New credits	8,625	1,008	7,617	52	2	34	3	13	6
Plus: Prior grants converted into credits	1,970	1,000	970	----------	----------	----------	----------	----------	----------
Less: Principal collections	2,379	1,898	481	278	49	44	79	106	61
Austria:									
Net grants and credits	1,018	318	700	5	−2	4	2	1	----------
Net grants	1,010	334	677	3	−2	3	1	1	(5)
Gross grants	1,064	364	700	6	1	3	1	1	(5)
Less: Reverse grants and returns	54	30	24	3	3	----------	(5)	----------	----------
Net credits	8	−15	23	2	(5)	1	1	1	−1
New credits	34	9	25	3	(5)	1	1	1	(5)
Less: Principal collections	26	24	2	1	(5)	(5)	(5)	1	1
Belgium—Luxembourg and dependent areas:									
Net grants and credits	719	119	600	−6	−1	−1	−2	−2	−2
Net grants	581	161	420	1	1	1	----------	(5)	(5)
Gross grants	583	162	420	1	1	1	----------	(5)	(5)
Less: Reverse grants and returns	2	2	(5)	(5)	(5)	----------	----------	(5)	----------
Net credits	139	−42	180	−7	−2	−2	−2	−2	−2
New credits	240	25	214	----------	----------	----------	----------	----------	----------
Less: Principal collections	101	67	34	7	2	2	2	2	2

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
Denmark:									
Net grants and credits	282	97	185	1	−(5)	2	−(5)	−1	(5)
Net grants	234	101	133	(5)	(5)	(5)	−(5)		
Gross grants	248	107	141	(5)	(5)	(5)	(5)		
Less: Reverse grants and returns	14	6	8	(5)	(5)		(5)		(5)
Net credits	48	−4	52	1	−$1	2	−(5)	−1	(5)
New credits	57	5	52	2		2	(5)	(5)	(5)
Less: Principal collections	9	9	(5)	2	1	1	1	1	(5)
Finland:									
Net grants and credits	70	−31	101	−5	−2	−1	−2	−(5)	−2
Net grants (gross grants)	4	2	2						
Net credits	67	−32	99	−5	−2	−1	−2	−(5)	−2
New credits	126	(5)	126						
Less: Principal collections	59	32	27	5	2	1	2	(5)	2
France and dependent areas:									
Net grants and credits	5,511	1,803	3,708	35	−2	25	−4	16	−15
Net grants (less conversions)	3,833	2,167	1,666	100	21	25	37	17	8
Gross grants	4,371	2,264	2,107	100	21	25	37	17	8
Less: Prior grants converted into credits	353		353						
Less: Reverse grants and returns	184	97	87	1	(5)	(5)	(5)	(5)	(5)
Net credits (including conversions)	1,678	−364	2,042	−64	−23	−(5)	−40	−1	−24
New credits	2,117	350	1,767	1	1	1			
Plus: Prior grants converted into credits	353		353						
Less: Principal collections	792	714	78	66	23	1	40	1	24
Germany:									
Net grants and credits	3,894	811	3,083	23	7	10	3	1	−6
Net grants (less conversions)	2,741	−125	2,867	46	11	17	7	11	3
Gross grants	3,818	911	2,907	46	11	17	7	11	3
Less: Prior grants converted into credits	1,000	1,000							
Less: Reverse grants and returns	77	37	40	(5)	(5)	(5)		(5)	(5)
Net credits (including conversions)	1,153	936	216	−23	−3	−7	−3	−10	−9
New credits	346	87	258	(5)		(5)		(5)	
Plus: Prior grants converted into credits	1,000	1,000							
Less: Principal collections	193	151	42	23	3	7	3	10	9
Iceland:									
Net grants and credits	33	23	10	−(5)	−(5)	−(5)	(5)	−(5)	−(5)
Net grants	28	20	8	(5)	−(5)	(5)	(5)	(5)	(5)
Gross grants	30	22	8	(5)	Credit (5)	(5)	(5)	(5)	(5)
Less: Reverse grants and returns	2	2	(5)						
Net credits	5	3	2	−(5)		−(5)		−(5)	−(5)
New credits	6	3	2						
Less: Principal collections	(5)	(5)		(5)		(5)		(5)	(5)
Ireland:									
Net grants and credits	145	46	99	−1		−(5)		−(5)	
Net grants	17	15	3						
Gross grants	18	15	3						
Less: Reverse grants and returns	1	1	(5)						
Net credits	128	32	96	−1		−(5)		−(5)	
New credits	128	32	96						
Less: Principal collections	1	1		1		(5)		(5)	
Italy (including Trieste) and dependent area:									
Net grants and credits	2,822	839	1,983	49	25	7	8	9	13
Net grants	2,569	942	1,626	66	31	10	13	13	12
Gross grants	2,649	995	1,654	66	32	10	13	13	12
Less: Reverse grants and returns	80	52	28	(5)	(5)	(5)			
Net credits	253	−103	356	−17	−6	−3	−5	−3	2
New credits	451	46	405	6	1		1	4	4
Less: Principal collections	198	149	49	23	7	3	5	7	3
Netherlands and dependent areas:									
Net grants and credits	1,017	160	857	−25	−7	−9	−3	−5	−3
Net grants (less conversions)	792	327	465	(5)	(5)	(5)	(5)	(5)	(5)
Gross grants	891	353	538	(5)	(5)	(5)	(5)	(5)	(5)
Less: Prior grants converted into credits	47		47						
Less: Reverse grants and returns	51	26	26						
Net credits (including conversions)	225	−168	392	−25	−7	−9	−3	−5	−3
New credits	389	20	369						
Plus: Prior grants converted into credits	47		47						
Less: Principal collections	211	188	24	25	7	9	3	5	3

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
Norway:									
Net grants and credits	294	102	192	−9	−2	−2	−2	−3	−2
Net grants (less conversions)	210	121	88	1	1	−(5)	(5)	−(5)	(5)
Gross grants	237	132	105	2	1	(5)	(5)	(5)	(5)
Less: Prior grants converted into credits	6		6						
Less: Reverse grants and returns	21	10	11	(5)	(5)	(5)		(5)	
Net credits (including conversions)	85	−19	104	−11	−3	−2	−2	−3	−2
New credits	135	25	109	(5)	(5)				(5)
Plus: Prior grants converted into credits	6		6						
Less: Principal collections	56	44	11	11	3	2	2	3	2
Portugal and dependent areas:									
Net grants and credits	70	65	5	2	1	1	1	−(5)	(5)
Net grants	19	18	1	4	1	2	1	(5)	(5)
Gross grants	20	19	1	4	1	2	1	(5)	(5)
Less: Reverse grants and returns	1	1	(5)	(5)	(5)	(5)	(5)		
Net credits	51	47	4	−2	−(5)	−1	−(5)	−1	−(5)
New credits	54	50	4	(5)				(5)	(5)
Less: Principal collections	3	3	(5)	2	(5)	1	(5)	1	(5)
Spain and dependent areas:									
Net grants and credits	187	187	(5)	83	8	50	11	15	6
Net grants	92	92	(5)	46	7	21	11	8	5
Gross grants	187	187	(5)	96	17	31	30	19	23
Less: Reverse grants and returns	96	96		50	10	10	18	11	18
Net credits	95	95		37	1	29	(5)	7	1
New credits	121	121		39	1	30	1	8	1
Less: Principal collections	26	26		2		1	(5)	1	1
Sweden:									
Net grants and credits	107	38	68	−1		−(5)		−(5)	
Net grants (gross grants)	87	42	45						
Net credits	20	−4	23	−1		−(5)		−(5)	
New credits	24		24						
Less: Principal collections	5	4	1	1		(5)		(5)	
United Kingdom and dependent areas:									
Net grants and credits	6,844	1,051	5,793	−61	1	11	−13	−61	7
Net grants (less conversions)	2,729	1,439	1,290	47	2	27	6	13	21
Gross grants	3,812	1,520	2,291	47	2	27	6	13	21
Less: Prior grants converted into credits	562		562						
Less: Reverse grants and returns	520	81	439	(5)		(5)			
Net credits (including conversions)	4,116	−388	4,503	−108	−1	−16	−18	−73	−14
New credits	4,244	91	4,153						
Plus: Prior grants converted into credits	562		562						
Less: Principal collections	691	478	213	108	1	16	18	73	14
Yugoslavia:									
Net grants and credits	795	484	311	29	−2	3	1	26	7
Net grants (less conversions)	748	450	298	32		3	3	26	8
Gross grants	773	474	299	35	1	4	3	26	8
Less: Prior grants converted into credits	1		1						
Less: Reverse grants and returns	25	25		2	1	1	(5)	(5)	(5)
Net credits (including conversions)	47	34	13	−3	−2		−2		−2
New credits	55	43	12						
Plus: Prior grants converted into credits	1		1						
Less: Principal collections	9	9		3	2		2		2
Other and unspecified Western Europe:[4]									
Net grants and credits	784	591	193	4	1	1	1	1	1
Net grants (gross grants)	684	491	193	4	1	1	1	1	1
Net credits (new credits)	100	100							
Eastern Europe:									
Net grants and credits	1,095	−12	1,107	−3	−1	−1	1	−1	(5)
Net grants (less conversions)	803	14	788	3	(5) −*		3		2
Gross grants	1,065	28	1,037	3	(5)		3		2
Less: Prior grants converted into credits	222		222						
Less: Reverse grants and returns	39	14	26	(5)			(5)		
Net credits (including conversions)	292	−26	319	−6	−1	−1	−2	−1	−1
New credits	123		123						
Plus: Prior grants converted into credits	222		222						
Less: Principal collections	53	26	27	6	1	1	2	1	1

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
Eastern Europe—Continued									
Czechoslovakia:									
Net grants and credits	191	2	189						
Net grants	186	2	183						
Gross grants	186	2	183						
Less: Reverse grants and returns	(5)		(5)						
Net credits	[1] 5	−1	6						
New credits	30		30						
Less: Principal collections	25	1	24						
Eastern Germany: Net grants (gross grants)	17	17		−(5)	−(5)		(5)		−(5)
Poland:									
Net grants and credits	418	−23	441	−6	−1	−1	−2	−1	−1
Net grants	365	−(5)	365	−(5)			−(5)		
Gross grants	365		365						
Less: Reverse grants and returns	(5)	(5)		(5)			(5)		
Net credits	53	−23	76	−6	−1	−1	−2	−1	−1
New credits	78		78						
Less: Principal collections	24	23	1	6	1	1	2	1	1
U. S. S. R.:									
Net grants and credits	426	−14	440						
Net grants (less conversions)	204	−14	217						
Gross grants	465		465						
Less: Prior grants converted into credits	222		222						
Less: Reverse grants and returns	39	14	26						
Net credits (prior grants converted into credits)	222		222						
Other Eastern Europe:									
Net grants and credits	43	6	37	3	−(5)	−(5)	3	(5)	2
Net grants (gross grants)	31	8	23	3			3		2
Net credits	12	−3	14	−(5)	−(5)	−(5)		−(5)	−(5)
New credits	16		16						
Less: Principal collections	4	3	1	(5)	(5)	(5)		(5)	(5)
Near East and Africa: [6]									
Net grants and credits	3,014	2,167	848	337	96	89	71	81	63
Net grants (less conversions)	2,363	1,757	606	253	67	71	48	67	64
Gross grants	2,569	1,835	734	261	69	74	50	68	66
Less: Prior grants converted into credits	9		9						
Less: Reverse grants and returns	198	78	120	8	1	3	2	1	2
Net credits (including conversions)	651	409	242	84	28	19	23	14	−1
New credits	856	558	298	110	34	27	27	22	9
Plus: Prior grants converted into credits	9		9						
Less: Principal collections	214	148	65	26	6	8	4	8	9
Egypt:									
Net grants and credits	70	63	7	27	11	8	5	3	2
Net grants (gross grants)	66	66	(5)	27	12	8	5	3	2
Net credits	4	−3	7	(5)	−1		1		
New credits	19	2	18	2			2		
Less: Principal collections	16	5	11	1	1		1		
Greece:									
Net grants and credits	1,359	583	776	54	15	14	13	11	1
Net grants	1,268	592	676	44	11	10	10	12	3
Gross grants	1,334	637	696	45	12	11	11	12	3
Less: Reverse grants and returns	66	46	20	2	1	1	(5)	(5)	(5)
Net credits	91	−9	99	10	4	4	2	−1	−1
New credits	140	29	111	16	6	7	3		
Less: Principal collections	49	38	12	5	1	3	(5)	1	1
Iran:									
Net grants and credits	283	270	14	56	16	12	12	17	17
Net grants (less conversions)	204	212	−8	34	4	11	6	12	14
Gross grants	220	220	1	34	4	11	6	12	14
Less: Prior grants coverted into credits	9		9						
Less: Reverse grants and returns	9	9							
Net credits (including conversions)	79	58	22	22	12	(5)	5	5	3
New credits	81	58	23	22	12	(5)	5	5	3
Plus: Prior grants converted into credits	9		9						
Less: Principal collections	10	(5)	10	(5)	(5)			(5)	(5)

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
Near East and Africa—Continued									
Israel:									
Net grants and credits	407	374	33	25	9	12	2	3	−2
Net grants	257	257	1	14	7	3	2	2	3
Gross grants	258	257	1	14	7	3	2	2	3
Less: Reverse grants and returns	(5)	(5)							
Net credits	150	118	32	11	2	9	−(5)	(5)	−5
New credits	171	139	32	13	3	9	1	(5)	1
Less: Principal collections	21	21		2	1		1		6
Jordan:									
Net grants	32	32		5	2	1	1	2	1
Gross grants	32	32		5	2	1	1	2	1
Less: Reverse grants and returns	(5)	(5)							
Liberia:									
Net grants and credits	29	13	16	2	(5)	1	1	(5)	1
Net grants (gross grants)	8	8	(5)	1	(5)	(5)	(5)	(5)	(5)
Net credits	21	5	16	1	(5)	(5)	(5)	(5)	(5)
New credits	26	10	16	1	(5)	(5)	1	(5)	1
Less principal collections	6	6		(5)	(5)		(5)	(5)	1
Libya: Net grants (gross grants)	42	42		13	1	2	9	1	4
Rhodesia and Nyasaland:									
Net credits	56	56		9	2	1	3	3	(5)
New credits	61	61		11	4	1	3	4	1
Less principal collections	5	5		1	1			(5)	1
Turkey:									
Net grants and credits	474	399	75	94	27	28	14	24	24
Net grants	346	337	9	72	23	25	5	19	24
Gross grants	376	361	16	78	24	27	7	21	26
Less reverse grants and returns	31	24	7	6	(5)	2	2	1	2
Net credits	129	62	66	22	4	4	9	5	−(5)
New credits	169	92	77	24	5	4	10	5	(5)
Less principal collections	40	30	11	2	1	(5)	1	(5)	1
Union of South Africa:									
Net grants and credits	32	124	−91	11	4	1	3	2	1
Net grants (reverse grants and returns)	−92		−92						
Net credits	125	124	1	11	4	1	3	2	1
New credits	144	143	1	20	5	5	3	8	2
Less principal collections	19	19	(5)	10	(5)	4	1	5	1
Other and unspecified Near East and Africa:[6]									
Net grants and credits	230	212	18	40	7	9	9	15	14
Net grants (less conversions)	232	212	20	42	7	10	9	16	14
Gross grants	233	213	20	42	7	10	9	16	14
Less:									
Prior grants converted into credits	(5)		(5)						
Reverse grants and returns	(5)	(5)							
Net credits (including conversions)	−3	−1	−2	−3	−(5)	−1	−(5)	−1	1
New credits	44	24	20	(5)		(5)		(5)	
Plus prior grants converted into credits	(5)		(5)						
Less principal collections	47	25	22	3	(5)	1	(5)	1	(5)
South Asia:									
Net grants and credits	832	819	12	191	59	59	39	35	28
Net grants (less conversions)	515	543	−28	151	51	40	30	30	26
Gross grants	554	551	3	152	51	41	30	30	29
Less:									
Prior grants converted into credits	2		2						
Reverse grants and returns	36	8	29	1	(5)	(5)	(5)		(5)
Net credits (including conversions)	317	276	40	39	8	19	9	4	2
New credits	322	281	41	40	8	19	9	5	2
Plus prior grants converted into credits	2		2						
Less principal collections	8	5	2	1				1	
Afghanistan:									
Net grants and credits	51	51	(5)	14	2	2	5	4	7
Net grants (gross grants)	14	14	(5)	4	(5)	1	1	2	6
Net credits (new credits)	37	37		10	2	2	4	2	1

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
South Asia—Continued									
India:									
Net grants and credits	479	467	12	82	17	32	16	17	10
Net grants (less conversions)	227	255	−28	62	14	18	14	16	9
Gross grants	258	255	3	62	14	18	14	16	9
Less:									
Prior grants converted into credits	2		2						
Reverse grants and returns	29		29						
Net credits (including conversions)	252	211	40	20	2	14	3	1	(5)
New credits	257	217	40	21	2	14	3	2	(5)
Plus prior grants converted into credits	2		2						
Less principal collections	7	5	2	1				1	
Pakistan:									
Net grants and credits	278	278	(5)	91	40	24	16	11	10
Net grants	250	250	(5)	82	36	21	14	10	9
Gross grants	258	258	(5)	82	36	21	14	10	12
Less reverse grants and returns	8	8		1	(5)	(5)	(5)		2
Net credits	28	28		10	4	3	2	1	1
New credits	28	28	(5)	10	4	3	2	1	1
Less principal collections	(5)		(5)						
Other and unspecified south Asia: Net grants (gross grants)	24	24		4	(5)	1	1	2	2
Other Asia and Pacific:									
Net grants and credits	7,696	3,732	3,963	886	205	265	158	258	195
Net grants (less conversions)	7,112	3,469	3,643	772	185	198	166	224	170
Gross grants	7,220	3,492	3,728	774	185	198	166	224	169
Less:									
Prior grants converted into credits	51		51						
Reverse grants and returns	57	23	35	2	1	(5)	(5)	(5)	(5)
Net credits (including conversions)	584	263	321	114	21	67	−8	34	25
New credits	1,311	624	687	186	50	81	11	45	57
Plus prior grants converted into credits	51		51						
Less principal collections	777	360	417	72	29	13	19	11	32
Burma:									
Net grants and credits	22	18	5	(5)	(5)	(5)	(5)	(5)	(5)
Net grants	21	21	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Gross grants	21	21	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Less reverse grants and returns	1	1							
Net credits	2	−3	5	(5)		(5)			(5)
New credits	5		(5)						
Less principal collections	3	3	(5)	(5)		(5)			(5)
China-Taiwan (Formosa):									
Net grants and credits	1,376	557	819	114	33	28	27	25	34
Net grants (less conversions)	1,240	540	700	94	25	23	26	20	26
Gross grants	1,296	543	753	94	25	23	26	20	26
Less: Prior grants converted into credits	50		50						
Less: Reverse grants and returns	6	3	3						(5)
Net credits (including conversions)	136	17	120	20	8	6	1	5	7
New credits	212	33	179	22	8	6	2	5	7
Plus: Prior grants converted into credits	50		50						
Less: Principal collections	126	16	110	2	(5)	(5)	1	(5)	(5)
Indochina (Cambodia, Laos, and Vietnam):									
Net grants and credits	785	785	(5)	312	61	92	55	103	68
Net grants	760	760	(5)	287	61	67	55	103	68
Gross grants	762	762	(5)	287	61	67	55	103	68
Less: Reverse grants and returns	3	3		(5)		(5)	(5)		(5)
Net credits (new credits)	25	25		25		25			
Cambodia:									
Net grants	(5)	(5)	(5)	37	9	3	10	16	6
Gross grants	(5)	(5)	(5)	37	9	3	10	16	6
Less: Reverse grants and returns	(5)	(5)	(5)	(5)		(5)	(5)		(5)
Laos:									
Net grants	(5)	(5)	(5)	52	15	13	6	17	11
Gross grants	(5)	(5)	(5)	52	15	13	6	17	11
Less: Reverse grants and returns	(5)	(5)	(5)	(5)		(5)			

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
Indochina (Cambodia, Laos, and Vietnam—Continued									
Vietnam:									
Net grants and credits	(5)	(5)	(5)	221	37	74	40	70	51
Net grants (gross grants)	(5)	(5)	(5)	196	37	49	40	70	51
Net credits (new credits)	(5)	(5)	(5)	25		25			
Unspecified Indochina: Net grants (gross grants)	(5)	(5)	(5)	2	(5)	1	(5)	−(5)	
Indonesia:									
Net grants and credits	258	93	164	11	3	4	−(5)	5	−1
Net grants	120	36	84	9	2	2	2	3	1
Gross grants	125	38	87	9	2	2	2	3	1
Less: Reverse grants and returns	5	1	4	(5)		(5)	(5)		(5)
Net credits	138	57	80	2	1	2	−3	2	−2
New credits	158	77	81	10	3	2	2	2	(5)
Less: Principal collections	21	20	(5)	8	2	(5)	4	1	2
Japan and Ryukyu Islands:									
Net grants and credits	2,608	634	1,973	80	13	22	4	41	23
Net grants (gross grants)	2,442	483	1,959	20	1	1	3	14	3
Net credits	165	151	14	60	12	21	1	27	20
New credits	699	399	300	106	38	33	3	33	48
Less: Principal collections	534	248	286	46	26	12	2	6	28
Korea:									
Net grants and credits	1,679	1,312	367	309	81	94	67	67	56
Net grants	1,658	1,312	346	309	81	94	67	67	56
Gross grants	1,676	1,321	355	310	81	94	67	67	56
Less: Reverse grants and returns	18	9	9	1	1	(5)			
Net credits	21		21						
New credits	25		25						
Less: Principal collections	4		4						
Philippines:									
Net grants and credits	848	228	620	16	6	5	1	4	4
Net grants	775	220	555	20	7	4	3	7	5
Gross grants	780	224	555	21	7	4	4	7	5
Less: Reverse grants and returns	4	4		1	(5)	(5)	(5)	(5)	(5)
Net credits	73	7	65	−4	−1	1	−2	−3	−1
New credits	140	61	79	3	(5)	1	2	(5)	(5)
Less: Principal collections	67	54	14	7	1	(5)	4	3	1
Thailand:									
Net grants and credits	88	83	5	39	8	7	11	14	12
Net grants	79	79	(5)	32	7	7	8	9	10
Gross grants	80	80	(5)	32	7	7	8	9	10
Less: Reverse grants and returns	1	1		(5)	(5)	(5)	(5)	(5)	(5)
Net credits	9	4	5	7	(5)	(5)	2	4	2
New credits	16	10	6	7	(5)	(5)	2	4	2
Less: Principal collections	7	6	1	(5)	(5)			(5)	
Other and unspecified Asia and Pacific:									
Net grants and credits	32	23	9	5	−(5)	13	−7	−1	−(5)
Net grants (less conversions)	17	18	−1	1	(5)	(5)	(5)	(5)	(5)
Gross grants	37	18	19	1	(5)	(5)	(5)	(5)	(5)
Less: Prior grants converted into credits	1		1						
Less: Reverse grants and returns	20		20						
Net credits (including conversions)	16	5	10	4	−(5)	13	−8	−1	−(5)
New credits	31	19	12	13	(5)	13	(5)	(5)	
Plus: Prior grants converted into credits	1		1						
Less: Principal collections	16	14	2	9	(5)	(5)	8	1	(5)
American Republics:[7]									
Net grants and credits	1,159	804	356	55	16	3	22	15	52
New grants (less conversions)	426	289	137	81	20	22	15	24	24
Gross grants	429	289	140	81	20	22	16	24	24
Less: Prior grants converted into credits	3	1	2	1			1		
Less: Reverse grants and returns	(5)	(5)	(5)						
Net credits (including conversions)	733	515	219	−25	−4	−18	7	−9	27
New credits	1,433	1,045	388	94	18	21	23	32	45
Plus: Prior grants converted into credits	3	1	2	1			1		
Less: Principal collections	702	531	171	120	22	40	16	41	18

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
American Republics—Continued									
Argentina:									
Net grants and credits	71	71	(5)	−10		−5	(5)	−5	
Net grants (gross grants)	(5)	(5)	(5)	(5)			(5)		
Net credits	71	71	(5)	−10		−5		−5	
New credits	102	101	(5)						
Less: Principal collections	31	31	(5)	10		5		5	
Bolivia:									
Net grants and credits	100	79	$21	20	$6	2	$4	8	$4
Net grants	66	63	2	19	6	2	4	7	4
Gross grants	66	63	2	19	6	2	4	7	4
Less reverse grants and returns	(5)	(5)							
Net credits	34	16	18	(5)	(5)	(5)	−1	(5)	(5)
New credits	42	24	19	2	1	1	(5)	(5)	(5)
Less principal collections	8	8	(5)	2	1	(5)	1	(5)	(5)
Brazil:									
Net grants and credits	452	384	69	−13	−(5)	−12	5	−5	21
Net grants (gross grants)	31	22	9	6	1	2	1	2	1
Net credits	421	362	59	−19	−2	−14	4	−7	20
New credits	672	576	96	41	7	7	12	15	31
Less principal collections	251	214	37	60	9	21	9	21	11
Chile:									
Net grants and credits	64	−3	67	−3	(5)	−3	(5)	−(5)	1
Net grants	13	9	4	2	1	1	(5)	1	(5)
Gross grants	13	9	4	2	1	1	(5)	1	(5)
Less reverse grants and returns	(5)		(5)						
Net credits	51	−12	63	−5	−(5)	−4	−(5)	−1	(5)
New credits	125	35	90	3			(5)	3	1
Less principal collections	74	47	28	8	(5)	4	(5)	4	(5)
Ecuador:									
Net grants and credits	34	25	9	7	2	1	1	2	1
Net grants	11	8	2	2	(5)	1	(5)	1	(5)
Gross grants	11	8	2	2	(5)	1	(5)	1	(5)
Less reverse grants and returns	(5)		(5)						
Net credits	23	17	7	5	2	1	1	1	(5)
New credits	34	25	9	6	2	1	1	2	1
Less principal collections	10	8	2	2	(5)	(5)	(5)	(5)	(5)
Guatemala:									
Net grants and credits	47	38	9	18	3	7	3	6	6
Net grants (gross grants)	45	36	9	17	3	7	3	5	5
Net credits	2	2		1	(5)	(5)	(5)	1	(5)
New Credits	2	2		1	(5)	(5)	(5)	1	(5)
Less principal collections	(5)	(5)		(5)		(5)		(5)	(5)
Haiti:									
Net grants and credits	38	39	−1	9	3	3	1	2	2
Net grants	19	16	3	5	3	1	1	1	2
Gross grants	19	16	3	5	3	1	1	1	2
Less reverse grants and returns	(5)		(5)						
Net credits	19	23	−4	4	(5)	2	(5)	1	−(5)
New credits	24	24	1	4	1	2	(5)	1	
Less principal collections	6	1	4	(5)	(5)	(5)	(5)	(5)	(5)
Mexico:									
Net grants and credits	210	61	149	−8	2	−3	−1	−5	3
Net grants	107	24	83	1	(5)	(5)	(5)	(5)	(5)
Gross grants	107	24	83	1	(5)	(5)	(5)	(5)	(5)
Less: Reverse grants and returns	(5)		(5)						
Net credits	104	37	67	−9	1	−3	−2	−5	2
New credits	244	130	114	10	4	4	1	1	5
Less: Principal collections	140	94	47	19	3	7	3	7	3

See footnotes at end of table.

TABLE 2.—*Summary of foreign grants and credits—Military and other, by major country,*[1] *postwar period, July 1, 1945, through Mar. 31, 1957 (before and after Korean invasion, June 25, 1950); calendar year ended Dec. 31, 1956 (by quarter), and quarter ended Mar. 31, 1957*—Continued

[Millions of dollars]

	Postwar period			Calendar year 1956					January to March 1957
	Total	After Korean invasion	Before Korean invasion	Total	January to March	April to June	July to September	October to December	
Other grants and credits—Continued									
American Republics—Continued									
Peru:									
Net grants and credits	70	62	8	26	3	5	8	9	7
Net grants	25	21	4	8	1	3	1	2	2
Gross grants	25	21	4	8	1	3	1	2	2
Less: Reverse grants and returns	(5)		(5)						
Net credits	45	41	4	18	2	2	7	7	4
New credits	52	46	6	19	2	2	7	8	5
Less: Principal collections	7	5	2	1	(5)	(5)	(5)	1	(5)
Other than unspecified American Republics:[7]									
Net grants and credits	73	48	25	10	−3	9	1	4	7
Net grants (less conversions)	109	88	20	19	4	6	3	6	8
Gross grants	112	89	23	20	4	6	4	6	8
Less: Prior grants converted into credits	3	1	2	1			1		
Less: Reverse grants and returns	(5)		(5)						
Net credits (including conversions)	−36	−40	5	−9	−8	3	−2	−2	−(5)
New credits	136	83	53	7	1	5	1	1	3
Plus: Prior grants converted into credits	3	1	2	1			1		
Less: Principal collections	174	124	51	16	8	2	4	3	4
Canada:									
Net credits	−6	−7	1	−5	−2	−3	−(5)	−(5)	−(5)
New credits	163	22	142	(5)		(5)			(5)
Less: Principal collections	169	28	141	5	2	3	(5)	(5)	(5)
Other international organizations and unspecified areas:									
Net grants and credits	1,095	363	732	83	21	19	16	27	35
Net grants (gross grants)	1,039	345	694	85	21	19	18	27	35
Net credits	56	18	38	−2			−2		
New credits	65	27	38						
Less: Principal collections	9	9	(5)	2			2		

[1] For security reasons data by country do not include the military aid furnished principally under the mutual-security program. Transfers of military assistance generally reflect the area of consignment of the equipment; in particular data for Asia and Pacific include shipments to Indochina (Cambodia, Laos, and South Vietnam) while those for Western Europe include shipments to France, a part of which may have replaced equipment used by the French forces in Indochina. See also note on p. 8–2. The aid shown in the table includes credits which have been extended to private entities in the country specified; the net credit shown for Canada, for example, represents credits extended to private entities in Canada. Country data include Government grants of agricultural surpluses through American voluntary relief agencies and international organizations. For definition of grants and credits see footnote (1) to table 1.

[2] Includes contributions to the multilateral-construction program of the North Atlantic Treaty Organization, some part of which may be disbursed in Greece and Turkey, as NATO members.

[3] Includes programs marked M in table 1. In particular, includes "military equipment loans" as explained in footnote 7 to table 1. The transfers reported for Canada represent the loan and return of aircraft, for example, under the program announced by the Defense Department Aug. 15, 1952.

[4] Includes grants to European Payments Union and European Productivity Agency and loan to European Coal and Steel Community.

[5] Less than $500,000.

[6] Includes grants to United Nations Relief and Works Agency for Palestine Refugees.

[7] Includes grants to Organization of American States. Includes transactions, particularly prior grants converted into credits and repayments on lend-lease credits, not separately available for security reasons.

[8] Detail not available.

VOTE PLEDGED AGAINST FOREIGN-AID APPROPRIATION

Mr. MALONE. In closing, I wish to say that I shall vote not only against the conference report, but against any appropriation, because of the things I have told the Senate today. We are riding for the greatest fall in history. We have a debt of more than $270 billion. It varies from time to time. We have not reduced it materially in the past 4 or 5 years. That debt grew from $16½ million or less in 1933 to $280 million.

We talk continually about how much we are going to do for the people of the country. All we have done is to devalue their money, to destroy the insurance which they had 10 or 15 years ago, and lower their wages so that they have had continually to strike for higher wages. All the time we were imposing a burden upon them. We had to load it on to someone. If we could hold down wages and let the process continue, we could finally load it onto one class of people. I am not for that. I have been voting for salary increases ever since I first became a Member of this body, to take up the slack caused by inflation.

SENATOR FAVORS BENEFITS FOR UNITED STATES VETERANS, POSTAL WORKERS, NOT FOREIGN INDUSTRIALISTS

I led the fight in the Senate Finance Committee to bring about a 10-percent increase in the pensions of totally disabled veterans. Conditions were such that they could not live. They are totally disabled. Think of what they have sacrificed, and then think of the things we do to this country, and the trouble we get it into. I have enumerated some of those things today.

I shall vote for the increase in wages of postal employees and employees in the civil service, to make up for the inflation which has taken place since the last increase. Such salaries ought to be tied to some factor, so that they would automatically be increased when it was necessary. Those people are helpless. What can they do? They have nothing. They are trying to keep their families together.

Mr. President, the score must be added up some time before the session ends. At the new interest rate, the interest on the public debt probably will be between $12 billion and $15 billion a year, which is almost 4 times what it cost to operate the Government 24 years ago.

BUILD DOMESTIC ECONOMY INSTEAD OF PASSING OUT BILLION-DOLLAR BUNDLES TO NATIONS ABROAD

We talk about economy. We have not the guts in Congress to do anything about it. I am sorry about it. I assume part of the responsibility myself, because of my inability to stop it. I do not mean to stop improving the United States, to stop building dams, to stop building roads, to stop increasing salaries.

What I mean to stop is the distribution of our wealth in billion-dollar bundles among the other nations of the world.

Let us quit free trade. Let us quit throwing people out of work in various

areas of our country in the textile industry, the minerals industry, the machine-tool industry, and industries concerned with 5,000 other products.

DEPRESSED AREAS IN UNITED STATES SHRUGGED OFF BY STATE DEPARTMENT

What does the State Department do? I could read the account, but it would require a little time. Senators can look it up for themselves. The Department says, "Of course, our program may cause unemployment in depressed areas."

The Secretary of State has been conducting these operations under three Presidents, and still was, until the control was placed in Geneva, where now we have 1 vote out of 35. Our representative there also is in favor of distributing our markets and of buying other nations to keep them from communism, nations that are all now trading with China. They are all trading with Russia and her allies and doing everything we say we will not do; but we are doing it indirectly.

We are dividing our markets with them and throwing our own people out of work. We shall hear more about it next year. We do not need to worry about that. The problem will come to us.

FATE OF ALL AMERICAN INDUSTRIES AT STAKE

What remedy is suggested for this depressed-area problem I referred to? It is suggested that we appropriate hundreds of millions of dollars, to do what? To retrain displaced workers to do some other kind of work when they are thrown out of work by an overall decision which is supposed to be in the best interests of the United States. They are thrown out of work, and it is proposed to retrain them for different work, in another area. What work is meant is not clear, because all industries are at stake.

It is also proposed to reimburse the stockholders of the companies which are destroyed by virtue of this policy. Mr. Dulles, under cross-examination by the senior Senator from Nevada, said that he believed that any industry in this country should be destroyed if such action were judged by the President of the United States to be for the overall benefit of the Nation.

Let me show the Senate the fallacy of that argument. It is not a question of trusting the President of the United States. No human being on earth can tell what industries should be destroyed and what industries should be built up. There is the greatest graft and corruption involved—not on the part of the White House, but as the inevitable result of a policy of this kind. It is practiced by people we have never heard of, in the second, third, or fourth echelon.

No Secretary of State, no President, nor anyone else, can go into all the details. So the program for the distribution of the cash and markets of the taxpayers of this country is conducted by subordinates.

NATION BUILT ON PRINCIPLE

The only way this country was ever built was on a principle. What was that principle? For 145 years the principle of Congress, carried out awkwardly at times—was to use the tariff to make up the difference in wages between this country and the principal competing nation. When we concluded that we would raise our standard of living above that of the rest of the world, and we declared ourselves free of colonial-minded England, we paved the way for the American way of life.

Today, we are trying to help Great Britain hold the rest of her colonies and financing her in that effort. She is using the money and materials we give her. France and the other colonial nations will do the same.

ECONOMIC INDEPENDENCE BUILT ON TARIFFS

In 1776 we broke away from the colonial system. What did we say? We said, "We are going to build our industries in this country." When we broke away, we did build them. Then, as our living standard rose, we fixed a tariff or duty, as it is called in article I, section 8, of the Constitution of the United States, to make up for the difference in wages, taxes, and cost of doing business in the United States, as compared with the costs in the chief competing country.

ECONOMIC INDEPENDENCE NOW FORFEITED TO 34 FOREIGN NATIONS

Until 1934, we followed that policy, and it was a principle. Anyone in the United States could judge it to the best of his ability, and if he had $2 or $200 or $2,000 or even $2 million, he could invest that money to the best of his judgment. If he misjudged, he might lose the money. If his judgment was right, he made money for his stockholders. That is the principle on which the country was run for 145 years. Suddenly we changed the policy and we changed the principle, and we relied on the judgment of one man. Now we rely on the judgment of 34 competitive nations to decide which industries shall survive and which industries shall be destroyed.

So far as currency is concerned all we have to do is to go back to a sound money standard. We had it in 1933. Then we left it. Since then we had inflation. My bills, S. 1775, to provide a free market for gold, and S. 1897, providing for a return of the United States to the gold standard would stop inflation and place our currency back again on a sound and stable basis.

LET INIQUITOUS TRADE ACT EXPIRE NEXT JUNE

In June 1958, when the so-called Reciprocal Trade Act expires, let us not renew it. Let us just sit still. If we do that, we will be back in business.

We put the Tariff Commission back in business. Where does the authority go? It goes back to where it was, to the Tariff Commission, where Congress put it in 1930.

What did we say in 1930? I shall put the exact quotation in the RECORD, but it said the Tariff Commission shall determine the difference in cost in the production of an article in the chief competing country and in this country, and shall recommend what ought to be the tariff. That is what it said. They can call a meeting on their own motion, at the request of the President, or of a Congressional committee, or at the request of a consumer or a producer. However, the principle laid down by Congress was that the difference should be the duty or the tariff, and that was the principle that has guided this country for 145 years.

I have introduced a bill during several Congresses, to provide just that.

WAR ECONOMY SUPPORTING UNITED STATES TODAY

Of course, today it makes no difference whether the tariff or duty is 1 percent or 50 percent. We are staying in business today because we are in a war economy. We are spending $37 billion a year to buy stuff for a war economy, and we are giving $5 billion a year to foreign countries to buy our goods. If we were to stop that economy for 60 days in this country, we would be out like a light. That is what scares people to death. That is what is waking them up.

Mr. LANGER. Mr. President, I wish to compliment the distinguished Senator from Nevada for one of the greatest speeches I have ever heard made by any American. I do not believe the people of Nevada realize what a great and distinguished citizen represents them in the Senate. I hope his speech will be sent to the people of Nevada, and, for that matter, all over the United States, because in my opinion it is a speech which not only every Senator should read, but which should be read by all citizens of this great country.

Again I wish to compliment the Senator from Nevada for giving it.

Mr. MALONE. I thank the Senator. I am sure I do not deserve the compliment. However, it sounds good, and at least it comes from the inside. Thank you.

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

Mr. LANGER. I object. This conference report involves $3 billion. Certainly we ought to have a live quorum.

The PRESIDING OFFICER. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bennett	Holland	O'Mahoney
Bible	Hruska	Pastore
Bricker	Humphrey	Potter
Bush	Ives	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Carlson	Jenner	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Church	Kerr	Smith, Maine
Clark	Knowland	Smith, N. J.
Cooper	Kuchel	Sparkman
Cotton	Langer	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Thye
Ellender	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Flanders	Martin, Pa.	Williams
Fulbright	McClellan	Yarborough
Goldwater	McNamara	Young

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

The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8992) to provide for the appointment of representatives of the United States in the organs of the International Atomic Energy Agency, and to make other provisions with respect to the participation of the United States in that Agency, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DURHAM, Mr. PRICE, Mr. KILDAY, Mr. COLE, and Mr. VAN ZANDT were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1473. An act for the relief of Richardson Corp.;

H. R. 1861. An act for the relief of George W. Arnold;

H. R. 2264. An act for the relief of Donald F. Thompson;

H. R. 2674. An act for the relief of Morris B. Wallach;

H. R. 2740. An act for the relief of Mrs. Harriett Sakayo Hamamoto Dewa;

H. R. 2928. An act for the relief of Harry and Sadie Wonteiler;

H. R. 2937. An act for the relief of Clarence L. Harris;

H. R. 2985. An act for the relief of Alton B. York;

H. R. 3473. An act to authorize and direct the Secretary of the Interior to sell certain public lands in the State of California;

H. R. 3723. An act for the relief of Maj. Gen. Julius Klein;

H. R. 4520. An act to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska;

H. R. 4830. An act to authorize revision of the tribal roll of the eastern band of Cherokee Indians, North Carolina, and for other purposes;

H. R. 5492. An act to amend the act of August 31, 1954 (68 Stat. 1044), to extend the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws, and for other purposes;

H. R. 5679. An act to authorize amendment of the irrigation repayment contract of December 28, 1950, between the United States and the Mirage Flats Irrigation District, Nebraska;

H. R. 6527. An act for the relief of Horace Collier; and

H. R. 8643. An act to authorize the construction of certain works of improvement in the Niagara River for power, and for other purposes.

ASSUMPTION OF MORE RESPONSIBILITIES BY THE STATES

Mr. GOLDWATER. Mr. President, speaking before the recent annual meeting of the governors at Williamsburg, Va., the President of the United States proposed that a study be made to ascertain what functions now performed by the Federal Government could better be handled by the States themselves. This has been a continuing concern of the President since he has been in office, as it has been a traditional concern of the Republican Party.

In suggesting that the States assume more of the responsibilities that are rightfully theirs—and, therefore, channel more tax money that is now going to Washington into the coffers of the States—it should be recognized that serious obstacles stand in the way of this goal. While we have been talking about returning responsibilities to the States, the process of expanding Federal grants-in-aid has been going on at a rapid rate. The budget for 1958 proposes twice the amount of grants that were given in the fiscal year 1954.

Congress has been and is under continuous pressure to approve aid for many worthwhile and desirable purposes. That pressure has not come from the representatives of State governments with overall responsibility. In fact, governors of the States at their annual meetings have repeatedly called for a reduction of grants-in-aid in return for a return of some tax sources by the Federal Government. Several State legislatures have passed similar resolutions. Reviewing the testimony before Congressional committees holding hearings on proposed aid programs, we find that representatives of special interest groups testified that the States were unable to finance essential activities. The officials responsible for the fiscal affairs of State governments, such as State finance or budget directors or chairmen of State legislative councils or appropriations or ways and means committees never said so.

In other words, we are faced with the fact that special interest groups have asserted an inability on the part of State governments while those governments never admitted that they were unable to support activities which they deem necessary. Those special interest groups in effect have been asking Congress to overrule the judgment of the elected State officials with general responsibility in regard to the necessity of certain projects and services.

Thus, whenever grants-in-aid were considered, Congress heard the voice of the special interest groups and not the voice of the States.

Secondly, there is the obstacle of the Federal Government. Bureaus beget bureaus, and the established large and powerful Federal bureaucracy will fight to the death to maintain itself in power—not to be changed one iota by the desires of the President, the Congress, or the State governments. This is a fact of history. It cannot be refuted, nor can it be denied. Programs that were instituted as emergency programs 20 or more years ago are still on the books, although, in some cases, the emergencies as such have passed.

While we are considering obstruction to the President's suggestion at the Federal level, we must recognize that the Congress, too, would have a tendency to refrain from giving up the prerogative of Federal spending because of the political power that goes with the development and maintenance and operation of the bureaus and the projects concerned.

Finally, there is the obstacle of outside pressure. Pressure groups working directly on the Congress will do everything in their power to see that their individual pet bureaus and projects are not abandoned at the Federal level and turned over to the several States. It goes without saying that it is easier to lobby and pressure one Congress in Washington than to lobby and pressure 48 State legislatures and their governors.

Considering these obstacles to the President's suggestion, I do not for a moment propose that they are insurmountable; and I offer three courses that come to my mind which would enable us to surmount them.

Above all, we must uphold the spirit of the Constitution which clearly intended to set up and preserve a system of government of widely dispersed powers. The Constitution did not intend that authority and responsibility be gradually shifted from the States to the Central Government.

But if grants-in-aid continue to expand at the rate at which they have been growing in recent years, the Federal Government will within not too many years be running virtually all public services and facilities and relegate the States to the role of mere administrative subdivisions.

The first step would be, of course, to forget politics at every level in this needed effort to return the powers of government to the States.

Then, I think we should apply the words of the 10th amendment, and remember that it was the purpose of our Founding Fathers to have a Republican form of Government that would retain in the States the powers not specifically vested in the Congress. We are charged with upholding the Constitution, and I suggest that this obligation extends to every word, comma, and amendment of this magnificent document of freedom.

Thirdly, I believe that the Congress and the Executive should say "No" to these projects as they begin to develop at the Federal level. We in Congress do not have to implement them, nor does the executive branch have to advance or accept them.

Now, Mr. President, it is obvious to many people that action supplementing and implementing the suggestions of the administration in this regard must be begun now if we are to stem the tide of bloated government and return to a constitutional balance in our Federal-State relationships. And because the Congress is so intimately involved in this problem, and its collective attitude so significant in determining the ultimate solution, I think it is only appropriate that we lose no time in contributing where we are able, to the basic objective of the President's Federal-State Joint Action Committee which has been entrusted with the obligation of studying ways and means to reverse the trend to a centralized government.

Therefore, Mr. President, I send to the desk a resolution designed to manifest the good faith and cooperation of this body toward this Committee, as well as to achieve some measure of progress toward the fulfillment of its stated purpose; and I ask unanimous consent that this resolution be appropriately referred in order that the action which it proposes may be considered diligently and, I hope, approvingly by the Senate.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 184) to establish a procedure for committees in considering proposed legislation relating to Federal grants-in-aid to the States, submitted by Mr. GOLDWATER, was referred to the Committee on Rules and Administration, as follows:

Whereas the continued existence of strong and self-reliant States and the decentralization of power are essential to the maintenance of our Federal system of government; and

Whereas the President of the United States in addressing the annual conference of the State governors in June 1957, declared that "slowly at first, but in recent times more and more rapidly, the pendulum of power has swung from our States to the Federal Government," and also quoted a distinguished scholar who recently counseled "that in the measurable future, if present trends continue, the States are sure to degenerate into powerless satellites of the National Government in Washington"; and

Whereas the President of the United States has called upon the governors of the States to establish a joint task force for the purpose of seeking ways by which the States can regain and preserve their traditional rights; and

Whereas the President of the United States pointed out in the same speech how Federal intervention and expansion into areas traditionally reserved to the States has come about largely through new or expanded Federal grants-in-aid; and

Whereas, in the year 1948, the executive committees of the governors' conference meeting with Representatives of both Houses of Congress in an effort to reverse the expansion of Federal activities at the expense of the States agreed to reduce Federal grants-in-aid for the fiscal year 1950 by at least 20 percent but despite this agreement Federal aid reached a new record $2,269 million in 1950 and has been growing rapidly since that time; and

Whereas the 83d Congress, in establishing a Commission on Intergovernmental Relations, declared that "the activity of the Federal Government has been extended into many fields which under our constitutional system, may be the primary interest and obligation of the several States and the subdivisions thereof," and included among the duties of the Commission a study of the justification of Federal aid in the various fields; and

Whereas the Commission on Intergovernmental Relations, in its report to the President and the Congress, recommended that in the case of proposed Federal grants-in-aid "a healthy safeguard here is for Congress to consult representatives of State governments—those with overall responsibility as well as heads of functional agencies—on the need for and the form of national participation"; and

Whereas a number of Federal grants-in-aid to the States have been enacted or expanded without consulting the governments of the States; and

Whereas the amount of grants-in-aid has grown from $2,657 million in 1954 to $5,502 million as proposed for the fiscal year 1958; and

Whereas an expansion of Federal grants-in-aid at such a rapid rate and without due consultation of the States as to the need and justification for such action, poses the threat that within not many years the Federal Government will bear the major financial responsibility for and will control most or all government activities thereby relegating the States to a mere shadow existence; and

Whereas it behooves Congress to give consideration to the recommendations of the Commission on Intergovernmental Relations and to exercise caution before authorizing further expansion of Federal aid to the States, particularly while a task force proposed by the President of the United States is investigating how this dangerous trend toward centralization of governmental power can be reversed: Now, therefore, be it

Resolved, That before any standing committee of the Senate reports any bill which enlarges an existing program of Federal grants-in-aid to the States, or their subdivisions, or establishes a new program of grants-in-aid, the committee shall transmit copies of such bill to the Governors of the several States and to the presiding officers of both Houses of the several State legislatures, and to the chairmen of the legislative councils in those States where such continuing legislative bodies exist, for their respective opinions as to (1) whether such Federal aid is necessary because the particular service, function, or activity is essential and the States are unable to finance it, and (2) whether the States favor such aid being made available to them, either in the form of the bill transmitted to them, or with any amendments they may desire to suggest.

SEC. 2. Within a reasonable time after the transmission of any bill to the States by a standing committee of the Senate as hereinabove provided, the committee shall tabulate the replies received from the various States and, after consideration thereof, may report to the Senate any such bill, either with or without amendment, as the committee in its judgment, may determine. Such bill shall be accompanied by a report, which shall contain the replies received by the committee together with its recommendations.

Mr. GOLDWATER. Mr. President, briefly, this resolution, if agreed to, would require that any committee considering a bill calling for new or modified Federal grants-in-aid to the States, ascertain from the governors and legislative officers of the 48 States "their respective opinions as to first, whether such Federal aid is necessary because the particular service, function, or activity is essential and the States are unable to finance it; and, second, whether the States favor such aid being made available to them."

Following the receipt of such advice and counsel, the committee may report the bill itself to the Senate, either with or without amendment, along with a report containing the replies received from the States and its own recommendations.

Mr. President, I shall not comment further at this time on this proposal, but I urge my colleagues to consider carefully its possible benefits, as well as the opportunity which it provides for this body to reaffirm its belief in those principles of limited, economical government, and the preservation of the basic, individual liberties of all Americans.

If each of us will take a realistic and sincere attitude toward this problem of our growing Federal bureaucracy, I feel certain that it can be resolved for the betterment of the United States—its citizens of today and those who are to come.

PUBLIC WORKS APPROPRIATION BILL—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8090) making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior for the fiscal year ending June 30, 1958, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 13, 1957, pp. 14571–14576, CONGRESSIONAL RECORD.)

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

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

Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. NEUBERGER. Mr. President, is it in order for questions to be asked about the report?

Mr. ELLENDER. Certainly.

The PRESIDING OFFICER. Yes, the question of agreeing to the report is debatable.

Mr. ELLENDER. Mr. President, at this time I ask unanimous consent to have printed in the RECORD a statement which I submit. The statement outlines the action of the conferees on this measure.

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

STATEMENT BY SENATOR ELLENDER

Considering that all legislation must be the result of adjusting the differences in a bill as passed by the two Houses of Congress, I consider the result of this conference as very satisfactory to the Senate conferees, and the report was signed by a majority of the Senate conferees. There was some compromising with reference to the Senate amendments, but that is the purpose of a conference.

The conference report provides an appropriation of $858,094,323, which is $26,057,000 below the amount approved by the Senate, and $43,281,300 above the amount approved by the House.

Attached is a summary of the bill, showing how the money is to be distributed between titles I and II. Title I covers civil functions, Department of the Army. Title II covers certain agencies of the Department of the Interior.

Public works appropriation bill, fiscal year 1958—Bill summary

	Budget estimates, 1958	House allowance	Senate allowance	Conference allowance
TITLE I.—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY				
Quartermaster Corps, cemeterial expenses	$6,775,000	$6,815,000	$6,815,000	$6,815,000
Corps of Engineers:				
General investigations	8,900,000	8,900,000	10,779,600	10,779,600
Construction	453,755,000	422,186,800	470,040,500	449,398,500
Operation and maintenance	99,000,000	98,870,000	103,850,000	103,850,000
General expenses	11,350,000	11,350,000	11,350,000	11,350,000
Mississippi River and tributaries	59,000,000	58,950,000	62,480,000	60,715,000
Niagara remedial work				
St. Lawrence Joint Board of Engineers	125,000	125,000	125,000	125,000
Total, Corps of Engineers	632,130,000	600,381,800	658,625,100	636,218,100
Total, title I	638,905,000	607,196,800	665,440,100	643,033,100
TITLE II.—DEPARTMENT OF THE INTERIOR				
Bureau of Reclamation:				
General investigations	5,932,000	4,500,000	5,932,000	5,932,000
Construction and rehabilitation	135,658,000	113,046,223	120,386,223	116,736,223
Operation and maintenance	28,338,000	28,000,000	28,000,000	28,000,000
General administrative expenses	4,242,000	4,000,000	4,164,000	4,164,000
Upper Colorado River Basin fund	25,142,000	25,142,000	25,142,000	25,142,000
Total, Bureau of Reclamation	199,312,000	174,688,223	183,624,223	179,974,223
Office of the Secretary, Southeastern Power Administration, operation and maintenance	1,939,000	1,939,000	1,939,000	1,939,000
Southwestern Power Administration:				
Construction	1,480,000	1,480,000	1,480,000	1,480,000
Operation and maintenance	1,045,000	1,000,000	1,000,000	1,000,000
Continuing fund	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total, Southwestern Power Administration	2,525,000	2,480,000	2,480,000	2,480,000
Bonneville Power Administration:				
Construction	25,142,000	19,879,000	22,038,000	22,038,000
Operation and maintenance	8,630,000	8,630,000	8,630,000	8,630,000
Total, Bonneville Power Administration	33,772,000	28,509,000	30,668,000	30,668,000
Total, title II	237,548,000	207,616,223	218,711,223	215,061,223
Grand total	876,453,000	814,813,023	884,151,323	858,094,323

With respect to title I, the amount approved for cemeterial expenses of the Quartermaster Corps by both the House and Senate was $6,815,000, so this item was not in conference. Proceeding to the Corps of Engineers, the conference bill provides $636,218,100 which is $22,407,000 below the amount approved by the Senate and $35,836,300 more than the amount approved by the House.

On general investigations, the House agreed to the Senate amount

On "construction, general," the conferees agreed on $449,398,500, which is $20,642,000 below the amount approved by the Senate and $27,211,700 above the amount allowed by the House.

I append a tabulation showing a breakdown of the construction and planning items as passed by the Senate, and as agreed to in conference.

Corps of Engineers, construction, general, fiscal year 1958

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alaska:								
Dry Pass	$874,000			$23,900	$874,000		$874,000	
Gastineau Channel		$50,000		50,000		$50,000		$50,000
Ketchikan Harbor	1,900,000		$1,900,000		1,900,000		1,900,000	
Kodiak Harbor	1,440,000		1,440,000		1,440,000		1,440,000	
Rocky Pass in Keku Strait	(1)		(1)		(1)		(1)	
Alabama:								
Columbia lock and dam, Alabama and Georgia		150,000		150,000		150,000		150,000
Fort Gaines lock and dam, Alabama and Georgia	6,600,000		6,600,000		6,600,000		6,600,000	
Jackson lock and dam	1,700,000		1,700,000		1,700,000		1,700,000	
Millers Ferry lock and dam						75,000		
Paint Rock River		30,000		30,000		30,000		30,000
Warrior lock and dam	2,000,000		2,000,000		2,000,000		2,000,000	
Arizona:								
Camelsback Reservoir [2]						100,000		
Painted Rock Reservoir	3,165,000		2,841,000		3,165,000		3,165,000	
Whitlow Ranch Reservoir		147,000		147,000	300,000	147,000	300,000	147,000
Arkansas:								
Arkansas River and tributaries, Arkansas and Oklahoma (general studies)						225,000		
Arkansas River and tributaries, Arkansas and Oklahoma (bank stabilization)		50,000		50,000		100,000		100,000
Arkansas River and tributaries, Arkansas and Oklahoma (emergency bank stabilization and channel rectification)	1,300,000		1,300,000		1,500,000		1,500,000	
Beaver Reservoir		250,000		250,000		250,000		250,000
Bull Shoals Reservoir, Ark. and Mo. (addition of units 5 and 6)	110,000		110,000		110,000		110,000	
Calion	210,000		210,000		210,000		210,000	
Dardanelle lock and dam	800,000		800,000		1,400,000		1,400,000	
DeGray Reservoir						50,000		50,000
Greers Ferry Reservoir	1,700,000		1,700,000		1,700,000		1,700,000	
Maniece Bayou	(1)		(1)		(1)		(1)	
Ouachita and Black Rivers, Ark. and La		150,000		150,000		150,000		150,000
Red River levees below Denison Dam, Ark., La., and Tex	300,000		300,000		750,000		750,000	
Table Rock Reservoir, Ark. and Mo	17,000,000		17,000,000		17,000,000		17,000,000	
Walnut Bayou					200,000		200,000	

See footnotes at end of table.

Corps of Engineers, construction, general, fiscal year 1958—Continued

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
California:								
American River levees	$1,900,000		$1,900,000		$1,900,000		$1,900,000	
Black Butte Reservoir		$179,000		$179,000		$179,000		$179,000
Carbon Canyon Dam and Channel	800,000		800,000		800,000		800,000	
Devil, East Twin, Warm, and Lytle Creeks	1,150,000		1,150,000		1,150,000		1,150,000	
Hogan Reservoir					250,000			
Los Angeles County drainage area	18,100,000		16,215,000		18,100,000		18,100,000	
Lower San Joaquin River and tributaries	1,000,000		1,000,000		1,000,000		1,000,000	
Middle Creek	300,000				300,000		300,000	
Mill Creek levees						50,000		50,000
New Melones Reservoir		186,000				186,000		186,000
Playa del Rey Inlet and Harbor	600,000		600,000		600,000		600,000	
Redondo Beach Harbor	2,620,000		2,620,000		2,620,000		2,620,000	
Riverside	1,430,000		1,230,000		1,230,000		1,230,000	
Russian River Reservoir	5,000,000		5,000,000		5,000,000		5,000,000	
Sacramento River	3,000,000		3,000,000		3,000,000		3,000,000	
Sacramento River (deepwater ship channel)	2,815,000		2,815,000		2,815,000		2,815,000	
Sacramento River major and minor tributaries (active units)	700,000		700,000		700,000		700,000	
San Antonio and Chino Creeks	3,400,000		2,721,100		3,400,000		3,400,000	
San Diego River and Mission Bay	1,100,000		1,100,000		1,100,000		1,100,000	
San Jacinto River and Bautista Creek						80,000		80,000
San Joaquin River, Stockton deepwater channel	600,000		600,000		600,000		600,000	
San Lorenzo Creek	1,000,000		1,000,000		1,000,000		1,000,000	
San Lorenzo River	1,200,000		1,200,000		1,200,000		1,200,000	
Santa Clara River		50,000		50,000		50,000		50,000
Santa Maria River		75,000		75,000		75,000		75,000
Success Reservoir	5,000,000		518,000		5,000,000		5,000,000	
Terminus Reservoir	2,500,000		100,000		2,500,000		2,500,000	
Truckee River and tributaries, California and Nevada. (See Nevada.)								
Connecticut:								
Hall Meadow Brook Reservoir [2]						100,000		
Mad River Reservoir [2]						100,000		
Thomaston Reservoir	2,900,000		2,900,000		2,900,000		2,900,000	
Delaware: Inland Waterway, Delaware River to Chesapeake Bay, Del. and Md.: Summit Bridge	1,200,000		1,200,000		1,200,000		1,200,000	
Florida:								
Central and southern Florida	5,500,000		5,226,000		5,500,000		5,500,000	
Horseshoe Cove					244,000		244,000	
Intracoastal Waterway, Caloosahatchee River to Anclote River						135,000		
Intracoastal Waterway, Jacksonville to Miami	1,150,000				1,150,000		1,150,000	
St. Augustine Harbor	600,000		600,000		600,000		600,000	
Tampa Harbor: 30-, 34-, and 36-foot channels	2,250,000		2,250,000		2,250,000		2,250,000	
Georgia:								
Columbia lock and dam, Alabama and Georgia. (See Alabama.)								
Fort Gaines lock and dam, Alabama and Georgia. (See Alabama.)								
Savannah River below Augusta	835,000		835,000		835,000		835,000	
Hawaii:								
Honolulu Harbor		50,000		50,000		50,000		50,000
Kawaihae Harbor	2,450,000		2,450,000		2,450,000		2,450,000	
Idaho:								
Bruces Eddy Reservoir [1 2]						500,000		500,000
Columbia River local protection: Weiser River		70,000		70,000		70,000		70,000
Illinois:								
Alton		97,000		97,000		97,000		97,000
Carlyle Reservoir		65,000		65,000	500,000	65,000	250,000	65,000
East St. Louis and vicinity	800,000		800,000		800,000		800,000	
Hunt and Lima Lake Drainage District		85,000		85,000		85,000		85,000
Illinois Waterway, Calumet-Sag: Channel—part I	6,000,000		6,000,000		6,000,000		6,000,000	
Mississippi River between Missouri River and Minneapolis, Minn.: Rectification of damages	65,000		65,000		65,000		65,000	
Mississippi River between Ohio and Missouri Rivers, Ill. and Mo.: Regulating works	500,000		500,000		500,000		500,000	
Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri (dam 27) [1 2]					500,000			
New Harmony Bridge, Ill. and Ind	405,000		405,000		405,000		405,000	
Wabash railroad bridges at Meredosia and Valley City	350,000		350,000		350,000		350,000	
Wilson, Wenkel, and Prairie du Pont Drainage and Levee District	600,000		600,000		600,000		600,000	
Wood River Drainage and Levee District	550,000		550,000		550,000		550,000	
Indiana:								
Lock and dam 41, Indiana and Kentucky. (See Kentucky.)								
Mansfield Reservoir	1,600,000		1,600,000		1,600,000		1,600,000	
Markland locks and dam, Indiana, Kentucky, and Ohio	9,500,000		9,500,000		9,500,000		9,500,000	
Monroe Reservoir [1 2]						25,000		
New Harmony Bridge, Ill. and Ind. (See Illinois.)								
Iowa:								
Coralville Reservoir	900,000		900,000		900,000		900,000	
Iowa River-Flint Creek Levee District No. 16		50,000		50,000		50,000		50,000
Little Sioux River	2,000,000		2,000,000		2,000,000		2,000,000	
Missouri River agricultural levees, Iowa, Kansas, Nebraska, and Missouri	3,300,000		3,300,000		3,650,000		3,650,000	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa. (See Nebraska.)								
Missouri River, Kansas City, Mo., to Sioux City, Iowa:								
Kansas City to Omaha	3,300,000		3,300,000		3,300,000		3,300,000	
Omaha to Sioux City	6,600,000		6,600,000		6,600,000		6,600,000	
Muscatine	470,000		320,000		320,000		320,000	
Muscatine Island Levee District and Muscatine-Louisa County Drainage District No. 13		75,000		75,000		75,000		75,000
Rathbun Reservoir		100,000				100,000		
Red Rock Reservoir		225,000				225,000		100,000
Upper Iowa River	400,000		400,000		400,000		400,000	

See footnotes at end of table.

Corps of Engineers, construction, general, fiscal year 1958—Continued

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Kansas:								
Abilene	$400,000		$400,000		$400,000		$400,000	
Council Grove Reservoir		$125,000		$125,000		$125,000		$125,000
Elk City (Table Mount) Reservoir Alone 1.01; system		85,000				85,000		85,000
Milford Reservoir						50,000		50,000
Missouri River agricultural levees, Iowa, Kansas, Nebraska and Missouri. (See Iowa.)								
Ottawa	500,000		500,000		500,000		500,000	
Perry Reservoir						50,000		50,000
Pomona Reservoir		145,000		145,000		145,000		145,000
Salina	500,000		500,000		500,000		500,000	
Strawn Reservoir		125,000		125,000	200,000	125,000		125,000
Topeka	1,500,000		1,500,000		1,500,000		1,500,000	
Toronto Reservoir	4,700,000		4,700,000		4,700,000		4,700,000	
Tuttle Creek Reservoir	10,000,000		10,000,000		10,000,000		10,000,000	
Wichita and Valley Center	830,000		830,000		830,000		830,000	
Wilson Reservoir		50,000				50,000		50,000
Kentucky:								
Barkley Dam (lower Cumberland lock and dam), Kentucky and Tennessee	5,000,000		5,000,000		5,000,000		5,000,000	
Buckhorn Reservoir	1,900,000		1,900,000		1,900,000		1,900,000	
Catlettsburg	2,000,000		2,000,000		2,000,000		2,000,000	
Greenup locks and dam, Kentucky and Ohio	13,500,000		13,500,000		13,500,000		13,500,000	
Lock and dam 41, Indiana and Kentucky	4,000,000		4,000,000		4,000,000		4,000,000	
Markland locks and dam, Indiana, Kentucky, and Ohio. (See Indiana.)								
New Richmond lock and dam, Kentucky and Ohio		175,000		175,000	825,000	175,000	825,000	175,000
Nolin Reservoir		138,000		138,000		138,000		138,000
No. 2 Barren Reservoir		50,000		50,000		50,000		50,000
Rough River Reservoir and channels	3,000,000		3,000,000		3,000,000		3,000,000	
Louisiana:								
Amite River and tributaries	1,000,000		1,000,000		1,000,000		1,000,000	
Gulf Intracoastal Waterway: Plaquemine-Morgan City alternate route	3,500,000		3,500,000		3,500,000		3,500,000	
Mississippi River, Baton Rouge to Gulf of Mexico		240,000		240,000		240,000		240,000
Mississippi River-gulf outlet		375,000		375,000	625,000	375,000	625,000	375,000
Ouachita and Black Rivers, Ark. and La. (See Arkansas.)								
Red River levees below Denison Dam, Ark., La., and Tex. (See Arkansas.)								
Maryland:								
Cumberland, Md., and Ridgeley, W. Va.	2,000,000		2,000,000		2,000,000		2,000,000	
Inland Waterway, Delaware River to Chesapeake Bay, Del. and Md. (See Delaware.)								
Massachusetts:								
Adams	1,120,000		1,120,000		1,120,000		1,120,000	
Barre Falls Reservoir	376,000		376,000		376,000		376,000	
Boston Harbor: Extension to 40-foot anchorage	1,000,000		1,000,000		1,000,000		1,000,000	
Buffumville Reservoir	1,117,000		1,117,000		1,117,000		1,117,000	
East Brimfield Reservoir	1,500,000		1,500,000		1,500,000		1,500,000	
Fall River Harbor	900,000		900,000		900,000		900,000	
Gloucester Harbor	(1)		(1)		(1)		(1)	
Hodges Village Reservoir	1,860,000		1,860,000		1,860,000		1,860,000	
Mystic River: 35-foot channel	550,000		550,000		550,000		550,000	
North Adams	3,697,000		3,697,000		3,697,000		3,697,000	
Wellfleet Harbor	(1)		(1)		(1)		(1)	
West Hill Reservoir		50,000		50,000		50,000		50,000
Westville Reservoir		100,000		100,000		100,000		100,000
Weymouth Fore River	1,350,000		1,350,000		1,350,000		1,350,000	
Worcester	1,500,000		1,500,000		1,500,000		1,500,000	
Michigan:								
Au Sable Harbor	(1)		(1)		(1)		(1)	
Battle Creek	2,000,000		2,000,000		2,000,000		2,000,000	
Big Bay Harbor						22,000		
Cheboygan River and Harbor	50,000		50,000		50,000		50,000	
Great Lakes connecting channels	13,000,000		13,000,000		13,000,000		13,000,000	
Harrisville Harbor	100,000		100,000		100,000		100,000	
Houghton-Hancock Bridge	300,000		300,000		300,000		300,000	
Lac LaBelle Harbor					(2)		(1)	
Manistique Harbor					150,000		150,000	
Saginaw River	475,000		475,000		475,000		475,000	
St. Marys River, improvement of south canal	500,000		500,000		500,000		500,000	
Whitefish Point Harbor	130,000		130,000		130,000		130,000	
Minnesota:								
Grand Marais Harbor						18,500		18,500
Mississippi River between Missouri River and Minneapolis, Minn., rectification of damages. (See Illinois.)								
St. Anthony Falls	550,000		550,000		550,000		550,000	
Missouri:								
Bear Creek Reservoir		90,000		90,000		90,000		90,000
Bull Shoals Reservoir, Ark. and Mo. (See Arkansas.)								
Canton	100,000							
Cape Girardeau (reach No. 2 only)	1,300,000		1,300,000		1,300,000		1,300,000	
Fabius River Drainage District		65,000		65,000		65,000		65,000
Mississippi River between Ohio River and Missouri River, Ill. and Mo. (See Illinois.)								
Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri (dam 27). (See Illinois.) [2]								
Missouri River, Kansas City to mouth	4,000,000		4,000,000		5,000,000		5,000,000	
Missouri River, Kansas City, Mo., to Sioux City, Iowa. (See Iowa.)								
Pomme de Terre Reservoir	2,000,000		2,000,000		2,000,000		2,000,000	
St. Louis		649,000		649,000		649,000		649,000
Table Rock Reservoir, Ark. and Mo. (See Arkansas.)								
Montana:								
Fort Peck Dam (second powerplant)	3,000,000		3,000,000		3,000,000		3,000,000	
Miles City		56,000		56,000		56,000		56,000

See footnotes at end of table.

Corps of Engineers, construction, general, fiscal year 1958—Continued

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Nebraska:								
Missouri River agricultural levees, Iowa, Kansas, Nebraska, and Missouri. (See Iowa.)								
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa (including Miners Bend), Iowa, Nebr., and S. Dak.	$1,400,000		$1,400,000		$1,700,000		$1,700,000	
Nevada:								
Mathews Canyon Reservoir	463,000		463,000		463,000		463,000	
Pine Canyon Reservoir	678,000		678,000		678,000		678,000	
Truckee River and tributaries, California and Nevada		$50,000		$50,000		$50,000		$50,000
New Hampshire:								
Hopkinton-Everett Reservoir					100,000	500,000	100,000	500,000
Otter Brook Reservoir	2,000,000		2,000,000		2,000,000		2,000,000	
New Jersey:								
Delaware River, Philadelphia to Trenton (40-foot project), N. J. and Pa.	9,000,000		9,000,000		11,000,000		9,000,000	
New York and New Jersey Channels, N. Y. and N. J.	5,200,000		5,200,000		5,200,000		5,200,000	
Staten Island Rapid Transit bridge, New York and New Jersey. (See New York).								
New Mexico:								
Abiquiu Reservoir	2,450,000		2,450,000		2,450,000		2,450,000	
Albuquerque (north channel 3.30; south channel)	750,000		750,000		750,000		750,000	
Artesia	545,000				545,000		545,000	
Los Esteros-Alamogordo Reservoirs		120,000		120,000		120,000		120,000
Rio Grande Floodway (Cochit to Rio Puerco unit)						50,000		
Two Rivers Reservoir		70,000		70,000		70,000		70,000
New York:								
Allegheny River Reservoir, Pa. and N. Y. (See Pennsylvania.).								
Barcelona Harbor	210,000		210,000		210,000		210,000	
Endicott, Johnson City, and Vestal	1,400,000		1,400,000		1,400,000		1,400,000	
Great Lakes-Hudson River Waterway: Depth of 13 feet through locks	190,000		190,000		300,000		190,000	
Jones Inlet	305,000		305,000		305,000		305,000	
New York and New Jersey Channels, N. Y. and N. J. (See New Jersey.)								
Oswego Harbor, detached breakwaters	400,000		400,000		400,000		400,000	
Staten Island Rapid Transit Bridge, N. Y. and N. J.	1,700,000		1,700,000		1,700,000		1,700,000	
Wellsville	150,000		150,000		150,000		150,000	
North Carolina:								
Atlantic Intracoastal Waterway, Masonboro Inlet	306,000		306,000		306,000		306,000	
Wilkesboro Reservoir		160,000				160,000		160,000
North Dakota:								
Garrison Reservoir	4,500,000		4,000,000		4,500,000		4,500,000	
Lower Heart River	200,000		200,000		200,000		200,000	
Ohio:								
Ashtabula Harbor	1,500,000		1,500,000		1,500,000		1,500,000	
Dillon Reservoir	4,000,000		4,000,000		4,000,000		4,000,000	
Greenup lock and dam, Kentucky and Ohio. (See Kentucky.)								
Markland locks and dam, Indiana, Kentucky, and Ohio. (See Indiana.)								
New Cumberland locks and dam, Ohio and West Virginia	4,500,000		4,500,000		4,500,000		4,500,000	
New Richmond lock and dam, Kentucky and Ohio. (See Kentucky.)								
Pike Island lock and dam, Ohio and West Virginia		50,000		50,000		50,000		50,000
Roseville	500,000		426,800		500,000		500,000	
Toledo Harbor (removal of center dike)	146,000		146,000		146,000		146,000	
Oklahoma:								
Arkansas River and tributaries, Arkansas and Oklahoma. (See Arkansas.)								
Boswell Reservoir						25,000		
Denison Reservoir, Tex. and Okla. (See Texas.)								
Enid						60,000		60,000
Eufaula Reservoir	5,200,000		5,200,000		5,200,000		5,200,000	
Keystone Reservoir	3,100,000		3,100,000		3,100,000		3,100,000	
Oologah Reservoir	6,800,000		6,800,000		6,800,000		6,800,000	
Oregon:								
Amazon Creek	446,000		446,000		446,000		446,000	
Blue River Reservoir		100,000		100,000		100,000		100,000
Cheteo River	200,000		200,000		200,000		200,000	
Columbia River at mouth, Oregon and Washington	1,150,000		1,150,000		1,150,000		1,150,000	
Columbia River between Vancouver, Wash., to The Dalles, Oreg.					500,000			
Columbia River local protection:								
Malheur River						25,000		25,000
Umatilla River		16,000		16,000		16,000		16,000
Cougar Reservoir	6,570,000		6,570,000		6,570,000		6,570,000	
Fall Creek Reservoir						150,000		150,000
Green Peter Reservoir		225,000		225,000		225,000		225,000
Hills Creek Reservoir	4,800,000		4,800,000		4,800,000		4,800,000	
Holley Reservoir		100,000		100,000		100,000		100,000
Interstate Bridge, Columbia River, Oreg. and Wash.					10,000			
John Day lock and dam, Oregon and Washington. (See Washington.)								
Lower Columbia River at new locations: Clatskanie River area						15,000		15,000
Lower Columbia River bank protection		40,000		40,000		40,000		40,000
Lower Columbia River improvement to existing works:								
Clatsop County Diking District No. 1					(1)		(1)	
John Drainage District	(1)		(1)		(1)		(1)	
Midland Drainage District No. 1					(1)		(1)	
Multnomah Drainage District No. 1	500,000		500,000		500,000		500,000	
Pendleton	400,000		400,000		400,000		400,000	
Rogue River Harbor at Gold Beach		21,000		21,000		21,000		21,000
The Dalles Dam, Oreg. and Wash.	19,000,000		19,000,000		19,000,000		19,000,000	
Willamette River bank protection	300,000		300,000		450,000		450,000	

See footnotes at end of table.

Corps of Engineers, construction, general, fiscal year 1958—Continued

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pennsylvania:								
Allegheny River Reservoir, Pa. and N. Y.	$1,000,000		$1,000,000		$1,000,000		$1,000,000	
Allentown	350,000				350,000		350,000	
Bear Creek Reservoir	2,200,000		2,200,000		2,200,000		2,200,000	
Bethlehem		$100,000		$100,000		$100,000		$100,000
Bradford	500,000		500,000		500,000		500,000	
Curwensville Reservoir		50,000		50,000		50,000		50,000
Dam 8, Monongahela River	1,000,000		1,000,000		1,000,000		1,000,000	
Delaware River, Philadelphia to Trenton. (See New Jersey.)								
Dyeberry Reservoir	[3] 2,000,000		2,000,000		1,500,000		1,500,000	
Kettle Creek Reservoir		215,000		215,000		215,000		215,000
Maxwell lock and dam, Monongahela River		50,000		50,000		50,000		50,000
Prompton Reservoir	[4] 1,700,000		1,700,000		1,000,000		1,000,000	
Stillwater Reservoir	2,000,000		2,000,000		2,000,000		2,000,000	
Rhode Island: Woonsocket	1,750,000		1,750,000		1,750,000		1,750,000	
South Dakota:								
Big Bend Reservoir		300,000		300,000		300,000		300,000
Missouri River, Kensiers Bend, Nebr., to Sioux City, Iowa (including Miners Bend) Iowa, Nebr., and S. Dak. (See Nebraska.)								
Oahe Reservoir	27,500,000		26,000,000		27,400,000		27,000,000	
Sioux Falls	1,200,000		1,200,000		1,200,000		1,200,000	
Tennessee:								
Barkley Dam, Ky. and Tenn. (See Kentucky.)								
Cheatham lock and dam	1,375,000		1,375,000		1,375,000		1,375,000	
Lake City	340,000		340,000		340,000		340,000	
Memphis, Wolf River and Nonconnah Creek	330,000		330,000		330,000		330,000	
Old Hickory lock and dam	704,000		704,000		704,000		704,000	
Texas:								
Brazos Island Harbor	1,000,000		1,000,000		1,000,000		1,000,000	
Buffalo Bayou	2,900,000		2,900,000		2,900,000		2,900,000	
Cooper Reservoir and Channel		275,000		275,000	225,000	275,000	225,000	275,000
Corpus Christi Bridge	1,400,000		1,400,000		1,400,000		1,400,000	
Denison Reservoir, Tex. and Okla.:								
(a) Highway bridge at Willis site	1,000,000		1,000,000		1,000,000		1,000,000	
(b) Additional recreation facilities					235,000		235,000	
Ferrells Bridge Reservoir	3,294,000		3,294,000		3,294,000		3,294,000	
Galveston seawall	1,000,000		1,000,000		1,000,000		1,000,000	
Gulf Intracoastal Waterway between Apalachee Bay, Fla., and the Mexican Border (Galveston District):								
Guadalupe River channel to Victoria					248,000		248,000	
Realined route vicinity of Aransas Pass					890,000		890,000	
Houston ship channel	1,000,000		1,000,000		1,000,000		1,000,000	
Kenedy	(1)		(1)		(1)		(1)	
Lampasas Channel improvement						30,000		30,000
Lampasas Reservoir						100,000		100,000
McGee Bend Dam					500,000		500,000	
Port Aransas-Corpus Christi Waterway: 36-foot channel	1,000,000		1,000,000		1,000,000		1,000,000	
Proctor Reservoir		100,000		100,000		100,000		100,000
Red River levees below Denison Dam, Ark., La., and Tex. (See Arkansas.)								
Sabine-Neches Waterway	980,000		980,000		980,000		980,000	
San Antonio Channel	500,000		500,000		500,000		500,000	
Waco Reservoir [5]		150,000		150,000		150,000		150,000
Utah: Salt Lake City	300,000		300,000		300,000		300,000	
Vermont:								
Ball Mountain Reservoir	1,300,000		1,300,000		1,300,000		1,300,000	
East Barre Reservoir (modification)	600,000		600,000		600,000		600,000	
North Hartland Reservoir	1,000,000		1,000,000		1,000,000		1,000,000	
North Springfield Reservoir	1,300,000		1,300,000		1,300,000		1,300,000	
Townshend Reservoir	1,200,000		1,200,000		1,600,000		1,400,000	
Virginia:								
Norfolk Harbor: Widening 40-foot channel	1,750,000		1,750,000		1,750,000		1,750,000	
Norfolk & Portsmouth Belt Line RR. bridge	300,000		300,000		300,000		300,000	
Pound Reservoir						140,000		100,000
Waterway, coast of Virginia, Chesapeake Bay to Chincoteague Bay	352,000		352,000		700,000		600,000	
Washington:								
Bellingham Harbor	1,078,000		1,078,000		1,078,000		1,078,000	
Blaine Harbor	355,000		355,000		355,000		355,000	
Chief Joseph Dam	4,800,000		4,800,000		4,800,000		4,800,000	
Colfax		136,000		136,000		136,000		136,000
Columbia River at Baker Bay	531,000		531,000		531,000		531,000	
Columbia River at the mouth, Oregon and Washington. (See Oregon.)								
Columbia River between Chinook, Wash., and head of Sand Island, Oreg.	(1)		(1)		(1)		(1)	
Columbia River local protection: Lower Cowlitz River		10,000		10,000		10,000		10,000
Eagle Gorge Reservoir	8,000,000		8,000,000		8,000,000		8,000,000	
Everett Harbor and Snohomish River	316,000		316,000		316,000		316,000	
Grays Harbor and Chehalis River:								
(a) West Haven breakwater extension	291,000		291,000		291,000		291,000	
(b) Bay City Channel, West Haven Cove, breakwater and Point Chehalis levee	125,000		125,000		125,000		125,00	
Ice Harbor lock and dam	18,500,000		18,500,000		18,500,000		18,500,000	
Interstate bridge, Columbia River, Oreg. and Wash. (See Oregon.)								
John Day lock and dam, Oregon and Washington					1,000,000		1,000,000	
Lower Columbia River levees at new locations: Washougal area		32,000		32,000		32,000		32,000
Lower Monumental lock and dam		200,000		200,000		500,000		500,000
Port Angles Harbor	396,000		396,000		396,000		396,000	
Shilshole Bay	1,780,000		1,780,000		1,780,000		1,780,000	
The Dalles Dam, Oreg. and Wash. (See Oregon.)								
Willapa River and Harbor and Naselle River	555,000		555,000		555,000		555,000	

See footnotes at end of table.

Corps of Engineers, construction, general, fiscal year 1958—Continued

Construction, general, State, and project	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
West Virginia:								
Cumberland, Md., and Ridgeley, W. Va. (See Maryland.)								
Hildebrand lock and dam	$5,300,000		$5,300,000		$5,300,000		$5,300,000	
New Cumberland lock and dam, Ohio and West Virginia. (See Ohio.)								
Opekiska lock and dam						$100,000		$100,000
Pike Island lock and dam, Ohio and West Virginia. (See Ohio.)								
Summersville Reservoir		$225,000		$225,000		225,000		225,000
Sutton Reservoir	8,000,000		8,000,000		8,000,000		8,000,000	
Wisconsin: Prairie du Chien Harbor	(1)		(1)		(1)		(1)	
Wyoming: Sheridan	200,000		200,000		200,000		200,000	
Local protection projects not requiring specific legislation	3,000,000		3,000,000		3,500,000		3,500,000	
Emergency bank protection	400,000		400,000		400,000		400,000	
Snagging and clearing	600,000		600,000		600,000		600,000	
Projects deferred for restudy		3,000		3,000		3,000		3,000
Small authorized projects	3,000,000		3,000,000		4,000,000		4,000,000	
Dredging projects (planning)		50,000		50,000		50,000		50,000
Reduction for anticipated savings and slippages	−14,000,000		−29,000,000		−14,000,000		−29,000,000	
Total	444,655,000	7,500,000	413,868,900	6,717,900	457,815,000	10,625,500	438,295,000	9,503,500
Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	1,600,000		1,600,000		1,600,000		1,600,000	
Total construction, general	446,255,000	7,500,000	415,468,900	6,717,900	459,415,000	10,625,500	439,895,000	9,503,500
	(453,755,000)		(422,186,800)		(470,040,500)		(449,398,500)	

[1] Included under item for small authorized projects.
[2] Project not yet authorized.
[3] Fiscal year 1958 funds request for Dyberry project reduced to $1,500,000 during testimony before subcommittee.
[4] Fiscal year 1958 funds request for Prompton project reduced to $1,000,000 during testimony before subcommittee.
[5] Local interests requested authority to advance $250,000 in order to start construction in fiscal year 1958.

On the item "Operation and Maintenance," for which the Senate proposed an additional $5 million for maintenance, the House agreed to the Senate amendment. The budget provided $5 million for this purpose. So there will be a total of $10 million available for deferred maintenance. This should reduce the backlog of deferred maintenance to about $45 million. Last year the Senate committee recommended a program of $10 million a year for this purpose until this backlog of deferred maintenance has been eliminated so that the projects that have been completed can serve the purposes for which they were built.

On Mississippi River and tributaries the conferees agreed on $60,715,000, which if $1,765,000 below the amount approved by the Senate and $1,765,000 above the amount allowed by the House.

I append a tabulation showing a breakdown of the items as passed by the Senate and as agreed to in conference.

Flood control, Mississippi River and tributaries, fiscal year 1958

Projects	Approved budget estimate for fiscal year 1958		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. General investigations:								
(a) Examinations and surveys	$519,000		$519,000		$519,000		$519,000	
(b) Collection and study of basic data	50,000		50,000		50,000		50,000	
Subtotal, general investigations	569,000		569,000		569,000		569,000	
2. Construction and planning:								
Mississippi River levees	$1,925,000		$1,925,000		$1,925,000		$1,925,000	
Channel improvement	18,300,000		18,300,000		20,000,000		18,955,000	
Memphis Harbor	0		122,000		122,000		122,000	
Vicksburg Harbor	600,000		600,000		750,000		750,000	
Baton Rouge Harbor	0				500,000		500,000	
Old River control	10,000,000		10,000,000		10,000,000		10,000,000	
St. Francis Basin	3,000,000		[1] 2,878,000		2,878,000		2,878,000	
Lower White River	10,000		10,000		10,000		10,000	
Reelfoot Lake	166,000		166,000		166,000		166,000	
Grand Prairie-Bayou Meto	0	$50,000						
Lower Arkansas	400,000		400,000		400,000		400,000	
Tensas Basin: Boeuf and Tensas Rivers, etc.	950,000		950,000		1,000,000		970,000	
Yazoo Basin	(4,060,000)		(4,060,000)		(4,060,000)		(4,060,000)	
Arkabutla Reservoir	500,000		500,000		500,000		500,000	
Auxiliary channels	2,010,000		2,010,000		2,010,000		2,010,000	
Main stem	700,000		700,000		700,000		700,000	
Tributaries	200,000		200,000		200,000		200,000	
Big Sunflower River, etc.	650,000		650,000		650,000		650,000	
Yazoo backwater	0	50,000		$50,000		$50,000		$50,000
Atchafalaya Basin	2,850,000		2,850,000		3,500,000		3,105,000	
Lake Pontchartrain	550,000		550,000		550,000		550,000	
Total construction and planning	42,811,000	100,000	42,811,000	50,000	45,861,000	50,000	44,960,000	50,000
3. Maintenance	15,520,000		15,520,000		16,000,000		15,705,000	
Grand total	59,000,000		58,950,000		62,480,000		60,715,000	

[1] Reduced to provide $122,000 for Memphis Harbor.

The item of $125,000 for the St. Lawrence Joint Board of Engineers was not in conference.

With respect to title II, the conference bill provides $215,061,223, which is $3,650,000 less than the amount approved by the Senate and $7,445,000 more than the House allowed.

With respect to general investigations of the Bureau of Reclamation, the House agreed to the Senate amendment.

For construction and rehabilitation, the conferees agreed on $116,736,223, which is $3,650,000 less than the amount approved by the Senate and $3,690,000 above the amount allowed by the House.

I attach a tabulation showing a breakdown of the construction and rehabilitation items as passed by the Senate, and as agreed to in conference.

Bureau of Reclamation construction and rehabilitation

State and project (1)	Total estimated Federal cost (obligations) (2)	Amount allocated to June 30, 1957 (3)	1957 program (4)	Budget estimate 1958 (5)	House allowance (6)	Senate allowance (7)	Conference allowance (8)
Arizona: Gila project	$55,818,664	$53,655,243	$919,226	$869,000	$869,000	$869,000	$869,000
Arizona-California-Nevada: Parker-Davis project	142,934,694	142,142,694	556,439	792,000	792,000	792,000	792,000
California:							
Central Valley project:							
Less Trinity River division	524,336,883	465,605,258	9,559,611	8,038,400	5,773,400	8,038,400	8,038,400
Trinity River division	225,000,000	11,566,788	10,175,600	17,107,600	17,107,600	17,107,600	17,107,600
Santa Maria project	14,754,263	5,849,794	4,295,183	5,627,000	5,627,000	5,627,000	5,627,000
Solano project	39,109,000	32,511,302	9,859,508	3,672,000	3,672,000	3,672,000	3,672,000
Ventura River project	26,800,000	6,900,000	6,900,000	12,000,000	12,000,000	12,000,000	12,000,000
Colorado:							
Collbran project	13,883,649	970,000	970,000	2,000,000	2,000,000	2,000,000	2,000,000
Colorado-Big Thompson project	158,929,626	158,244,528	594,480	549,000	549,000	549,000	549,000
Idaho:							
Little Wood River project	2,151,000			400,000	400,000	400,000	400,000
Michaud Flats project	4,475,313	2,600,000	2,125,254	1,297,000	1,297,000	1,297,000	1,297,000
Minidoka project, North Side pumping division	10,598,809	8,755,809	2,792,669	1,465,000	1,465,000	1,465,000	1,465,000
Palisades project	61,525,000	59,807,951	6,118,331	1,500,000	1,500,000	1,500,000	1,500,000
Montana-North Dakota: Fort Peck project	21,692,000	10,586,795	122,748	645,000	645,000	645,000	645,000
New Mexico: Middle Rio Grande project	28,449,236	19,790,817	3,881,249	3,758,000	3,758,000	3,758,000	3,758,000
Oklahoma: Washita Basin project	40,301,031	500,000	500,000	3,500,000	3,500,000	3,500,000	3,500,000
Oregon:							
Crooked River project	6,287,000			850,000	850,000	850,000	850,000
Rogue River project, Talent division	20,526,000	2,220,000	2,220,000	6,041,000	6,041,000	6,041,000	6,041,000
Wapinitia project	514,000			400,000	400,000	400,000	400,000
Utah:							
Provo River project	33,559,132	32,798,915	935,380	574,000	574,000	574,000	574,000
Weber Basin project	68,780,000	31,333,180	8,947,224	6,500,000	6,500,000	6,500,000	6,500,000
Washington:							
Chief Joseph Dam project, Foster Creek division	3,780,000	1,834,000	1,401,782	1,138,000	1,138,000	1,138,000	1,138,000
Columbia Basin project	762,055,000	510,921,787	15,611,402	13,850,000	13,850,000	13,850,000	13,850,000
Yakima project, Roza division	21,792,807	20,765,516	1,726,154	697,000	697,000	697,000	697,000
Wyoming:							
Eden project	7,722,533	6,590,918	1,079,367	875,000	875,000	875,000	875,000
Shoshone project	23,836,649	22,337,649	565,736	544,000	544,000	544,000	544,000
Drainage and minor construction program	313,395,887	289,670,124	7,531,555	893,000	893,000	893,000	893,000
Rehabilitation and betterment of existing projects			3,762,487	3,530,000	3,530,000	3,530,000	3,530,000
Loan program—distributions systems	23,800,000	16,100,000	12,900,000	7,700,000	[1] None	None	None
Subtotal (exclusive of Missouri River Basin)	[2] 2,823,405,176	[2] 2,075,750,515	116,303,385	106,812,000	96,847,000	99,112,000	99,112,000
Missouri River Basin project:							
Ainsworth unit, Nebraska	25,722,000			1,100,000	None	1,100,000	None
Bostwick division, Nebraska-Kansas	48,449,860	32,675,860	4,937,523	1,471,000	1,471,000	1,471,000	1,471,000
Cedar Bluff unit, Kansas	18,862,321	13,823,021	28,970	50,000	None	50,000	50,000
Farwell unit, Nebraska	31,974,000			750,000	None	750,000	None
Frenchman-Cambridge division, Nebraska	79,297,583	54,279,549	3,237,599	3,260,000	3,260,000	3,260,000	3,260,000
Glendo unit, Wyoming	39,093,932	21,770,589	11,012,214	9,951,000	9,951,000	9,951,000	9,951,000
Helena Valley unit, Montana	11,456,113	3,548,213	2,433,871	4,500,000	4,500,000	4,500,000	4,500,000
Kirwin unit, Kansas	19,705,842	17,522,742	2,143,229	1,435,000	1,435,000	1,435,000	1,435,000
Owl Creek unit, Wyoming	3,122,000	1,692,000	830,000	1,100,000	1,100,000	1,100,000	1,100,000
Sargent unit, Nebraska	14,492,273	5,409,666	1,213,950	313,000	313,000	313,000	313,000
Shoshone extensions unit, Wyoming	46,804,000			500,000	None	None	None
Transmission division, various States	297,620,170	101,430,103	6,954,134	8,000,000	8,000,000	8,000,000	8,000,000
Webster unit Kansas	16,348,700	11,930,500	603,375	1,000,000	1,000,000	1,000,000	1,000,000
Drainage and minor construction, total	200,848,267	145,781,402	2,339,835	791,000	791,000	791,000	791,000
Missouri River Basin investigations	74,069,494	49,586,303	2,975,547	3,000,000	2,000,000	3,000,000	2,750,000
Other Department of Interior agencies, total		44,962,660	2,894,076	3,125,000	2,500,000	3,125,000	3,125,000
Subtotal, Missouri River Basin	[3] 1,013,928,555	508,412,608	41,684,323	40,346,000	36,321,000	39,846,000	37,746,000
Grand total, construction and rehabilitation	3,837,333,731	2,584,163,123	157,987,708	147,158,000	133,168,000	138,958,000	136,858,000
Less carryover			−14,012,208	−11,500,000	−20,121,777	−18,571,777	20,121,777
Total appropriation			143,975,500	135,658,000	113,046,223	120,386,223	116,736,223

[1] Based on an interim division of all construction costs, 85 percent Federal and 15 percent non-Federal, pending Congressional action on a restudy undertaken in accordance with the 1954 Flood Control Act.

[2] This amount does not include funds for other than listed projects.

[3] Estimated cost is for general studies only.

The amount for operation and maintenance was $28 million in the bill as passed by both the House and Senate, so this item was not in conference.

With respect to general administrative expenses, the House agreed to the Senate amendment.

On upper Colorado River the House and Senate approved the budget estimate of $25,142,000, so this item was not in conference.

The items for the power marketing agencies of the Department of the Interior were not in conference except "Construction, Bonneville Power Administration." On that item the House agreed to the Senate amendment, which provides $22,038,000 for construction.

Mr. ELLENDER. Mr. President, let me say that in connection with the recommendations made by the conferees, the conferees on the part of the Senate have had to recede in the case of a few of the projects for which the Senate provided funds.

For instance, in Alabama, the conferees on the part of the Senate had to recede on the item for Millers Ferry lock and dam, for the reason that the benefit-cost ratio was low, being 1.07 to 1, and the House would not agree to that project.

One of the projects in which I am sure the distinguished Senator from Oregon [Mr. NEUBERGER] is very much interested is the Bruces Eddy project. This item was reported in disagreement and the House insisted on its disagreement. I assume it is an item about which the Senator from Oregon wishes to inquire.

Mr. NEUBERGER. There are two items about which I wish to inquire. If the Senator from Louisiana prefers to complete his statement, I shall be glad to postpone my questions until he has done so.

Mr. ELLENDER. Mr. President, I ask unanimous consent that a brief statement showing the changes in amounts and the deletion of the items for various

projects be printed at this point in the RECORD.

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

Reductions in amounts of Senate bill

Alabama: Millers Ferry lock and dam	[1] $75,000
Arizona: Cameloback Reservoir	[1] 100,000
Arkansas: Ark River general studies	[1] 225,000
California: Hogan Reservoir	250,000
Connecticut:	
Hall Meadow Brook Reservoir	[1] 100,000
Mad River Reservoir	[1] 100,000
Florida: Intracoastal Waterway, Caloosahatchee River to Anclote River	[1] 135,000
Illinois: Carlyle Reservoir	250,000
Mississippi River dam 27	500,000
Indiana: Monroe Reservoir	[1] 25,000
Iowa:	
Rathbun Reservoir	[1] 100,000
Red Rock Reservoir	[1] 125,000
Kansas: Strawn Reservoir	200,000
Michigan: Big Bay Harbor	[1] 22,000
New Jersey: Delaware River, Philadelphia to Trenton	2,000,000
New Mexico: Rio Grande Floodway	[1] 50,000
New York: Great Lakes to Hudson River	110,000
Oklahoma: Boswell Reservoir	[1] 25,000
Oregon:	
Columbia River, Vancouver to The Dalles	500,000
Interstate Bridge	10,000
South Dakota: Oahe Reservoir	400,000
Vermont: Townshend Reservoir	200,000
Virginia:	
Pound Reservoir	[1] 40,000
Waterway coast of Vihginia	100,00
Reduction for anticipated savings and slippages	15,000,000

[1] Planning only.

Mr. ELLENDER. Mr. President, at this time I will be glad to answer questions.

Mr. NEUBERGER. Mr. President, I appreciate the characteristic courtesy of the chairman of the subcommittee.

First, I should like to say it is my understanding that in the conference committee, the item of $500,000 for commencing the work of improving and restoring the channel of the Columbia River from Vancouver, Wash., to The Dalles, Oreg., was eliminated. Is that correct?

Mr. ELLENDER. That is correct.

Mr. NEUBERGER. I should like to express my profound regret about that. I realize that the conferees cannot always insist on having their own way in the case of various projects, and I realize that the conferees for each House do their utmost to uphold the position taken by the particular body they represent.

Yet, I hope that in a future measure, perhaps in a supplemental appropriation or in another year, this very beneficial navigation project will be provided with funds.

Next, I should like to ask the chairman of the subcommittee about a somewhat more involved matter. I understand that funds were provided for the Bruces Eddy project, on the North Fork of the Clearwater River, in Idaho. Am I correct in my understanding that the construction of this project has not been authorized by law?

Mr. ELLENDER. The Senator from Oregon is correct. But the provision the Senate placed in the bill merely authorized some planning funds, in the hope that in the near future the entire project would be authorized.

As a matter of fact, the project is included in the omnibus public-works authorization bill the Senate recently passed. I understand that the House has deleted that item from the bill. But in any event, it will be in conference; and it is entirely possible that when the conferees on the part of the House and the conferees on the part of the Senate meet to consider the conference report on the omnibus public-works bill—and that bill is now before the House of Representatives—the item for Bruces Eddy will be reinstated. It was in the hope that it would be reinstated, that the conferees agreed to recommend that provision be made for planning on the Bruces Eddy project.

Mr. NEUBERGER. Let me ask the Senator from Louisiana whether I am correct or incorrect in this assumption: That inasmuch as the Bruces Eddy project has not yet been authorized by the Congress in a bill signed by the President, it is not proper, under the rules of the Senate and the rules of the House of Representatives, to provide either planning or construction funds?

Mr. ELLENDER. It would have been proper to provide for the planning. It would have been proper to provide for the construction of the project, if the House had not acted as it did. The Senate wrote into the bill a provision which would have permitted planning funds to the extent of $500,000. Unfortunately, the House of Representatives struck out that provision, on the ground, as the Senator from Oregon has just pointed out, that the project had not been authorized; and objection was urged because legislation was provided in an appropriation bill. That was the point of disagreement. When the motion to recede and concur in the Senate amendment was made in the House, the Members of the House would not agree to the motion.

Mr. NEUBERGER. Mr. President, I thank the chairman of the subcommittee for providing this information.

As he realizes, some of us from the Northwest have been disturbed and perhaps even alarmed over the adverse impact which the Bruces Eddy project might have on wildlife, fisheries, and outdoor scenery. Therefore, personally—although I know that some of my colleagues disagree with me—I am glad that the House of Representatives has not authorized this particular project.

But I wish to say that I am obliged to the chairman of the subcommittee for the courteous consideration he always shows to those of us who represent the Pacific Northwest, as regards our attitudes, whatever they may be.

Mr. President, I ask unanimus consent to have printed at this point in the RECORD, correspondence I have had with Mr. Charles L. Watkins, Parliamentarian of the United States Senate, with respect to the parliamentary situation involving the Bruces Eddy project, because it had not been formally authorized by law.

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

AUGUST 10, 1957.

Mr. CHARLES L. WATKINS,
Parliamentarian, United States Senate,
Washington, D. C.

DEAR MR. WATKINS: During consideration of the public works appropriation bill on August 8, an amendment was offered by Senator DWORSHAK, of Idaho, to include $500,000 for the planning of the Bruces Eddy project on the north fork of the Clearwater River in Idaho. This is in the CONGRESSIONAL RECORD at page 13990.

For your information, the Bruces Eddy project has never been authorized for construction by Congress and the President. My question to you, as Parliamentarian of the Senate, is this:

In view of the fact that the Bruces Eddy project has not been authorized by law, can the $500,000 appropriation for planning of this project be eliminated on a point of order when the public works conference report is before the Senate?

I would appreciate an early reply to this inquiry.

With every good wish, I am,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

UNITED STATES SENATE,
Washington, D. C., August 10, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: Your letter of even date, inquiring whether an item of $500,000 for the planning of the Bruces Eddy project in Idaho, inserted as a Senate amendment in the public works appropriation bill, if included in the conference report, is subject to a point of order on the ground that the project has not been authorized by law, has been received.

In view of the fact that no point of order was raised against the amendment while the bill was under consideration in the Senate, and it was adopted by that body, it is my opinion that if the conferees recommend its acceptance by the House a point of order will not lie against the report, even though the project has not been authorized by the Congress, if and when the report is under consideration in the Senate.

As you doubtless know, a conference report is not subject to amendment, but must be acted upon as an entirety.

Trusting this will give you the information desired, I am,

Sincerely yours,

CHARLES L. WATKINS,
Parliamentarian.

Mr. NEUBERGER. Mr. President, I also ask unanimous consent that supplemental information provided by the Parliamentarian, and also a telegram which I have received from the National Wildlife Federation, be printed at this point in the RECORD.

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

APPROPRIATION FOR PREPARATION OF PLANS FOR BRUCES EDDY PROJECT, IDAHO

Senate amendment No. 3 to the public works appropriation bill (H. R. 8090) appropriated $500,000 for the preparation of detailed plans for the Bruces Eddy project on the north fork of the Clearwater River, Idaho, and authorized the preperation of such plans.

This amendment seems to be in contravention of rule XXI of the House, relating to amendments to general appropriation bills, and it is probable that the House conferees would ask for a disagreement on that amendment and send it back to the floor of the House for action, leaving it out of the conference report itself.

Ordinarily, the conferees could make a recommendation that—(1) The Senate recede from an amendment adopted by it; (2) the House recede from its disagreement and agree to such amendment; and (3) the House recede and agree with an amendment.

WASHINGTON, D. C., *August 12, 1957.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Regret that my advance warnings of impending appropriation for Bruces Eddy Dam were not received by you. We recognize, however, that even with this notification you probably could not have been present on Senate floor at all times to object to suspension of rules. We deeply appreciate your continuing efforts against any start on this project until wildlife investigations are completed.

STEWART M. BRANDBORG,
National Wildlife Federation.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. Mr. President, on behalf of the people of the State of Idaho, I should like to express my appreciation and their appreciation of the sympathetic understanding shown by the distinguished chairman of the subcommittee to our State and the development of its water resources.

It is unfortunate that the National Wildlife Federation, in collusion with the junior Senator from the State of Oregon, has taken the position that although every drop of water to be impounded in the Bruces Eddy project originates within the State of Idaho, it is primarily the responsibiilty of the hypocritical people in the lower basin of the Columbia Valley to dictate in an autocratic manner to the people of Idaho what they shall do concerning their water-resource development.

Mr. President, the hypocritical groups which contend that efforts are being made to disregard fish and wildlife aspects of the project deliberately misrepresent and distort the facts. The facts are that the senior Senator from Idaho with the help and cooperation of virtually every member of the Public Works Committee of the Senate and the cooperation of virtually every member of the Senate Appropriations Committee succeeded in making available during the past 3 years a total of $185,000 to enable the Federal Fish and Wildlife Service to make surveys and studies of fish and wildlife in the middle section of the Snake River and the Clearwater drainage system. While the lower basin States in 1949 initiated the Columbia River sanctuary program, not until last year were they willing to permit Idaho to participate in that program.

With the help of the distinguished chairman of the subcommittee, $200,000 was earmarked last year to enable Idaho to participate in that program, and this year the amount earmarked was $125,000.

Mr. President, a total of $510,000 has been made available for fish and wildlife studies in the middle Snake River area to provide adequate safeguards and protection for fish and wildlife in that area. Yet the National Wildlife Federation and the junior Senator from Oregon have contended that those interests have been ignored in planning the Bruces Eddy project.

I think the various groups representing conservation interests should be grateful to the senior Senator from Idaho for having made available—it was done primarily through his efforts—$510,000, because prior to 3 years ago the same groups which now are contending they are doing everything to safeguard those interests in that section of our State were not able to allocate one single dollar to initiate those studies.

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

Mr. DWORSHAK. I do not have the floor.

Mr. ELLENDER. I yield to the Senator from California.

Mr. KNOWLAND. Without going into the controversy that may exist between the States of Idaho and Oregon, with the details of which I am not familiar, but leaving that controversy aside, I wish to say to the Senator from Idaho and to the Members of the Senate that I have now been in the Senate for some 13 years, and have served on the Committee on Appropriations for approximately 12 years of that time. I have served on conference committees for a large part of that time. I can say to the Members of the Senate that in all the 12 years I have served on the Committee on Appropriations I have never heard a more able presentation of the Bruces Eddy project, or any other project, than I heard from the Senator from Idaho in the conference committee.

As a matter of fact, while the Senate conferees, I think, were generally favorable to the Senator's position—I am confident the Senator from Louisiana will bear me out—there was less unanimity on the part of the House conferees. We all know that in debate in the Senate and in debate in the House, very often Members have, from the information they have received, taken their position; but I have seldom seen a case where the sheer weight of the argument had such an impact on the members of the conference as did the argument of the Senator from Idaho. Single-handedly, almost, although he had the able assistance of the Representative from Idaho in regard to the matter, he led the fight, and by the sheer weight of the argument and discussion in the committee I saw, with my own eyes, a change in the position of the House conferees on this item and a strengthening of the position of the House conferees to the extent that finally, when the conference report was reported, it was reported in conformity with the views of the Senator from Idaho. Although the House, as it has a perfect right to do under our constitutional system, has taken a different position, I think the Senator from Idaho performed one of the outstanding services I have ever seen in my 12 years in the Senate in his presentation of the matter to the conferees.

Mr. DWORSHAK. The Senator from Idaho is grateful for those comments, and will not labor the point at this time. We have heard a great deal about conserving water resources and using the resources in the Colorado River Basin. As shown by the statistics of the Bureau of Reclamation, the average discharge of the Colorado River is slightly in excess of 12 million acre-feet a year. The same records from the Bureau of Reclamation indicate that the annual average discharge of the Clearwater River at Spalding is 10½ million acre-feet, or almost equal to the discharge of water in the great Colorado River Basin. The difference is that at the present time there is not a single storage reservoir on the three forks of the Clearwater River, which discharges a great volume of water annually.

It is unfortunate that at a time when the lower basin States receive a total of $1¼ billion of appropriations for planning and for construction of various projects, the junior Senator from Oregon will deny to the State of Idaho a single dollar on a single project, notwithstanding the fact that the State of Idaho furnishes every drop of water which would be used at the Bruces Eddy Dam, which would be impounded, and then discharged to firm power generation in the lower basin.

The reason I am making these remarks is that the Portland Oregonian recently published an editorial charging that the senior Senator from Idaho was sabotaging developments like the John Day Dam. Mr. President, I submit to my colleagues in this body that the record proves conclusively that that is a falsehood. In reality, the junior Senator from Oregon is the saboteur who is denying to his people full utilization of the water in the upper watershed of the Columbia River Basin, and is in an autocratic manner denying to the people of Idaho full participation in the comprehensive development of the Columbia River Basin.

Mr. President, on behalf of the people of Idaho I desire to extend my appreciation to my colleagues on the Appropriations Committee and on the Public Works Committee, and particularly to the distinguished chairman of the Appropriations Subcommittee [Mr. ELLENDER], who has a complete and thorough understanding of the need for Idaho to participate in this comprehensive development, because it is not equitable and it is not fair to deny Idaho participation in the development of the Columbia River Basin.

Mr. THYE, Mr. CASE of South Dakota, and Mr. NEUBERGER addressed the Chair.

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, as a member of the conference committee, I wish to state that I have never heard a more able presentation of any question or any item in an appropriation bill than was made by the distinguished senior Senator from Idaho [Mr. DWORSHAK] before the Committee on Appropriations and before the conference committee. It

was on the strength of the presentation he made of that particular item, Bruces Eddy, that the conferees agreed to the item. I regret exceedingly that the item is not in the report we are considering at present. Bruces Eddy certainly was not deleted because the able and distinguished Senator from Idaho had not put up a fight, because he did put up one of the most able fights for the need of the project that I have ever heard in any conference committee.

Mr. ELLENDER. Mr. President, as I stated a moment ago, I very much favor the enactment of the bill which is now before the House, and I hope that eventually the conferees of the Senate and House will put the Bruces Eddy project in the omnibus bill. I truly believe that the erection of the dam in question, known as Bruces Eddy, will be a help toward firming the power in the lower reaches of the river. There is no doubt it will be very beneficial.

It is my hope, if I am chairman of the Subcommittee on Public Works next year, that we will be able to incorporate in the public-works appropriation bill the item for Bruces Eddy, because I feel almost confident that the Congress will enact the omnibus bill with Bruces Eddy in it.

As a matter of fact, the Bruces Eddy project was included in the omnibus bill of last year. Both the Senate and the House passed the bill, but as all of us know the President vetoed the bill.

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

Mr. ELLENDER. I yield to the Senator from California.

Mr. KNOWLAND. I desire to say, not apropos of the Bruces Eddy matter, because that has been discussed by the Senator from Idaho, the Senator from Oregon, and the Senator from Louisiana, that I would not want this opportunity to pass—as I did not want the opportunity to pass the other day when the able Senator from Louisiana presented the public works bill to the Senate—without commending the Senator from Louisiana again for his able leadership as chairman of the conferees.

I can say, of course, that in a conference there has to be some give-and-take in order to reach an agreement between the two Houses.

The Senator from Louisiana had the full support of the members of both parties among the Senate conferees for his position, which is a recognition that perhaps, more than any other Member of this body, he has a grasp of the problems affecting the country in regard to civil functions of the Department of the Army, flood control and harbor development, as well as other matters which come within the purview of the subcommittee.

At this time I wish to express appreciation not only on the part of the minority side of the aisle, but I am sure also on behalf of every Member on the other side of the aisle, for the outstanding job which the Senator has done, not only as chairman of the subcommittee but as chairman of the conference which has agreed to the conference report which is now before the Senate.

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

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Mr. President, I rose first to ask about another matter, but since this question has come up and since it seems to hinge upon the fact that the House has not yet passed the omnibus flood control authorization bill, which we have already passed in the Senate, I wonder if, in the conference, the distinguished chairman of the conference received any indication as to when the omnibus bill may come up in the House of Representatives.

Mr. ELLENDER. At the next session, next year.

Mr. CASE of South Dakota. At the next session?

Mr. ELLENDER. Yes.

Mr. CASE of South Dakota. Early in the next session?

Mr. ELLENDER. Early in the next session, I was given to understand.

Mr. CASE of South Dakota. So the authorizations which are carried in the bill, if approved, will be available for appropriations next year?

Mr. ELLENDER. The Senator is correct.

Mr. CASE of South Dakota. Mr. President, the direct question which I wanted to ask the Senator has to do with the so-called small flood-control projects, which the Corps of Engineers may undertake if they are found to be within certain limits of cost. Could the chairman of the subcommittee state for the record the amount of the conference agreement with respect to the small authorized projects and also the so-called small unauthorized projects?

Mr. ELLENDER. As the Senator remembers, the House bill provided $3 million for the small authorized projects. The Senate provided another $1 million, which made a total of $4 million, and the House agreed to that figure.

As to the unauthorized projects, the House provided $3 million, and the Senate raised that amount to $3.5 million, and the House agreed to that figure.

Mr. CASE of South Dakota. Mr. President, I express my appreciation for the action of the conferees. As the Senator from Louisiana knows, from our many conversations on the subject, and previous statements on the floor, these small projects mean a great deal to many small communities. They do not have the glamor and they do not have the publicity of some of the large projects, but they do mean a great deal toward saving human values and economic values in the small communities.

I appreciate what the conferees did in agreeing to the figures the Senator has mentioned.

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

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. NEUBERGER. In deference to the time of the distinguished chairman of the subcommittee and the Members of the Senate, I do not intend to argue the merits or demerits of the Bruces Eddy project tonight. I do not think this is the place to do so.

I hope that others besides the senior Senator from Idaho give me credit for sincerity. I give the Senator from Idaho credit for sincerity. I know that he feels he is advancing the best interests of his State and of his Nation when he advocates the Bruces Eddy project.

I trust the time may come when the Senator from Idaho will believe I am equally as sincere in my fear that the project will have a crippling and adverse effect on wildlife, fisheries, and other resources which I hold very dear.

I will say, before I sit down, that if ever when I am arguing the Bruces Eddy project or any other undertaking before the Senate I feel my case is so weak that I have to refer to other Senators as hypocrites and saboteurs, I will change my opinion and not continue that line of argument.

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

Mr. ELLENDER. I yield to the senior Senator from Oregon.

Mr. MORSE. Mr. President, I cannot sit in silence while my colleague is attacked as he was attacked by the Senator from Idaho in this unfortunate debate tonight.

We have great problems in the Pacific Northwest with respect to our water resources. I think it behooves all of us who represent the Pacific Northwest, irrespective of party, to try to find a common denominator for the best development of our resources, to promote the interests of the people of our section of the country and the people of the country as a whole.

To that end, I happen to know that my colleague is a dedicated servant of the people of the Pacific Northwest—not only of my State, but of the entire region.

In my section of the country the junior Senator from Oregon is frequently referred to as "Mr. Conservationist." There may be those who differ with him in regard to the emphasis which he places upon conservation, but I wish to say for the record that I resent any statement that would leave, even by implication, the charge that he is either a hypocrite or a saboteur. I recognize that in the heat of debate, out of our enthusiasm for a particular cause we sometimes misspeak ourselves; but I regret that those words were spoken about my colleague.

I have been trying to see if we could not arrange between the representatives of the Pacific Northwest and the administration, some kind of joint conference whereby there could be a reappraisal and a reevaluation of the entire water resource problem of that area, so that we would not constantly, on the floor of the Senate, be getting into individual contests over individual projects. One month it is Hells Canyon. The next month it is Pleasant Valley. The next month it is Bruces Eddy. The following month it is some other project. We are trying to make the approach on a segmentized basis, when I think what we ought to do is to take a look, Republicans and Democrats alike, at the whole

water resource problem of the Northwest, and see if we cannot come to some understanding.

My colleague was a leader in that proposal, as I think the record will show, in January of this year. He was the first of our group, as I recall, to suggest a White House conference with the President, with regard to these problems. I think some of the differences developed in this debate tonight might have been ironed out months ago.

That is all I wish to say at this time. I agree with my colleague that this is not the proper time, in connection with this bill, to get into a contest. I say good naturedly to my good friend, the senior Senator from Idaho [Mr. DWORSHAK] that he should not be so disturbed about the Portland Oregonian, any more than I am disturbed by the Boise Statesman. I think they are equally yellow in their journalism, unreliable in their editorials, and dirty in their tactics; and I pay no attention to either one of them. Therefore, I hope my friend from Idaho will not be too much hurt by any editorial in the Oregonian, any more than I am concerned about similar editorials about me in the Boise Statesman.

On that tone, I close this reference to my colleague. I want him to know that I am satisfied that the people of Oregon share the very high regard and confidence in him, in the entire field of water resources, which I have expressed for the record tonight.

As the senior Senator from Oregon, I wish to express to the chairman of the subcommittee, on behalf of the people of my State, what I know will be their deep feelings of gratitude to the Senator from Louisiana for the fair consideration he has given to the interests of the Pacific Northwest—not only Oregon, but all the States, in the conference report he has presented to the Senate.

Mr. ELLENDER. I thank the Senator.

Mr. CARROLL. Mr. President, I desire also to commend the distinguished Senator from Louisiana for the very careful job he has done, not only for Colorado, but for all sections of the United States.

I especially commend him when I look at the report and find that, in connection with amendment No. 1, there is an appropriation of $10,779,600, which is an improvement over the House figure, which was an appropriation of $8,900,000.

Mr. ELLENDER. That is for investigation.

Mr. CARROLL. That is especially important to the State of Colorado. I now refer to page 6. I wish to have this statement in the RECORD because it is of vital interest to Colorado.

The committee report indicates that the committee, in substance, prefers not to make specific allocations for individual investigations. Let me say to the chairman of this very important subcommittee that if an investigation had been made years ago, and had there not been a mistake some years ago, we would have saved millions of dollars worth of property, and at least three lives in Colorado which were lost as a result of recent floods. This is not the fault of the Army Corps of Engineers. In a 24-hour period starting May 8, the South Platte River Basin in eastern Colorado received 3½ inches of rain. I shall not go into that situation in detail. However, this problem has been with us along the South Platte for 10 years. Suddenly, because of the very heavy rainfall recently, much damage was done.

Therefore, as I ask the Senate to agree to the conference report on House bill 8090, including the amount I have mentioned, $10 million odd, for general investigations by the Army Corps of Engineers, I point out to the Corps of Engineers that with this bill they will receive, for flood-control studies, $910,000 more than was requested in their approved budget estimate for the fiscal year 1958. I ask that a reasonable amount of this increase be designated for a study of the South Platte River in Colorado, which will be of great help to the people of Colorado.

Again I commend the chairman of the subcommittee for the fine work which has been done.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared in support of appropriations for flood-control restudy of the South Platte River in Colorado.

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

STATEMENT BY SENATOR CARROLL IN SUPPORT OF APPROPRIATIONS FOR A FLOOD CONTROL RESTUDY OF THE SOUTH PLATTE RIVER IN COLORADO

In a 24-hour period starting May 8 the South Platte River Basin in eastern Colorado received 3.5 inches of rain.

Rain continued to fall and within the next few days the total precipitation was close to 7 inches.

In the early months of this year, prior to the May 8 storm, the South Platte Basin had received 292 percent more precipitation than the same period last year and 136 percent more than the average for the period.

This concentration of moisture swelled the creeks and tributaries draining into the South Platte River causing severe and sustained flooding over three counties.

The South Platte in Adams and Weld Counties has a ragged river bed capable of carrying six or seven thousand cubic feet per second. The river flow there in May was ten to fifteen thousand cubic feet per second.

We had disastrous floods north and east of Denver, in the area between Denver and the town of Platteville.

Three lives were lost.

It is estimated that the flood damage in Adams County alone, to property, crops, and livestock, was over $1.5 million.

Frederick, Colo., a town of 620, was hit with damages totaling about $500,000. It suffered 3 floods in 4 days. For several days the town was without drinking water; schools and businesses were closed. It was declared a disaster area by the regional small-business administration.

Other Colorado communities severely damaged by the floods were: Lyons, Firestone, Evanston, Aurora, Brighton, Derby, and rural areas in Adams, Weld, and Boulder Counties.

It is estimated that damages to homes, crops, roads, bridges, and municipal waterworks in the South Platte River Basin amounted to three or four million dollars.

At the time I made my appeal to the Appropriations Committee for flood-control-study funds for the South Platte River, I met here in Washington with the Governor of Colorado, Stephen McNichols, the director of the Colorado Water Conservation Board, Ivan Crawford, and by telephone with the State engineer, Gene Whitten. It is the opinion of these men, who have studied this terrible situation and who have observed the flooding on the scene, that flood control works upstream on the Platte and on several of the tributary creeks could have prevented this ruinous spring flood.

I am directing my remarks especially toward the so-called Chatfield Dam restudy planned by the Corps of Engineers.

This is a restudy of the South Platte River to consider the possibility of erecting a small flood-control dam on Plum Creek near its confluence with the Platte south of Denver, plus engineered bank-and-dike construction and a continuous levee system from Plum Creek to the Saint Vrain 40 miles north of Denver.

On June 14, 1956 the Senate Public Works Committee authorized this restudy of the South Platte. However, funds have not been designated for this critical study.

It is my understanding now that the Corps of Engineers would need $135,000 over a 3-year period to complete a restudy of the Platte and if $30,000 were appropriated for such a study in fiscal 1958 the study could be initiated and more quickly brought to a fruitful conclusion.

The problems of flooding along the South Platte were recognized by the Congress over 10 years ago, yet little has been accomplished since then to alleviate the problem and the problem has now been aggravated by extraordinary population growth in the affected areas. On July 6, 1946, the Chief of Engineers circulated a report on flooding of the South Platte. That report was later published at House Document No. 669, 80th Congress, 2d session, May 8, 1948. The Corps of Engineers studies grew out of a meeting of citizens and Government officials in Greeley, Colo., on November 8, 1939, at which time the desperate needs for flood protection were dramatically related.

The Flood Control Act of 1950 authorized the Chatfield Dam, which is now infeasible because of changes in population settlement at the proposed dam site.

However, flooding continues and each new flood brings greater losses to our Colorado communities. Lives are snuffed out, property is damaged, the need for flood-control works is even greater than 10 years ago.

It is the firm opinion of Colorado's State engineer, Mr. Whitten, that a dam south of Denver on the Platte River would have cut the water flow in the spring floods from the flood high of 15,000 cubic feet per second to about 7,000 cubic feet per second. This would still have been above flood stage, but improved levee works or other small dams on tributary creeks would have eliminated the total flood hazard.

The areas we need immediately studied, in addition to the Platte itself, according to Mr. Whitten are: (1) Plum Creek; (2) Sand Creek; (3) Bear Creek; (4) Clear Creek.

An appropriation of $30,000 in 1958 and $135,000 for the 3-year period, to be applied to a flood-control study of the South Platte River, would amount to a substantially sound investment in community protection when analyzed in light of the staggering history of flood losses in the South Platte basin.

Up to 1944 there were 18 major floods along the South Platte and a total of 147 floods of all types on tributaries and the main river. These floods caused damages of $41,638,500 or an average annual damage of $1,154,839.

In the area between Denver and Greely alone there were 10 floods causing a total of $10,983,000 damage, or an annual damage of $219,660.

Major floods along the South Platte totally ruin 20,000 acres of farmland and critically impair the irrigation systems of another 160,000 acres between Denver and Saint Vrain creek 40 miles to the north.

The Corps of Engineers has estimated that the benefits of South Platte flood-control works to Denver in the event of one major storm will be $30 million and to the rural areas north of Denver $12 million.

I call to the committee's attention the splendid service rendered by the Cherry Creek flood-control dam during the spring flooding. Cherry Creek Dam, 13 miles southeast of Denver, is impounding at this moment several thousand acre-feet of water. The outlet valves are closed and water is continuing to pile up.

If this water had been permitted to pour into the Platte River in downtown Denver it would have added thousands of cubic feet per second to the already disastrous flood crest.

Cherry Creek Dam this year has saved us millions of dollars in potential additional damage in Denver and Adams Counties.

I extend to this committee and to the Public Works Committee and to the whole Congress the gratitude of the Colorado people who live in the Cherry Creek and South Platte basins for the construction of the Cherry Creek flood-control dam and for the protection it has afforded us this year.

I ask the Senate to pass this conference report on H. R. 8090, the public works appropriation bill, 1958, including the amount of $10,779,600 for general investigations by the United States Army Corps of Engineers. I point out to the Corps of Engineers that with this bill they will receive for flood-control studies $910,400 more than requested for in their approved budget estimate for fiscal 1958. I ask that a reasonable amount of this increase be designated for a study of the South Platte River in Colorado.

Mr. JOHNSON of Texas. Mr. President, I believe that my opinion of this public works appropriation bill is well known.

I consider it a long stride forward in solving the flood-control and water-conservation problems of my State and of other States.

It is as progressive and forward looking a piece of legislation as has ever been considered by this body.

It calls for expenditures that can properly be regarded as investments—sound investments—in the future of our country.

I know what it means to Texas, where flood control and water supply constitute the greatest single problem we face.

Passage of this bill, as reported by the conference committee, means that the people of Waco can see the start of construction on a reservoir that will insure them an adequate supply of water for municipal and industrial use.

It means that planning can be completed and construction started on Cooper Reservoir.

It means that planning work will go forward on Lampasas Reservoir, in an area that suffered a disastrous flood earlier this year.

It means that construction will be advanced almost to the point of completion of Ferrells Bridge Reservoir.

Mr. President, this bill provides appropriations for projects of vital importance to the people of Texas. They include navigation projects that will pay for themselves within a comparatively short time. They include flood-control projects that will save human lives and prevent property loss. They include water-supply projects that will assure the continued sound development of my State.

Funds also are provided by this bill to conduct surveys of a number of Texas streams. The amounts involved are not large, but the surveys themselves are of vital significance.

We need to learn more about our rivers and creeks. We need to learn where flood danger exists and how it can be prevented. This is the kind of information that will be provided by these surveys.

Only if we have this information can we reach our objective of an adequate water-development program for Texas—a State that, I regret to say, is years behind in dealing with its water problems.

Mr. President, some commentators—and I can only call them shortsighted—have said sneeringly of this bill that it has something for everybody. So it does. That is the basic reason why it is sound legislation.

This is a bill for the people of the United States. It is a measure based on a hard look into the future to see what the needs of our people for water will be.

Congress has a responsibility to foresee those needs and to take action to meet them.

In passing this bill, Congress will show that it is determined to assume fully the responsibility it has for proper development of our water resources.

I support the bill wholeheartedly and without any reservation.

The PRESIDING OFFICER. The question is on agreeing to the conference report on House bill 8090.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives, announcing its action on certain amendments of the Senate to House bill 8090, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 13, 1957.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 16, and 23 to the bill (H. R. 8090), making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior, for the fiscal year ending June 30, 1958, and for other purposes, and concur therein:

That the House recede from its disagreement to the amendment numbered 24 to said bill and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert:

"After August 31, 1957 the position of Administrator of the Southeastern Power Administration shall be in grade GS-18 of the Classification Act of 1949, as amended, but without regard to the numerical limitation contained in section 505 of said act; the salary of the Administrator of the Southwestern Power Administration shall be the same as the salary of the Administrator of the Bonneville Power Administration, so long as held by the present incumbent; and the salary of the Administrative Assistant Secretary of the Department of the Interior shall be the same as the Solicitor of the Department of the Interior."

That the House insist upon its disagreement to the amendment of the Senate numbered 3.

Mr. ELLENDER. Mr. President, I move that the Senate recede from its amendment No. 3. That is the one pertaining to Bruces Eddy.

The motion was agreed to.

Mr. ELLENDER. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 24.

The motion was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. 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.

Mr. MANSFIELD. Mr. President, in accordance with the agreement previously entered into——

Mr. KNOWLAND. Mr. President, will the Senator withhold his statement?

Mr. MANSFIELD. Yes, indeed.

Mr. KNOWLAND. I understand, I will say to the acting majority leader, that the Senate is now in executive session, and that the first nomination to be considered is the first one which appears on the list on the calendar, namely, the nomination of Jerome K. Kuykendall, to be a member of the Federal Power Commission.

Mr. MANSFIELD. The minority leader is correct.

Mr. KNOWLAND. And that is to be followed by the nomination of Don Paarlberg to be Assistant Secretary of Agriculture, and also a member of the Board of Directors of the Commodity Credit Corporation.

Mr. MANSFIELD. The Senator is correct.

Mr. KNOWLAND. Also, for the record, I understand that under the order previously entered, the Senate will convene at 11 o'clock a. m. tomorrow.

Mr. MANSFIELD. The Senator is correct.

Mr. KNOWLAND. There will be a morning hour, and at 12 o'clock there will be memorial services for the late Senator McCarthy, of Wisconsin, following which the Senate will resume the consideration of executive business, for consideration of nominations on the Executive Calendar.

Mr. MANSFIELD. That is my understanding.

Mr. KNOWLAND. I thank the Senator from Montana.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in adjournment until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 39 minutes p. m.) the Senate in executive session adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, August 14, 1957, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 13, 1957

The House met at 12 o'clock noon.

The Reverend George A. Chauncey, pastor, First Presbyterian Church, Monticello, Ark., offered the following prayer:

Almighty God, who hast made of one blood all the nations of the earth, we come to Thee as representatives of one of Thy nations, expressing our thanks, confessing our sins, and seeking Thy grace.

We are grateful because in Thy love Thou hast laid upon us responsibilities that demand our most thoughtful deliberations, our most courageous decisions, and our most effective action. Thou hast called us to be Thy faithful servants.

We are penitent because in our sin we have often proved irresponsible: our deliberations have been thoughtless, our decisions timid, and our actions ineffective. We have not always responded to Thy call.

We pray for Thy grace because only in Thy light do we see truth, only in Thy power do we find courage, and only in Thy love do we act responsibly. Fill us with Thy spirit, that we may become what Thou hast called us to be and do what Thou wouldst have us do; through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 9, 1957, 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 bills and joint resolutions of the House of the following titles:

H. R. 1473. An act for the relief of Richardson Corp.;

H. R. 1861. An act for the relief of George W. Arnold;

H. R. 2264. An act for the relief of Donald F. Thompson;

H. R. 2460. An act to improve the career opportunities of nurses and medical specialists of the Army, Navy, and Air Force;

H. R. 2674. An act for the relief of Morris B. Wallach;

H. R. 2740. An act for the relief of Mrs. Harriet Sakayo Hamamoto Dewa;

H. R. 2928. An act for the relief of Harry and Sadie Woonteiler;

H. R. 2937. An act for the relief of Clarence L. Harris;

H. R. 2985. An act for the relief of Alton B. York;

H. R. 3473. An act to authorize and direct the Secretary of the Interior to sell certain public lands in the State of California;

H. R. 3723. An act for the relief of Maj. Gen. Julius Klein;

H. R. 4520. An act to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska;

H. R. 4830. An act to authorize revision of the tribal roll of the Eastern Band of Cherokee Indians, North Carolina, and for other purposes;

H. R. 5492. An act to amend the act of August 31, 1954 (68 Stat. 1044) to extend the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws, and for other purposes;

H. R. 5679. An act to authorize amendment of the irrigation repayment contract of December 28, 1950, between the United States and the Mirage Flats Irrigation District, Nebraska;

H. R. 6517. An act to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes;

H. R. 6527. An act for the relief of Horace Collier;

H. R. 7540. An act to amend Public Law 815, 81st Congress, relating to school construction in federally affected areas, to make its provisions applicable to Wake Island;

H. R. 8643. An act to authorize the construction of certain works of improvement in the Niagara River for power, and for other purposes;

H. J. Res. 275. Joint resolution transferring to the Commonwealth of Puerto Rico certain archives and records in possession of the National Archives; and

H. J. Res. 426. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1958, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 52. An act to provide increases in service-connected disability compensation and to increase dependency allowances;

H. R. 232. An act to amend the Internal Revenue Code of 1954 with respect to the readjustment of tax in the case of certain amounts received for breach of contract;

H. R. 1058. An act to preserve the Key deer and other wildlife resources in the Florida Keys by the establishment of a National Key Deer Refuge in the State of Florida;

H. R. 1937. An act 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;

H. R. 5168. An act for the relief of William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham;

H. R. 6508. An act to modify the Code of Law for the District of Columbia to provide for a uniform succession in real and personal property in case of intestacy, to abolish dower and curtsey, and to grant unto a surviving spouse a statutory share in the other's real estate at time of death, and for other purposes;

H. R. 8240. An act to authorize certain construction at military installations, and for other purposes;

H. R. 8992. An act to provide for the appointment of representatives of the United States in the organs of the International Atomic Energy Agency, and to make other provisions with respect to the participation of the United States in that Agency, and for other purposes; and

H. J. Res. 339. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 319. An act to provide for the conveyance to the State of Maine of certain lands located in such State;

S. 527. An act for the relief of Achille Aquino Fu' Giovanni;

S. 807. An act for the relief of Jackson School Township, Ind.;

S. 821. An act to amend the Civil Service Retirement Act with respect to annuities of Panama Canal ship pilots;

S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Wash., and for other purposes;

S. 1086. An act granting the consent and approval of Congress to a Bear River compact, and for related purposes;

S. 1110. An act for the relief of Sono Hoshi;

S. 1113. An act to provide for the conveyance of certain lands of the United States to the city of Gloucester, Mass.;

S. 1118. An act to affiliate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 1284. An act for the relief of Josef Salamon;

S. 1456. An act for the relief of Refugio Guerrero-Monje;

S. 1467. An act for the relief of Itsumi Kasahara;

S. 1649. An act for the relief of Irene Moskovits;

S. 1660. An act for the relief of Karin Tittel Taylor;

S. 1867. An act for the relief of Hiroko Miyazaki;

S. 1869. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes;

S. 1903. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, relating to travel expenses of civilian officers and employees assigned to duty posts outside the continental United States;

S. 1929. An act for the relief of Stephen James Meier;

S. 1930. An act for the relief of Todd Gene Biedermann;

S. 1931. An act for the relief of Jon Frederick Cordes;

S. 1993. An act for the relief of Inge Gertraud Pursel;

S. 1996. An act to approve the contract negotiated with the Casper-Alcova Irrigation District, to authorize its execution, to provide that the excess-land provisions of the Federal reclamation laws shall not apply to the lands of the Kendrick project, Wyoming, and for other purposes;

S. 2018. An act for the relief of Erika Haberl Sain;

S. 2040. An act for the relief of Ramon Notario Boytell;

S. 2111. An act for the relief of Yuko Shiba;

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division;

S. 2229. A act to provide for Government guaranty of private loans to certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes;

S. 2431. An act granting the consent of Congress to the Klamath River Basin compact between the States of California and Oregon, and for related purposes; and

S. 2498. An act for the relief of Matthew M. Epstein.

HUGH BROWN, SR., OUTSTANDING ALABAMA LABOR LEADER, HONORED ON RETIREMENT

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, one of Alabama's most energetic and widely known labor leaders, Mr. Hugh Brown, Sr., of Birmingham, has just retired after serving the labor movement for 40 years. He began his active leadership during World War I as a grievance committee chairman and diligently served labor's cause as he advanced from assignment to assignment.

For 4 years, he served as secretary-treasurer of the Alabama Federation of Labor. At the time of his retirement in June, he was business manager of Local 136 of the International Brotherhood of Electrical Workers in Birmingham. All told, he compiled an outstanding record in labor leadership.

Mr. Brown's worthwhile activities were not confined to the labor movement. He made numerous significant contributions to the civic life of our community. He was instrumental in securing a nonpolitical civil service system for municipal and county employees in Jefferson County. For a time, he served on the civil service personnel board, which presently supervises all the employees.

Mr. Speaker, there is no doubt but that Mr. Brown's untiring service greatly aided the progress of the labor movement in Alabama as well as the welfare of all workers. His sound leadership abilities materially benefited the labor movement at a time when organized labor was just getting started in Alabama.

In 1918, Mr. Brown was employed by the Southern Railway shops in Birmingham and was elected chairman of the shop committee for the electrical workers. In this capacity, he helped in the settling of all grievances until 1925, when he transferred to the construction trades.

In Local 136 of the International Brotherhood of Electrical Workers, he served on the executive board, as convention delegate and as president. During the 1940's, he worked on the international staff except for a 2-year term as business manager. After he was secretary-treasurer of the Alabama Federation of Labor from 1947 to 1951, he was elected to three additional terms as business manager.

Following his retirement at the end of June, his many friends remembered his interest in fishing and presented him with an outboard motor, boat, and trailer. Even though retired, Mr. Brown will still be available to counsel others in the labor field. If he teaches them his secrets, the labor movement need have no qualms about the future.

As a former governor of Alabama, the late Bibb Graves, said: "Hugh Brown is a very trustworthy and diligent worker, with an abundance of intelligence—he is helpful to the cause of human welfare—I am glad that Alabama has such a good labor man."

On the occasion of Mr. Brown's retirement, it is a privilege and a pleasure for me to add my voice to those of his thousands of friends in paying tribute to his outstanding qualities of labor leadership and integrity.

MANPOWER SAVINGS IN THE FEDERAL GOVERNMENT

Mr. DAVIS of Georgia. 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 Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, The Air Force has announced that it is taking steps to cut back its payroll for civilian personnel by approximately 5 percent and to cut back on employment by defense contractors.

The Subcommittee on Manpower Utilization has long been convinced that essential governmental services can be performed with at least 10 percent less employees. We have pointed out that this can be done by designating nonessential positions and eliminating them by transfer or when they become vacated, making functional surveys to eliminate overlap and duplication of functions and, in general, by improving management.

Our hearings have demonstrated that the programs we have suggested can generate manpower savings of at least 10 percent. But the manpower reports to our subcommittee show that the savings have been gobbled up by other activities; activities that the departments had gotten along without until the savings became available. If this practice were stopped by the Secretary of Defense the 5 percent reduction could be made without curtailing the defense effort. This also applies to all the departments and agencies of Government.

It is hoped that the same general procedures will be followed in reducing employment by defense contractors. This cutback should help lessen the inflated demand for scientists and engineers that has been plaguing the Government and industry for some time. I am sure if the Department of Defense and private industry will eliminate duplication of effort and nonessential activities, such as have been reported by the General Accounting Office, this portion of the defense effort can also be maintained through good manpower utilization.

VIEWS OF DAUGHTERS OF THE AMERICAN REVOLUTION ON IMMIGRATION

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a short article.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the Daughters of the American Revolution have always taken an active interest in all kinds of immigration. In the first few years of my service here in the House of Representatives I took a very special interest in matters of immigration, and was the author of some very important legislation. I still feel that we should not throw our gates open to all the undesirables of the world, but that we should enforce our immigration laws and admit only those who will cooperate with the American way of life. In other words, we should prevent the influx of undesirables, and we should expel those who have proven themselves to be undesirable.

The following is an article that appeared recently in one of the newspapers of our district, and which expresses the views of the Daughters of the American Revolution:

DAR TAKES STAND ON IMMIGRATION

Of special significance to all members of the Elizabeth Zane Dew Chapter as well as to every citizen is the following letter, a copy of which has been sent to every chapter in the United States, from the National Society, Daughters of the American Revolution, from the chairman of the national defense committee, Mrs. Ray L. Erb:

"DEAR MEMBER: Terrific pressure is being brought upon the Members of Congress, and especially Congressman FRANCIS E. WALTER, to liberalize the present immigration law—McCarran-Walter act. The pressure is steadily increasing. Without question it is the obligation of the members of our society to actively support the following resolution which was adopted by the 66th Continental Congress in April 1957:

"'IMMIGRATION AND NATIONALITY ACT—M'CARRAN-WALTER ACT

"'Whereas, The House Committee on Un-American Activities has recently revealed that the Communist conspiracy in the United States has created over 180 organizations for the purpose of bringing pressure on the Congress to weaken the McCarran-Walter Act; and

"'Whereas in addition to these Communist-controlled organizations, certain politicians are seeking to solicit the so-called vote of nationality groups by sponsoring amendments to the Immigration and Nationality Act which would open the floodgates, undermine the national origins quota system, and remove the principal security safeguards of that act, and it is imperative that the voices of individuals and patriotic organizations at the crossroads of America be heard emphatically on this issue in the Halls of Congress.

"'*Resolved*, That the National Society, Daughters of the American Revolution, reaffirm its confidence in and support of the McCarran-Walter Immigration and Nationality Act, and urge that this legislation be preserved intact.'"

GOVERNMENT BY MEN

Mr. PELLY. 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 Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, as to the House accepting the civil-rights bill in its present form with the jury-trial amendment as added in the other body, let me quote a great authority—none other than the chairman of the House Judiciary Committee himself. This is what the distinguished gentleman from New York [Mr. CELLER] said, as Members will recall, during the House debate when the jury-trial amendment was rejected. These are the gentleman's own words:

But trial by jury is not provided by the Constitution for contempt of court. All this oratory about the noble right of trial by jury is irrelevant.

Then, quoting again, the gentleman from New York [Mr. CELLER] said:

The ends of justice will not be served, if, in an effort to insure a jury trial for those who flouted a court order, both the authority

of the courts and the right to vote are destroyed.

Mr. Speaker, I have heard the gentleman from New York [Mr. CELLER] in the past in this very Chamber draw on Emerson, saying "Consistency is the hobgoblin of little minds." If the gentleman from New York [Mr. CELLER] says now the civil-rights bill should be accepted in its present form, without a struggle to strengthen it, I can only express admiration, in line with Emerson's words, of the distinguished gentleman for the size of his mind.

As for me, Mr. Speaker, when it comes to protection of the right to vote and the principles of the issue as I see them, I urge a patient attempt by this House to reconcile the differences between itself and the Senate.

This Senate version would fail to protect the right of the southern Negroes to vote and therefore I oppose it. Also as I see it, a jury interposed between a court and the enforcement of an injunction is government of men rather than government of law. With either of these two issues in America there should be no compromise.

THE LATE HAMILTON C. JONES

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Speaker, it falls to my sad lot to announce the death last Saturday afternoon of former Representative Hamilton C. Jones who served in the 80th, 81st, and 82d Congresses as the Representative of the 10th Congressional District of North Carolina.

He is survived by his wife, the former Miss Bessie Erwin; by two children, William Erwin Jones, of Charlotte, and Alice Jones Noble, of Hartford, Conn.; by two sisters, Mrs. Lewis Burwell and Mrs. Francis Bruguiere, of Charlotte; and by five grandchildren.

While in Congress, Mr. Jones served with fidelity and ability as a member of the Committee on Veterans' Affairs.

He was a genial and friendly person and was highly regarded by his colleagues.

Hamilton C. Jones was descended from a line of distinguished North Carolinians. In his own career he continued in the pattern set by his forebears. Throughout adult life he was very active in the political, religious, and civic activities of his home city of Charlotte and of North Carolina.

He followed in the footsteps of his lawyer father and for many years was a leading member of the Charlotte bar. He served as president of the Mecklenburg County and North Carolina Bar Associations. For many years he was a member of the American Bar Association.

Mr. Jones served as judge of the Charlotte recorder's court from 1913 until 1919 and was active in helping draft and in securing passage of the necessary legislation establishing a juvenile court in that city and served as judge of the first such court to operate in our State. Later he served as assistant United States attorney for the western district of North Carolina.

Mr. Jones' record in public service was as outstanding as his professional career. In addition to serving three terms in Congress, he served a term in the North Carolina State Senate, and for many years was active in promoting the interests and fortunes of the Democratic Party in Mecklenburg County and in the 10th Congressional District of North Carolina.

As is frequently the case with men who are active in professional and political life, Hamilton C. Jones always found some extra time to devote to civic affairs. For many years he was a member of the Charlotte Rotary Club and once served as president for that fine organization. He was a member of the Charlotte Masonic Club, the Charlotte Country Club, the Charlotte Executives Club, and the Charlotte Elks Club. He was a former president of the Family Service Association, former chairman and member of the executive committee of the Thompson Orphanage and Training School; was active in the movement which culminated in the construction of the Charlotte Memorial Hospital and served as member of the board and vice chairman of the Charlotte Memorial Hospital Authority. He was a member of the vestry and senior warden of St. Peter's Episcopal Church of Charlotte.

Mr. Jones was graduated from the University of North Carolina with a bachelor of arts degree in 1906 and later served as a member of the board of trustees of that institution. Following his graduation from the university, he continued his education at Columbia University from which institution he received a master's degree in 1907.

He was born in Charlotte on September 28, 1884, and departed this life on August 10, 1957, in the city where he was born and lived out his distinguished career.

Mr. Jones and I were personal friends for many years. I first made his acquaintance when we were practicing law together in the courts of North Carolina. We were both active in the affairs of the North Carolina Bar Association. We belonged to different political parties but that fact did not interfere with our friendship. In 1952 we engaged in a contest for the seat in Congress which he held for 6 years and in which he rendered outstanding service to the people of our district, and in which I now have the honor of serving. Although the campaign of 1952 was heated, I am happy to say that nothing happened during that contest to mar our personal friendship. It was not in Hamilton Jones' makeup to hold grudges or to be vindictive. Although it might have been natural for him to have displayed some resentment toward the one who succeeded him, Hamilton Jones was above that sort of thing. Immediately following the election in 1952, we exchanged telegrams of regards and good wishes.

Our paths have crossed frequently since 1952 and he has called on me several times when business has brought him to Washington.

Hamilton C. Jones was a patriot and interested in the welfare of his district, State and Nation. He served long and faithfully in the public interest and will be remembered for the high quality of that service.

My profound sympathy is extended to his widow and children in this hour of their sorrow.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHUFORD. Mr. Speaker, it was with profound sorrow that I learned of the death of the Honorable Hamilton C. Jones, a former Member of this body. Mr. Jones' life was dedicated to public service and he gave unstintedly of his time and energy to the development and advancement of his native State of North Carolina. He served two terms in the State senate. He also served as assistant United States district attorney and judge of the Mecklenburg County recorders court prior to his election to the United States Congress. While a Member of the Congress he interested himself particularly in veterans' affairs, and he contributed much to the advancement of the veterans' program.

Mr. Jones was a Christian gentleman of the old school, a loyal friend with a tremendous understanding of his fellow man, it was his delight to be of service to him. North Carolina and the Nation will greatly miss Mr. Jones in the years to come.

I extend my very deep sympathy to the members of his family.

Mr. RAYBURN. Mr. Speaker, in the passing of Hamilton Jones our country has lost a patriot and a good citizen. He was not only a patriot and good citizen, he was a good man. I extend to his wife and other loved ones my deepest sympathy.

Mr. McMILLAN. Mr. Speaker, Members of the House, I was shocked to learn of the untimely passing of my good friend, Hamilton Jones, a former distinguished Member of Congress from the State of North Carolina.

I always felt very close to the late Congressman Jones as we had a number of similar problems confronting us during the time he was a Member of Congress and I found him to always be very cooperative.

Mr. Jones enjoyed the respect of every Member of the House during the time he served in this great body and we all remember him very pleasantly. I have never heard Mr. Jones make one derogatory statement about any person during the number of years I was associated with him here in the House. He always spoke highly of his political opponents and his business associates in North Carolina.

My deepest sympathy goes out to Mrs. Jones and the other members of his lovely family. Mr. Jones was devoted to his family and their welfare took precedence over his legislative and public affairs.

I could not permit this opportunity to pass without expressing my deepest sympathy to Mr. Jones' lovely wife and children and to say that knowing my good friend, the late Congressman Jones, was one of the finest privileges I have had

during my term of service in the House of Representatives.

Mr. WHITENER. Mr. Speaker, the State of North Carolina has lost one of her most outstanding sons in the passing of Hamilton C. Jones. Those of us who knew him through the years today have a peculiar and deeply personal sense of sadness.

Ham Jones was a public-spirited citizen in every respect. He was a skilled lawyer, a devoted churchman, a successful businessman, and an outstanding public servant in many positions in government on the local, State, and national level.

But most of all, I think that our departed friend stood out as a devoted father to his children and attentive husband to his lovely wife.

Ham Jones had another great love. It was the Congress of the United States. I know of no person who has served in this body who appreciated his role as a Member of Congress more than did he. He was ever at the forefront in proclaiming the value of a democratic form of government, and particularly did he proclaim the importance of the role of the Congress in furthering our form of government. On many occasions he has expressed his affection for the many men with whom he served during his tenure as a Representative of the 10th Congressional District of North Carolina. I am sure that many of you who knew him as a fellow Congressman have also been the beneficiaries of these manifestations by our late friend.

My association with Ham Jones was always most pleasant. He has been my close personal friend since 1941. While he did not reside in my Congressional district, it was my privilege to serve as a public official in his native county of Mecklenburg for several years. During that time he was always most thoughtful and cooperative in matters in which we had a mutual public or private interest. I shall miss him very much. Even though his passing is a part of the cycle of all human beings, those of us who enjoyed his friendship, nonetheless, find that our hearts are heavy upon the occasion of his passing.

To Mrs. Jones and the other members of his family I extend my deepest sympathy in this hour of great loss. It is my prayer that our Heavenly Father will comfort and console them in this period of deep grief which they are now experiencing.

Mr. DORN of South Carolina. Mr. Speaker, Hamilton C. Jones, was my warm personal friend. I enjoyed my years of association here with him in the Congress. Ham Jones had a heart of gold. He was loyal and faithful to his family and to his friends. He was always loyal to the Democratic Party through times of prosperity and through adversity. Above all, Ham Jones was a patriotic American, placing the welfare of his countrymen above any personal or party consideration.

I was saddened to learn of his passing and extend my deepest sympathy to his wife and lovely family. "They pass on, but their good works do follow them."

Mr. DURHAM. Mr. Speaker, I knew and loved Hamilton Jones from his early college days at the University of North Carolina. I recall his love for baseball. While he was playing on the varsity team of the university, he met his lovely wife, Miss Bessie Erwin, whose father was one of the most respected textile manufacturers in that section of the State.

Not only did I love Hamilton Jones—I deeply respected him, because he was an American in every thought and act. His family was also deeply rooted in their love for North Carolina and for America.

He had one burning desire—to serve in the Congress. That opportunity was in due course given to him, and he served here with distinction to the State and to the country. Most of his colleagues here in Congress, who are present here today, will recall that we all addressed him affectionately as "Ham." He was a dignified gentleman of the old southern school.

Our deceased colleague was true to every instinct of liberty, true to the whole trust that reposed in him by the people he served in the 10th North Carolina Congressional District, in which is located the city of Charlotte, our largest metropolitan center, and the County of Mecklenburg, which today can claim the distinction of having issued the first declaration of independence, adopted at Charlotte on May 20, 1775.

As a man, Hamilton Jones commanded not only the respect but also the love of this body. It was the purity and the loyalty and the sympathy of his nature that attracted so many people to him. We all here felt the sweetness of his character, the broadness of his sympathy, and the depth of his faith, and today we mourn the passing of these fine qualities as exemplified in Ham's life, which are so sorely needed in our world today.

Mrs. ROGERS of Massachusetts. Mr. Speaker will the gentleman yield?

Mr. WHITENER. I yield.

Mrs. ROGERS of Massachusetts. I would like to say how extremely I regret the passing of the late Hamilton Jones, and to express my great appreciation for the work he did while he was a Member of Congress. It was a great pleasure to serve in the Congress of the United States with him. I was chairman of the Committee on Veterans' Affairs when he was a Member, and I shall never forget his valuable help. There was no politics in what he did. He was loyal, fine, and a very great man.

Please extend to his lovely wife and family my deepest sympathy. I mourn with them and with his great State of North Carolina the loss of this splendid patriot. The memory of his splendid deeds will live on and be an inspiration not only to the North Carolinians but to the Nation.

Mr. WHITENER. I thank the gentlewoman from Massachusetts. I may say that on many occasions he has expressed to me appreciation of the many courtesies shown him by the gentlewoman from Massachusetts.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I join with my colleagues in expressing sorrow over the passing of Hamilton C. Jones. Ham Jones and I began our service here together, in the 80th Congress. Through our association here, we became close friends, and I feel a great personal loss in his passing.

Ham Jones was a man of integrity and ability, and one who possessed great personal charm. He was an able representative of his district, and was held in great esteem and respect in this body. He will be long remembered by all of us who served with him here.

My deepest and most heartfelt sympathies are with his family and loved ones in their bereavement.

THE LATE HERMAN PAUL KOPPLEMANN

The SPEAKER. The Chair recognizes the gentleman from Connecticut [Mr. MAY].

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members who care to do so may extend their remarks following my remarks on the life and character and public work of the late Herman Kopplemann.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAY. Mr. Speaker, on Sunday afternoon, the 11th of August 1957, former First District of Connecticut Representative Herman Paul Kopplemann died unexpectedly at his home in Hartford, Conn.

I am sure that all of the Members of the House of Representatives will join with me in mourning the passing of this honored and dedicated man who contributed so much to this distinguished body. Many years of his life were unselfishly given in service to the people of his community, the State of Connecticut and the Nation. I should like to recall for a moment some of the high points of a career of service that will command a prominent place in the memories of the people whom he served so faithfully.

He was born in Odessa, Russia, on May 1, 1880, and came to Hartford in 1882. He grew up and was educated in Hartford public schools. He married Adeline Augusta Greenstein, of Hartford.

Herman Kopplemann began his distinguished career in government as a member of the City Council of Hartford, to which he was elected in 1904, and served as president in 1911. He served also as a member of the House of Representatives in the State of Connecticut and later as a State senator.

He was elected to the 73d, 74th, and 75th Congresses, where he served as a member of the Banking and Currency Committee. Later, he was elected to the 77th and 79th Congresses, wherein he served on the Appropriations Committee.

His contributions as a legislator were most noteworthy. He was prominent in the introduction of legislation dealing with the dairy industry, small business, and tobacco. Many residents of Connecticut will remember the Walsh-Kopplemann Flood Rehabilitation Act.

His service to the people of his community did not end with the performance of his duties in these distinguished bodies which I have just named. Many

will remember him even more for his many contributions of time and effort to numerous projects dedicated to the betterment of his fellow man.

Herman Kopplemann served faithfully and with great distinction. We shall all miss him greatly. My profound sympathies are extended to Mr. Kopplemann's family.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. SADLAK. Mr. Speaker, I would like to associate myself with the gentleman's remarks and those of our colleagues on the life, character, and public service of our former distinguished colleague, Herman Kopplemann. I knew him well when he was in the House through my activity as secretary to Congressman Monkiewicz, of Connecticut.

I am sure that those of us who have had somewhat longer service than the gentleman from Connecticut [Mr. MAY] will remember the races between Congressman Kopplemann and Congressman Miller. One term the seat would be filled by Mr. Kopplemann and the next by Mr. Miller, if President Franklin Roosevelt was not running. These Congressional seat contests are legend. They were two great types and each of them made a specific contribution to the Congress and the country; but in this instance we are considering Congressman Kopplemann and the fine service he rendered to the Nation, while a Member of five Congresses and his civic and philanthropic enterprise throughout his life.

I join with other of our colleagues and Mr. Kopplemann's friends in expressing sympathy particularly to his brothers, Marcus and Abe whom I have known well, to his sister, and to Mrs. Kopplemann.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. MORANO. I wish to join with the distinguished gentleman from Connecticut in tribute to the late Herman Kopplemann. He was a great public servant. He most ably represented his Hartford County constituents which is the great First District of Connecticut. Congressman Kopplemann never lost his interest in the public weal. After his retirement from Congress he continued to devote his time and energies to the great problems of his State and the Nation.

I want to express my profound sympathy to his widow and the other members of his family.

Mr. MAY. I thank the gentleman from Connecticut.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. CELLER. Mr. Speaker, I want to join in the fine sentiments expressed of our late lamented colleague, Herman Kopplemann.

I remember most clearly how he sponsored and fought for humanitarian legislation, his work on the Widows' Aid and Children's Dependent Act. He served his district well through the enactment of the Flood Rehabilitation Act which bears his name. He worked hard and long for the benefit of his district, helping the small-business man in the dairy and tobacco industries. Withal, he was a good companion, full of cheer and high spirits, friendly to all.

The country has lost a patriot and we have lost a friend.

Mr. MAY. I thank the gentleman from New York.

Mr. CRETELLA. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. CRETELLA. I wish to join with my colleagues from Connecticut in expressing my sympathy and that of the House to the family of Herman Kopplemann. I knew him not too intimately, but I have had occasion to know of his qualities and devotion to duty. He was interested and devoted to public service, and served both his State and country well. His passing was indeed a shock and I extend my deep sympathy to his family.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. SEELY-BROWN. Mr. Speaker, the death of former Congressman Herman P. Kopplemann came as a shock to all of his many friends. His fine qualities were well known and recognized not only by his constituents whom he served so well but also by his colleagues in the Congress of the United States. I extend my deepest sympathy to the members of his family in this hour of sadness.

Mr. RAYBURN. Mr. Speaker, in the passing of Herman Kopplemann his community, his State, and the country he loved so well have lost a real serviceable citizen. He was my friend and I shall miss him greatly. To his wife and other loved ones I express my deepest sympathy.

CIVIL RIGHTS ACT OF 1957

Mr. KEATING. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Specifically with regard to the bill H. R. 6127, which is now on the Speaker's desk, I wish the Speaker would advise whether a unanimous consent request is necessary from some Member to dispose of it in some manner as a preliminary to its being sent to the Committee on Rules?

The SPEAKER. It requires unanimous consent to take it up for consideration, send it to conference, or to agree to the amendments of the Senate.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to take the bill H. R. 6127, to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States, from the Speaker's desk, with Senate amendments thereto, disagree to the amendments of the Senate and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALTER objected.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the House recede and concur in the Senate amendments to the bill (H. R. 6127) to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER].

Mr. KEATING. Mr. Speaker, I object.

Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Would the Speaker recognize me to move to send the bill to the Rules Committee?

The SPEAKER. The Chair would not. It is not necessary to do that.

Mr. KEATING. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Would the Speaker advise what action is necessary now in order to get the bill to the Committee on Rules?

The SPEAKER. Anyone can make the request of the chairman of the Committee on Rules to call a meeting of the committee to consider the whole matter.

Mr. KEATING. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Mr. Speaker, if that were done, would the bill which is now on the Speaker's desk be before the Rules Committee?

The SPEAKER. It would not be before the Committee on Rules. The Committee on Rules could consider the matter of what procedure to recommend to the House for the disposition of this whole matter.

AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8240) to authorize certain construction at military installations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ARENDS. Mr. Speaker, reserving the right to object, what was the request of the gentleman?

Mr. VINSON. To send the military installations construction bill to conference. I spoke to the minority leader [Mr. MARTIN] about that this morning.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS of Louisiana, KILDAY, DURHAM, RIVERS, ARENDS, COLE, GAVIN, and NORBLAD.

STADIUM IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table 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, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the requestion of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McMillan, Harris, Teague of Texas, Simpson of Illinois, and O'Hara of Minnesota.

DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes, with Senate amendments thereto, further insist upon its disagreement to the Senate amendments and request a further conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. Morrison, Multer, Granahan, Kearns, and Broyhill.

AMENDING TITLE III OF THE SERVICEMEN'S AND VETERANS' SURVIVOR BENEFITS ACT

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9117) to amend title III of the Servicemen's and Veterans' Survivor Benefits Act to provide for payment of the death gratuity in certain cases involving deaths after June 27, 1950, and before January 1, 1957, which was referred to the Committee on Veterans' Affairs be rereferred to the Committee on Armed Services.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

INCREASES IN SERVICE-CONNECTED DISABILITY COMPENSATION AND DEPENDENCY ALLOWANCES

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 52) to provide increases in service-connected disability compensation and to increase dependency allowances, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 5, strike out lines 1, 2, and 3, and insert:

"Sec. 4. Section 315 of the Veterans' Benefits Act of 1957 is amended by deleting the following figures in paragraphs (a) through (p), respectively: '$17', '$33', '$50', '$66', '$91', '$109', '$127', '$145', '$163', '$181', '$420', '$279', '$329', '$371', '$420', and '$420', and inserting in lieu thereof the figures '$19', '$36', '$55', '$73', '$100', '$120', '$140', '$160', '$179', '$225', '$450', '$309', '$359', '$401', '$450', and '$450', respectively.

"Sec. 5. Subsection 316 (a) (1) of the Veterans' Benefit Act of 1957 is amended by deleting the following figures in clauses (A) through (H), respectively: '$21', '$35', '$45.50', '$56', '$14', '$24.50', '$35', and '$17.50', and inserting in lieu thereof the figures '$23', '$39', '$50', '$62', '$15', '$27', '$39', and '$19'.

"Sec. 6. Section 335 of the Veterans' Benefits Act of 1957 is hereby amended by changing the period at the end thereof to a comma and adding the following: 'counting 50 cents and over as a whole dollar.'

"Sec. 7. Section 336 of the Veterans' Benefits Act of 1957 is hereby amended by adding at the end thereof the following sentence: 'The amounts payable hereunder shall be adjusted upward or downward to the nearest dollar, counting 50 cents and over as a whole dollar.' "

Page 5, after line 3, insert:

"Sec. 8. This act shall take effect on the first day of the second calendar month which begins after the date of its enactment, and sections 1 through 3 shall cease to begin in effect January 1, 1958."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

VETERANS' HOUSING LOANS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct-loan program for veterans, and for other purposes, with Senate amendments thereto, and concur in Senate amendments 1, 2, 3, 4, 5, and 7, and in Senate amendment No. 6 with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 7, line 19, strike out "1958" and insert "1959."

Page 7, line 22, strike out "date.' " and insert "date."

Page 7, after line 22, insert:

"(g) (1) The Administrator shall commence the processing of any application for a loan under this section upon the receipt of such application, and shall continue such processing notwithstanding the fact that the assistance of the Voluntary Home Mortgage Credit Committee has been requested by the Administrator for the purpose of ascertaining whether or not such loan can be placed with a private lender.

"(2) If the assistance of such Committee has been requested by the Administrator in connection with any such application, and the Administrator is not notified by such Committee within (A) 20 days after such assistance has been requested, or (B) 20 days after the date of enactment of this subsection, whichever is the later, that it has been successful in enabling the applicant to place such loan with a private leader, the Administrator shall proceed forthwith to complete any part of the processing of such application remaining unfinished, and to grant or deny the application in accordance with the provisions of this section."

Page 7, line 25, strike out "1958" and insert "1959."

Page 8, line 7, strike out "1959" and insert "1960."

Page 9, after line 20, insert:

"Sec. 4. (a) Section 500 (a) of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 694) is amended by striking out '11' and inserting in lieu thereof '12.'

"(b) Subsection (g) of such section is amended to read as follows:

"'(g) Notwithstanding any other provision of this title, if a loan report or an application for loan guaranty relating to a loan under this title has been received by the Administrator on or before July 25, 1959, such loan may be guaranteed or insured under the provisions of this title on or before July 25, 1960.'

"(c) Section 507 of such act (38 U. S. C. 694) is amended by striking out '11' and inserting in lieu thereof '12'."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

The Clerk read as follows:

Senate amendment No. 6:

Page 8, strike out lines 8 to 20, inclusive, and insert:

"(c) Subsection (d) of such section 513 is amended by inserting immediately after the first sentence a new sentence as follows: 'That the Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1959, such additional sums not in excess of $50 million as the Administrator may request.' "

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. Teague of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur in the same with an amendment as follows: Strike out subsection (c) of the Senate amendment and insert in lieu thereof the following:

"(c) Subsection (d) of such section 513 is amended (1) by striking out '1957' and inserting '1959'; (2) by inserting immediately after 'so advanced' the following: 'under this sentence'; and (3) by inserting immediately after the first sentence therein the following new sentence: 'The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1959, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request).' "

Mr. TEAGUE of Texas. Mr. Speaker, when the House passed the bill H. R. 4602 it provided $200 million to be used as a direct-loan fund. In the other body this amount was cut to $50 million. This amendment merely restores the $200 million in the bill as it passed the House.

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider was laid on the table.

TREATY AND AGREEMENT WITH THE REPUBLIC OF PANAMA

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6709) relating to the treaty and agreement with the Republic of Panama, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Mr. BONNER, Mrs. SULLIVAN, and Messrs. GARMATZ, TOLLEFSON, and SHEEHAN.

KEY DEER

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1058) to preserve the key deer and other wildlife resources in the Florida Keys by the establishment of a National Key Deer Refuge in the State of Florida, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "there" and insert "therein."

Page 2, line 2, strike out all after "County," down to and including "wildlife." in line 7 and insert: "Florida, as he shall find to be suitable for the conservation and management of the said key deer and other wildlife: *Provided, however,* That no land shall be acquired by condemnation on any island that is traversed at any point by United States Highway No. 1."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain what these changes are?

Mr. BONNER. I will say to the gentleman it is merely clarifying language; nothing new in it whatsoever.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

VETERANS' HOUSING

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the veterans bill conference report previously agreed to.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

FOR THE RELIEF OF EDWARD J. MOSKOT

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1682) for the relief of Edward J. Moskot, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:,

Page 1, line 7, after "1954," insert "and from November 1, 1954, to November 15, 1954."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TOM R. HICKMAN AND NANNIE CONLEY AND HUSBAND, JACK CONLEY

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1460) for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "Hickman and" and insert "Hickman"; page 1, line 6, after "Conley," insert "Tina M. Hickman, Ray Conley, Mike Conley, W. B. Conley, Rebecca Conley, Louise Conley, Mary Frances Hickman, David B. Hickman, Tom R. Hickman, Jr., Ruth Conley, Willett J. Hickman, Jr., Martha Hickman, Ruth Hickman, and Rolland Hickman"; page 1, line 6, after "Texas," insert "as their interests may appear"; amend the title so as to read: "An act for the relief of Tom R. Hickman and others."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. KEATING. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from Massachusetts with respect to the bills he is now presenting to the House to which there are Senate amendments, those amendments have to do either with the elimination of the attorney's fee provision or in one instance sending the claim to the court, or other purely technical changes; is that correct?

Mr. LANE. That is right. May I say to the gentleman from New York that these are technical amendments having to do with the usual legal provision that is put on these bills.

Mr. KEATING. In no case is there any change in the amount of the award; is that correct?

Mr. LANE. That is correct.

Mr. KEATING. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MAJ. JOHN P. RUPPERT

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1562) for the relief of Maj. John P. Ruppert, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "the Treasury" and insert "Defense."

Page 1, lines 4 and 5, strike out "any money in the Treasury not otherwise appropriated" and insert "funds currently available to the Department of the Army."

Page 2, line 8, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MRS. LIDIE KAMMAUF

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1864) for the relief of Mrs. Lidie Kammauf, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 6, strike out "upon" and insert "under."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROBERT D. MILLER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2045) for the relief of Robert D. Miller, of Juneau, Alaska, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 1 and 2, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LT. COL. EMERY A. COOK

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2950) for the relief of Lt. Col. Emery A. Cook, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 14 and 15, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HOWARD S. GAY

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3281) for the relief of Howard S. Gay, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

OSWALD N. SMITH

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4023) for the relief of Oswald N. Smith, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THOMAS BRAINARD

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4154) for the relief of the legal guardian of Thomas Brainard, a minor, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 2, strike out "10 percent thereof" and insert "$500."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. EMMA HANKEL

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5627) for the relief of Mrs. Emma Hankel, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 12, and page 2, line 1, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. BLANCHE HOUSER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2049) for the relief of Mrs. Blanche Houser, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 3, strike out "and" and insert "to."

Line 9, after "act" insert "as made applicable to employees of the Civil Works Administration."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FREDERICK REDMOND

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1672) for the relief of the legal guardian of Frederick Redmond, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the provisions of section 2401 (b) of title 28, United States Code, jurisdiction is hereby conferred upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment on the tort claims of Frederick Redmond, an infant, and Ruth Redmond, his mother and natural guardian, of Staten Island, Richmond County, N. Y., against the United States on account of personal injuries sustained on March 16, 1945, allegedly as a result of the negligence of a driver of a United States mail truck.

"SEC. 2. Suit upon such claims may be instituted hereunder not later than 6 months after the date of enactment of this act: *Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LILLIAN SCHLOSSBERG

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3440) for the relief of Lillian Schlossberg, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the provisions of section 2401 (b) of title 28, United States Code, jurisdiction is hereby conferred on the United States District Court for the Eastern District of New York to hear, determine, and render judgment on the tort claim of Mr. and Mrs. Allan Schlossberg, of Brooklyn, N. Y., arising out of an accident involving a United States Army vehicle on December 8, 1945, in the vicinity of Canal Street and West Broadway, New York, N. Y.

"SEC. 2. Suit upon such claim may be instituted hereunder not later than 6 months after the date of the enactment of this act: *Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government."

Amend the title so as to read: "An act for the relief of Mr. and Mrs. Allan Schlossberg."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

WILLIAM V. STEPP, JR.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2973) for the relief of the estate of William V. Stepp, Jr., with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LANE, FORRESTER, and BURDICK.

PUBLIC WORKS APPROPRIATION BILL, 1958

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 8090) making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior for the fiscal year ending June 30, 1958, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. I object, Mr. Speaker.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1049)

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the Senate to the bill (H. R. 8090) making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior for the fiscal year ending June 30, 1958, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 10, 13, 14, 17, 18, 19, 20, 21, and 22, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$449,398,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$60,715,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$116,736,223"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 4, 5, 6, 7, 16, 23, and 24.

CLARENCE CANNON,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
JOHN J. RILEY,
JOE L. EVINS,
EDWARD P. BOLAND,
DON MAGNUSON,
Managers on the Part of the House.

ALLEN J. ELLENDER,
CARL HAYDEN,
JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
ROBERT S. KERR,
WILLIAM F. KNOWLAND,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
EDWARD J. THYE,
KARL E. MUNDT,
MARGARET CHASE SMITH,
HENRY C. DWORSHAK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8090) making appropriations for the civil functions administered by the Department of the Army, and certain agencies of the Department of the Interior, for the fiscal year ending June 30, 1958, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Rivers and harbors and flood control

General Investigations

Amendment No. 1: Appropriates $10,779,600 as proposed by the Senate instead of $8,900,000 as proposed by the House.

Construction, general

Amendment No. 2: Appropriates $449,398,500 instead of $470,040,500 as proposed by the Senate, and $422,186,800 as proposed by the House. The conferees are in agreement that the funds appropriated under this item shall be allocated as set forth in the following tabulation:

State and project	Budget estimate for fiscal year 1958		Conference allowance	
	Construction	Planning	Construction	Planning
Alaska:				
Dry Pass	$874,000		$874,000	
Gastineau Channel		$50,000		$50,000
Ketchikan Harbor	1,900,000		1,900,000	
Kodiak Harbor	1,440,000		1,440,000	
Alabama:				
Columbia lock and dam, Alabama and Georgia		150,000		150,000
Fort Gaines lock and dam, Alabama and Georgia	6,600,000		6,600,000	
Jackson lock and dam	1,700,000		1,700,000	
Paint Rock River		30,000		30,000
Warrior lock and dam	2,000,000		2,000,000	
Arizona:				
Painted Rock Reservoir	3,165,000		3,165,000	
Whitlow Ranch Reservoir		147,000	300,000	147,000
Arkansas:				
Arkansas River and tributaries, Arkansas and Oklahoma (bank stabilization)		50,000		100,000
Arkansas River and tributaries, Arkansas and Oklahoma (emergency bank stabilization and channel rectification)	1,300,000		1,500,000	
Beaver Reservoir		250,000		250,000
Bull Shoals Reservoir, Ark. and Mo. (addition of units 5 and 6)	110,000		110,000	
Calion	210,000		210,000	
Dardanelle lock and dam	800,000		1,400,000	
DeGray Reservoir				50,000
Greers Ferry Reservoir	1,700,000		1,700,000	
Ouachita and Black Rivers, Ark. and La		150,000		150,000
Red River levees below Denison Dam, Arkansas, Louisiana, and Texas	300,000		750,000	
Table Rock Reservoir, Ark. and Mo	17,000,000		17,000,000	
Walnut Bayou			200,000	
California:				
American River levees	1,900,000		1,900,000	
Black Butte Reservoir		179,000		179,000
Carbon Canyon Dam and channel	800,000		800,000	
Devil, East Twin, Warm, and Lytle Creeks	1,150,000		1,150,000	
Los Angeles County drainage area	18,100,000		18,100,000	
Lower San Joaquin River and tributaries	1,000,000		1,000,000	
Middle Creek	300,000		300,000	
Mill Creek levees				50,000
New Melones Reservoir		186,000		186,000
Playa del Rey Inlet and Harbor	600,000		600,000	
Redondo Beach Harbor	2,620,000		2,620,000	
Riverside	1,430,000		1,230,000	
Russian River Reservoir	5,000,000		5,000,000	
Sacramento River	3,000,000		3,000,000	
Sacramento River (deep-water ship channel)	2,815,000		2,815,000	
Sacramento River major and minor tributaries (active units)	700,000		700,000	
San Antonio and Chino Creeks	3,400,000		3,400,000	
San Diego River and Mission Bay	1,100,000		1,100,000	
San Jacinto River and Bautista Creek				80,000
California—Continued				
San Joaquin River, Stockton deep-water channel	$600,000		$600,000	
San Lorenzo Creek	1,000,000		1,000,000	
San Lorenzo River	1,200,000		1,200,000	
Santa Clara River		$50,000		$50,000
Santa Maria River		75,000		75,000
Success Reservoir	5,000,000		5,000,000	
Terminus Reservoir	2,500,000		2,500,000	
Truckee River and tributaries, California and Nevada. (See Nevada.)				
Connecticut: Thomaston Reservoir	2,900,000		2,900,000	
Delaware:				
Inland waterway, Delaware River to Chesapeake Bay, Del. and Md.: Summit Bridge	1,200,000		1,200,000	
Florida:				
Central and southern Florida	5,500,000		5,500,000	
Horseshoe Cove			244,000	
Intracoastal Waterway, Jacksonville to Miami	1,150,000		1,150,000	
St. Augustine Harbor	600,000		600,000	
Tampa Harbor: 30-, 34-, and 36-foot channels	2,250,000		2,250,000	
Georgia:				
Columbia lock and dam, Alabama and Georgia. (See Alabama.)				
Fort Gaines lock and dam, Alabama and Georgia. (See Alabama.)				
Hartwell Reservoir, Ga. and S. C.				
Savannah River below Augusta	835,000		835,000	
Hawaii:				
Honolulu Harbor		50,000		50,000
Kawaihae Harbor	2,450,000		2,450,000	
Idaho:				
Bruces Eddy Reservoir				500,000
Columbia River local protection: Weiser River		70,000		70,000
Illinois:				
Alton		97,000		97,000
Carlyle Reservoir		65,000	250,000	65,000
East St. Louis and vicinity	800,000		800,000	
Hunt and Lima Lake Drainage District		85,000		85,000
Illinois Waterway, Calumet-Sag: Channel—part I	6,000,000		6,000,000	
Mississippi River between Missouri River and Minneapolis, Minn.: Rectification of damages	65,000		65,000	
Mississippi River between Ohio and Missouri Rivers, Ill. and Mo.: Regulating works	500,000		500,000	
New Harmony Bridge, Ill. and Ind	405,000		405,000	
Wabash railroad bridges at Meredosia and Valley City	350,000		350,000	
Wilson, Wenkel, and Prairie du Pont Drainage and Levee District	600,000		600,000	
Wood River Drainage and Levee District	550,000		550,000	

State and project	Budget estimate for fiscal year 1958		Conference allowance	
	Construction	Planning	Construction	Planning
Indiana:				
Lock and dam 41, Indiana and Kentucky. (See Kentucky.)				
Mansfield Reservoir	$1,600,000		$1,600,000	
Markland locks and dam, Indiana, Kentucky, and Ohio	9,500,000		9,500,000	
New Harmony Bridge, Ill. and Ind. (See Illinois.)				
Iowa:				
Coralville Reservoir	900,000		900,000	
Iowa River-Flint Creek Levee District No. 16		$50,000		$50,000
Little Sioux River	2,000,000		2,000,000	
Missouri River agricultural levees, Iowa, Kansas, Nebraska, and Missouri	3,300,000		3,650,000	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa. (See Nebraska.)				
Missouri River, Kansas City, Mo., to Sioux City, Iowa:				
Kansas City to Omaha	3,300,000		3,300,000	
Omaha to Sioux City	6,600,000		6,600,000	
Muscatine	470,000		320,000	
Muscatine Island Levee District and Muscatine-Louisa County Drainage District No. 13		75,000		75,000
Rathbun Reservoir		100,000		
Red Rock Reservoir		225,000		100,000
Upper Iowa River	400,000		400,000	
Kansas:				
Abilene	400,000		400,000	
Council Grove Reservoir		125,000		125,000
Elk City (Table Mound) Reservoir		85,000		85,000
Milford Reservoir				50,000
Missouri River agricultural levees, Iowa, Kansas, Nebraska and Missouri. (See Iowa)				
Ottawa	500,000		500,000	
Perry Reservoir				50,000
Pomona Reservoir		145,000		145,000
Salina	500,000		500,000	
Strawn Reservoir		125,000		125,000
Topeka	1,500,000		1,500,000	
Toronto Reservoir	4,700,000		4,700,000	
Tuttle Creek Reservoir	10,000,000		10,000,000	
Wichita and Valley Center	830,000		830,000	
Wilson Reservoir		50,000		50,000
Kentucky:				
Barkley Dam (Lower Cumberland lock and dam), Ky. and Tenn	5,000,000		5,000,000	
Buckhorn Reservoir	1,900,000		1,900,000	
Catlettsburg	2,000,000		2,000,000	
Greenup locks and dam, Kentucky and Ohio	13,500,000		13,500,000	
Lock and dam 41, Indiana and Kentucky	4,000,000		4,000,000	
Markland locks and dam, Indiana, Kentucky, and Ohio. (See Indiana.)				
New Richmond lock and dam, Kentucky and Ohio		175,000	825,000	175,000
Nolin Reservoir		138,000		138,000
No. 2 Barren Reservoir		50,000		50,000
Rough River Reservoir and channels	3,000,000		3,000,000	
Louisiana:				
Amite River and tributaries	1,000,000		1,000,000	
Gulf Intracoastal Waterway:				
Plaquemine-Morgan City alternate route	3,500,000		3,500,000	
Mississippi River, Baton Rouge to Gulf of Mexico		240,000		240,000
Mississippi River—Gulf outlet		375,000	625,000	375,000
Ouachita and Black Rivers, Ark. and La. (See Arkansas.)				
Red River levees below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)				
Maryland:				
Cumberland, Md., and Ridgeley, W. Va	2,000,000		2,000,000	
Inland Waterway, Delaware River to Chesapeake Bay, Del. and Md. (See Delaware.)				
Massachusetts:				
Adams	1,120,000		1,120,000	
Barre Falls Reservoir	376,000		376,000	
Boston Harbor: Extension to 40-foot anchorage	1,000,000		1,000,000	
Buffumville Reservoir	1,117,000		1,117,000	
East Brimfield Reservoir	1,500,000		1,500,000	
Fall River Harbor	900,000		900,000	
Hodges Village Reservoir	1,860,000		1,860,000	
Mystic River: 35-foot channel	550,000		550,000	
North Adams	3,697,000		3,697,000	
West Hill Reservoir		50,000		50,000
Westville Reservoir		100,000		100,000
Weymouth Fore River	1,350,000		1,350,000	
Worcester	1,500,000		1,500,000	
Michigan:				
Battle Creek	2,000,000		2,000,000	
Cheboygan River and Harbor	50,000		50,000	
Great Lakes connecting channels	13,000,000		13,000,000	
Michigan—Continued				
Harrisville Harbor	$100,000		$100,000	
Houghton-Hancock Bridge	300,000		300,000	
Manistique Harbor			150,000	
Saginaw River	475,000		475,000	
St. Marys River, improvement of south canal	500,000		500,000	
Whitefish Point Harbor	130,000		130,000	
Minnesota:				
Grand Marais Harbor				$18,500
Mississippi River between Missouri River and Minneapolis, Minn., rectification of damages. (See Illinois.)				
St. Anthony Falls	550,000		550,000	
Missouri:				
Bear Creek Reservoir		$90,000		90,000
Bull Shoals Reservoir, Ark. and Mo. (See Arkansas.)				
Canton	100,000			
Cape Girardeau (reach No. 2 only)	1,300,000		1,300,000	
Des Moines and Mississippi Levee District No. 1				
Fabius River Drainage District		65,000		65,000
Mississippi River between Ohio River and Missouri River, Ill. and Mo. (See Illinois.)				
Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri (dam 27). (See Illinois.)				
Missouri River, Kansas City to mouth	4,000,000		5,000,000	
Missouri River, Kansas City, Mo., to Sioux City, Iowa. (See Iowa.)				
Pomme de Terre Reservoir	2,000,000		2,000,000	
St. Louis		649,000		649,000
Table Rock Reservoir, Ark. and Mo. (See Arkansas.)				
Montana:				
Fort Peck Dam (second powerplant)	3,000,000		3,000,000	
Miles City		56,000		56,000
Nebraska:				
Missouri River agricultural levees, Iowa, Kansas, Nebraska, and Missouri. (See Iowa.)				
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa (including Miners Bend), Iowa, Nebr., and S. Dak	1,400,000		1,700,000	
Nevada:				
Mathews Canyon Reseroir	463,000		463,000	
Pine Canyon Reservoir	678,000		678,000	
Truckee River and tributaries, California and Nevada		50,000		50,000
New Hampshire:				
Hopkinton-Everett Reservoir			100,000	500,000
Otter Brook Reservoir	2,000,000		2,000,000	
New Jersey:				
Delaware River, Philadelphia to Trenton (40-foot project), N. J. and Pa	9,000,000		9,000,000	
New York and New Jersey Channels, N. Y. and N. J	5,200,000		5,200,000	
Staten Island Rapid Transit Bridge, New York and New Jersey. (See New York.)				
New Mexico:				
Abiquiu Reservoir	2,450,000		2,450,000	
Albuquerque	750,000		750,000	
Artesia	545,000		545,000	
Los Esteros-Alamogordo Reservoirs		120,000		120,000
Two Rivers Reservoir		70,000		70,000
New York:				
Allegheny River Reservoir, Pa. and N. Y. (See Pennsylvania.)				
Barcelona Harbor	210,000		210,000	
Endicott, Johnson City, and Vestal	1,400,000		1,400,000	
Great Lakes-Hudson River Waterway: Depth of 13 feet through locks	190,000		190,000	
Jones Inlet	305,000		305,000	
New York and New Jersey Channels, N. Y. and N. J. (See New Jersey.)				
Oswego Harbor, detached breakwaters	400,000		400,000	
Staten Island Rapid Transit Bridge, N. Y. and N. J	1,700,000		1,700,000	
Wellsville	150,000		150,000	
North Carolina:				
Atlantic Intracoastal Waterway, Masonboro Inlet	306,000		306,000	
Wilkesboro Reservoir		160,000		160,000
North Dakota:				
Garrison Reservoir	4,500,000		4,500,000	
Lower Heart River	200,000		200,000	
Ohio:				
Ashtabula Harbor	1,500,000		1,500,000	
Dillon Reservoir	4,000,000		4,000,000	
Greenup lock and dam, Kentucky and Ohio. (See Kentucky.)				

State and project	Budget estimate for fiscal year 1958		Conference allowance	
	Construction	Planning	Construction	Planning
Markland, locks and dam, Indiana, Kentucky, and Ohio. (See Indiana.)				
New Cumberland locks and dam, Ohio and West Virginia	$4,500,000		$4,500,000	
New Richmond lock and dam, Kentucky and Ohio. (See Kentucky.)				
Pike Island lock and dam, Ohio and West Virginia		$50,000		$50,000
Roseville	500,000		500,000	
Toledo Harbor (removal of center dike)	146,000		146,000	
Oklahoma:				
Arkansas River and tributaries, Arkansas and Oklahoma. (See Arkansas.)				
Denison Reservoir, Tex. and Okla. (See Texas.)				
Enid				60,000
Eufaula Reservoir	5,200,000		5,200,000	
Keystone Reservoir	3,100,000		3,100,000	
Oologah Reservoir	6,800,000		6,800,000	
Oregon:				
Amazon Creek	446,000		446,000	
Blue River Reservoir		100,000		100,000
Chetco River	200,000		200,000	
Columbia River at mouth, Oregon and Washington	1,150,000		1,150,000	
Columbia River local protection:				
Malheur River				25,000
Umatilla River		16,000		16,000
Cougar Reservoir	6,570,000		6,570,000	
Fall Creek Reservoir				150,000
Green Peter Reservoir		225,000		225,000
Hills Creek Reservoir	4,800,000		4,800,000	
Holley Reservoir		100,000		100,000
John Day lock and dam, Oregon and Washington. (See Washington.)				
Lower Columbia River at new locations:				
Clatskanie River area				15,000
Lower Columbia River bank protection		40,000		40,000
Lower Columbia River improvement to existing works:				
Multnomah Drainage District No. 1	500,000		500,000	
Pendleton	400,000		400,000	
Rogue River Harbor at Gold Beach		21,000		21,000
The Dalles Dam, Oreg. and Wash.	19,000,000		19,000,000	
Willamette River bank protection	300,000		450,000	
Pennsylvania:				
Allegheny River Reservoir, Pa. and N. Y.	1,000,000		1,000,000	
Allentown	350,000		350,000	
Bear Creek Reservoir	2,200,000		2,200,000	
Bethlehem		100,000		100,000
Bradford	500,000		500,000	
Curwensville Reservoir		50,000		50,000
Dam 8, Monongahela River	1,000,000		1,000,000	
Delaware River, Philadelphia to Trenton. (See New Jersey.)				
Dyeberry Reservoir	2,000,000		1,500,000	
Kettle Creek Reservoir		215,000		215,000
Maxwell lock and dam, Monongahela River		50,000		50,000
Prompton Reservoir	1,700,000		1,000,000	
Stillwater Reservoir	2,000,000		2,000,000	
Rhode Island: Woonsocket	1,750,000		1,750,000	
South Dakota:				
Big Bend Reservoir		300,000		300,000
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa (including Miners Bend) Iowa, Nebr. and S. Dak. (See Nebraska.)				
Oahe Reservoir	27,500,000		27,000,000	
Sioux Falls	1,200,000		1,200,000	
Tennessee:				
Barkley Dam, Ky. and Tenn. (See Kentucky.)				
Cheatham lock and dam	1,375,000		1,375,000	
Lake City	340,000		340,000	
Memphis, Wolf River and Nonconnah Creek	330,000		330,000	
Old Hickory lock and dam	704,000		704,000	
Texas:				
Brazos Island Harbor	1,000,000		1,000,000	
Buffalo Bayou	2,900,000		2,900,000	
Cooper Reservoir and Channel		275,000	225,000	275,000
Corpus Christi Bridge	1,400,000		1,400,000	
Denison Reservoir, Tex. and Okla.:				
(a) Highway bridge at Willis site	1,000,000		1,000,000	
(b) Additional recreation facilities			235,000	
Ferrels Bridge Reservoir	3,294,000		3,294,000	
Galveston seawall	1,000,000		1,000,000	
Texas—Continued				
Gulf Intracoastal Waterway between Apalachee Bay, Fla., and the Mexican border (Galveston District):				
Guadalupe River channel to Victoria			$248,000	
Realined route vicinity of Aransas Pass			890,000	
Houston ship channel	$1,000,000		1,000,000	
Lampasas Channel improvement				30,000
Lampasas Reservoir				100,000
McGee Bend Dam			500,000	
Port Aransas-Corpus Christi Waterway: 36-foot channel	1,000,000		1,000,000	
Proctor Reservoir		$100,000		$100,000
Red River levees below Denison Dam, Ark., La. and Tex. (See Arkansas.)				
Sabine-Neches Waterway	980,000		980,000	
San Antonio Channel	500,000		500,000	
Waco Reservoir		150,000		150,000
Utah: Salt Lake City	300,000		300,000	
Vermont:				
Ball Mountain Reservoir	1,300,000		1,300,000	
East Barre Reservoir (modification)	600,000		600,000	
North Hartland Reservoir	1,000,000		1,000,000	
North Springfield Reservoir	1,300,000		1,300,000	
Townshend Reservoir	1,200,000		1,400,000	
Virginia:				
Norfolk Harbor: Widening 40-foot channel	1,750,000		1,750,000	
Norfolk and Portsmouth Belt Line RR. bridge	300,000		300,000	
Pound Reservoir				100,000
Waterway, coast of Virginia, Chesapeake Bay to Chincoteague Bay	352,000		600,000	
Washington:				
Bellingham Harbor	1,078,000		1,078,000	
Blaine Harbor	355,000		355,000	
Chief Joseph Dam	4,800,000		4,800,000	
Colfax		136,000		136,000
Columbia River at Baker Bay	531,000		531,000	
Columbia River at the mouth, Oregon and Washington. (See Oregon.)				
Columbia River local protection:				
Lower Cowlitz River		10,000		10,000
Eagle Gorge Reservoir	8,000,000		8,000,000	
Everett Harbor and Snohomish River	316,000		316,000	
Grays Harbor and Chehalis River:				
(a) West Haven breakwater extension	291,000		291,000	
(b) Bay City channel, West Haven Cove, breakwater and Point Chehalis levee	125,000		125,000	
Ice Harbor lock and dam	18,500,000		18,500,000	
Interstate bridge, Columbia River, Oreg. and Wash. (See Oregon.)				
John Day lock and dam, Oregon and Washington			1,000,000	
Lower Columbia River levees at new locations: Washougal area		32,000		32,000
Lower Monumental lock and dam		200,000		500,000
Port Angeles Harbor	396,000		396,000	
Shilshole Bay	1,780,000		1,780,000	
The Dalles Dam, Oreg. and Wash. (See Oregon.)				
Willapa River and Harbor and Naselle River	555,000		555,000	
West Virginia:				
Cumberland, Md., and Ridgeley, W. Va. (See Maryland.)				
Hildebrand lock and dam	5,300,000		5,300,000	
New Cumberland lock and dam, Ohio and West Virginia. (See Ohio.)				
Opekiska lock and dam				100,000
Pike Island lock and dam, Ohio and West Virginia. (See Ohio.)				
Summersville Reservoir		225,000		225,000
Sutton Reservoir	8,000,000		8,000,000	
Wyoming: Sheridan	200,000		200,000	
Local protection projects not requiring specific legislation	3,000,000		3,500,000	
Emergency bank protection	400,000		400,000	
Snagging and clearing	600,000		600,000	
Projects deferred for restudy		3,000		3,000
Small authorized projects	3,000,000		4,000,000	
Dredging projects (planning)		50,000		50,000
Reduction for anticipated savings and slippages	−14,000,000		−29,000,000	
Total	444,655,000	7,500,000	438,295,000	9,503,500
Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	1,600,000		1,600,000	
Total, construction, general	446,255,000 (453,755,000)	7,500,000	439,895,000 (449,398,500)	9,503,500

Amendment No. 3: Reported in disagreement.

Amendment No. 4: Reported in disagreement.

Amendment No. 5: Reported in disagreement.

Amendment No. 6: Reported in disagreement.

Amendment No. 7: Reported in disagreement.

Amendment No. 8: Inserts the words "Construction, general" in the language proviso of the House prohibiting the use of funds for other than bank stabilization on the "Missouri River, Kansas City to the mouth" as proposed by the Senate.

Amendment No. 9: Increases the amount available for construction of small authorized projects from $3,000,000 to $4,000,000 as proposed by the Senate.

Red River levees below Denison Dam: The conferees are in agreement that the Corps of Engineers has too narrowly and conservatively interpreted their authority for bank stabilization works on the Red River, and that they should prosecute the bank protection works with due regard to comprehensive future losses of farm lands, levees, and permanent alinement of the river.

Missouri River, Omaha to Sioux City, Iowa: The conferees agree with the Corps of Engineers that a cutoff at the De Soto-Bertrand Bend on the Missouri River is feasible. Therefore, the conferees direct the engineers to proceed with the cutoff above described, on approval of the proposed refuge by the Migratory Bird Conservation Commission.

Tuttle Creek Reservoir, Kansas: The conferees agree to remove the Senate restriction placed on the Tuttle Creek Reservoir, Kansas, in 1952 to the effect that the dam was to be operated as a dry dam without either power or conservation features in order that the Corps of Engineers may proceed on the basis of providing adequate conservation storage.

Abiquiu Dam, New Mexico: The conferees agree to the inclusion of an uncontrolled outlet.

Fargo, N. Dak.: The conferees are in agreement that the Corps of Engineers should initiate construction on the Fargo, N. Dak., local protection project, using available funds, as soon as the conditions of local cooperation have been fulfilled.

Lower Monumental Dam, Washington: The conferees agree that funds appropriated to the Lower Monumental Dam shall not be utilized for determining the location of Little Goose Dam.

Canton, Mo.: The corps is directed by the conferees to credit against the local contribution requirements a sum equal to the total cost of the improvements contributing to the project which have already been constructed by the city of Canton.

Columbia River fish sanctuary program: As indicated in the Senate report, it is directed that the Fish and Wildlife Service allocate $125,000 for studies of salmon and sport fishery in Idaho.

Investigations costs: The conferees are in agreement that the Corps of Engineers need not include in the total costs of projects the costs of general investigations in the budget tables and justifications for fiscal year 1959. However, the conferees believe that this question should be studied during the coming year to determine the appropriate manner in which to reflect such costs in the budgetary presentation.

Operation and maintenance, general

Amendment No. 10: Appropriates $103,850,000 as proposed by the Senate instead of $98,870,000 as proposed by the House. The conferees are in agreement that up to $120,000 of the funds budgeted for hatchery operations may be utilized during fiscal year 1958 by the Fish and Wildlife Service for initiation of studies to correct disease and nutritional deficiencies at program hatcheries. Should additional research be required in fiscal year 1959, the Fish and Wildlife Service is directed to budget for these studies as part of their regular research program.

Flood control, Mississippi River and tributaries

Amendment No. 11: Appropriates $60,715,000 instead of $62,480,000 as proposed by the Senate, and $58,950,000 as proposed by the House.

The reduction below the Senate figure is to be applied proportionately to the increases shown in the Senate report for channel improvement, Boeuf and Tensas Rivers, and the Atchafalaya Basin.

Administrative provisions

Amendment No. 12: Authorizes replacement of 150 passenger motor vehicles as proposed by the House instead of 247 as proposed by the Senate.

TITLE II—DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Amendments Nos. 13 and 14: Appropriate $5,932,000 as proposed by the Senate instead of $4,500,000 as proposed by the House and provide that of this amount $5,182,000 shall be derived from the reclamation fund as proposed by the Senate instead of $3,800,000 as proposed by the House.

The conferees are in agreement that the transfers between projects and units of projects are to be limited to 15 percent of the amounted allotted in the justifications to the project receiving the transferred funds. No projects or units of projects budgeted in the investigation stage are to be moved into advance planning. No funds are to be used on any project or unit of a project not itemized in the budget justifications for the fiscal year for which the funds are appropriated. In addition the Bureau of Reclamation is directed to submit to the Committees on Appropriations quarterly reports showing all transfers made in the general investigations item for the preceding 3 months.

Construction and rehabilitation

Amendment No. 15: Appropriates $116,736,223 instead of $113,046,223 as proposed by the House and $120,386,223 as proposed by the Senate. The conferees are in agreement that the funds appropriated under this item shall be allocated as set forth in the following tabulation:

State and project	Budget estimate 1958	Conference allowance
Arizona: Gila project	$869,000	$869,000
Arizona-California-Nevada:		
Parker-Davis project	792,000	792,000
California:		
Central Valley project:		
Less Trinity River division	8,038,400	8,038,400
Trinity River division	17,107,600	17,107,600
Santa Maria project	5,627,000	5,627,000
Solano project	3,672,000	3,672,000
Ventura River project	12,000,000	12,000,000
Colorado:		
Collbran project	2,000,000	2,000,000
Colorado-Big Thompson project	549,000	549,000
Idaho:		
Little Wood River project	400,000	400,000
Michaud Flats project	1,297,000	1,297,000
Minidoka project, North Side pumping division	1,465,000	1,465,000
Palisades project	1,500,000	1,500,000
Montana-North Dakota: Fort Peck project	645,000	645,000
New Mexico: Middle Rio Grande project	3,758,000	3,758,000
Oklahoma: Washita Basin project	3,500,000	3,500,000
Oregon:		
Crooked River project	850,000	850,000
Rogue River project, Talent division	6,041,000	6,041,000
Wapinitia project	400,000	400,000
Utah:		
Provo River project	574,000	574,000
Weber Basin project	6,500,000	6,500,000
Washington:		
Chief Joseph Dam project, Foster Creek division	$1,138,000	$1,138,000
Columbia Basin project	13,850,000	13,850,000
Yakima project, Roza division	697,000	697,000
Wyoming:		
Eden project	875,000	875,000
Shoshone project	544,000	544,000
Drainage and minor construction program	893,000	893,000
Rehabilitation and betterment of existing projects	3,530,000	3,530,000
Loan program—distribution systems	7,700,000	----------
Subtotal (exclusive of MRB)	106,812,000	99,112,000
Missouri River Basin project	----------	----------
Ainsworth unit, Nebraska	1,100,000	----------
Bostwick division, Nebraska-Kansas	1,471,000	1,471,000
Cedar Bluffs unit, Kansas	50,000	50,000
Farwell unit, Nebraska	750,000	----------
Frenchman-Cambridge division, Nebraska	3,260,000	3,260,000
Glendo unit, Wyoming	9,951,000	9,951,000
Helena Valley unit, Montana	4,500,000	4,500,000
Kirwin unit, Kansas	1,435,000	1,435,000
Owl Creek unit, Wyoming	1,100,000	1,100,000
Sargent unit, Nebraska	313,000	313,000
Shoshone extensions unit, Wyoming	500,000	----------
Transmission division, various States	8,000,000	8,000,000
Webster unit, Kansas	1,000,000	1,000,000
Drainage and minor construction, total	791,000	791,000
Missouri River Basin investigations	3,000,000	2,750,000
Other Department of Interior agencies, total	3,125,000	3,125,000
Subtotal, Missouri River Basin	40,346,000	37,746,000
Grand total, construction and rehabilitation	147,158,000	136,858,000
Less carryover	−11,500,000	−20,121,777
Total appropriation	135,658,000	116,736,223

Amendment No. 16: Reported in disagreement. The motion to be offered will insert Senate language waiving the land-certification provision on class 6 lands of the Southern San Joaquin Municipal Utility District. The conferees wish to make it clear that the action in this instance shall not be construed as establishing a precedent in the future handling of similar cases.

Amendment No. 17: Strikes language inserted by the House providing for annual partial payments on loan contracts for distribution systems. The conferees agree that the loan program should be submitted under a separate appropriation item.

Yellowtail unit, Wyoming: The conferees agree that unobligated balances on the Yellowtail unit, Wyoming, shall not be available to cover the costs involved in matters pertaining to the acquisition of the site.

Operation and maintenance

Amendment No. 18: Provides that $22,740,000 shall be derived from the reclamation fund as proposed by the Senate instead of $22,860,000 as proposed by the House.

Colorado River and front work levee system: As indicated in the Senate report, not to exceed $50,000 shall be available for emergency dredging and channel rectification in the vicinity of Yuma, Arizona.

General administrative expenses

Amendment No. 19: Appropriates $4,164,000 as proposed by the Senate, instead of $4,000,000 as proposed by the House.

Administrative provisions

Amendment No. 20: Substitutes the word "expended" for "extended" as proposed by the Senate.

Cost-type budget: The conferees are in agreement that future budget estimates for all of the programs contained in the bill

shall be submitted on an obligational basis instead of on the so-called cost-type basis by the Department of the Army and the Department of the Interior.

Bonneville Power Administration

Construction

Amendment No. 21: Appropriates $22,038,000 as proposed by the Senate instead of $19,879,000 as proposed by the House.

Administrative provisions

Amendment No. 22: Strike out language proposed by the House providing for the replacement of 18 passenger motor vehicles.

Southwestern Power Administration

Construction

The conferees are in agreement that available funds should be used for the construction of the Bentonville transmission facility.

Continuing fund

Amendment No. 23: Reported in disagreement.

General provisions, Department of the Interior

Amendment No. 24: Reported in disagreement.

CLARENCE CANNON,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
JOHN J. RILEY,
JOE L. EVINS,
EDWARD P. BOLAND,
DON MAGNUSON,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I make a point of order against the conference report on the ground that it carries appropriations not authorized by law. In support of the point of order, Mr. Speaker, I call attention to the conference report and the statement in connection therewith. On page 4, the Success Reservoir is carried at $5 million and the Terminus Reservoir at $2,500,000. The two together are more or less in the same project. They had only $500,000 available at the time the bill was in the House, and there has been no authorization bill passed since that time. At the time the bill was in the House, the committee said:

Success and Terminus Reservoirs, Calif.: The current basin monetary authorization would be exceeded by $6,882,000 if the budget estimates of $7,500,000 were allowed for these two projects. The committee has allowed $618,000, the balance remaining in the present monetary authorization. Of this amount $518,000 is for Success Reservoir and $100,000 is for Terminus Reservoir. The Corps of Engineers is directed to proceed with these two projects up to the limit of the budget estimates, using available unobligated funds, should legislation be enacted increasing the monetary limitation to an amount equal to or in excess of the total of the budget estimates.

Furthermore, Mr. Speaker, I call attention to page 15 of the bill and the change of language in the sentence beginning on line 20 in amendment No. 20 on line 21 which changes existing law and, therefore, I make a point of order against that language where the word "extended" is changed to "expended."

Therefore, Mr. Speaker, upon those grounds I make the point of order against the conference report.

Mr. DAVIS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. DAVIS of Tennessee. On the basis of that same argument, would not the gentleman include the sums for the Bruces Eddy in the sum of $500,000? The Committee on Public Works unanimously voted not to authorize this project in the pending bill.

Mr. TABER. The situation there is that that item is not included in the conference report. It has been reported back in disagreement. Therefore, I cannot make a point of order against an item which was not agreed to in the conference report.

The SPEAKER. Does the gentleman from Missouri [Mr. CANNON] desire to be heard on the point of order?

Mr. CANNON. Mr. Speaker, the point of order would have been good had it been presented at the time the bill first came up for consideration in the House. But, this is an amendment of the other body, which has been added to the bill as a Senate amendment, and, having been brought back in technical disagreement is not subject to the point of order.

Furthermore, Senate amendment No. 4, on page 5, to which the gentleman refers, is not an appropriation but precludes use of funds for items in the appropriation unless or until authorized.

Accordingly, the point of order that it is not authorized does not lie.

With reference to the further point of order on page 3, line 21, it will be noted that the effect of this change is limited to projects "authorized by law," as provided in line 22, page 3.

And, even if that were not true, the item to which the gentleman refers is not legislation, but merely a correction of a typographical error.

I submit, therefore, Mr. Speaker, that the points of order are not well taken.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield.

Mr. FULTON. Mr. Speaker, the question is with reference to the parliamentary situation on the point of order. I understand the gentleman from New York [Mr. TABER] made a point of order as to a particular item. What is the parliamentary situation?

The SPEAKER. The Chair will pass on that as soon as the gentlemen have concluded their discussion.

Mr. TABER. I have no further comments, Mr. Speaker.

The SPEAKER. The gentleman from New York [Mr. TABER] makes a point of order on two items set forth in the statement of the managers on the part of the House. It appears to the Chair that the report of the conference committee stays within the amount of the two Houses. The language on page 3 specifies that the appropriation can only be used for projects authorized by law. Therefore, the Chair must overrule the point of order.

On amendment No. 20, page 15, it would seem to the Chair that that is simply a correction of a typographical error. So that the Chair overrules that point of order.

The gentleman from Missouri is recognized on the conference report.

Mr. CANNON. Mr. Speaker, this bill was exhaustively discussed and debated at the time it passed the House and there is little need of further exposition. After passage by the Senate it was sent to conference, and the managers on the part of the House and the Senate, in one sitting, reached complete agreement on every item in the bill. Both the Senate and House are in complete agreement on the pending report.

There are seven items in technical disagreement which will come up for separate votes following disposition of the conference report.

I might say that as compared with the 1957 appropriation of $867,494,000, the appropriation for the current year, the estimate sent to us by the Bureau of the Budget for the fiscal year 1958, was, in round numbers, $10 million in excess of the figures for 1957. Of the amount requested in the budget, $876 million, the House bill approved $814 million, a cut of over $62 million from the budget estimates.

The Senate, however, increased the bill received from the House and provided $884,151,323, an increase of $43,281,300.

In conference the managers on the part of the House and Senate, after full and free conference, agreed to the bill which is before us in this report, carrying $858,094,323, a decrease of $26,057,000 below the Senate bill. The gentleman from Iowa [Mr. JENSEN], asked me to yield. I shall be glad to yield to the gentleman.

Mr. JENSEN. Did I understand the gentleman from Missouri [Mr. CANNON], chairman of the full Committee on Appropriations to say that the conference report before the House comes with complete and unanimous agreement of all the conferees?

Mr. CANNON. No; the gentleman could not have understood me to say that, because I did not say it.

I said that the managers on the part of the House and the managers on the part of the Senate reached a complete agreement on every item in the bill.

Mr. JENSEN. I thought the gentleman said that.

Mr. CANNON. I did not say it was unanimous by every Member of the House or by every Senator. We do not vote individually in a conference; the vote is by Houses, the House and the Senate voting as units. The agreement between House and Senate managers was complete and final on every item in the bill.

Mr. JENSEN. Now, Mr. Speaker, you see here another example of just how little the House minority Members are considered when we mark up a bill in conference. Here again we are told by the chairman of the full committee that a complete agreement was reached, when the facts are that not a single minority Member of the House signed the conference report because in that conference little attention was paid to the minority Members of the House.

The gentleman from Missouri, chairman of the full committee, and some other majority members sat at the head of the table; and the table is about 30 feet long with about 30 of us around it—I am just trying to give you a word picture of it—and the House Republican Members were down in Dixieland, the

southern end of the table. Now, of course, we were pleased to be in Dixieland, because we have great respect for the "Dixiecrats"; but in this instance we did not appreciate it very much because we did not know what was going on up north, we had to pound the table to find out what they had done after they had agreed on a half-dozen matters of difference between the House and the Senate. That was the procedure.

When they were all through the minority Members of the House and, in fact, very few members of the conference committee knew exactly what was in the bill. Consequently the minority Members of the House could not properly sign that conference report because we did not know what we were signing. Why? As I said, because we did not have full knowledge of what was in the bill at the end of the conference. I have learned to be cautious about signing anything that I had not read or did not know much about and there are a lot of Members of this House who have taken the same position. So, Mr. Speaker, this conference report does not come to the floor of the House in complete agreement.

Mr. CANNON. Mr. Speaker, the situation which the gentleman describes is a very familiar one.

Mr. JENSEN. It happens all the time.

Mr. CANNON. Yes, Mr. Speaker; when we were in the minority, they paid no attention whatever to any Member of the minority. In the 83d Congress, I sat at the same end of the same table and was completely ignored.

Mr. JENSEN. We never treated you like you treat us.

Mr. CANNON. Of course not. You treated me worse. I had no opportunity to get an item in the bill, but at this conference you put in this conference report and in this bill, by the unanimous vote of all Republican conferees, an item that was neither budgeted nor authorized by law. It adds $131 million to the bill and has not even been surveyed.

The gentleman says they did not know what was in the bill. Why, Mr. Speaker, that is nothing new. Over there they vote every day without having even read the bill and sometimes when they have read it they do not know, as the gentleman well says, what they are voting on.

It is a chronic situation, Mr. Speaker, over on that side of the aisle.

I must concede, however, Mr. Speaker, that they knew exactly what they were voting on when all of them voted unanimously in the conference to put in the Bruces Eddy appropriation of $131 million for a power dam on the Columbia River. They put it in over my protest. And in voting it in they voted for socialistic public power against private enterprise. No other construction can be put on it. And they knew what they were doing, the gentleman from Iowa's protest to the contrary notwithstanding, because I pointedly called their attention to it at the time. The gentleman from New York [Mr. TABER] can testify to that fact.

And they are still supporting it here on the floor this morning.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present. I think other Members ought to hear this discussion.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eight Members are present, not a quorum.

Mr. CANNON. 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. 190]

Adair	Hays, Ohio	Meader
Alger	Hess	Merrow
Andresen, August H.	Hiestand	Miller, Calif.
	Hillings	Miller, N. Y.
Anfuso	Holtzman	Morgan
Barden	Kilburn	Neal
Beamer	Krueger	Norblad
Bolling	Lesinski	Powell
Boykin	Long	Preston
Brownson	Loser	Prouty
Buckley	McConnell	Riehlman
Dague	McCormack	Robsion, Ky.
Dawson, Ill.	McGregor	Scherer
Evins	Macdonald	Siler
George	Mailliard	Taylor
Harvey	Mason	Williams, N. Y.

The SPEAKER. On this rollcall, 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC WORKS APPROPRIATIONS, 1958

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the House conferees went over to the other body and they yielded on almost every important item involved, and on many items which have been in controversy for years and years. It was absolutely impossible for the minority Members to keep track of what was going on and how it was going on. Some of the things included in this conference report are such things as a million dollars extra for the John Day project of $350 million in the State of Washington. That, to my mind, is a very extravagant and expensive project and one that we ought not to be getting into. The whole report to me is an abomination. I was not happy with the bill, as it came from the House committee, because it was too big and I am less happy now with the bill today because it is bigger. It is bigger by $48 million and that amount to me is a considerable item. I do not believe these things are justified. Therefore, when the time comes for a vote on this bill, I am going to vote against it and against the whole conference report. I do not believe we ought to have a conference where the minority Members are not given an opportunity to have anything to say or to even know what is going on because we might just as well not be there at all as to have anything of that kind. The only way we can make any progress in a legislative way is by having a conference where everybody has an opportunity, and in this case we did not have such an opportunity.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I have already voiced my objection to the manner in which the minority Members of the House were treated at the conference. It was shameful treatment and unbecoming any Member of Congress or any number of Members of Congress to treat their colleagues in the manner in which we were treated at that conference.

In regard to the bill, most of the items in this bill are justified. Most of the projects for which funds are provided in this bill are good projects. I do object to a number of the changes in the amounts above the House figure.

When the conference was concluded most of the conferees did not know about a number of decisions made by the few. We now know exactly what is in the bill, after reading it, part of which I do not like. However, I shall not oppose the entire bill on final passage.

Mr. Speaker, as every Member knows I have been a stanch supporter of soil and moisture conservation as well as needed flood control. I am sorry, Mr. Speaker, that the conferees did not see fit to include funds for two irrigation projects in the State of Nebraska, for certainly as irrigation projects go, those two projects are as good and in many respects better than some of the irrigation projects for which Congress has appropriated money over the years.

Mr. KIRWAN. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. KIRWAN. If the gentleman is sorry they are not in the bill, why did not the gentleman see that they were in the bill when we marked up the bill?

Mr. JENSEN. I tried to.

Mr. KIRWAN. Oh, the gentleman did not do any such thing. The record is there. The project was out when we marked up the bill. The gentleman said they were good projects, but the gentleman never raised his voice to put them back in.

Mr. JENSEN. Does the gentleman mean in the House bill?

Mr. KIRWAN. Yes.

Mr. JENSEN. I said I hoped the project would be included in the bill.

Mr. KIRWAN. There is no place in the record where the gentleman made a motion or said anything about putting the projects back in the bill. Not one place.

Mr. JENSEN. Well, I knew it would be hopeless. I did not offer a motion in committee because I knew it would be defeated.

Mr. KIRWAN. Last Friday when a motion was made to put in $500,000 for Bruces Eddy, to start a $131 million project, you won, did you not?

Mr. JENSEN. We won that vote, yes; and we lost in conference.

The SPEAKER. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

Mr. AVERY. 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 Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, the remarks of the gentleman from Iowa [Mr. JENSON] have been very much to the point in the handling of the conference report that is before us this afternoon. As many Members of the House know, the reservoir program for Kansas has been highly controversial for 20 years. The controversy over Tuttle Creek Reservoir was known over the Middle West and had reprecussions affecting former Members of this House. Nevertheless opposition was no less marked to the two projects included in this bill today for which planning money is being appropriated, Milford and Perry Reservoir.

I have been opposed to these projects for many years for personal and ideological reasons. I am not opposing them this afternoon for two reasons. In the first place, from a legislative standpoint there is little I could do in the way of offering opposition to them inasmuch as those items are not in disagreement between the Senate and House bill. In the second place, the State of Kansas through the State legislature and through the present Governor, have taken an official stand on endorsing these two reservoirs.

I do feel, however, since these projects were in my district, one of them affecting my own home and my own community, it would seem as a simple matter of Congressional courtesy the chairman of the committee might have conferred with me as to the inclusion of these projects in the conference report. Neither project was in the budget submitted by the President nor in the bill as passed by the House. As a matter of fact, there was virtually no testimony favoring these projects in the hearings before the Subcommittee on Public Works of the House Appropriations Committee. Rather than to further oppose these projects here today, I am reconciled to the fact that they are to eventually be built.

As I have done previously in the well of this House, I would like to point out a few of the gross inequities that exist in the present policy of the Corps of Army Engineers affecting the displaced persons by these projects. Although this policy is administered by the Corps of Army Engineers, it has been established by Congress and by the administrative department of the Government. In the administration of this policy by the Corps of Army Engineers, there is much to be desired.

This is not simply a matter of speculation as I have seen these inequities demonstrated in the land acquisition policy for a reservoir now under construction, also in my district, the Tuttle Creek Dam.

Since it is the policy of Kansas and the Congress that these projects are to be built, it would appear to me that Congress should reconsider its present policy of arbitrarily and in some cases ruthlessly, displacing the persons and property owners in the reservoir area.

One problem for the displaced persons is the policy adopted by this administration of acquiring certain lands in easement rather than in fee.

This policy has been in the main unacceptable to the displaced landowners. My comments are based on my personal observations as to the application of this policy in the acquisition of land for the Tuttle Creek project, and will work very similar to other projects I referred to previously, Milford and Perry.

I am asking, Mr. Speaker, that a copy of my letter of April 30, 1957, to Secretary Brucker asking that this policy be modified in the case of Tuttle Creek Dam, be made a part of the RECORD at this point. I will quote only significant parts from it, as these paragraphs describe the inequities of the policy as it applies to this project.

> Because of the rough terrain in the upper reaches of the reservoir area, under the easement policy landowners being displaced are having their productive land taken from them and left with isolated and fragmentary tracts to which they have no access. This prevents the displaced landowner from an opportunity to transplant his operation to a new and separate location. Since he cannot liquidate his capital investment, he cannot afford to move, but yet under the easement policy he is left with land not sufficient, and in some instances inaccessible, to support his necessary operation.
>
> In my opinion, it was not the intent of the Congress to grant Federal agencies authorization to formulate land acquisition policies which would create such gross inequities, as outlined herein. Further, I do not believe Congress intended any programs which would result in contingent benefits to the Federal Government at the enormous expense of a few individuals.
>
> The policy may have merit for some projects and be acceptable to the affected persons. Possibly this would be true where a reservoir area was rolling; however, the perimeter of this reservoir is intercepted by feeder creeks and draws at frequent intervals thereby isolating certain tracts of land.

These are not big landowners like the Texas example referred to previously, but small farmers in the main, who are being dispossessed from the most productive portion of their land, in many cases from their improvements, and yet cannot liquidate their investment sufficiently to relocate. In other words, they cannot have the use of their land and yet cannot leave it.

There have been two basic reasons offered to justify the policy, first, to reduce the cost of the land to the Government, and, second, to allow the land to remain on the local tax rolls.

Without question it does reduce the initial cost to the Government, in fact in the project the corps has estimated it will reduce the cost in the neighborhood of 40 percent. This would appear to be reasonable as the 60 percent of the cost of the fee purchase falls midway between the 73-percent estimate of the easement cost by the committee staff, and 55-percent estimate made by the corps. Since the Government will also be denied the portion of the revenue from rentals, the long-range advantage of the Government is doubtful.

It would appear to me that the policy would result in the loss of revenue to local taxing units, particularly schools. When land was purchased in fee, the local taxing units received 75 percent of the lease money. Under the easement policy, there would be no lease return from the land under the 5-year line. The land above the 5-year line, although on the tax rolls, should be reduced in assessment in the percent that the easement bears to the full value of the land. A landowner would have every right to expect this.

In the Tuttle Creek project, I want to also emphasize the nature of the terrain and the lack of access by the landowner to various fragments of land owned by him, not acquired by the corps. You will recall that I mentioned this problem in my letter to the Secretary of the Army. At this point, Mr. Speaker, I would like to make the Secretary's reply of June 10, 1957, to my letter of April 30, 1957, asking for modification of the policy, a part of this record. Some modification has been granted and I will quote the paragraphs describing this modification:

> (a) In general, fee title will be acquired to land lying below the 1094 contour, as blocked out, and flowage easements will be acquired in the areas between the 1094 contour as blocked out, and the 1140 contour.
>
> (b) Where landowners wish to have the Government acquire fee title to land below the 1140 contour rather than flowage easements, due to changes in normal farm operations arising from the Government's planned operation of the project, negotiation with owners on that basis is authorized, if it is to the financial advantage of the Government, consideration being given to severance damage, loss of access, isolation of small areas, and public relations.
>
> (c) Where a landowner wishes to retain title to his land and it is to the financial advantage of the Government, a flowage easement will be acquired which will grant the right to permanently inundate the land to the 1094 contour, with the right to occasionally overflow the land between the 1094 and the 1140 contours.

That would appear to be an acceptable solution to the problem until you read the following paragraph:

> The above stated acquisition authorization contemplates that the desires of the landowners, as to the estate to be acquired, will receive every practicable consideration. However, the Government cannot accede to the desires of some owners to buy them out. Where the Government cannot accept an owner's proposal at an agreed price, condemnation proceedings will be limited to the lands actually required for project purposes.

In other words, apparently for public relations sake they say they will buy out isolated tracts, but at the same time concede they want to buy them at less than value as they will not condemn such tracts.

Earlier in the hearings the committee expressed interest in public access and control of the conservation pool waterline. Here is a case where the landowners want to make it available to the corps and they are unwilling to take it for what the court will establish as fair value.

I can see no reason why the policy could not be optional between the 5-year line and the project line. In the upper reaches where the land would not be inundated frequently and the conservation pool waterline several miles downstream, it is likely that most of the owners would prefer the easement policy and much land left in private ownership.

Nearer the dam, it is probable that most owners would prefer to sell in fee, as their land would be dissected by draws and feeder creeks. This would provide any needed access mentioned earlier and also provide additional recreational facilities.

In this way the displaced persons are given some degree of consideration and it would appear that the public interest would be enhanced.

Another alternative that is not original, I think is worthy of mention and would provide essentially the same ownership pattern. From the dam, proceed upstream from the dam site to a point on the streambank where the 5-year flood line rests. At this point establish a line across the valley at right angles to the stream. From this point to the dam itself, acquire all land in the project-in-fee; from this point upstream to the top of the project line, acquire under easement.

I feel this plan would solve most of the valid objections by landowners, as well as meet the objections of Members of Congress to the lessening of the public interest that may occur under the present policy.

If the Congress does complete a study on the land-acquisition policy, I would invite your attention to the many appraisal problems. Earlier in the hearings testimony showed for one project the cost of the fee was 164 percent of the appraisal. Why should a citizen sacrifice 20 percent of the value of his land to defend it against the right of eminent domain? For large and valuable tracts of land or other property, maybe there is no other way. However, for the old folks that own a small cottage or a small farm, it does not seem necessary to confound their natural frustration at having to move, by forcing them into court to get a reasonable value for their home. There should be a better procedure.

It would seem to me as a matter of equity special consideration must be given to older persons living on a fixed income in these small towns that are to be inundated. Many of these persons are retired farmers, or retired on social-security benefits and are past the age of supplementing their income. In many cases they have sacrificed to acquire and to pay for a house possibly worth $2,000 or $2,500. Although it is a modest house, it is sufficient for their needs and they are very comfortable. When the corps comes in to acquire property under the present policy, they take the house by negotiation or threat of condemnation, for a value as mentioned above, and where can the displaced person replace the property on the present market for $2,000?

If it was the intent of Congress to acquire property strictly on its appraised value, as it exists between a willing buyer and a willing seller, for the public interests, it would seem to me that the public has a responsibility to help these displaced persons become relocated in circumstances similar, or at least as good as they were situated before the advent of the public-works project. These are the kind of questions that no Member of Congress seems to have the answers to, and there is little public concern as to the future welfare of these persons. I also feel that there is a public responsibility for business losses incurred to businessmen in a town that is within a reservoir area, particularly when the town is surrendering its corporate identity. The only defense that has been suggested for not recognizing business losses is the fact that it is difficult to appraise, therefore it is not compensable. That theory has been a result of many court decisions and Congress has not elected to legislate counter to judicial findings. Think, if you will, of a businessman who has spent 30 years developing a profitable business in a reservoir area, many times operating in facilities of moderate value. When a public-works project inundates the location of his business and his trade territory he is merely compensated for the moderate value of his real estate. The goodwill and confidence he has worked hard to establish throughout his lifetime is confiscated. For a young man it is not difficult for him to start again. For a man past middle age, he faces a critical challenge to suddenly find himself confronted with the necessity of reestablishing his business relations in an entirely new community.

These are just a few of the inequities that displaced persons must face. I can understand the desire of promotional groups from downstream urging the construction of each and every project. Those same groups have no concern, nor do they feel any responsibility for the persons that must sacrifice virtually all of their possessions. If it is in the public interest for Congress only to make public compensation to the degree now recognized for property taken, possibly consideration should be given to added compensation for displaced property owners to be paid by the benefiting areas. The Corps of Army Engineers have discussed such a proposal with me in some detail, and I think it would be most illuminating to this body, particularly to the Public Works Committee, which originally authorizes these projects.

Mr. CANNON. Mr. Speaker, I wish my good friends over there could get together. The gentleman from New York [Mr. TABER] says he is going to vote against everything in the bill. On the other hand, the gentleman from Iowa [Mr. JENSEN] says it is a fair bill.

Apparently the only item on which they are wholeheartedly in accord is the delectable item of $131 million for a high dam, unsurveyed, unbudgeted and unauthorized by law, for the generation of socialistic power, the Bruces Eddy Dam in Idaho.

I shall give them an opportunity to take a sober second thought on that by asking for a record vote when the item is reached following disposition of the conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and a division (demanded by Mr. TABER) there were—ayes 144, noes 33.

So the conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read, as follows:

Senate amendment No. 3: Page 4, insert "of which $500,000 shall be made available for the preparation of detailed plans for the Bruces Eddy project on the north fork of the Clearwater River, Idaho, recommended for construction in the report of the Chief of Engineers, United States Army, contained in Senate Document No. 51, 84th Congress, 1st session, and the preparation of such plans is hereby authorized."

Mr. REUSS. Mr. Speaker, I urge the defeat of that section of the public works appropriation bill, 1958, which appropriates $500,000 for the Bruces Eddy project in Idaho.

In addition to violating the established procedures of the Congress, the move to gain appropriations for the unauthorized Bruces Eddy Dam would represent a flagrant abuse of all known principles of wise river development.

The Bruces Eddy Dam on the north fork of the Clearwater River is a grave threat to fish, wildlife, and wilderness values. Until the reports of the United States Fish and Wildlife Service on these resources are completed and made available to Congress, no start should be made on this project.

From its hundreds of miles of dashing mountain streams to its snowcapped alpine peaks, every acre of the Clearwater's back country is an outdoor man's paradise. Thousands of elk, mule, and whitetail deer, herds of mountain goats and remnant bands of bighorn sheep, black bear, coyote, cougar and many other animals of the northern Rocky Mountains are still to be found living here under natural conditions. Nowhere in the United States can one find a richer combination of vast primitive areas and abounding wildlife. Thousands of people who have visited here recognize this as one of our country's last frontiers where wilderness living can be enjoyed at its very best.

Bruces Eddy would flood out 49 miles of the north fork of the Clearwater River, in the very heart of this area. Proposed as a flood control and hydroelectric facility, the fluctuating water levels and silt-covered shorelines of its reservoir would destroy forever the great beauty of one of the most scenic mountain canyons and magnificent trout streams of the West.

The Idaho Department of Fish and Game has stated:

> The program of dam construction, as proposed by the Corps of Engineers for the Clearwater River drainage, would most certainly block and annihilate all runs of salmon and steelhead above the point of construction. In fact, it might well be that the salmon and steelhead will be almost completely annihilated from the entire Clearwater River drainage since there is only a very small portion of the river below the proposed dam sites that is suitable for spawning purposes.

These remarks were made in reference to Bruces Eddy and its companion project which is proposed for the middle fork of the Clearwater River at the Penny Cliffs site. The official reports remove all doubt as to the fate of the fisheries with

the proposed river development by continuing:

If dams are constructed on the forks of the Clearwater River, it can be anticipated that the resultant impoundments will be of little value as fish-producing waters. In fact, from experience with similar impoundments in Idaho, it can be anticipated that the reservoirs will produce less fishing than that portion of the inundated river presently provides.

In 1955 over 42,000 trout were taken by anglers on the North Fork of the Clearwater. Of these, 60 percent were spawned by steelhead, which would be completely destroyed by the 570-foot Bruces Eddy Dam because there is no practical method for passing sea-run fish over an obstruction of this vast height.

The big game herds of the Clearwater country are world famous. Its elk, numbering over 25,000, make up what is probably the largest herd in the world. People come from every State to see and hunt these animals, and the herd provides 10 percent of the total hunter take within the United States. In 1954, more than 4,700 elk were taken by over 15,000 hunters.

The herd of elk on the Clearwater can possibly be sustained under careful management, but only if the present critical winter ranges are not excessively restricted. If dams are built, thousands of acres of low valley ranges, where the animals now concentrate during the hard winters, may be flooded out. Natural migration routes may be seriously obstructed, or made into death traps for animals that venture out on the treacherous winter ice which will cover the reservoirs. Recognizing that the results of the current Fish and Wildlife Service study of big game distribution on the North Fork of the Clearwater should be in hand before final consideration is given to the authorization of Bruces Eddy, the House Public Works Committee has wisely postponed final consideration of this project and it has been deleted from the omnibus rivers and harbors authorization bill, S. 497. Now we face an attempt to gain appropriations for this unauthorized dam which is made without any regard for the position taken by the House committee.

Opposition to proposals for the Bruces Eddy Dam has been registered by all of the national and regional conservation organizations. At the State level, the Idaho Wildlife Federation, representing both the organizations within the Clearwater drainage and those from other sections of the State, has offered strong protests to both the private company and the Corps of Engineers plan for building these high dams on the Clearwater. Other groups which have expressed their opposition to Bruces Eddy Dam include the Idaho Outdoor Association, the Oregon Wildlife Federation, the Oregon Division of the Izaak Walton League of America, Inc., the National Wildlife Federation, the Wilderness Society, the Wildlife Management Institute, the National Parks Association, the Sierra Club, the National Hikers and Campers Association, the National Audubon Society, Citizens Committee on Natural Resources, Federation of Western Outdoor Clubs, Sport Fishing Institute, and the Outdoor Writers Association of America. Each of these groups has urged postponement of authorization of this project until wildlife studies are completed.

The Idaho Department of Fish and Game, the United States Fish and Wildlife Service, the Idaho Cooperative Wildlife Research Unit, the Oregon State Game and Fish Commissions have stated that the Bruces Eddy Dam may have serious effects on wildlife. These agencies have urged that the biological investigations, now underway, be completed before the authorization of this project is considered. Such studies would serve to demonstrate the effects of these dams on fish and game, and the million of dollars of income that accrue from recreational uses of this wilderness. Once destroyed, these values will be lost forever.

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 70, noes 87.

Mr. CANNON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 23, nays 363, not voting 46, as follows:

[Roll No. 191]

YEAS—23

Andrews
Boland
Bow
Budge
Burdick
Chenoweth
Clevenger
Dooley
Fenton
Gregory
Jarman
Jensen
Kirwan
LeCompte
Merrow
Miller, Nebr.
Natcher
O'Hara, Minn.
Patterson
Perkins
Pfost
Rogers, Mass.
Taber

NAYS—363

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Anderson, Mont.
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Becker
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Blatnik
Blitch
Boggs
Bolling
Bolton
Bonner
Bosch
Boykin
Boyle
Bray
Breeding
Brooks, La.
Brooks, Tex.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Broyhill
Burleson
Bush
Byrd
Byrne, Ill.
Byrne, Pa.
Byrnes, Wis.
Canfield
Cannon
Carnahan
Carrigg
Cederberg
Celler
Chamberlain
Chelf
Chiperfield
Christopher
Chudoff
Church
Clark
Coad
Coffin
Cole
Colmer
Cooley
Cooper
Corbett
Cramer
Cretella
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Dague
Davis, Ga.
Davis, Tenn.
Dawson, Utah
Delaney
Dellay
Dempsey
Dennison
Denton
Derounian
Devereux
Dies
Diggs
Dingell
Dixon
Dollinger
Donohue
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Dwyer
Eberharter
Edmondson
Elliott
Engle
Fallon
Farbstein
Fascell
Feighan
Fino
Fisher
Flood
Flynt
Fogarty
Forand
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Garmatz
Gary
Gathings
Gavin
Gordon
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Gwinn
Hagen
Hale
Haley
Halleck
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Haskell
Hays, Ark.
Healey
Hébert
Hemphill
Henderson
Herlong
Heselton
Hill
Hoeven
Hoffman
Holifield
Holland
Holmes
Holt
Horan
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
James
Jenkins
Jennings
Johansen
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Kean
Kearney
Kearns
Keating
Kee
Keeney
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King
Kitchin
Kluczynski
Knox
Knutson
Laird
Landrum
Lane
Lanham
Lankford
Latham
Lennon
Lipscomb
McCarthy
McCulloch
McDonough
McFall
McGovern
McIntire
McIntosh
McMillan
McVey
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Marshall
Martin
Matthews
May
Meader
Metcalf
Michel
Miller, Calif.
Miller, Md.
Miller, N. Y.
Mills
Minshall
Montoya
Moore
Morano
Morris
Morrison
Moss
Moulder
Multer
Mumma
Murray
Nicholson
Nimtz
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
Osmers
Ostertag
Passman
Patman
Pelly
Philbin
Pilcher
Pillion
Poage
Poff
Polk
Porter
Price
Prouty
Rabaut
Radwan
Rains
Ray
Reece, Tenn.
Reed
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riley
Rivers
Roberts
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Sadlak
Santangelo
St. George
Saund
Saylor
Schenck
Schwengel
Scott, N. C.
Scrivner
Scudder
Seely-Brown
Selden
Sheehan
Shuford
Sieminski
Sikes
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Sullivan
Talle
Teague, Calif.
Teague, Tex.
Teller
Tewes
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Udall
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vinson
Vorys
Vursell
Wainwright
Walter
Watts
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Wier
Wigglesworth
Williams, Miss.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolverton
Wright
Yates
Young
Younger
Zablocki
Zelenko

NOT VOTING—46

Alger
Andresen, August H.
Anfuso
Barden
Beamer
Brownson
Buckley
Collier
Coudert
Curtis, Mo.
Dawson, Ill.
Evins
George
Hays, Ohio
Hess
Hiestand
Hillings
Holtzman
Kilburn
Krueger
Lesinski
Long
Loser
McConnell
McCormack
McGregor
Macdonald
Mailliard
Mason
Morgan
Neal
Norblad
O'Neill
Powell
Preston
Riehlman
Robsion, Ky.
Scherer
Scott, Pa.
Shelley
Sheppard
Siler
Smith, Va.
Taylor
Tuck
Williams, N. Y.

So the motion was rejected.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. McConnell.
Mr. Hays of Ohio with Mr. Taylor.
Mr. Bolling with Mr. Siler.
Mr. Holtzman with Mr. Hess.
Mr. Preston with Mr. Hiestand.
Mr. Morgan with Mr. Beamer.
Mr. Buckley with Mr. Kilburn.
Mr. Evins with Mr. Robsion of Kentucky.
Mr. Powell with Mr. Collier.
Mr. McCormack with Mr. Krueger.
Mr. Macdonald with Mr. Alger.
Mr. Shelley with Mr. Scherer.
Mr. Dawson of Illinois with Mr. Norblad.
Mr. Barden with Mr. McGregor.
Mr. Lesinski with Mr. August H. Andresen.
Mr. Long with Mr. Riehlman.
Mr. O'Neill with Mr. Brownson.
Mr. Loser with Mr. Mason.
Mr. Smith of Virginia with Mr. Curtis of Missouri.
Mr. Tuck with Mr. Hillings.

Messrs. ASPINALL, BROOKS of Louisiana, CHELF, KEARNS, CORBETT, CUNNINGHAM of Iowa, DAWSON of UTAH, and DIXON changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. CANNON. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate No. 3, since it was so overwhelmingly rejected by the vote just had.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4. Page 5, line 3, insert "*Provided further*, That no part of this appropriation shall be used for projects which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5. On page 5, line 7, insert "*Provided further*, That not to exceed $3,500,000 of the funds herein or hereafter provided for the Plaquemine-Morgan City alternate route shall be available for the construction of a four-lane, high-level, fixed bridge on Louisiana State Highway No. 1 (formerly Route 168) over the extension of the Plaquemine-Morgan City route of the Gulf Intracoastal Waterway in West Baton Rouge Parish, La."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield.

Mr. TABER. Mr. Speaker, this is an appropriation that is not authorized by law, and it provides for a different type of thing than was provided for in the law. I do not believe, so long as we have established a rule not to take up any projects except those that are now authorized, that we should go on with this one.

Mr. CANNON. Mr. Speaker, may I say in response to what the gentleman from New York has said, that this is an appropriation for a bridge on an arterial highway. Recently, due to an increase in the appropriation for highways and corresponding readjustments in requirements, it became necessary to widen the highways, and, of course, widen the bridges, in order to conform to this new order. That is all there is to this proposition. The bridge is already authorized and, of course, when the highway is widened the bridges must be widened.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. The original authorization was for a 2-lane bridge, and the law calls for a 4-lane bridge?

Mr. CANNON. That is correct. A wider highway requires a wider bridge.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. TABER), there were—ayes 105, noes 99.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6, page 5, line 15, insert "*Provided further*, That the Secretary of the Army shall advance to the North Dakota State Water Conservation Commission out of funds herein or hereafter appropriated for the Garrison project, North Dakota, 50 percent of the cost, but not to exceed $40,000, for the construction of works to improve the productivity and fertility of Government-owned lands within the Garrison Reservoir, North Dakota, formerly part of the Lewis and Clark Irrigation District, subject, however, to a mutual agreement being reached by the Chief of Engineers, the North Dakota State Water Conservation Commission, and the lessees using the land for the full repayment of the funds advanced by the Federal Government within a period of 10 years."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 7, page 6, line 2, insert "*Provided further*, That the contribution by local interests toward construction of the Ferrell's Bridge Reservoir, Texas, as required by Public Law 160, 84th Congress, may be made in 2 equal installments of 50 percent each, payable on January 1, 1958, and September 1, 1958, and that title to the proportionate share of the water supply storage authorized in said reservoir shall pass to such local interests upon completion of each of the separate payments."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 16: Page 10, line 24, insert "*Provided further*, That any portion of this or prior appropriations available for the construction of extensions to the distribution system of the Southern San Joaquin Municipal Utility District may be expended without regard to the land certification requirement under this heading in the Interior Department Appropriation Act, 1953 (60 Stat. 445), after the execution and approval of a contract which obligates the entire district to repay the cost of such facilities."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: Page 19, line 14, strike out all of line 14 through line 19, and insert "*Provided*, That in addition to the amount authorized to be made available from the continuing fund, fiscal year 1954 (67 Stat. 262) and fiscal year 1956 (69 Stat. 356), there shall be made available from the continuing funds amounts sufficient to liquidate claims payable under lease-purchase contracts with generating and transmission cooperatives. *Provided*, That the unexpended balance made available from the continuing fund for the fiscal years 1954 (67 Stat. 262) and 1956 (69 Stat. 356) shall be available to liquidate claims payable for the fiscal year 1954 under lease-purchase contracts with generating and transmission cooperatives as certified by the Comptroller General of the United States: *Provided further*, That any deficiency in those funds for payment of such claims may be paid out of the continuing fund."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The Speaker. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 21, strike out lines 15 to 19 inclusive, and insert "After July 31, 1957, the salaries of the Administrator of the Southeastern Power Administration and the Administrator of the Southwestern Power Administration shall be in grade GS-17 of the Classification Act of 1949, as amended, but without regard to the numerical limitations contained in section 505 of said act; and the salary of the Administrative Assistant Secretary shall be the same as the salary of the Solicitor of the Department of the Interior."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "After August 31, 1957, the position of Administrator of the Southeastern Power Administration shall be in grade GS-18 of the Classification Act of 1949, as amended, but without regard to the numerical limitation contained in section 505 of said act; the salary of the Administrator of the Southwestern Power Administration shall be the same as the salary of the Administrator of the Bonneville Power Administration, so long as held by the present incumbent; and the salary of the Administrative Assistant Secretary of the Department of the Interior shall be the same as the Solicitor of the Department of the Interior."

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, this is another of those increases in salary individually by legislation, and I can see no reason why the House of Representatives should pass on this sort of thing without its going to the Committee on Civil Service. It seems to me we ought not to do it.

Mr. CANNON. Mr. Speaker, in response, may I say to the gentleman that the House itself has already passed on it.

Furthermore, the amendment here reduces the salary of one of the participants included in the House bill.

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill, and that all those Members having remarks relating to the Bruces Eddy project have leave to extend their remarks at the point at which the vote was taken on that motion.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LANE. Mr. Speaker, the people of Massachusetts and New Hampshire are pleased and encouraged by the action of the conference committee on Public Works Appropriation to earmark $600,000 for the beginning of a project to control the Merrimack River and prevent the recurrence of damaging floods.

This project was authorized as far back as June 28, 1938.

The necessary appropriations to make a start on this project were sidetracked by a number of factors, including the preliminary requirement of working out a formula between the two States involved. The Merrimack River flood control compact has been approved by the Legislatures of New Hampshire and Massachusetts, and has been signed by the President.

Further delays would only increase the cost of a project that must be constructed to control the Merrimack River which is described by engineers as "potentially the most dangerous flood site in Massachusetts today."

The New England division of the United States Army Engineers estimates that, if the disastrous floods of 1936 and 1938 were to spill over the banks of the Merrimack today, the damage in Massachusetts alone would exceed $140 million. New Hampshire would suffer damages of $74 million.

Eventual completion of the $34 million flood control dam and reservoir at Hopkinton-Everett in New Hampshire, plus other control measures, will eliminate 85 percent of the danger to New Hampshire, and 70 percent of the threat to Massachusetts.

A mere $50,000 was provided for advance planning in fiscal 1957.

Now that the compact has been approved and signed, a further appropriation of $600,000 is needed so that the Engineers may get on with their vital work. Of this sum, $500,000 is allocated for planning, and $100,000 for land acquisition.

Massachusetts, as the major beneficiary downstream, has already approved, through the compact, the payment of 70 percent of the tax losses to New Hampshire, for properties to be flooded in the reservoir area.

The New England division, Corps of Engineers, was unable to include a request for funds to proceed with the project in fiscal 1958, until the compact was approved. Therefore, no budget estimate was sent to Congress. Since the compact has been signed (early this calendar year) we ask for House approval of this item to avoid further delay.

The Senate Appropriations Committee has included this item in its approval of H. R. 8090, the public works appropriation bill for 1958. So has the joint public works appropriations conference committee.

At last, after many disappointments, and anxious postponements, protection for the hundreds of thousands of people and the many important economic activities of this industrial river valley nears the construction stage.

My own home city depends upon this river to provide filtered drinking water for its inhabitants. Every community along its banks depends upon it as the source of its industrial water supply. Without adequate reservoirs and protective works, this river can turn from a helpful friend to a destructive enemy. It has done so in the past, and will threaten us again in the future with loss of life and property, until the Hopkinton-Everett project is completed.

We are grateful that this Congress realizes our danger and is taking the initial steps to provide us with the necessary flood-control works.

The Senators and Representatives from Massachusetts and New Hampshire have worked hard for this appropriation, but none more so than Representative EDWARD P. BOLAND, of the Second Massachusetts District, and Mrs. EDITH NOURSE ROGERS. The comprehensive knowledge and the diligent study that he brings to his work as a member of the Appropriations Committee did much to convince others of the need and the soundness of this project.

We want to express our thanks to Chairman CLARENCE CANNON, and to the ranking minority member, JOHN TABER, of the House Appropriations Committee.

Our appreciation is extended to the conferees: Senators ELLENDER, HAYDEN, RUSSELL, MCCLELLAN, ROBERTSON, HILL, MAGNUSON, HOLLAND, KERR, KNOWLAND, SALTONSTALL, YOUNG, THYE, MUNDT, SMITH of Maine, and DWORSHAK; and on the House side: Representatives CANNON, RABAUT, KIRWAN, FOGARTY, RILEY, EVINS, BOLAND, MAGNUSON, JENSEN, ANDERSON, TABER, FENTON, and BUDGE.

This is the first solid step toward implementation of a project that has waited a long time for its turn.

As it is endorsed by the United States Army Engineers, and is recognized by the Congress as one of the projected public works now in a position of top priority, the people along the length of the Merrimack River Valley begin to see in the distance the end of their anxiety.

For them I wish to voice their gratitude for the understanding and cooperation all along the line that their problem has received from this first session of the 85th Congress.

DISPOSAL OF FEDERALLY OWNED PROPERTY AT OBSOLESCENT CANALIZED WATERWAYS

The SPEAKER. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes," with a House amendment thereto, insist on the amendment of the House and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

Mr. MARTIN. Mr. Speaker, reserving the right to object, has the gentleman taken this up with the ranking minority member of the committee?

Mr. FALLON. Yes. He is in Ohio today.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BLATNIK, FALLON, DAVIS of Tennessee, MACK of Washington, and SCUDDER.

POSTAL RATE READJUSTMENT AND POLICY

The SPEAKER. The gentleman from Texas [Mr. THORNBERRY] is recognized.

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call the resolution (H. Res. 394) providing for the consideration of H. R. 5836, a bill to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes. After general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, 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.

Mr. THORNBERRY. Mr. Speaker, House Resolution 394 makes in order the consideration of H. R. 5836, the postal rate readjustment and policy bill. The resolution provides for an open rule and 2 hours of general debate on the bill.

This bill is similar to the bill, H. R. 11380, which passed the House during the last Congress.

As pointed out in the report of the House Committee on Post Office and Civil Service, "the Congress is faced with a most urgent decision in this question of postal rate increases."

Many of us have been concerned with the fact that the President's budget of 71.8 billion was excessive and have made effective efforts to reduce it substantially. Yet I must point out that the President's budget, even as high as it was, anticipated the passage of some postal rate increase legislation. In fact, this huge budget will be increased by over half a billion dollars unless this legislation is passed.

This legislation proposes an increase in postal revenues by about $527.5 million. Therefore, you can see that this bill is just as important a part of the fiscal program of the Government as any cuts of a comparable amount which we have made in the President's budget during this session of Congress.

The House Committee on Post Office and Civil Service in its report states that—

> Unless the Congress enacts rate increases now, the deficit in the next fiscal year will be at least $651 million, and goes on to call our attention to the rather sobering fact that if postal costs and revenues maintain a continuing relationship over the next few years, the annual deficit will be more than $1 billion.

It is our responsibility to deal with this staggering problem. I realize that it is not an easy one but we cannot in the interest of the taxpayers ignore it.

There are those of us who would prefer that the increases in each category be made on a more proportionate basis. This is an open rule and permits germane amendments at any point, and the opportunity is presented for us to change each of the increases as our wisdom tells us is proper and wise for the people we try to serve.

In order that the House may consider, discuss and amend this bill on its merits, I urge adoption of this resolution so that the House may proceed to the consideration of H. R. 5836 for which ample time has been provided.

Mr. Speaker, I have no further requests for time on this side.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the gentleman from Texas has ably described the purpose of House Resolution 394, which makes in order the consideration of the bill, H. R. 5836, a bill to increase postal rates and charges.

I have no further requests for time on this side.

Mr. THORNBERRY. 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. MURRAY. 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. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 5836, with Mr. HERLONG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY. Mr. Chairman, I yield myself such time as I may desire.

Mr. MURRAY. Mr. Chairman, the Members of the House today face a most urgent decision on the question of adjustments in postal rates if we are to avoid an increase of more than $650 million in the record peacetime budget of $71.8 billion.

Never has any legislation before your Committee on Post Office and Civil Service received more careful, deliberate, or extended consideration than the recurring problem of our tremendous postal deficit and the establishment of postal rates which will provide revenues adequate to maintain efficient postal service and a reasonable relationship between postal incomes and postal expenses.

Your Post Office and Civil Service Committee has held 21 days of hearings on this legislation, H. R. 5836, a bill to readjust postal rates, in this Congress. We heard 114 witnesses, including representatives of all major groups of mail users, members of the President's Cabinet, many Members of Congress, and other authorities on postal and budgetary matters. Every witness acknowledged the need for increases in the postal rates, although many users felt that the increases should be applied to anyone but themselves. The committee in the last Congress gave extended consideration to a similar postal rate bill which the House of Representatives passed by a substantial majority.

The results of our committee deliberations are set forth in the committee report. I believe this report clearly demonstrates the urgent need, and convincingly points up the complete justification, for the increases recommended in first-, second-, and third-class mail rates.

I introduced this bill on the basis of the proposal of the Postmaster General in a letter to the Speaker of the House of Representatives dated March 7, 1957. The reported bill is identical to the Postmaster General's proposal, with the exception of three minor revisions made by the amendments in the reported bill which do not relate to the proposed rate adjustments.

This bill as reported would increase postal revenues by $462 million for the first year and by $527 million each year after all of the increases are in effect. This first year revenue increase however, is based on an effective date of July 1, 1957, and will be reduced to $360 million because of the necessity to change the effective date to October 1, 1957. Without the $462 million increase, the postal deficit for the current fiscal year is estimated to be $651 million.

This bill is the same, except in 3 respects, as the postal rate adjustment bill approved by a majority of 52 votes by the House last year. First, it increases the rates on post cards and postal cards from 2 cents to 3 cents. Second, it increases second-class pound rates on that portion of publications sent outside the county of publication by 60 percent, in 4 equal 15-percent increments, applied to both reading and advertising matter, compared to a 30-percent increase on reading matter and 120-percent increase on advertising matter in 5 increments under last year's bill. And it increases the minimum piece rate on bulk third-class mailings in 2 increments, to 2 cents on the effective date and to 2.5 cents July 1, 1959, compared to the single increase to 2 cents in last year's bill.

A deficit of approximately $5 billion, representing the difference between revenues and costs, has accumulated in postal operations over the last 10 years. This is primarily due to increased labor, transportation, and other costs without corresponding increases in postal rates. This deficit has a direct relationship to the overall budget. If this Congress fails to act on a postal rate increase bill, the result will be an increase in the net amount that the Congress must appropriate in the fiscal year 1958. In other words, this failure to act would negate a large segment of the reductions made by the Congress in the $71.8 billion budget.

This bill is a nonpartisan, nonpolitical measure which is in the best interest of our country and will go a long way toward eliminating the huge annual deficit of the postal service. As an indication of its nonpartisan nature, former Postmasters General James A. Farley and Jesse M. Donaldson both testified in favor of the increases in 1956 and submitted statements this year recommending the postal rate adjustments contained in this bill.

The heart of this bill is the 1-cent increase on first-class letter mail. This increase will return $315 million a year in increased revenues. If the first-class letter rate is left at 3 cents, it would not be equitable to raise postal cards to 3 cents, individual mailings of third-class to 3 cents, or bulk mailings of third-class to 2½ cents. These raises represent most of the increased revenues remaining in the bill.

Postal rates should be increased at this time in line with the recommendations of our committee. Never has a stronger or more convicing case been made for these increases.

The rate on first-class letter mail is increased from 3 cents to 4 cents an ounce. The rates on postal cards, each portion of double post cards and private mailing cards, and the rate on drop letters, are increased from 2 cents to 3 cents each. The rate on domestic airmail is increased from 6 cents to 7 cents an ounce and the rate on airmail post cards from 4 cents to 5 cents each. These increases represent $365.8 million in additional revenue per year.

In second-class mail, the pound rates applicable to that portion of publications addressed for delivery outside of the county of publication will be increased in 4 annual increments of 15 percent each year. The increase does not apply to any issue of a newspaper with a press run of 5,000 copies or less. The minimum charge on these publications is increased from one-eighth cent to one-quarter cent per piece. These increases do not apply to publications of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veteran's, or fraternal organizations or associations.

The transient rate—publications having second-class entry mailed by other than publishers or as sample copies in excess of 10 percent allowance—is increased from the present rate of 2 cents for the first 2 ounces and 1 cent for each addtional 2 ounces, to 2 cents for the first 2 ounces and 1½ cents for each additional 2 ounces. These increases in second-class mail will bring in increased revenue in the amount of $33 million a year.

Controlled circulation publications are increased from 10 cents—for those not over 8 ounces—and 11 cents—for those over 8 ounces—to 12 cents per pound regardless of the weight of individual issues. The minimum charge of 1 cent per piece is not changed. These rates will remain in effect on controlled circulation publications until changed by the Congress. Incidentally, controlled circulation publications consist of magazines which are similar to second-class magazines except they do not have subscription lists.

Third-class mail, as the Members know, consists primarily of printed matter and small packages of merchandise weighing less than 8 ounces. The principal increase in this class of mail is on the matter mailed in bulk under regulations established by the Postmaster General.

I know that many Members have received considerable correspondence with respect to this class of mail and objections on the part of patrons to what they call cluttering up the mail with an inordinate amount of this advertising matter. A few years ago this class of mail went at the minimum rate of 1 cent per piece. In 1951 we raised it to 1½ cents per piece. In this bill we raise it to 2 cents until July 1, 1959, when it will go to 2½ cents. In other words, a few years ago a thousand pieces of this type of mail could be sent for $10. When all of these increases are in effect, it will be $25, or a 250 percent increase. I mention this because many people are of the view that we are not raising this class of mail sufficiently. In my judgment, it will be increased substantially if this bill is enacted.

The individual mailings of third-class mail are presently going for 2 cents for the first 2 ounces. These will be raised to 3 cents for the first 2 ounces. There is an increase for the permit to use third-class mail from $10 a year to $20 a year and an increase in the charge for odd-sized pieces of third-class mail from 3 cents to 5 cents apiece.

The total increased revenue from third-class, after all the increases are in effect, will be $128 million a year.

In fourth-class mail there is an increase proposed for books, from the present rate of 8 cents for the first pound and 4 cents on each additional pound—up to 70 pounds—to 10 cents on the first pound and 5 cents on each additional pound. While this rate is increased, it will not materially improve the financial situation of the Post Office Department because we are, at the same time, authorizing a number of other items such as manuscripts, tests, and certain other materials to go at this rate. The Department estimates that the lower revenue on this material, which presently goes through the mail at first-class rates, will offset the increased revenue from the higher rates on books. The broadened category was urged by many of the colleges and universities who also are interested in the book rate. While it was felt that the categories going under the book rate could not be increased without some rate adjustment, we did work out what I believe is a fair compromise.

The first-class letter rate increase, as I have indicated, is the very heart of this bill. It accounts for $314 million of the increased revenue. This rate has not been raised since 1932 when it was raised on a temporary basis. This temporary rate was continued periodically but was made permanent in 1947 by legislation coming from our committee. Incidentally, it was made permanent by a procedure which required unanimous consent of the House.

Since 1945, when costs began to rise, there has been an increased cost to the postal service of $1,860,000,000. Much of this was for salary increases—and they were deserved increases—to postal employees. The sender of first-class letters has not been called upon to pay one single bit in increased rates to meet this increased cost. Even in this bill we are proposing only a 33⅓-percent increase.

After this bill is enacted, virtually every other class of mail will have received increases ranging from 100 to 300 percent.

There are those who say that first-class mail is showing a profit. They are in error. In the first place, they use figures that are outdated. They are quoting cost figures that are nearly 3 years old. In the fiscal year which began July 1 the Post Office Department estimates that first-class mail will fail to recover its apportioned cost by nearly $50 million and this does not take into consideration anything at all for the priority of service enjoyed by the first-class mail user. If the postal pay bill already passed by the House is enacted into law this direct loss on first-class mail will be $150 million this year and $175 milion or more each year thereafter.

Seventy-five to 80 percent of first-class mail is used by business. A preponderance of this matter is metered mail, which means that it does not have to be faced or canceled by the Post Office Department. Now we have not heard from any of the large business users of this mail who have not agreed that this rate should be increased. As a matter of fact, the fact that business meters its mail, and there is such a volume of it, is the only reason first-class mail makes such a good showing on the financial records of the Post Office Department. The high cost of handling the letter of the individual who drops it into the corner mail box or the post office and has it delivered to the addressee any place in a complex urban community, such as the Washington area or even 600 miles away, is mixed in with the more favorable cost figures of these large business mailings.

Also, the final cost of all first-class mail is reduced by the pieces of first-class mail weighing more than 1 ounce, on which an added charge is made. Again, these are not the pieces sent by individuals but by the business mailers. I emphasize this because there has been some sentiment expressed that we are charging the individual user of the mail an additional amount over and above what it costs to handle it. This, of course, is not so. He has had pretty much of a free ride all along by virtue of the large mailers whose mailings, because of the volume and the weight, make substantial savings possible in handling although they are charged the same rate as the one who sends the individual letter.

Just to summarize, this bill is necessary if we are in any way to cut into the tremendous deficit in the postal service and prevent a further increase in the budget. I have always favored the Post Office Department paying its own way. Looking back in retrospect, it would have been pretty nice if the Post Office Department, instead of running up an accumulative deficit throughout the years, had paid its own way.

Just think, our national debt limit could be $5 billion lower. And we must remember, also that the next generation is probably going to have to pay more in interest on the postal deficit, that we fail to charge today, than we would have paid had we paid that necessary postal rate ourselves.

Secondly, first-class mail is not only failing to pay its apportioned cost but it does not even begin to pay for the preference in handling which it receives. At the time the first-class letter rate was made permanent at 3 cents, it was paying 30 percent above its apportioned cost. That was about the lowest that it has paid above its apportioned costs through the years. It has paid as high as 64 percent above its apportioned cost. This was in 1945, and no one thought then that they were overcharging the user of first-class letter mail. At least, I did not receive a single letter of complaint as a member of the Post Office and Civil Service Committee.

Unless we raise the first-class letter rate, the other rates will be out of line. We cannot charge 3 cents for postal cards, 3 cents for individual mailings of third-class mail, or 2½ cents for bulk mailings. This represents an additional $112 million of the increases.

I hope that the Members again this year will support this essential legislation, as they did last year. More than that, I hope that this time, and we have

been trying to do the right thing now for 6 years, that there will be pretty general support for a measure which certainly all should recognize as just and a must.

Now let us see who appeared in behalf of this postal rate increase:

LIST OF THOSE WHO TESTIFIED IN FAVOR OF POSTAL RATE BILL

Hon. James A. Farley, former Postmaster General.

Hon. Jesse M. Donaldson, former Postmaster General.

Hon. George M. Humphrey, Secretary of the Treasury.

Hon. J. Vaughan Gary, chairman of the Subcommittee on Appropriations.

Hon. Percival Brundage, Director, Bureau of the Budget.

The Advisory Board of the Post Office Department.

Mr. John F. Fixa, president, National Association of Postmasters of the United States.

Mr. John S. Coleman, president, Chamber of Commerce, of the United States.

Mr. John C. Allen, general traffic manager, Sears, Roebuck & Co.

Mr. Fred W. Bennion, executive director, Wyoming Taxpayers Association, Cheyenne, Wyo.

Hon. John Taber.

Hon. Thomas E. Martin.

Mr. M. C. Nave, president, National Association of Postal Supervisors.

Mr. Francis J. Pinque, president, New Jersey Taxpayers Association, Inc., Trenton, N. J.

Mr. Ernest G. Swigert, president, National Association of Manufacturers.

Mr. Charles M. White, chairman of the board, Republic Steel Corp., Cleveland, Ohio.

Mr. John W. Fitzgerald, Pontiac Press, Pontiac, Mich.

Mr. Steve Stahl, executive vice president, Oklahoma Public Expenditures Council, Oklahoma City, Okla.

Mr. James H. S. Ellis, president, Kudner Agency, Inc., New York, N. Y.

Mr. W. A. Paton, professor of accounting, University of Michigan, Ann Arbor, Mich.

Mr. Theodore A. Serrill, executive director, Washington Publishers Association, Washington, D. C.

If this bill is not approved by the Congress this year, the deficit of the Post Office Department will be $651 million. It certainly seems to me that Members would vote for it, especially those who have voted for large appropriations and increases in pay for postal employees as well as the classified employees. They should certainly come along and help us in a little way to wipe out this deficit of the Post Office Department. We are all concerned about the national debt which is nearly reaching the limit now. Yet, we have lost $5 billion in the last 10 years in the operation of the postal service. It is not right or fair to place the burden of that debt upon the people, when the Post Office Department should be self-sustaining and the users of the mail should pay their own way. I hope the committee will, as it did last year, approve this bill.

Mr. REES of Kansas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is an extremely important piece of legislation and in some degree controversial. It is the second time in 2 years we have brought this almost identical measure before the House for your consideration. This bill, as the chairman has told you, is for the purpose of increasing the postal rates. It provides for an increase that would secure additional revenue in the amount of $527.5 million annually.

Mr. HOLIFIELD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty Members are present; a quorum.

The gentleman from Kansas will proceed.

Mr. REES of Kansas. Mr. Chairman, I urge the approval of H. R. 5836, a bill to increase postal rates. This legislation provides for an increase in postal rates, which will secure additional postal revenues in the amount of $527.5 million annually when all of the increases are in effect. By a large majority our committee has determined that there is an urgent and vital need for this legislation. The postal deficit is reaching staggering proportions by reason of the failure of Congress to enact adequate postal rate increases despite the repeated recommendations of President Eisenhower and President Truman over the last 9 years.

Unless the Congress acts now to increase postal rates, the postal deficit at the end of the fiscal year will be over $686 million and if a pay increase for postal employees is enacted, without a rate increase, the postal deficit next year will reach almost $1 billion annually.

Extensive hearings were conducted this year as in former years and more than 100 witnesses appeared before the committee, many of whom supported this legislation. Among those who urged its approval included former Postmasters General Jesse M. Donaldson and James A. Farley.

There are only three major differences between this bill and the one the House approved last year. This bill increases the rate on postal cards from 2 to 3 cents. Last years' bill did not include such an increase. This bill provides an increase in second-class rates of 60 percent in 4 annual 15-percent increments, while the bill last year provided a greater increase—a 120-percent increase on advertising in second-class publications. The bill last year provided a one-half cent increase in the minimum per piece rate for third-class bulk mailings, while the bill this year provides the same increase plus another one-half cent increase at the end of the second year.

Briefly the provisions of this bill are as follows:

First-class letter rates are increased from 3 cents to 4 cents an ounce; post and postal cards are increased from 2 cents to 3 cents each; and airmail rates are increased from 6 cents to 7 cents an ounce with an increase of from 4 cents to 5 cents on air-mail cards. Additional revenues will be provided by these total first-class and airmail increases amounting to $365,800,000 a year.

Second-class rates are increased by 4 annual installments of 15 per cent each year with continued exemptions for newspapers with press runs of 5,000 copies or less, and publications addressed for delivery within the county of publication. The minimum per piece or copy rate on second-class publications is increased from one-eighth cent to one-fourth cent. No increase is provided for publications of nonprofit, religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations. The additional revenues which will be secured under increased second-class rates will amount to $33 million annually when the new rates are completely in effect.

In the third-class category the piece rate for circulars, merchandise, and miscellaneous advertising will be increased from 2 cents to 3 cents for the first 2 ounces and additional ounces will be increased from 1 cent to 1.5 cents. A similar increase is provided in the piece rate for books and catalogs weighing 2 ounces or less. The bulk rates are increased from 14 cents to 16 cents a pound for circulars and from 10 cents to 12 cents a pound for books and catalogs. The minimum per piece rate for third-class is increased from 1.5 cents to 2 cents for the first year and 2.5 cents for the second year and thereafter. Rates per piece on odd sizes are increased from 3 cents to 5 cents and the annual bulk mailing fee is increased from $10 to $20. These increases in third-class mail will produce additional revenues of $128 million annually.

Fourth-class book rates for the first pound are increased from 8 cents to 10 cents and additional pounds from 4 cents to 5 cents. Controlled circulation publications weighing not over 8 ounces are increased from 10 cents to 12 cents a pound and over 8 ounces from 11 cents to 12 cents a pound. This rate increase for books and controlled circulation publications will produce $700,000 annually in additional revenues.

During this fiscal year the Post Office Department estimates that first-class mail will fail to meet its apportioned cost by $50 million; second-class by $282 million; and third-class by $261 million. It is clear that the increased revenue in second-class mail, which is applied in 4 annual 15-percent increments and totals only $33 million, is fair to the publishers. Third-class rates, which, at the end of the second year will provide $128 million in increased revenue, are also reasonable.

It is only fair to point out, of course, that since neither second-class nor third-class mail have priority of service that is given first-class mail, these classes of mail should not be expected to pay their fully apportioned costs

I know that there has been a lot of confusion and misunderstanding concerning the cost-ascertainment system of the Post Office Department.

If I may take a moment here, I believe I can explain it readily by an illustration. The costs of the postal service are primarily personnel costs. The time that it takes an employee to handle first-class mail is the same, as far as payroll costs are concerned, as the time it takes an employee to handle the lesser preferred classes of mail. Since first-class mail is handled first and receives preferential treatment that time, of course, is valuable. It is also more valuable to the one receiving the preferential service.

Another illustration which was used during the hearings to describe the postal-cost procedure is that of charging

for theater admission. It was pointed out that the cost to the theater for providing all seats is relatively the same. The cost of heat, light, tickets and other service is identical as far as all seats are concerned. The seats in the center section, however, sell for much more because these are preferential seats. That is the same with first-class mail. It has preference and thus it has a greater time and monetary value.

Throughout the years Congress has established this preference at about 30 percent. The Members may want to note, in our committee report we have outlined this preference markup in a chart appearing on page 11. You will note that first-class mail paid on the average—between 1926 and 1941—approximately 40 percent above its apportioned costs. Since we have had the tremendous increases in costs following 1945 and not increased the first-class rate, it has gone down now until it pays less than its apportioned costs.

In 1947, when I was chairman of the Post Office and Civil Service Committee, President Truman requested that the first-class letter rate, which would have reverted to 2 cents, be made permanent at 3 cents. Our committee considered it in a rate bill that contained many other items. There was no controversy on this proposal and the first-class letter rate of 3 cents was taken out of the rate bill and passed separately. It was approved by unanimous consent.

I mention this to show there was pretty general agreement that the 3-cent rate was the proper rate for first-class mail at that time when it was paying 30 percent more than its apportioned costs, while today it is $50 million below its apportioned costs. If the postal pay bill is approved, it will be almost $150 million below its apportioned cost.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Florida.

Mr. HALEY. There has been a great deal of conversation about a change in accounting procedure and that, with the change, there has been the suggestion that first-class mail is taking a greater amount of the cost than formerly. Is that the case? And, if there is a deficit in the cost of carrying first-class mail, to what does the gentleman attribute it?

Mr. REES of Kansas. There was a time when first-class mail did pay its way—that is, under present accounting procedure if applied at that time, first-class mail did pay its way. It paid more than its way at one time, considerably more, but because of the increased cost that has come about in the years it has kept going down lower and lower until now it does not quite pay its way.

I would like to explain to the gentleman and to the Members of the House that when we apportioned these costs we did not include all of the items of cost with which they should have been charged; for instance, the expense of building post-office buildings, the care and maintenance of the buildings. Items of that sort are really not reflected in these costs. When we compute them even under the present procedure, we see that first-class mail is not paying its own way by a substantial measure.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. MACK of Washington. On page 3 there is a table showing the rates on publications and newspapers. The effective date in the first column is July 1, 1957. That date has already passed. Will these rates be retroactive, or has the committee an amendment to change the date and make it effective later?

Mr. REES of Kansas. The chairman at the proper time will offer an amendment to change the date "July 1, 1957" to "October 1, 1957."

The opponents of this measure state their views in contradictory terms. First, they say that the burden of the increase in postal rates should not fall on the users of first-class mail, and then they deplore the fact that rates on second- and third-class mail are not greater than provided in the bill.

It should be clear to anyone who has studied this legislation that we cannot increase third-class rates—even to the point that they have been increased in this legislation—unless first-class mail is increased. In other words, without an increase in first-class rates there could not be even a reasonable increase in third-class rates.

So far as the contention about the small increase in second-class mail is concerned, I need only to point out that it would require an increase of several hundred percent to provide that the users of second-class mail would pay their apportioned costs under the cost-ascertainment system. If we were to increase second-class rates to that extent, the rates on newspapers and magazines would be so great it would cause many publishers to go out of business. Therefore, the committee recommends in this legislation a reasonable increase which I believe is the maximum that should be provided at this time. I am aware of the great benefits to the large publishers on the basis of present second-class rates. I believe they should pay their fair share in postal revenues, and I believe the bill provides such an increase.

There was virtually no opposition to an increase in first-class mail by the witnesses who appeared before the committee. We should bear in mind that this 1-cent increase in first-class letter mail is the first increase in first-class rates since 1932, which is the only increase since 1885. Recently many surveys have been conducted, including some by Members of Congress, which show that the American people believe that an increase of 1 cent in first-class mail is reasonable and will produce further improved services for postal patrons. More than 75 percent of first-class mail by volume is sent by business. It is estimated that the increased first-class rates provided in this bill will cost the average American family only about 15 cents a month.

In considering this legislation the Members should bear in mind that 78 percent of the expenditures of the Post Office Department are for salaries and other necessary expenses for postal employees. On page 7 of our report on this bill a table shows that since 1945 increased costs for employee benefits and for transportation have amounted to $1,859,851,000 annually. Thus, it is clear the increased deficit in the Post Office Department over the years has resulted to a large extent from salary increases which are necessary and just. Fifteen percent of the expenditures of the Post Office Department are for transportation. At the present time the railroads are requesting the Interstate Commerce Commission for additional rate increases which will necessitate even larger expenditures for transportation. Seven percent of such expenditures go for supplies, rents, utilities, communications, and other miscellaneous expenditures. Therefore, when we discuss the advisability of reducing the deficit in any way other than by rate increase, it is clear how impossible it would be.

The postal service is responding to the needs of this atomic era, and it is expected that within a few years mail volume will reach nearly 75 billion pieces annually. To provide the services that are necessary, to reduce the deficit, and to modernize the postal rate structure, it is necessary to increase the rates as proposed in this legislation. Those Members who are concerned about economy and those who recognize the increased costs of our modern Government will understand the urgent need for the approval of this legislation.

Mr. Chairman, I realize it is not so easy to vote for postal rate increases but there is one thing sure: Either you are going to increase these postal rates through the legislation we have before us today or else you are going to charge it against the Federal Treasury and the small taxpayer will pay the cost.

I hope the members of the committee will see fit to support this very important legislation.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that under modern cost analyses, consideration has to be given costs in that first-class mail receives a preferential service from the time the mail is sent to the time it is delivered?

Mr. REES of Kansas. That is correct. Incidentally, I should also state that most of this first-class mail is sent by business and industry and commercial institutions. More than 75 percent of it is sent by business.

Mr. CANFIELD. Does the gentleman know of any major country in the world that charges a lesser rate for its first-class mail than in the United States of America?

Mr. REES of Kansas. The United States now has the lowest first-class mail rate.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, the details of this bill have already been very thoroughly explained by the distinguished chairman of the Committee on the Post Office and Civil Service, the gentleman from Tennessee [Mr. MURRAY] and by the ranking minority member of that committee, the gentleman from Kansas [Mr. REES]. I am going to deal very briefly here with some of the overall objectives of the bill and the basic principles involved.

The overall objective, of course, is to raise postal rates and to increase the revenue of the Post Office Department in an effort to reduce the deficit. Another desired objective, of course, is to balance the postal budget.

Going into this next fiscal year it is estimated that the postal deficit will be in the neighborhood of $700 million. Now, that does not include the increase in salaries which we acted upon here in the House about 3 or 4 weeks ago for the postal field service employees, which, if added onto this estimated $700 million, would make the deficit amount to approximately a billion dollars. So, we are not talking about peanuts here, nor are we talking about millions of dollars, but billions of dollars. We estimate, if this wage increase goes into effect, the postal deficit for the next year will amount to a billion dollars, and that will have, of course, a very serious effect on our national budget. The budget submitted by the President for this year took into consideration that we would raise the estimated revenue by $654 million.

Mr. PORTER. Mr. Chairman, I make the point of order that a quroum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum.

Mr. BROYHILL. If we would take no action on this bill whatsoever, it would have the same effect as if we increased the President's budget by $654 million. As was pointed out by the chairman of the committee, the total deficit in the postal operation since 1946 has amounted to approximately $5½ billion, and there is no question but that it did have an effect on the temporary authorization that we passed here in 1955 and 1957 to increase the debt limit. And, if we do not take any action here today, there is no question in my mind but that ultimately we will again have to act on increasing that debt limit. Certainly this bill is somewhat controversial. No one likes to absorb an increase in cost on any operation. But, we have had extensive hearings. I have been a member of this committee ever since I have been a Member of the Congress, and we have had more hearings, many times more hearings, on this subject than we had on any other problem which we had before our committee. And, it is a compromise at best. It is a fair distribution of this rate increase.

Now, what are the basic principles involved? We have got to decide whether or not the people who use this postal service should pay for that service. If they do not pay for it, certainly the other taxpayers, all the taxpayers of the Nation, are going to have to pay for it. And, who are these other taxpayers of the Nation? No one else but the postal users themselves. So, it is the fairest way of distributing the cost, by making the people who actually use it pay for it. And, if they do not pay for it, it will constitute a burden that will be passed on to future generations. Sometimes it is necessary, in times of grave emergencies, or time of war to have deficit financing, but I think it is unconscionable at a time of the greatest prosperity in the history of this Nation to pass on to future generations the cost of the postal service instead of on those who enjoy it. We have not had an increase whatsoever in the first-class letter rate since 1932.

During the past few weeks many of us have talked about the increased cost of living since 1939, and have been pleading with the Members of this body to recognize that increased cost of living for the employees of the postal service and the Federal classified employees. We asked for a salary increase to cover that cost of living. Well, then, it is altogether fitting and proper that we likewise act in the same manner, with the same kind of concern, in raising revenue so that we can reimburse the Government for their increase and their cost of service in this postal operation.

The American people have a right to expect the Post Office Department to be run on a sound fiscal basis. This legislation is a step in that direction and I urge its favorable consideration.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I opposed this bill when it was reported by our committee because I did not believe first-class and airmail rates should be raised to pay for the so-called trash mail that clutters up everybody's mailboxes.

First class and airmail are already paying their own way, and making a profit for the Post Office Department. In 1956 first-class mail made a profit of $35 million and airmail made a profit of $23½ million. The real deficit comes in second- and third-class mail which is carried at a tremendous loss.

Nothing was said or done during the many tedious weeks of hearings to convince me that there is any need to burden the average citizen who uses first-class mail with the responsibility for balancing the Post Office Department's budget. Nearly 70 percent of the increased revenue raised by this bill comes from the users of first-class mail and airmail letters.

Increased rates in this instance, therefore, are nothing more than a tax upon the people—a tax imposed without regard either to equity or ability to pay. Nothing could be more unfair.

Mr. Chairman, this Republican administration seems to have lost sight of the fact that the postal system was set up as a service to the people. Carrying the mail at a reasonable cost has always been considered one of democracy's general welfare services to the people.

This bill makes a radical change in the basic philosophy under which the Postal Establishment has always been run. It marks the end of the post office as an instrument for public service—as a tool through which our national horizons could be expanded. If this bill is passed, from now on the Post Office Department will be a hard-boiled business establishment, governed by a profits-and-loss philosophy.

This changed philosophy is tied up in a package which is presented to the Congress as an emergency measure. We are told, in effect, that it is "must" legislation.

I feel that the "must" label could be tagged more appropriately to a bill which would attempt to resolve the basic philosophy question itself—without the high pressure tactics to which the Department has resorted in its rush to justify a tax on mail users who are already paying their way—and more.

Only when the basic policy question is decided—only when we know whether we want the Post Office Department to continue to be a service organization, or whether we want it put on a cold profits-and-loss basis—will it be possible to sit down and assess the true need for additional postage funds and to determine just where those funds should come from.

To place an emergency tax on an individual's business and personal correspondence in order to help pay the cost of other classes of mail—including so-called junk mail—seems to me to be a poor way of solving the postal deficit.

Mr. Chairman, I oppose this bill. I think it should be recommitted, and we should start all over.

Mr. MURRAY. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield to my distinguished chairman.

Mr. MURRAY. The gentlewoman says that this new philosophy is a philosophy of the Republican administration. How does she account for the fact that Postmaster General Farley was in favor of postal rate increases as was Postmaster General Donaldson?

Mrs. PFOST. I would say to my distinguished chairman—and I have a great deal of respect for my chairman—that I heard Postmaster General Farley's testimony last year and he said he favored an increase in first-class and airmail postage rates.

I think the distinguished former Postmaster General agrees with me however, that second- and third-class mail should more nearly pay its way, and that the real burden should not be placed upon those classes of mail that already pay their way—such as first-class and airmail.

Former Postmaster General Donaldson, as I recall, agreed to a first-class rate increase only on the condition that second-class rates be increased by 70 percent. It should be noted that neither he nor former Postmaster General Farley appeared before our committee in person this year. And when they did last year they freely stated that they had not gone into the details of the Post Office

Department's presentation. They plainly had no firsthand knowledge of this newfangled and unique philosophy—used by the present postal administration—that intangibles suddenly discovered in the past 2 years warrant increasing first-class rates so that letter mail will return a profit of $300 million to the Post Office Department. This increase, in effect, would pay for the tremendous losses on other classes of mail.

Mr. REES of Kansas. Mr. Chairman, I yield 8 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, since 1945 I have been a member of the seven-man subcommittee of the Committee on Appropriations of the House handling Post Office Department funds. Today, Mr. Chairman, every member of that committee, Democrat and Republican, stands for the enactment of this legislation.

It is a tragic thing, when you think about it, forcing the Post Office Department of our country to operate on 1932 rates, facing as it does 1957 costs.

I was one of the 317 Members of this body who a few days ago voted for increased pay for the postal workers of our country. The vote was 317 to 38. I cannot believe that this House today will turn down this bill calling for realistic postal rates.

The present 3-cent letter rate has not been changed since 1932. The last change prior to that date was in 1885. I say to you, Mr. Chairman, if we want to provide modern mail service we have to charge modern prices. First-class mail is today being run at a loss on any basis of accounting. If we consider the cost of providing preferential service on first-class mail, even a 4-cent letter rate would not get the Post Office Department out of the red.

The loss on first-class mail in 1956, according to the Post Office figures, was $345 million. In 1957 it probably will be close to $375 million. If the postal pay is increased, and I hope it is increased, this will make the first-class loss, according to estimates I received today from the Post Office Department, just about $500 million. This bill only increases first-class mail revenues about $350 million, so there will still be a large loss in this class of mail.

First-class mail, Mr. Chairman, is not bearing its fair share of the burden of increased cost. Even if this bill is enacted, first-class mail will still not have faced the same proportion of increase that second- and third-class mail have met in the last 10 years. Second-class mail, for example, will have increased 92 percent over the level of 10 years ago, and third-class rates will have increased 104 percent as compared with an increase of only 33 percent for letter mail. Letter mail which in 1946 contributed 42 percent of the total postal revenues now contributes only about 32 percent. This is what President Eisenhower had in mind when he stated in a special message that:

> The failure of this type mail to maintain its revenue contribution is a major factor in the present postal deficit. There is, therefore, an urgent need to increase the rate of postage of first-class mail.

That was the President's clarion call.

The 3-cent letter rate has been in effect for 25 years during which time postal costs have more than doubled. On the basis of the change in the value of the dollar alone during the last quarter century, the Department could now be charging 6 cents rather than 3 cents for a letter stamp. How, then, can one logically oppose a 4-cent rate?

A letter-rate increase would not be burdensome for the American family. The cost to the average family would be only about 4 cents a week since private letters account for only 25 percent of all letter mail. Meanwhile, private individuals are contributing 60 percent of the Federal income-tax revenues which are paying a large share of the cost of business mail. A 4-cent letter rate would put the burden where it belongs, on business, which originates 75 percent of letter mail today.

Let me say something about letter rates in other countries and about salaries for postal workers in other countries. Germany today charges for first-class letter mail 4.8 cents. At the same time in Germany the annual salary of an experienced postman is $1,161. France today for domestic letter rates charges 5.7 cents while an experienced postman in France receives a salary annually of $1,149.

Switzerland charges 4.6 cents for a first-class stamp and the salary of an experienced postal worker in Switzerland today is $1,830.

Denmark charges 4.3 cents for a first-class rate and today an experienced postal worker in Denmark receives an annual stipend of $1,485, as compared to the 3-cent first-class stamp in the United States while our postal workers who are experienced receive an annual stipend of $4,410.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. SANTANGELO. The majority report on page 14 indicates that second-class mail is yielding a revenue of less than 3 percent of the total revenue and comprises 25 percent of the burden of the Post Office. Does the gentleman think it is fair that second-class mail which gives so little and uses so much of the service of the Post Office Department should not carry an increased rate so that it will carry itself? On the other hand, I would like to point out to the gentleman, that first-class mail users that show a profit for the Post Office Department are going to assume the burdens which businessmen of second-class and third-class mail are incurring.

Mr. CANFIELD. The gentleman knows that they are gradually increasing those rates. The second-class mail rates today, as shown by the figures of the Post Office Department, show an increase of 92 percent over the level of 10 years ago while the increase in the first-class mail shows only 33 percent.

Mr. SANTANGELO. The majority of the committee on page 14 indicates that 2.7 percent of the total departmental receipts comes from second-class mail whereas 24.7 percent of the total volume of the mail is used by second-class mail users. Does the gentleman think it is fair, using the same standards of comparison that he applied to the first-class mail users, that the second-class mail users should be getting a free ride at the expense of the first-class mail users?

Mr. CANFIELD. The gentleman is not arguing that the first-class mail, which today shows a deficit of $375 million, should not be increased; is he?

Mr. SANTANGELO. Under the cost ascertainment system, the first-class mail in 1956 made a profit of 35.7 million and the increases in this bill will recoup 314 million for the first-class mail users.

Mr. CANFIELD. I am sorry to say the gentleman is mistaken because the figures the gentleman has quoted do not take into consideration the preferential treatment which the first-class mail has to receive from the Post Office Department of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 4 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, what is at issue here today is not only the question of whether or not the postal rates, which now exist, shall be increased, but whether the post office as a service department of this Government and as a service to the people shall be destroyed by this sort of legislation. Historically, the Post Office Department has been a department of service. It is unique in that it is the only Department of Government that I know anything about wherein the revenues are set apart as against the expenses. Yet, even though that be true, those revenues do not go into the Post Office Department as the Budget Director found out some time ago, but they go into the general Treasury.

Now if we are going to consider this legislation in the light in which it should be considered, we first have to take the first-class mail and look at the service given by the Post Office Department, which I ask to put into the RECORD at this point.

This chart shows that since 1926 the first-class mail has traditionally paid its way through 1955, until we were given the cost ascertainment system. In 1926 first-class mail paid 129.8 percent of its way. Second-class only 29 percent, and third-class 97 percent. We can go down to 1955 in which year first-class mail paid 105 percent of its way, second-class 21 percent, and third-class 59.9 percent.

Now we seek to place the burden on first-class mail. We say that even if it paid 105.4 percent of its way, we are going to write in the first-class preferential treatment, which treatment on its face may seem to be true, but if you know anything about the Post Office Depart-

ment and have talked to postmasters, you will find there is such a thing as "red tag" treatment. That is the Wall Street Journal, and certain other publications. They are given first-class treatment, the same as first-class mail is given. That is nothing more than an excuse to cover up for some others who have been receiving the same sort of treatment.

At this point, Mr. Chairman, I ask unanimous consent to insert in the RECORD the figures for 1953, 1954, and 1956, as furnished by the Post Office Department, showing the preferential treatment insofar as rates are concerned, and indicating the preferential treatment insofar as service is concerned, by certain magazines.

The CHAIRMAN. The Chair will state to the gentleman that that permission will have to be procured in the House rather than in the Committee.

Mr. HEMPHILL. Let me read to you from 1955.

National Geographic, revenue $486,000; cost $1,820,000.

Life magazine, revenue $7,485,000; cost $16,797,000.

In 1955 these publications—and I will put these in the RECORD—took the Government for $61 million more than the revenues received.

If that is true, why should the man who is paying on first-class mail be asked to carry the burden for these particular magazines?

Let me read to you from 1956. Ladies' Home Journal cost $287,000. Excess of cost $159,000.

Estimated annual loss, $1,917,000.

Collier's magazine, 1956, cost $3,146,000; Life in 1956, $9,310,000.

Colliers magazine in 1956 cost the taxpayers $3,146,000 because of inadequate postal rates; Saturday Evening Post cost $6,087,000; Reader's Digest cost $4,172,000. These are figures furnished by the Post Office Department. These are all good magazines—but if the little man who uses only 10 letters a year, first class, is to pay his own way, then why not a profitable magazine?

We must recognize that there are certain services which the postal user and the taxpayer are paying for. From table 100–A of the cost-ascertainment report we find exempt publication cost the Department $55,042,090 more in 1956 than the revenue received from postal revenues. Daily newspapers cost $65,996,414 more. Other newspapers cost $23,854,170 and magazines and periodicals $70,539,141. The total year-end deficiency for 1956 totaled $254,846,862. This deficiency arises because we recognize the services rendered in these fields. Someone has to pay for these services if we are to continue these services. This is proof of the fact that the Post Office Department is a service department.

On March 27, 1957, the House of Representatives passed H. R. 5206 which, in effect, recognized these service features. By passing that legislation this Congress recognized an airmail subsidy of $14,577,044.

From table 100–B of the Post Office Cost Ascertainment Report for 1956 we find special services, such as certified mail, money orders, and so forth, account for $57,911,843 of the deficit. Nonpostal services account for another $1,135,886.

These are deficits which must be absorbed, or corrected. The legislation makes no attempt to do either, unless to place the burden on the back of the first-class user.

It is not morally right to have first class shoulder the burden.

We need a policy which defines the services rendered and recognizes them as such. If we are to adjust, each class of mail should pay its own way. Fourth class is required to by law.

We find on page 3 of the committee report that according to budget estimates $654 million of revenue to be expected from this legislation is written into the budget—written in before the bill is passed. I want to know who is trying to mislead whom? Is it just, or fair, to write into the budget moneys not yet realized, or authorized?

This bill will, reportedly, increase revenues by about $527.5 million if all the increases are granted. So we are going to be short whatever we do. In addition, Mr. Stans, Deputy Attorney General, told the committee the Department would be $250 million or $300 million short if every increase were granted. So we are using a bad bill which cannot cure the deficiencies.

Unless this bill is changed from its present form, I will have to vote against it.

Mr. Chairman, I include as part of my remarks before the Committee as a Whole certain charts furnished by the Post Office Department—

First. Chart of revenues to expenditures of 1st, 2d, and 3d class mail, 1926 to 1956.

Second. Chart showing 1953 deficit occasioned by five or six of the largest circulation magazines.

Third. Chart showing 1955 deficit of certain magazines.

Fourth. Chart showing 1956 deficit of certain magazines.

Fifth. Table 100 of the Post Office Cost Ascertainment Report of 1956.

Sixth. Table 100–A and 100–B of the Post Office Cost Ascertainment Report, 1956.

Ratio of revenues to expenditures [1] 1st-, 2d-, and 3d-class mail, 1926–56

	Expense coverage (percent)		
	1st class	2d class	3d class
1926	129.8	29.2	97.5
1927	131.7	29.4	94.1
1928	132.5	28.9	91.3
1929	131.0	24.1	76.7
1930	129.0	25.5	74.1
1931	121.0	22.1	71.4
1932	112.2	18.5	63.7
1933	146.1	18.4	64.3
1934	158.1	21.5	74.4
1935	150.1	18.9	72.2
1936	144.2	19.4	73.2
1937	151.1	21.5	78.1
1938	150.2	21.5	75.3
1939	152.0	21.5	74.6
1940	154.4	22.6	74.1
1941	155.2	23.6	78.8
1942	156.6	23.8	75.6
1944	146.1	21.4	71.4
1945	164.7	20.1	76.8
1946	131.5	18.3	61.5
1947	126.4	19.7	56.2
1948	130.0	20.2	56.4
1949	112.9	19.0	51.3
1950	111.9	18.9	53.1
1951	113.8	18.7	53.8
1952	105.4	16.9	46.2
1953	108.8	18.3	57.0
1954	105.9	19.7	62.1
1955	105.4	21.0	59.9
Average: 1926 through 1941	140.5	22.9	77.1
1956: Allocated postal costs, plus current pay increases and costs paid by other Government departments	96.8	19.5	52.3
If H. R. 5836 is passed: Allocated postal costs, plus pay increases, and costs paid by other Government departments	130.1	29.2	77.7

[1] Without regard to reallocation of cost to recognize differential in service or value of mails.

Itemized breakdown of the amounts of deficit occasioned in handling mail of five or six largest circulation magazines and four or five largest circulation newspapers

	Quarterly weight	Copies	Quarterly postage at present rate	Cost of handling	Quarterly loss	Annual loss
	Million pounds	*Millions*				
Magazines:						
Life	47.5	45.8	$1,273,000	$3,424,000	$2,151,000	$8,604,000
Saturday Evening Post	34.1	36.9	690,000	2,321,000	1,631,000	6,524,000
Ladies' Home Journal	10.2	7.7	215,000	623,000	408,000	1,632,000
Collier's	17.4	33.1	386,000	1,623,000	1,237,000	4,948,000
Reader's Digest	7.0	23.5	134,000	1,051,000	917,000	3,668,000
Newspapers:						
Chicago Tribune	5.9	9.8	154,000	601,000	447,000	1,788,000
New York Times	5.6	7.6	211,000	636,000	425,000	1,700,000
Detroit Free Press	.8	1.4	17,000	75,000	58,000	232,000
St. Louis Post-Dispatch	1.7	2.6	37,000	150,000	113,000	452,000
Los Angeles Times	.5	.7	24,000	69,000	45,000	180,000

NOTE.—The above figures are based on mailings for the quarter ended Dec. 31, 1952. Postage paid has been adjusted for the 10-percent increase on Apr. 1, 1953. Costs are based on expenditures for the fiscal year 1952.

Itemized breakdown on costs and receipts for 1st-class mail, local and nonlocal (fiscal year 1952)

	Pieces	Revenue	Expenditures	Excess of revenues	Average per piece	
					Revenue	Expenditure
	Billions	*Millions*	*Millions*		*Cents*	*Cents*
Nonlocal letters and sealed parcels	15.1	$542.0	$478.8	$63.2	3.60	3.18
Local letters and sealed parcels	7.4	235.1	192.7	42.4	3.18	2.61

Estimated annual revenues and costs of selected leading magazines, 1955

Publication	Revenue	Cost	Publication	Revenue	Cost
National Geographic	$486,000	$1,821,000	Ladies' Home Journal	$1,530,000	$3,449,000
Good Housekeeping	881,000	2,175,000	Collier's magazine	1,238,000	4,415,000
Saturday Evening Post	3,488,000	9,557,000	Life	7,485,000	16,979,000
American Legion Magazine	143,000	1,455,000	Woman's Home Companion	741,000	2,325,000
Coronet magazine	180,000	976,000	McCall's magazine	1,097,000	2,604,000
American Home magazine	623,000	1,753,000	Look magazine	1,534,000	5,016,000
Better Homes and Gardens	758,000	1,904,000			
Reader's Digest	1,082,000	5,891,000	Total	21,592,000	61,679,000
American Monthly	326,000	1,359,000			

Volume, revenues, and estimated handling costs of selected 2d-class publications, based on one issue

[In thousands]

Publication	One issue					Estimated annual loss
	Weight (pounds)	Copies	Postage at present rates	Cost of handling	Excess of costs over postage	
Ladies' Home Journal	5,835	3,706	$128	$287	$159	$1,917
Collier's magazine	1,909	3,070	48	169	121	3,146
Life	5,410	4,775	144	323	179	9,310
Saturday Evening Post	3,095	3,106	67	184	117	6,087
Reader's Digest	3,829	9,163	90	438	348	4,172

NOTE.—In all cases costs were based on average cost factors computed for a subgroup of publications applied to volume data for each publication, and not on individual traffic studies and cost factors attributable to each specific publication.

Source: Post Office Department, Bureau of Finance, Division of Cost Analysis, Cost Ascertainment Branch.

Summary of allocations of revenues and costs to classes of mail and services, with computations necessary to reflect factors not carried in Post Office Department accounts (fiscal year 1956)

Class of mail or service	Total revenues	Allocated budgetary expenditures	Nonbudgetary cost or revenue additions			Year-end excess (+) or deficiency (−) (cols. 1−2−3+4−5)	Estimated reallocation of costs for intangible factors [4]	Adjusted costs for revenue requirements	Deficiency in revenues [5]
			Costs paid by other Government agencies [1]	Public service revenue or cost factors (credit) [2]	Increased costs not wholly reflected [3]				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1st-class mail [6]	$1,013,678,916	$978,013,941	$55,797,003		$9,732,698	−$29,864,726	+$316,305,667	$1,359,849,309	$346,170,393
Domestic airmail [7]	150,938,105	127,513,988	4,809,027		799,183	+17,815,907	+32,392,951	165,515,149	14,577,944
2d-class mail [8]	65,890,784	318,412,212	17,051,219	$3,102,000	2,739,431	−269,210,078	−167,550,431	167,550,431	101,659,647
Controlled circulation publications	5,713,253	7,708,000	413,808		67,794	−2,476,349	−2,047,401	6,142,201	428,948
3d-class mail	266,019,592	471,914,026	28,863,243	5,989,829	4,744,124	−233,511,972	−124,882,891	374,648,673	108,629,081
4th-class mail [8]	592,814,842	607,911,107	29,634,251	14,977,707	3,695,297	−33,448,106		626,262,948	33,448,106
Total, prepaid domestic mail	2,695,055,492	2,511,473,274	136,568,551	24,069,536	21,778,527	−550,695,324	+54,217,895	2,699,968,711	604,913,219
Government mail:									
Penalty mail, other departments	32,426,000	32,494,378	1,741,918	1,013,000	307,544	−1,104,840		33,530,840	1,104,840
Registry service (free), other departments		1,588,629	96,658	1,685,287					
Franked mail:									
Members of Congress	2,076,000	1,853,165	96,129		17,900	+108,806		1,967,194	(108,806)
Others		91,482	4,748	96,230					
Total, Government mail	34,502,000	36,027,654	1,939,453	2,794,517	325,444	−996,034		35,498,034	996,034

[1] Includes civil service retirement costs for Post Office Department employees amounting to $125,260,302, computed at 6½ percent of applicable salaries. Effective July 13, 1957, the Department is required to reimburse the civil service retirement fund for such costs. For details see table 90.

[2] Computed amounts of identified subsidies to specified classes of mail users and expenditures made for public-service purposes, not reimbursed. For details see table 98.

[3] To place cost increases during fiscal year 1956, resulting from legislation and only partially reflected in the year, on a full annual basis. Adjustment does not include amounts that would be applicable to public-service items in column 4. For details see table 90.

[4] Estimated reallocations of costs for intangible ratemaking factors are based on recovery currently of 50 percent of allocated and indirect costs assigned to 2d-class mail, and 75 percent of such costs for controlled circulation publications and 3d class. Reallocations for special services, unassignable items, and that portion of civil-service costs related to civil-service functions for the Post Office Department, are based on the assumption that all allocated and other Government agency costs not recovered on these services as a whole will be borne by the mail services in applying this formula. Costs are discounted by public-service revenue or cost-credit amounts where applicable before application of this formula. The amount for reallocation to 1st-class and domestic airmail is assigned to those classes on the basis of all costs developed for 1st-class letters and cards and airmail letters and cards.

[5] This column shows the Department's computation of current revenue needs on the basis of the figures shown and conditions existing June 30, 1956. It does not include any amounts for (1) the Department's planned capital program for modernization of buildings and equipment, for (2) railroad rate increases, pending subsequent to July 3, 1957, for carrying the mails, or for (3) depreciation, currently estimated at $40 million per year, on public buildings used in the postal service.

[6] Amounts shown include revenue from weight in excess of the 1st ounce on each piece, amounting to $141,449,444 on 1st-class letters. For detailed segregation of revenue and expenditures see table 99.

[7] Includes paid airmail to and from the Armed Forces overseas, and outlying possessions of the United States. Revenue from weight in excess of the 1st ounce on each piece on domestic airmail letters amounts to $16,191,545.

[8] For detailed segregation of revenues and expenditures see table 100-A.

Summary of allocations of revenues and costs to classes of mail and services, with computations necessary to reflect factors not carried in Post Office Department accounts (fiscal year 1956)—Continued

Class of mail or service	Total revenues	Allocated budgetary expenditures	Nonbudgetary cost or revenue additions			Year-end excess (+) or deficiency (−) (cols. 1−2−3+4−5)	Estimated reallocation of costs for intangible factors	Adjusted costs for revenue requirements	Deficiency in revenues
			Costs paid by other Government agencies	Public service revenue or cost factors (credit)	Increased costs not wholly reflected				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Free for blind		$911,692	$53,532	$965,224					
Total, domestic mail	2,129,557,492	2,548,412,620	138,561,536	27,829,277	$22,103,971	−$551,691,358	+$54,217,895	$2,735,466,745	$605,909,253
International mail	85,494,375	80,999,427	2,611,485	1,143,000	422,208	+2,604,255		82,890,120	(2,604,255)
Total all mails	2,215,051,867	2,629,412,047	141,173,021	28,972,277	22,526,179	−549,087,103	+54,217,895	2,818,356,865	603,304,998
Special services [1]	224,893,389	264,752,202	15,137,065		2,915,965	−57,911,843	−57,911,843	224,893,389	
Unassignable revenues and costs	7,419,824	2,578,147	8,252		3,591	+4,829,834	+4,829,834	7,419,824	
Total mails and special services	2,447,365,080	2,896,742,396	156,318,338	28,972,277	25,445,735	−602,169,112	+1,135,886	3,050,670,078	603,304,998
Nonpostal services [1]	1,623,010	16,197,152	841,964	14,294,817	14,597	−1,135,886	−1,135,886	1,623,010	
Grand total, all operations	2,448,988,090	2,912,939,548	157,160,302	43,267,094	25,460,332	−603,304,998		3,052,293,088	603,304,998
Deductions:									
Indemnity claims	4,831,608	4,831,608							
Embossed envelopes purchased	8,519,953	8,519,953							
Losses and chargeoffs	61,427	61,427							
Reimbursements:									
Airmail transportation	13,709,940	13,709,940							
Nonpostal	2,181,833	2,181,833							
Money-order items	329,665	329,665							
Net postal operations	2,419,353,664	2,883,305,122							

[1] For detailed segregation of revenue and expenditures see table 100-B.

Mails and services	Revenues	Allocated budgetary expenditures	Nonbudgetary costs or revenue additions			Year-end deficiency
			Costs paid by other Government agencies	Public service revenue or cost factors (credit)	Increased costs not wholly reflected	
	(1)	(2)	(3)	(4)	(5)	(6)
2d class:						
Exempt publications	$5,158,081	$58,678,561	$3,149,540	$2,144,000	$516,070	$55,042,090
5 percent or less of advertising	1,102,189	10,238,215	547,659		90,013	9,773,698
Daily newspapers	14,603,011	75,887,656	4,067,619		644,150	65,996,414
Newspapers other than dailies	2,663,069	24,864,508	1,420,098		232,633	23,854,170
Magazines and periodicals	30,623,162	95,429,000	4,949,707		783,596	70,539,141
Agriculture, business, professional, etc., publications	7,186,685	30,752,242	1,644,572		266,785	25,476,914
Religious, educational, welfare publications	199,491	2,223,459	128,710		21,326	2,174,004
Exempt classroom publications	440,752	2,418,825	113,408	119,000	17,950	1,990,431
Total paid publishers' 2d class [1]	61,976,440	300,492,466	16,021,313	2,263,000	2,572,523	254,846,862
Transient	3,042,266	3,910,892	193,970		30,952	1,093,548
Publishers' returned, form 3579	872,078					[2] (872,078)
Free in county (2d class)		14,008,854	835,936	839,000	135,956	14,141,746
Total, 2d class mail	65,890,784	[3] 318,412,212	17,051,219	3,102,000	2,739,431	269,210,078
4th class:						
Local delivery	10,248,785	10,628,387	721,550		92,464	1,193,616
Zones 1 and 2	140,156,427	138,699,582	8,642,614		1,069,108	8,254,877
Zone 3	86,740,848	86,563,337	4,860,667		598,757	5,281,913
Zone 4	97,570,439	97,400,363	4,717,805		583,582	5,131,311
Zone 5	90,281,417	91,251,779	3,672,472		457,018	5,099,852
Zone 6	41,650,357	42,112,213	1,440,520		179,449	2,081,825
Zone 7	33,016,680	33,068,897	975,435		122,120	1,149,772
Zone 8	52,536,203	51,185,351	1,355,494		167,782	172,424
Total, zone rates	552,201,156	550,909,909	26,386,557	3,270,280		28,365,590
Catalogs (pt. 135.12 Postal Manual)	19,335,390	21,422,911	1,399,147		187,998	3,674,666
Books (pt. 135.13 Postal Manual)	19,909,451	33,165,389	1,696,120	13,255,938	217,764	1,913,884
Library books (pt. 135.14 Postal Manual)	679,716	2,351,744	149,199	1,672,028	18,883	168,082
Matter for blind at 1 cent per pound	11,413	61,154	3,228	49,741	372	3,600
Domestic mail fees	677,716					[2] (677,716)
Total 4th class mail [4]	592,814,842	[5] 607,911,107	29,634,251	14,977,707	3,695,297	33,448,106

[1] Revenue includes $102,354 from 2d-class application fees.
[2] Denotes year-end excess of revenues.
[3] Includes apportioned expenditures of $1,225,296 for post office penalty mail, post office registry, and for the payroll deduction system.
[4] Revenue includes $2,215,779 from special handling service.
[5] Includes apportioned expenditures of $895,227 for post office penalty mail, post office registry, and for the payroll deduction system.

NOTE.—The above segregation of the computed total expenditures chargeable to 2d class and to 4th class, and of revenues to zones for 4th class matter have been developed by processes of approximation.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, this matter of increasing the postal rates is a subject, of course, of great concern to everyone in the United States.

When the postal deficit reaches 1 billion a year, then it is time that we took notice. Either we have been charging far, far too much for postal rates in the past or we are not charging enough now. If it was fair to send a first-class letter for 3 cents in 1932, a rate of 4 cents certainly is not out of order at this time.

As a matter of fact, as I said before, this rate bill is already antiquated in view of all of the other increases that have been voted for the Department, in the way of salary increases and other expenses and rates to the railroads. It seems to me that what we ought to do is not to talk about a 4-cent letter but we ought to be talking about a 5-cent letter. It is also strange that some of those who are opposing the first-class rate offered an amendment in the committee to cut the second-class rate and third-class rate below what is proposed

in the committee bill. How are you going to do anything about the revenues of the Department in face of that? Let us look at the various classes of mail.

First-class mail, of course, receives preferential treatment. You are allowed to send a letter and seal it to any place in the United States for 4 cents. I say to you it is about the best bargain in the world today. But unless we are going to do something about first-class mail there will be nothing done about the deficit in the Post Office Department; it is going to have to be absorbed by the general taxpayer. Why should he have to pay it?

Seventy percent—and I believe that to be a conservative estimate—of all the first-class mail in the United States is sent by business houses; only 30 percent is sent by individuals. If that be the case, it would indicate to me that the dividuals are subsidizing through the tax rolls the first-class users of mail as much as they are the second or third-class users.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Connecticut.

Mr. CRETELLA. Is it not true, I ask the gentleman from Michigan, that testimony before the committee revealed that the reason for the high cost of first-class mail was the special treatment it got for night service, night delivery, and the 10 percent increase in wages for night differential, and that it added to the 75 percent the gentleman is talking about? Actually it is the business people who are paying for that service that they demand, and they demand Saturday service as well. They should pay for it.

Mr. CEDERBERG. The gentleman is entirely correct.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Oregon.

Mr. PORTER. Is it not also correct that according to the accounting procedures, first-class mail pays more than 98 percent of its way?

Mr. CEDERBERG. No; I would say according to the cost ascertainment system as presented to our committee, first-class mail does not pay its way.

But as to rates on these other classes of mails, there was not one single amendment offered when the bill was under consideration in the committee to raise second- and third-class rates over and above what was provided by the committee.

In all this matter the simple question is: Do you want a deficit of $1 billion a year in the Post Office Department, or do you not? It is just that simple.

Mr. PORTER. Will the gentleman yield for one more question?

Mr. CEDERBERG. I yield.

Mr. PORTER. Is it the gentleman's position that first-class mail users should pay more than the actual cost of the service they get just so second- and third-class does not show a deficit?

Mr. CEDERBERG. No; I do not say that at all; as a matter of fact I am not one who believes that the Post Office Department should be run entirely as a self-supporting organization; I do not happen to hold that point of view. But I say when you have a billion dollars a year deficit it is about time you revised the rates we have been charging over the past 20 years, especially in view of the increased costs in the Department. There should be an increase in the rates. I think that is justified. I cannot see anything wrong with that. I think when you can send a single letter for 4 cents anywhere in the United States, it is still the best bargain that is available in this country.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. CEDERBURG. I yield.

Mr. SANTANGELO. Is it not a fact that the bill which passed the House last year with respect to second-class mail and the rate applicable thereto were higher than the rates which are embodied in the bill which was approved by the Post Office Committee? And if so, why is it that when we are trying to balance the budget that we do not increase the rates commensurate with the service rendered for second-class mail?

Mr. CEDERBERG. In the first place I think that in last year's bill second-class mail was treated on a different basis, on the basis of the amount of advertising contained.

Mr. SANTANGELO. And the rate was higher than is contained in this year's bill.

Mr. CEDERBERG. No, I do not think that is entirely the situation, and I want to be corrected if I am wrong. I believe the gentleman from Oregon [Mr. PORTER] offered an amendment to reuce the second-class rate instead of having four 15-percent increases, having four 10-percent increases. I think the gentleman from New York went along with it.

Mr. SANTANGELO. As a matter of fact, I offered an amendment which would increase the rate to 20 percent instead of the 15 that is in the bill. The gentleman is incorrect.

Mr. CEDERBERG. We recognize that we would get into trouble on volume. I stand corrected.

Mr. SANTANGELO. The fact is that the rate last year was 30 percent higher than the rates fixed in this bill for magazines containing advertising, whereas this year when we are trying to raise rates to meet the cost you have not increased it to the extent necessary to do this.

Mr. CEDERBERG. Does the gentleman intend to offer an amendment to do that when we get to that point in the bill?

Mr. SANTANGELO. I intend to offer an amendment with respect to second-class mail.

Mr. CEDERBERG. Then I will discuss it with the gentleman at that time. From attending the hearings I have come to the conclusion that if we increase the second-class mail to cover all of the different expenses as shown in the cost ascertainment system, we will take all of the profits of all of the publishers of the United States and wipe them out. When we talk about cost ascertainment you have to remember that what we have involved here is an allocation of those costs, even though some of them would not exist if we did not have first-class mail.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REES of Kansas. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CEDERBERG. If we only had the facilities to handle second-class mail we could do away with a tremendous amount of expense, a good deal of that expense that is allocated in the cost ascertainment system to first-class mail. That occurs because of some of the facilities we have available for first-class mail.

Mr. SANTANGELO. Is it not a fact that the Postmaster has come in with the doctrine of intangible factors which we cannot isolate, which we cannot estimate, which we cannot figure out, to show that first-class mail has taken a loss?

Mr. CEDERBERG. I do not think there is anything wrong with intangible factors. There are a lot of intangibles in many areas. A lot of businesses use them in the pricing of their products.

The question is, do you want the Post Office Department to operate at a billion-dollar-a-year deficit, 70 percent of which in first-class mail is picked up by the business houses and also second- and third-class and let the general taxpayers pay the bill?

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Many Members of the House periodically take polls among their constituents. Does the gentleman know what those polls show regarding this question of realistic postal rates?

Mr. CEDERBERG. The overwhelming sentiment of the polls is in favor of a postal rate increase. Those who are for a postal rate increase in first, second, and third class are for saving the constituents some money. Instead of paying it through the tax window they ought to pay it through the stamp window.

Mr. CANFIELD. They are the losers?

Mr. CEDERBERG. They are the losers. It is the average individual who is picking up the burden through the tax window.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I wish to commend the gentleman from Michigan for his very fine statement. I think there is no Member of the House who has a clearer understanding of the operation of the Post Office Department than does the gentleman from Michigan [Mr. CEDERBERG].

Mr. CANFIELD. We who serve on the Appropriations Committee handling Post Office Department funds have faced this recurring deficit year after year and we know that what the gentleman says is true. All of our membership, Democrats and Republicans alike, want to see this bill passed today.

Mr. CEDERBERG. It is just plain commonsense and something we should

have faced long ago, but Congress has been negligent in not doing so.

Mr. MURRAY. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, the Post Office Department recovers now 85 percent of its cost of operation. In other words, its deficit is about 15 percent. There is no other department of Government that has this record.

The question is, Who shall pay this deficit? Shall it be paid by the classes of mail users, second- and third-class people, or shall it be paid by the 3- and 6-cent letter user or shall it be paid by all of the people all over the United States?

This bill does not fasten the deficit on second- or third-class mail where the deficit occurs. It fastens it on first-class mail where the profits are. I hold in my hand the 1956 cost chart furnished us by the Post Office Department, and it shows that first-class mail makes about $32 million profit; second-class mail loses about $252 million and third-class, $206 million.

Now, they have a phony cost ascertainment program in which they include intangible factors. Now, an intangible factor, if you put it in your income tax return, they will send you to the penitentiary for it. But, they put an intangible factor in here of cost on first-class mail in order to bring up the first-class mail to a point of deficit. So, do not be fooled with that.

Now, the position of some of the Members is going to be this: I voted for the raises for the employees; therefore I should vote for the rate raise. Well, I want to show you the fallacy in that. The gentleman from Indiana [Mr. HALLECK], the gentleman from Kansas [Mr. REES], and several other gentlemen, including our chairman, have said that the President is going to veto the postal employees pay bill and the classified Federal employees pay bill, but he will sign this one. So, all of you folks who voted for the pay raise bills and who are going to vote for this bill, just remember when the President vetoes the first two bills, you have walked into a trap. You are voting to carry some $400 million or more back to your little 3-cent letter user and your 6-cent letter user of airmail in the place of letting all of the people of the United States carry this deficit as has been the policy of the Post Office Department for over 170 years. Just remember those facts when you get ready to vote for this rate increase. You are walking into a trap. And, when they tell you that the first-class mail does not pay its way, they have got to resort to a newfangled intangible factor of cost and place it on the first-class mail in order to show a deficit.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. SANTANGELO. Is it not a fact, sir, that, even if this bill were to go into effect, the Post Office Department would be operating at a deficit to the extent of 5 percent?

Mr. HOLIFIELD. The deficit of the Post Office Department, even if this bill goes into effect, will be $89 million, figured on 1956 figures. And, of course, it will be more than that in 1957 and 1958.

Mr. SANTANGELO. And the losses are incurred in the operation of the second- and third-class mail?

Mr. HOLIFIELD. The second-class mail in 1956 incurred a deficit of $252 million and the third-class, $206 million, or a deficit of $458 million; and those are the Post Office Department's own figures.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED. Mr. Chairman, it will be my purpose in the brief remarks I shall make at this time to speak in support of H. R. 5836 and to urge my colleagues in the House to vote in support of this meritorious legislation.

The legislation now under consideration is substantially in accord with the schedule of adjusted postal rates proposed by the distinguished Postmaster General in his letter to the Speaker of the House of Representatives dated March 7, 1957. It is my view that the Congress of the United States should give careful heed to the recommendations of Postmaster General Summerfield who has rendered such great public service to the American people since joining the Cabinet of the Eisenhower administration and assuming principal responsibility for the conduct of our vast postal service. General Summerfield assumed public office after distinguishing himself first as a private citizen in business and in personal life. Under the guidance of General Summerfield and as a consequence of his dedicated ability and integrity in office our Nation's postal service has achieved greater efficiency and has rendered a more complete service to the American public than have ever before been realized in our Nation's history. Under the direction of General Summerfield we have had 1,700 new postal facilities developed with private capital through the use of the straight commercial lease arrangement. Under General Summerfield our postal transportation system has been standardized and modernized. Mail delivery and postal services have been improved at less cost and less indebtedness to the taxpayers of our Nation. It is because of that distinguished record of accomplishment achieved by General Summerfield that I say to the Members of the House that it is appropriate for us to give careful heed and favorable consideration to his recommendations with respect to an adjusted postal rate schedule.

Mr. Chairman, there are certain areas in connection with the rendering of services and the making available of goods and facilities where it is appropriate for the Federal Government to apportion the cost of such functions among the users who are benefited thereby rather than imposing the cost burdens on the taxpayers generally. One example where such user cost apportionment is appropriate is with respect to our Nation's highways. This concept was established by the Highway Revenue Act that was enacted during the 84th Congress. Another example where such user cost apportionment is equally appropriate is with respect to the postal services provided by our Federal Government. We are all aware of the large deficits that annually occur in connection with our postal services that the Congress is called upon to offset by appropriations from the general funds of the Treasury and from the tax collections which our Federal Government exacts from our Nation's citizens. The reason these annual deficits must be offset is that the postal rates charged for our postal services are not commensurate with the cost of maintaining such services. Accordingly, Mr. Chairman, if we as the elected Representatives of the American people are to be consistent in our efforts to obtain reduced budgetary expenditures, reduced Federal taxation, and reduced public indebtedness, we should support the enactment of H. R. 5836.

Mr. MURRAY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. LESINSKI.]

Mr. LESINSKI. Mr. Chairman, recognizing that the Post Office Department has expanded considerably since 1932 and that costs for handling mail have increased proportionately, I agree that postal rates should be increased. However, I must disagree with the proposed increase from 3 cents to 4 cents in first-class mail rates at this time. I would not oppose the increase in that class of mail if the rates of the other classes were increased so that they would pay a fair share of the cost of handling.

The American public and we in Congress have been made aware of the large deficit, $252 million in 1956 and approximately $270 million this year, in second-class mail. This has been largely the result of increased costs of handling without proportionate increases in rates.

In 1934 the rates of second-class mail, that is publications, were cut to assist publishers to recover from the business recession and to stimulate the publishing industry. Since then the greatest increase in costs to the Department in relation to quantity mailed has been in this class.

Let us compare first and second class per pound, piece, income and expense for 1956:

	Pieces	Weight	Income
1st class	30,000,000,000	873,000,000	$1,009,832,000
2d class	6,914,000,000	2,902,000,000	65,890,000

Total postal revenues were over $2.4 billion.

True, there are 30 billion pieces in first-class mail and only 7 billion in second class, a ratio of 4½ to 1 or 22 percent. On that basis, 22 percent of the $1 billion that first class brings in amounts to $220 million; but according to the Department's own regulations second class takes twice as long to handle, so the actual figure should be $440 million. Yet the Department shows a deficit of $270 million. This bill does not correct the present inequities in the postal-rate schedule.

As you can readily see, the income of $66 million shows that second-class mail pays only 2.7 percent of the income to the Department, against the 41 percent

paid by first class. Still second class has three times as much weight as first class. Anyone of us who have shipped items knows that there is a minimum charge on shipments but weight is the principal factor in cost. Furthermore, first class brings in 16 times more revenue than second class and consists of less than a third of the weight. Even in number of pieces, first class has only 4.5 times as many pieces against that 16 times the receipts.

If we take an average pound of letters—40—and multiply it by 3 cents, we get $1.20. A 1-pound magazine costs less than 2 cents to mail. This, of course, would be increased according to zone. Many lighter magazines go for one-eighth, one-quarter, or one-half cent per piece and these magazines take longer to handle than regular mail. The typical popular magazine costs the Department 6 cents to handle.

It is claimed that second-class mail is like a hitchhiker—first class has to be carried anyway. This comparison would be good if it were so. Unfortunately, a bus rather than an automobile would have to be used to carry all of the hitchhikers that would be picked up.

I am not saying that second class should pay all of its way, but it should pay at least 50 percent. It is presently paying only 19½ percent. According to the Department, the present bill will provide for 29 percent. There is evidence that the Department has placed a larger burden of cost on first class than previously. Therefore, I doubt the accuracy of that figure for their other figures show only 2.7 percent of total income comes from second-class mail.

In 1951 the committee reported out a 60-percent increase in second-class mail rates which was disapproved so as to protect small publishers. It was cut by the House to 10, 10, and 10, or 30 percent. It was recognized by the Postmaster General at that time that the rate increase should be 100 percent before there should be any first-class increase, though he settled for less. The present bill falls short of even that 1951 objective and still leaves second-class mail paying well under a third of its cost, compared to first-class mail, which is to be saddled with one-third more than its cost.

Second class is far from paying its own way, and the rates should be increased by at least 80 percent at this time. Even with such an increase, it would pay only 37 percent of its cost. For the large publishers the increase will add very little to the costs of the magazines, as compared with present costs. In testifying before the committee, representatives of many publishers carefully avoided admitting how small a part of their total costs the postal rate increase would be. The increase, of course, largely would be passed on to the advertisers in any event. Leading experts in the field testified that such an increase would amount to less than 3 percent of the total costs of the firms doing the advertising, who really pay the bill.

According to testimony, publishing costs—labor, raw material, and so forth—have increased 10 percent annually since 1956. Since that date, the overall increase has been 110 percent in costs other than mailing. Second-class mail rates have been increased 30 percent. The expenses of the Department have also increased; so second-class rates should be increased properly to reflect the added costs of handling. It is not fair that the users of other classes of mail should continue to subsidize users of second-class mail to such a large degree. Ever since 1934 publishers have been reaping benefits without precedent. Gone is the nickel magazine; now we have the 20-cent copy.

As with the escalation of income taxes, magazines having a lesser volume should be given a lower rate than the bill provides; that is, 10 percent annually for 4 years, so that they may also be given the privileges the other publishers have received since 1932. Mr. Stans, in his testimony before the committee—pages 849 and 850, postal rates hearings—said that a rate differential on second class could be worked out. Apparently, pressures made him change his mind, and at a later date before an executive session of the committee he stated that he would oppose any rate differential and that the bill should be reported out as submitted by the Post Office Department.

Many publishers using second-class mail request time value which costs the Department huge sums of money each year. "Time value" is the terminology applied to the situation in which the publisher of a magazine or paper requests that the Department deliver the publication through the mail on a specific date. Often the material is brought into the post office the day or evening before it is to be delivered. This requires the Department to put on extra employees so as to get the mail out on the specified date. Second-class mail is not intended to receive preferential treatment and is supposed to be handled following the sorting of first-class mail during slack periods. Second- and third-class mail are to be used as a fill-in for the postal employees. The time value does not allow the Department to have a maximum number of employees on for steady employment and throws postal employment schedules off. I therefore recommend that any publisher requesting time value pay first-class mail rates. This would either increase the revenue of the Department in second class and give second class the same priority that first class is intended to receive or else cause the publishers to deliver their publications a few days in advance so as not to crowd the post offices a few days every week or month, depending on the type of publication. It will allow a more even flow of mail in the Post Office Department at a saving to the Department.

Third-class mail has also had a substantial deficit and the bill provides that the increases will bring revenues from this class up to about 80 percent of the cost of handling, according to cost ascertainment. Although I believe the increases should be spread out over a longer period, at least they are comparatively in line with what they should be.

Postal cards were increased from 1 cent to 2 cents in 1951. That was a 100-percent increase. Although the postal card has been called the poor man's mail, it is seldom used as such today by individuals, and a large portion of the cards are used by advertisers and publishers. However, we must not forget that the postal cards at the present 2-cent rate are also serving civic, political, fraternal, and other organizations as a means of informing their members of meetings, affairs, and so forth. Although the 2 cents, it is recognized, does not pay the way, I believe the time schedule for increasing the postal card rate is too soon and that the increase should be put off until some future date. The increase from 2 cents to 3 cents at this time will put a heavy and unwarranted burden on the organizations that are of such vital importance to America.

Based on all the information available, it can readily be seen that the low rates, large bulk, and slower handling of second-class mail are bringing about a tremendous expense to the taxpayers of this country. It is in that class where the principal raise should be.

The bill repeals the provision in the Civil Service Retirement Act of 1956 relating to the payment of the Department's contribution to the retirement fund from the Federal Treasury. The intent of the amendment is to saddle postal rates with retirement costs for which there is no established precedent. It is absolutely inequitable that our citizens should be taxed through postal rates to pay retirement of our Federal employees. The Congress just last year laid down the policy that these retirement costs are not properly for consideration in determining postal rates. This repealer, therefore, represents a complete reversal of that sound policy. It should be struck out of the bill.

Mr. Chairman, we have heard a lot of arguments here today; I will let some of them ride. First of all I would like to leave in the minds of the members of the committee a few figures. Second-class mail provides one-sixteenth of the revenue of first-class mail. First-class mail pays $1,010 million. Second-class mail pays $65 million. Second-class mail has three times more weight than first-class mail. The exact figures are 873 million pounds in first-class mail and 2,902 million pounds. Talk about second-class mail paying its way. You know, it is a funny thing, it depends upon whose ox is gored. It depends on who are the friends of the administration.

Mr. Brumbaugh, of the Luce publications, said that second-class mail was making money for the Post Office Department. Do you realize that the postal regulations show that it takes twice as much time to process second-class mail? Their own regulations show that.

Let us talk about pieces of mail. Second-class has one-third the number of pieces of first-class mail. If you take one-third of $1,010,000,000, you get a figure of over $337 million. But it is only bringing in $65 million. That is the reason for the proposed increase in the first-class mail. It is not that they do not need the money at this time. The facts are, according to the figures of the Post Office Department, second-class

mail brings in only $65 million. With reference to what has been said about increasing second-class mail, Postmaster General Donaldson in 1951 requested 100 percent. The committee cut that down to 60 percent. They did not want to hurt small business. That was taken in 3 steps of 20 and 20 and 20. The House, in Committee of the Whole in 1951, cut it down to 30 percent or 10, 10 and 10, because they were afraid of hurting small business. I offered an amendment in the committee to increase second-class mail from 15 to 20 percent to small publishers. That increase would have represented about $10 million more in second-class mail. Therefore, to say that no one has offered an increase in second-class mail I think is wrong.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Michigan.

Mr. CEDERBERG. The gentleman recognizes that the 20-percent increase he offers and the limitation on the press run of magazines would in effect help the big magazine more than it would the little fellow. Life magazine would get a better break under that proposal than the little fellow would. They publish every week. The monthly magazine at the same rate would be harder hit.

Mr. LESINSKI. Under the income tax law every man, whether he makes a million or a thousand dollars a year, has an exemption of $600. All corporate taxes on the first $25,000 is 30 percent. After that, 52 percent. This simply follows a precedent already established in other Government operations.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, the Federal Treasury does not collect revenues like we receive our pay in equal monthly installments. In fact during the late fall months in particular, I understand, tax payments decline, and as a result the Government has to make additional short term borrowings in order to pay its bills.

It is quite obvious, Mr. Chairman, that all Federal agencies have been under executive pressure to assist in every possible way in curtailing expenditures which deplete the cash balances of the Treasury and increase the national debt, which debt temporarily had to be raised twice during the past 4 years.

In the ensuing months and especially around November, as I said, there will be a short period when the Treasury Department will find itself very close to the debt limit set by Congress. There might easily be a situation where payments would have to be deferred. Adjustment in Federal employee salaries and other needed increases in cash outgo which Congress votes I believe will greatly aggravate this situation. That explains one reason why the administration opposes pay adjustments.

As for me, I realize under a popular demand for economy, for Congress to raise, even temporarily, the debt limit would not be politically expedient, nor is this proposal to increase postage revenue pleasant from a political standpoint. But if the United States during the next 4 or 5 months is going to pay its bills and meet its payrolls, and still stay within the legal limit on the national debt, there must be more income coming in. The 1932 scale of postage rates and income of the Post Office Department will not cover 1957 scale of expense and outgo. Therefore to avoid a billion per year postal deficit I feel the users of the mail service should increase the amount they pay for their service, and I will vote accordingly.

Meanwhile it seems to me better public understanding of the fiscal needs of our Federal Government is in order.

After all, when the Eisenhower administration took over, there was an $80 billion carryover of authorized but unexpended liabilities. Today, that figure has declined, I understand, to $70 billion. In other words, we are better off, as a Nation, to the extent of two balanced budgets and a $10 billion reduction in the amount of future contractual payments it will be necessary to make.

Perhaps figures make dull listening, and I am sure they are difficult to understand. However, it seems to me that the public should be given more facts. What we need now, it may well be, is a financial report from our President. We in the Congress could use more information, and informed constituents are equally important because in the last analysis public opinion is the most powerful force in the affairs of a democracy.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman has just listened to a presentation by the distinguished gentleman from New York [Mr. REED]. Mr. REED is not only the Republican dean of the House of Representatives, having served in this body longer than any other Republican, he is also one of the greatest tax authorities in the United Sttaes and in the world. We should give great weight to his counsel, his plea for this bill.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I should like to address myself briefly to two points. As many of you know, I had the privilege of serving on the Committee on Post Office and Civil Service for 4 years, and during that service listened to in excess of 12 solid weeks of hearings. That is why I feel qualified to address myself to these two points.

The first is the point made by the gentleman from Michigan [Mr. LESINSKI] to the effect that there is a great deal more weight carried as second-class mail and, therefore, it should be expected to bear as large a portion of the cost of running the Post Office Department as does first-class mail. I think you can answer that point with one simple question: Which costs the most, to move coal with all its weight of to move diamonds? Obviously, you give the diamonds preferential handling, and the move costs more.

The other point to which I should like to address myself is the implication which has gone through this entire debate. It has been implied that this bill constitutes a change in policy, that it will call upon the users of first-class mail to carry an increased and unjust share of the cost of running the Post Office Department. I submit to you that this is not a change in policy at all. From 1933, and for a great many years thereafter, we charged 3 cents to carry a first-class letter. Since 1933 costs have gone up, to my knowledge, in excess of 115 percent. In 1933, 3 cents presented more opportunity for profit to the Post Office Department than 4 cents would present today.

This is the same policy we have had since the days of Ben Franklin. It is the policy we followed right after 1933. In no sense is it a change of policy at all.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield.

Mr. LESINSKI. The gentleman was a member of the committee and has knowledge of proceedings in the Post Office. Is it not true that certain publications ask for time value? That is, they requested that the mail should get out by a particular day—meaning that if the mail comes in on Thursday, it should be delivered on Friday and that that costs the Department a lot of money?

Mr. GUBSER. That is correct. However, the gentleman has been around post offices a great deal and he will not contend, I am sure, that handling a certain type of magazine or newspapers or publications is difficult or as time consuming nor does it necessitate the qualified personnel to put the mail into individual pigeonholes for individual addresses, as is required in the case of first-class mail.

Mr. LESINSKI. I would like to correct the gentleman. The regulations of the Post Office Department that cover sorting it calls for twice as much time as regular mail.

Mr. GUBSER. I would argue that point. However, this is not the time or place for it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY. Mr. Chairman, I yield 4 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, we hear a lot of talk about the deficit here and that this increase, especially the increase in first-class mail rate is going to do something about the deficit. I would like to see the deficit in Government taken care of, but I do believe if we are going to raise the price of any class of mail above what it costs, then we are levying a tax. That is what is happening here. This is not a very technical bill. This is a bill that every Member of the House can understand quite readily. Let me give you just three very simple sets of figures here which show you what is happening in this bill. These are from figures supplied by the Postmaster General. These are figures that come out of the normal cost ascertainment processes or the usual business way

of figuring out what your costs are. Now what is happening to the first-class mail? Right now, taking the Postmaster General's figures, which are very much weighted against first-class mail—but just taking them, the first-class mail pays more than 98 percent of its way. Yet, this bill would raise it to 132 percent. Second-class mail goes from 21 percent to 31 percent. Third-class mail goes from 56 percent to 83 percent. I want to make clear here that it is highly unfair, not to mention improper, for the Committee on Post Office and Civil Service to be raising the rates on the first-class mail users. Mr. Coleman, president of the Chamber of Commerce, agreed in the committee that the users should pay for the service they get. Why should the first-class mail users pay more than the service he gets? He should pay for the service he gets. You say all the users should pay for the services they get. I think, if this House could decide on the percentage of subsidy for second- and third-class mail, if any, our committee has to decide first and our committee has not decided it. In other words, if the second-class mail, the newspapers and magazines should have any kind of a subsidy, we in the committee should recommend the percentage to this House and we have not done it. If the third-class mail, the people who send out so much advertising through the mails, and many small businesses are represented who use this kind of medium, and they should, they should be protected, and our committee should decide what it should be. Should that carry a 25 percent subsidy from the Treasury. Should the newspapers and magazines get a 50 percent subsidy? I do not know. We have no evidence on that in our hearings. We did not consider the consequences of these raises. The raises in second- and third-class mail are irresponsible raises. They are arbitrary. They have no basis in any facts which appeared before our committee. The Postmaster General thought them up using intangible factors and came up with something that looks as though it will balance his books as though the Post Office Department any more than any other department of the Government was actually just a business that ought to pay its own way. I think it should pay its own way to the extent that Congress decides and Congress has never decided. Congress has never faced up to how much second-class and third-class mail should be paid out of the General Treasury. The first-class mail people should not be saddled with this burden. As for this argument, "Well, at 4 cents, it is a bargain." At 10 cents, it is a bargain to take a letter from here to my home State of Oregon—at 20 cents, at 20 dollars, it is a bargain. But, that is not the point. The point is what is the cost? The cost is determined by the Postmaster General's employees and they say that 3 cents is adequate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, as I have listened to this debate today I have come to the conclusion that we should perhaps criticize our great Rules Committee for not bringing this bill in under a closed rule. I have listened to the welter of statistics, misinformation, lack of conception, and general confusion. I do not know how any of the Members of this House who did not sit through the hearings could possibly make an accurate decision as regards this very complex business of fixing postal rates. Certainly, if there is any justification for bringing a tax bill here not subject to amendment, there should be justification for bringing rate bills here that are not subject to amendment either. So, at the outset, while I am not enthusiastic about this bill, I do hope that the House in its wisdom will see fit to pass this bill as it is written, without any amendments to the rate structure.

I want to emphasize this. I have good friends who are saying, "You should not raise the price of first-class mail to 4 cents," yet they want to raise third-class mail to 2½ or 3 cents.

Do you realize that 7 procedures must be performed by the users of third-class mail, and these 7 steps are very costly, and if we bring the cost of third class to 2½ or 3 cents, too close to the cost of first-class mail, the third-class users will simply dump their mail into the post-office boxes and the Post Office Department would then have to hire tens of thousands of people to collect the mail, to face it, sort it, zone it, and everything else, and the net result would be chaos in the Post Office Department. So you might as well face up to it. This job is complicated. You have to keep one class within the balance of the other or you will throw it all out of kilter. So, when you talk about upping third-class rates and keeping the first-class rates down, you are going to run into trouble.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. CEDERBERG. As a practical matter, unless you raise the first-class mail to 4 cents, you can do nothing about the third-class mail?

Mr. CORBETT. That is exactly right.

Mr. CEDERBERG. So you might just as well forget anything about raising the third-class rates unless you raise the first-class rates, or else you will cause chaos in the Department.

Mr. CORBETT. Of course. You have to be logical. There are a number of things to consider. I will not take the time to cover them all.

In times past I have been much opposed to many of these rate increases. I find myself presently able to support this bill because I think basically it is an inflationary adjustment, as someone has pointed out. I think that is its basic justification. All this talk that we ought to pass a rate bill because we passed salary bills—that marriage never should occur, with or without a shotgun. As a matter of fact, what needs to be emphasized time after time is the fact that there is absolutely no relationship between salaries and the revenue of the Post Office Department. Every penny that comes from the sale of a stamp, or any postal service, goes into the Federal Treasury. The Federal Treasury is then called upon to pay so much to run the Post Office Department.

So there is no more connection between postal revenue and postal salaries than there is between postal revenues and the salaries of classified workers. What Federal employees should receive is a matter we decide in our wisdom.

I think we ought to know something else. There has been all kinds of emphasis today on what first-class mail costs. If we fix rates on the basis of cost alone it will indicate that we are probably the only body in the world that does not understand that cost is only one factor in fixing price, just one factor. Businessmen the world over know that there are many factors that affect cost; and we have given no thought here to anything except what it costs to deliver a piece of mail.

One other thing I want to point out here in determining the proper price or cost of first class or, in fact, of any of these classes of mail: There has not been one word said in this debate today about post office costs included in the deficit which the Congress decided should be saddled on the Post Office Department. This deficit that has been talked about time and time and time again is simply not an accurate representation of the true figures. We have in the last few years finally been able to educate the Department downtown to the fact that what you spend in the developing of the postal service is not all properly chargeable to the users of the mails, that some of it is a matter of policy established by this Congress; and, therefore, some important percentage of this deficit is a matter of calculated loss.

The most obvious example is that there should be free mail for the blind, free mail for publications addressed within a county. How can you charge that to users of the mails? That is properly chargeable to the Treasury of the United States.

As I say, you cannot cover everything here.

I have heard it said that Life magazine costs the Post Office Department $9 million a year to handle. The simple facts of the matter are that the advertising portion of that magazine probably pays its own way now, and certainly will if this bill is passed. You go into all kinds of figures here. We have had all the statistics in the world.

Now, I want to read a part of the bill in the hopes that it will help clarify our thinking. I want to call your attention to this statement on page 13, the beginning of subsection (4):

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear also, from the continued expansion of the postal service and the authorization of certain services rendered or facilities provided at a calculated loss to the Government, that the postal establishment performs some functions in which the public interest outweighs the profit and loss factors which would prevail if the postal establishment were operated solely as a business enterprise.

Subsection (5) reads:

(5) the postal establishment should be operated in a businesslike manner but clearly is not a commercial enterprise conducted for profit and it would be an unfair burden upon users of the mails to compel them to underwrite those expenses incurred by the postal establishment which are not related to the postal services they receive.

I will say to the gentlemen who are going to oppose this bill that again I do think we have an inflationary adjustment that ought to be made and that if we are not going to take the bill as it comes from the committee we better be most careful of what we do.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. SANTANGELO. I would like to state for the record that I think the gentleman from Pennsylvania has been eminently fair in the hearings with respect to the proposition of the Post Office being a public service. I would like to call to the attention of the gentleman from Pennsylvania and of the committee the report of the Citizens Advisory Council which states that the Post Office is a public service and that there are $392 million of public welfare items which Congress has indicated should not be chargeable to the Post Office, but should be a kind of subsidy to the public welfare items, and therefore we do not expect these items to be included in the recoverable cost of the Post Office.

Mr. CORBETT. The gentleman knows I agree with him at least to a considerable degree.

Mr. SANTANGELO. We should not expect the Post Office to be on a pay-as-you-go basis. We must subsidize to a certain extent.

Mr. CORBETT. In agreeing with the gentleman almost entirely, may I say that there would be a considerable deficit still left if we pass this bill.

Mr. CUNNINGHAM of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM of Nebraska. First of all, I want to congratulate the gentleman from Pennsylvania, a very valuable member of our committee. I want to associate myself with his remarks. Frankly, I think he will agree with me that we know of no real opposition to this bill other than from some second- and third-class users who may have to pay more for their postal service; is that not true? The general public does not seem to have any objection to this. They would rather pay the extra penny on their letters than pay extra dollars at the tax window.

Mr. CORBETT. The gentleman from Nebraska had perhaps a 100-percent-attendance record at the committee hearings and proved to be an extraordinary first-termer on the committee. He has made a statement rather than asking a question and I think it speaks for itself.

Mr. MURRAY. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, at the proper time I intend to offer an amendment which I offered last year. The amendment was defeated last year, the first vote being 104 to 110. At that time there were a lot of people who misunderstood the effect of the amendment.

The amendment I will offer at the proper time is to restrict the mailing of reprint from the CONGRESSIONAL RECORD under the Congressional frank and to limit those to the States or Territories of the Members, Delegates, or Resident Commissioner.

A practice has grown up among a few Members of Congress, which I think subjects all of us to a lot of criticism because of it, of abusing the frank. I saw in the paper last fall where one Member of another body sent out under his Congressional frank 9 million copies of a speech that had been placed in the CONGRESSIONAL RECORD. I know that practice is not confined to Members on either side of the aisle.

My amendment would at least signify that Congress is trying to correct some of the abuses which we have brought upon ourselves. I do not think it would be an injustice to anyone and it would save a lot of money.

I would like to see it apply only to the district of the Member or in the case of those Members who represent metropolitan districts to the metropolitan district in which they reside. However, this amendment applies to the State.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MURRAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from California.

Mr. HOLIFIELD. I should like to ask a question for information. Last year when the gentleman offered his amendment it applied to the district of the Members. This year he has changed it to apply to the State of the Member?

Mr. JONES of Missouri. That is right. Actually, the amendment that appeared in the RECORD last year said "State." But I intended to offer it to apply to the "District." It applied to the State. This amendment I shall offer applies to the whole State. The gentleman from California could mail anywhere in the State of California; it would not restrict him, but it would prevent him from mailing CONGRESSIONAL RECORD reprints under his frank, outside the State, not personal or first-class but only printed matter from the CONGRESSIONAL RECORD. That is junk mail, as I call it. He could not mail it outside California and widespread over the United States.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Would this apply also to the chairman of a committee who might want to send out a great amount of information from a particular committee I am happening to think about?

Mr. JONES of Missouri. I think it would apply to any Member of the Congress. However, the amendment says "under such regulations as the Postmaster may prescribe." So we give him a lot of latitude in that regard.

Mr. CEDERBERG. In other words, the intention of the gentleman's amendment would be not to allow a chairman of a committee, because he is chairman of a committee, to send, shall we say, propaganda out across the entire 48 States?

Mr. JONES of Missouri. That would be my intention, yes.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am not entirely satisfied with this bill, and how I vote on it on final passage will depend on what amendments are adopted. I am not impressed by those who have taken the floor this afternoon and complained about the deficit in Government, because some of those who have complained the loudest about deficits have, with the greatest of ease voted for billions of dollars in foreign handouts and many other spending propositions, all of which have contributed heavily to deficits.

Mr. CEDERBERG. Mr. Chairman, if the gentleman will yield, the gentleman was not referring to me, was he? I made one of the statements. Does the gentleman want to exclude me from that statement?

Mr. GROSS. The gentleman understood that I said some, s-o-m-e, Members of the House.

Nor am I impressed by those who point to the pay for postal workers in foreign countries as contrasted with those in the United States. I do not care what they pay them in foreign countries. I am interested in the postal workers of this country. I do know that in some foreign countries they have better mail service than we have in the United States, and I have no doubt that some of the billions that we are shoveling out over there to certain of these foreign countries has helped to provide them with better mail service than we have in the United States. Neither am I impressed by the fact that business will bear the cost of the first-class letter increase, because I am aware, and I think every Member of this House is aware, that as quickly as business can pass on the 1-cent increase in the first-class letter rate, they will pass it right on down to those who cannot pass it on. So, we may as well face up to the fact now that the first-class rate increase will be paid in large part by those who cannot pass it on, the ordinary users of the mail.

Again I say that my support for this bill depends on what happens to it between now and the time the final vote is taken. In view of the steadily increasing costs in the operation of the postal service I feel that some increase in rates is justified.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I have requested this time in order to ask the distinguished chairman of the Committee on Post Office and Civil Service certain questions with respect to the postal operations. To further clarify my position I might state that I am a member of the Treasury-Post Office Subcommittee on Appropriations. Even though the committee of which I am a

member has nothing to do with the legislation as such, the committee does have to provide for the appropriation of the money to carry out the laws after they have been enacted.

It is my understanding, Mr. Chairman, that we still have the same first-class postage rate that was established in 1932. Is that correct?

Mr. MURRAY. That is correct.

Mr. PASSMAN. And since 1932 we have had increases in second-class mail and third-class mail?

Mr. MURRAY. The gentleman is also correct.

Mr. PASSMAN. Now, I want to know if the gentleman has had an opportunity to check the information submitted to the Subcommittee on Appropriations, to the effect that in 1932, in order to maintain the Post Office Department on a self-sustaining basis as nearly as possible, even though this was during the period of severe economic depression, the Congress was courageous enough to increase the first-class postage rate from 2 to 3 cents?

Mr. MURRAY. The gentleman is entirely correct. That was done upon the recommendation of the Committee on Ways and Means as a revenue measure and in 1947 the House, by unanimous vote, made that permanent.

Mr. PASSMAN. And is it not true, also, that from 1900 to 1940 the average annual loss of the Post Office Department was only $33 million?

Mr. MURRAY. On what class of mail was that?

Mr. PASSMAN. That was the total average annual deficit of the Post Office Department, only $33 million yearly for the 40-year period, 1900 to 1940.

Mr. MURRAY. That is correct.

Mr. PASSMAN. But for the following 12 years the average annual loss has been in excess of $445 million?

Mr. MURRAY. The gentleman is correct about that.

Mr. PASSMAN. And the total deficit during that period has been in excess of $5 billion.

Mr. MURRAY. Yes, sir; the deficit has been $5 billion in the last 10 years.

Mr. PASSMAN. Here are excerpts from some certified figures which came to the committee handling the Post Office Department appropriation, and I should like to ask the distinguished chairman if they are in accord with the figures given him; that, for example, at least 75 percent of all first-class postage is used by businesses.

Mr. MURRAY. It is about 80 percent.

Mr. PASSMAN. And businesses may charge off for income-tax purposes every nickel of that postage as an expense; is that correct?

Mr. MURRAY. Yes, sir; that is right.

Mr. PASSMAN. And only 25 percent of the postage is used by the so-called little man, the average individual?

Mr. MURRAY. Yes, sir. And I will say that those who represent big business, such as the chamber of commerce and the National Association of Manufacturers, have endorsed this proposed increase from 3 cents to 4 cents.

Mr. PASSMAN. Is not it true that it costs a certain amount of money to carry the mail and the difference between the amount collected from the user and the cost of operation must be obtained from the Federal Treasury?

Mr. MURRAY. Certainly, the gentleman is correct.

Mr. PASSMAN. Is it not also true that business pays into the Treasury only 40 percent of the total Federal revenues and the so-called little man, the individual, pays into the Treasury 60 percent of all the money that is received through taxes by the Federal Government?

Mr. MURRAY. I think that is true.

Mr. PASSMAN. So that in any way this matter may be considered, under a continuation of this program of not increasing first-class postage it is a situation where the little man is subsidizing the big man; is that not correct?

Mr. MURRAY. Yes, sir.

Mr. PASSMAN. I wonder if the membership fully understands the fact that 75 percent of all first-class postage is used by business, and that business may charge off, as expense for tax purposes, every nickel of this postage cost. But for the difference between the Post Office Department operating cost and the revenue, it is necessary to obtain the money from the Treasury. And when the money is paid into the Treasury, it is the average individual, the little man, who contributes 60 percent of the total, and the big man 40 percent; is that substantially correct?

Mr. MURRAY. I think that is correct.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. PORTER. If the businessman does use 75 percent of the first-class mail and does charge it off as a business expense, that means that the net to the United States Government, looking at this as a revenue measure, as many are inclined to do, is only 48 percent on every dollar of postage paid by 75 percent of the first-class users. So actually the Government does not wind up in as good shape as it has been said it would under this bill.

Mr. PASSMAN. Mr. Chairman, I will say to the gentleman that the Founding Fathers had the courage to put the Post Office Establishment on an almost self-sustaining basis. For 156 years the Post Office Department operated on almost a self-sustaining basis. Now we have built up a postal deficit in the years from 1945 to 1956 of in excess of $5 billion.

Mr. Chairman, I should like to say further that had we permitted the cost of first-class postage to follow the trend of our overall economy, as practically everything else has done, the rate today for a first-class postage stamp would be 7 cents, and not the proposed 4 cents.

The third-class mail has been increased 38 percent since 1932 and the second-class has been increased 3 percent, while letter rates remain the same. May I ask the gentleman where the opposition comes from to changing a 1932 3-cent rate? I want to know from the gentleman, why he does not actually ask for a 5-cent rate, not a 4-cent stamp. If I should vote against this bill it would be because the provision is to increase the first-class letter rate only to 4 cents, and not to 5 cents. I represent a predominantly rural district, but I would support an amendment to increase the rate to 5 cents. In reality, if we should follow the trend of the economy and operate as the facts indicate we should do, the proposal now would be for a 6-cent stamp, and not a 4-cent stamp.

Mr. Chairman, prior to concluding, I wish to express my highest regard for Postmaster General Summerfield and my appreciation for the efficient, businesslike manner in which he is endeavoring to operate the Post Office Department. We should support him in this effort, which is definitely in the public interest.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I have heard the statement made on numerous occasions that if the Post Office Department would merely modernize its operations and adopt efficient methods, there would be no deficit. Frankly, when the Democrats were operating the Post Office Department I heard that frequently from the Republicans. I knew then that it was not true. I know now that it is not true. I do not know of a single business in the entire United States that is operating today on 1932 receipts and 1957 expenditures. It just cannot be done.

Modernization and efficiency will help materially in reducing the deficit. It has been my pleasure, as most of you know, to serve as chairman of the Subcommittee on Post Office Appropriations for a number of years. When I was not serving as chairman of that committee, my good friend from New Jersey [Mr. CANFIELD] was the chairman. We have alternated the chairmanship, I think, for the last 12 years.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. And we have never disagreed on this issue.

Mr. GARY. Never on this issue, and whenever we have disagreed on any issue we have done so without being disagreeable. I may say, moreover, that during that time there has never been any partisan politics on the committee.

Our committee has been insisting for years on modernization and efficiency in the Post Office Department, and I am glad to say, great strides have been made in recent years in that direction. I can say that a great many of the improvements that have been made were started during the Democratic administration and they have carried over into the Republican administration. The present Post Office Department administration is doing, I believe, a good job of trying to modernize and bring greater efficiency into the Department.

Five hundred or six hundred million dollars is a lot of money, and that is the annual deficit today.

I say $500 million or $600 million because I do not think anybody can use a definite figure with reference to the deficit. It is gradually going up every year and with the increase in postal salaries that the House recently voted, it will be at least $750 million next year unless we increase the postal rates. There is only one way that the Post Office can

operate on anything like a balanced budget and that is by increasing the rates.

Another argument has been used on numerous occasions. It has been said that if you will simply eliminate the subsidies in the Post Office accounting, then you would eliminate the deficit. We have eliminated practically every one of the subsidies. We took out the airplane subsidy that the Post Office was paying, and properly so. There was no reason in the world why the Post Office Department, as such, should subsidize the air lines in the United States. We took out other subsidies which were in the Post Office Department. There are only a few minor subsidies amounting to about $27 million still left. I believe there is a bill pending before the Congress to eliminate them, and they should be eliminated. What we should do is to put in, as we are now trying to do, and as the Post Office administration is trying to do, a sound accounting system. Then, we should insist that the users of the mail pay the cost of the services which they receive. Otherwise, what do you have? You have the Post Office Department subsidizing the users of the mail at the expense of the taxpayers. Consider the so-called junk mail which is third-class mail. I think the advertisers have a perfect right to use the Post Office Department. It is a good medium of advertising. But when they do, they ought to pay the cost. There is no reason why a person should send me advertising matter which I throw into the trash basket, and then make me pay a part of the cost of sending it to me through taxes. The only way to avoid that is to require the users of the mail to pay for the services they receive. I think every class of mail should pay its own way with the exception of certain mail for religious, educational or charity purposes, and even then I think the subsidy should be handled in a different way and not by the Post Office. The Post Office is not a subsidizing agent. The Post Office is a service arm of the Government. They are rendering a very definite service to certain classes of the American people. The people who enjoy that service should pay for it, and not pass the cost on to the general public through taxes.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MURRAY. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Pennsylvania [Mrs. GRANAHAN].

Mrs. GRANAHAN. Mr. Chairman, I am against this bill.

I am against this bill because it raises the wrong postal rates by the wrong amounts.

As a member of the House Committee on Post Office and Civil Service, I sat in prolonged hearings of the committee, day after day, listening to representatives of this administration try to justify a 4-cent rate on first-class mail.

It cannot be justified.

First-class mail—and I do not care how you slice this or how you try to explain away the facts—first-class mail pays its way. It is not the cause of the postal deficit.

The huge mass circulation magazines are subsidized in the millions of dollars a year on their postal costs. This is freely admitted. But we are told the postal service is supposed to shoulder part of the cost of delivering Life and Reader's Digest and similar magazines as a means of spreading light and information and perhaps culture among the American people.

If we are going to subsidize Life, let us then be free to admit that the postal service is not intended to pay its own way.

But if we are going to insist on the postal service being run as a business—paying all of its costs and perhaps even showing a profit—then we must start with the areas of postal activities which cost the taxpayer the most money—and raise those to the level where they pay their own way.

Until you do that, it is unfair and discriminatory to punish the average citizen and make him pay one-third more to mail a letter.

This increase as proposed has not been justified to my satisfaction and whether I am the only person in the entire House who votes against it—and I know I will not be the only one—but even if I were completely alone on this issue, I would nevertheless vote "No." I am against this bill.

Mr. MURRAY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, ever since I have been a member of the Post Office Committee, I have endeavored to increase the postal rates. Since my membership starting in 1943, we have been able to increase the postal rates only once in 1949 and once in 1951. Those increases were on second- and third-class mail and not on first-class mail. We have a sound, a good, and a reasonable bill here. I cannot see how any Member can oppose it. I regret that our distinguished majority leader is not here. It was expected to call this bill up Friday. He told me, "How can I vote against an increase in postal rates when I voted for these two pay increase bills? I regret I will not be here to support the bill." I cannot see how those Members who voted for this postal pay bill and the classified pay bill, amounting to $850 million, can now come here and fight any increase in postal rates. If this bill is approved, it will still not wipe out the deficit in the Post Office Department. The 1958 deficit will be $339 million, even though this bill is approved; and if the pay bill is approved, then the deficit, with this postal rate bill in effect, would be $603 million.

Let us see how the expenses of the Department have gone up. In 1945 there were 435,155 employees. What is it today? There are 521,198 employees, and the payroll is $2,340,000,000. In the last 12 months there has been an increase of 85,243 in the number of employees, and an increase in payroll of $1,459,650,000.

Since 1946 we have passed 22 employee benefit bills, including six pay bills. They amount now to an annual cost of $1,859,851,000.

It does not make sense for one to vote for all these increases in salaries and then not vote for an adequate increase in postal rates. The Post Office Department is going to have additional costs. The railroads are now asking for an increase in the transportation of mail. That will cost the Department about $22 million additional. So if there ever was a bill justified under the circumstances, it is this bill.

What did General Farley say? He said:

> Furthermore, a 4-cent letter rate would still be one of the world's greatest bargains. Raising first-class rates to 4 cents is both practical and logical. A higher cost for second- and third-class mail is absolutely and eminently fair and necessary.

Postmaster General Donaldson also corroborated what General Farley said.

I sincerely hope the committee will approve this bill without any amendments, except three minor amendments offered by the committee. Let us vote down the amendments that are offered and pass this bill this afternoon.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. JONAS. Is it not true that if we had realistic rates during the last 10 years we could have reduced the public debt by $5 billion?

Mr. MURRAY. Certainly. I said the Post Office has incurred a deficit of $5 billion in the past 10 years.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. VORYS. I do not find in the report whether the Post Office revenues have been increasing during the period that we have not been giving them more to work with. Is that in the report?

Mr. MURRAY. It should be. It is in the annual report of the Postmaster General. The revenues have been increasing, but the expenses of operation have been increasing far more than the receipts.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.

GENERAL STATEMENT

> In the light of the findings in title II of this act and information received by the Congress with respect to postal activities, revenues, and expenses, the Congress recognizes that—
>
> (1) adjustments in presently existing postal rates and fees are necessary and desirable in order that, to the extent consistent with the public interest and the policies in title II of this act, postal revenues will more nearly equal postal expenses; and
>
> (2) it is necessary and desirable in the public interest that the Congress establish a definite, affirmative, and integrated policy with respect to postal activities, revenues, and expenses which will serve as a guide in the determination and adjustment by the Congress, from time to time, of the postal-rate structure.

With the following committee amendment:

> Page 2, line 2, after the word "expenses", insert "and postal service will be improved."

The committee amendment was agreed to.

Mr. RHODES of Pennsylvania. 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 Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Chairman, I am opposed to the committee bill unless it is improved by amendments.

For a number of years I had the pleasure of serving as a member of the Post Office and Civil Service Committee under the distinguished chairman of the committee, the gentleman from Tennessee [Mr. MURRAY] and also when the committee was headed by the distinguished gentleman from Kansas [Mr. REES].

I have differed with them at times but I have always held both gentlemen in high regard. When the last postal rate increase bill was passed I served on the conference committee and was in complete agreement with our chairman and the ranking minority members in supporting the postal rate increase in 1951. On the bill now before us, however, I cannot accept their proposal to raise letter postage to 4 cents, while only a token increase is proposed in second class, which contributes most to the postal deficit.

I do not contend, Mr. Chairman, that 4 cents for letter postage is excessive. Even at 5 cents, letter postage would be a big bargain. If the postal system would be operated by private interests the cost would be many times that amount. My objection is that the committee bill is discriminatory. It would be most unfair to increase rates on first-class mail users to 4 cents, a total increase of $365 million, while second class would be increased by only $33 million spread over a 4-year period, or slightly more than $8 million annually. Users of first-class letter postage who now pay their own way, would be burdened with an additional annual cost of $365 million.

According to the fiscal year 1956 cost ascertainment report, the latest official figures available, there was a loss for the year of more than $252 million in second class. Yet this bill suggests a second-class increase of only $8 million annually for 4 years. During the same fiscal year of 1956, first-class mail revenues exceeded costs of handling by over $35½ million, while air-mail revenues exceeded costs by more than $23 million. These are official figures published in table 100 of the Post Office cost ascertainment report.

Mr. Chairman, I cannot agree that first-class mail is being carried at a loss for 3 cents an ounce. It may come as a surprise to many of my colleagues to know that during fiscal year 1956 nonlocal first-class letters and sealed parcels brought in 3.682 cents in average revenue per piece handled by the Post Office Department. These are up-to-date figures that can be verified by an examination of table 41 of the fiscal 1956 cost ascertainment report. Like many other Members I cannot accept what has been recently introduced as intangible factors. It is a gimmick to put across an increase that cannot be justified by the facts.

An increase in first-class rates to 4 cents an ounce is not justified from a careful examination of the Post Office Department's own statistical data. It would be inflationary as well as most unfair to the American people.

Mr. Chairman, this is a bad bill. By putting the unjust and unfair burden on the average citizen who uses first-class mail it would make more secure the unreasonable subsidies that in the case of one publisher runs as high as $10 million a year.

How can we, in good conscience, pass such a bill? We should cut out of this bill the proposal for a first-class letter-postage rate increase or make a more substantial increase in second class than the committee proposes. If either of such amendments are accepted I will support the bill. At the proper time I intend to introduce an amendment to improve the bill which I hope the committee will accept.

Mr. Chairman, I am not opposed to a postal-rate increase. When the Post Office and Civil Service Committee brings to the floor a bill that will be fair to all mail users in the apportionment of their rightful share of the postal deficit, I shall support it. H. R. 5836 is not such a bill.

Unless it is improved by amendments the bill should be defeated.

Mr. SANTANGELO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this bill conditionally just as did the gentleman from Iowa.

As a member of the committee who has listened to all of the testimony, I want to commend the chairman for his fairness to the younger members and the new members of the committee, giving us the opportunity to probe and question so that we could have a better understanding of this complex problem.

Throughout these hearings I have been disturbed by a reversal of policy that the Postmaster General has been trying to initiate. I read the report of the Advisory Council to the Senate which was made to the 85th Congress this year. It indicated historically and traditionally that the Post Office was a public service; yet today we hear that the Postmaster General is trying to put the Post Office Department on a pay-as-you-go basis, or on a system which would make it meet its own costs.

According to the report that was published and from which I read a little while ago, $392 million of the cost of the Post Office Department is dedicated to public welfare made up of mail which goes out under the franking privilege, mail to the blind, favored treatment to certain newspapers, and many other phases of public welfare. Yet the cost of these services is included in the overall expense of the Post Office Department.

I try to be fair about this measure, and I recognize that what we are talking about in this whole postal budget is 16 percent of the total revenues. The total revenue amounts to $2½ billion, and the operating costs are $3 billion, leaving a deficit of about $500 million, 16 percent.

This bill provides enough additional revenue to recoup about 11 percent of this deficit. This means that we will still have a deficit of 5 percent.

Now the question uppermost in all our minds is, who is to assume this burden of 5 percent? Shall it be the users of first-class mail or the users of second- and third-class mail? The first-class mail is used 75 percent by business and 25 percent by individuals, by people exchanging correspondence with each other, writing letters to their Congressmen, writing letters to their boys in the service, love letters, Christmas and Easter cards, and mail for personal use.

During the course of the committee hearings, I made the suggestion that those people using first-class mail for personal reasons should continue to pay the 3-cent rate and that others pay 4 cents. But that proposal was voted down immediately, because the Postmaster General said it was impractical and unfeasible.

Now I ask why should we this year take this second-class mail, the periodicals, the newspapers and magazines and reduce the rates below those which were included in the bill last year? Last year they approved a bill which required that newspapers and periodicals containing more than a certain amount of advertising would pay an additional 30 percent rate; but this year that particular provision was deleted and eliminated.

So what do we find? Under the cost-ascertainment system, first-class mail is making a profit. According to it, first-class mail made a profit of $35.7 million in 1956, and second-class mail caused a loss of over $250 million.

But the Postmaster General through a little change in accounting, taking into consideration certain intangible factors comes up with a loss of $316 million on first-class mail and a lesser loss on second-class mail.

What has happened? He has asked for a 33-percent increase on first-class mail which will give him an amount in excess of loss which he says first-class mail is causing, taking into consideration the intangible factors.

What happens to second-class mail? This is the mail on which the loss was $250 million or more. The Postmaster suggests a sliding scale over a period of 4 years to yield the grand sum of $31 million, which means they will still be operating at a deficit which the first-class users subsidize. The newspapers, magazines, and periodicals are losing $250 million and will pay under the terms of this bill only the sum of $31 million additional.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose this bill as written because it represents, in my judgment, a completely inadequate and unrealistic approach to the assignment we have here in this House today, that of setting rates. We are not raising taxes, we are setting rates for a service which the Government renders exclusively to the citizens of the United

States. We have had a lot of discussion about the cost of this service. I want to make it perfectly clear that the so-called intangible factors which have been mentioned repeatedly are completely phony because every one of them is carefully weighed in arriving at a cost-ascertainment figure.

What is cost ascertainment? It of necessity is an arbitrary allocation to each class of mail of the cost for the facilities and the personnel employed in the processing of that class of mail. How is it done? It is done on a sampling basis, just as any sound cost ascertainment procedure must necessarily look to a sampling process in an operation the size of the United States Post Office. Every single man-hour of work in the processing of each class of mail, every single postal facility is carefully evaluated and measured, and every factor capable of measurement is included in the cost ascertainment.

What does it show? It shows, first, that it is a sound method because by law this Congress has directed that the cost ascertainment system be a ratemaking tool in the case of fourth-class mail. That is the ratemaking tool. If it is valid in fourth-class mail, then of necessity and in consistency it must be valid in every other class of mail.

Now we are asked here to up the cost of handling the only class of mail which makes a profit under cost ascertainment, and it does make a profit. Those figures come from the official cost ascertainment reports of the Post Office Department. It made $35 million in the last measurable and accounted-for period. Over the last 10 years from 1947, it has accumulated a profit of over $800 million.

Where does the loss occur? It occurs in second-class mail. Over the last 10 years second class has accumulated a loss of over $2 billion, and third-class mail, on this same official measurement, has accumulated a loss of $1,459,000,000. I will put these figures in the RECORD year by year because they are very revealing.

Excess or deficit of revenue over expenditures, selected classes of mail, 1947 to 1956, inclusive

Fiscal year	1st class [1]	Airmail (domestic) [2]	2d class [3]	3d class
1956	+$35,664,975	+$17,815,907	−$269,210,078	−$233,511,972
1955	+62,325,144	+20,266,779	−219,586,785	−172,039,091
1954	+63,327,680	+3,598,035	−218,354,765	−147,187,173
1953	+82,450,467	−42,042,375	−230,477,533	−158,568,348
1952	+52,407,981	−32,497,079	−226,740,091	−191,913,098
1951	+102,387,227	−25,989,369	−188,567,349	−130,114,233
1950	+80,423,334	−35,501,867	−179,224,730	−135,872,341
1949	+82,064,709	−37,261,064	−174,674,835	−129,052,786
1948	+154,308,612	[4] −27,075,431	−152,665,801	−86,681,326
1947	+131,044,351	[5] −18,984,425	−148,092,646	−74,519,210
Total	+846,404,480	−177,670,889	−2,007,594,613	−1,459,459,578

[1] Included in costs is free mail for the United States Armed Forces.
[2] United States Armed Forces mail, domestic and to and from overseas included.
[3] "Free in county" not included in expenditures. Prior to 1953, controlled circulation publications included.
[4] $8,000,000 included as expense for estimated cost of pending rate change by CAB.
[5] Expenditures include $11,880,429 estimated added cost due to CAB rate (pending) and $4,418,703 estimated cost of transporting domestic airmail over foreign airmail routes.

NOTE.—Excess of revenue over expenditures indicated by plus (+) sign before dollar amounts, and excess of expenditures over revenue by minus (−) sign.
Source: Cost ascertainment reports of the United States Post Office Department for the years 1947 to 1956, inclusive.

Mr. Chairman, we are told that very few people have protested this bill. Of course, they have not. The average first-class user of mail is not organized; he is represented by no one but we who sit here as Members of the House of Representatives. He is not able to be articulate in his own interest. But do not ever think that the phony polls which have been taken correctly reflect the views of the average first-class mail user because they most assuredly do not. If we were to direct to him a factual poll, pointing out that first-class mail pays its way; and asking: "Would you want, therefore, to increase the rate?" the answer would be in the negative. I tried this in my district and over 85 percent of my people said: "No, sir, we do not want to increase the rate from 3 cents to 4 cents." I join with them. I do not want to increase it, either. If the day ever comes when the Post Office Department requires an increase in first-class mail to underwrite its legitimate portion of the cost of postal service, I will be one of the first to step forward and support that proposal.

But, that day has not arrived, and whether or not it will is highly speculative. The gentleman from Indiana tells us that the speculative cost of increased wages is one we should not regard because the President in his wisdom is going to veto it. He gave us the same assurance on the classified pay bill. Now, if next year the President, recognizing the need of the postal service, should decide to sign the pay bill, and cost ascertainment figures then show clearly that an increase in the first-class rate was necessary, I would at that time support it enthusiastically.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to just call attention to one or two facts that seem to be overlooked or minimized in this debate. I rise, of course, in support of the bill. I think the first point that we need to consider is the fact that even if this Congress in its wisdom elects to do nothing about postal rates, it still is doing something and something very substantial about the relationship between the revenues and the cost of the postal service. If, by rejecting this bill—and I do not for a moment believe this House will—we did nothing with respect to the increase in postal rates, it would have the very definite effect of increasing the disparity between the revenues and the cost of the services that are furnished.

Now, I heard it said here on this floor earlier this afternoon that if we adopted this bill we would destroy the service concept of the Post Office Department. I cannot conceive of a more fantastic or unrealistic statement than that. I say, in the first place, whether or not the Members of this House want the postal service to pay its way, whether or not the Postmaster General wants the postal service to pay its way, there is not a chance in the world that the postal service is going to pay its way if this bill is adopted, because the increase in revenues in relation to the present deficit will by no means bridge the gap, and there are prospects of increased costs over and above the increases that we have already experienced.

In the second place, if we do not adopt this bill, we are in effect increasing the so-called service aspects, because we are increasing by a do-nothing action, the portion of the cost that must be saddled upon the taxpayer rather than being paid by the users of the mail.

Now, with respect to those who argue that by adopting this legislation we would destroy the service principle, may I ask whether in 1947, when first-class mail was paying 130 percent of its allocated cost, we had at that time destroyed the public-service concept. The fact of the matter is that if this legislation is adopted and costs remain fixed, we would restore that historic pattern and ratio of 130-percent revenue in relationship to the cost for first-class mail. Of course, the reason for that differential is the matter of preferred service. It is not a tax any more than it is a tax if you pay extra for a box seat at a ball game rather than elect to sit in the bleachers. You pay for what you get. You pay for the service.

We propose in this legislation to restore a historic pattern, one which no one regards as hostile to the public-service concept. We do the very thing which former Postmaster General Farley said he would regard as imperative if he were faced with the situation which the present able and distinguished Postmaster General faces. And, I quote his exact words from his testimony before the committee last year. Mr. Farley said:

> If my staff had presented me with the figures and the evaluation of what is developing in the postal service, demonstrating that I would be faced with a $500 million deficit annually, I would have been greatly concerned. If I had spent as much time and energy in trying to work out improvements in the postal service as has Postmaster General Summerfield, General Donaldson, and their predecessors only to see it absorbed in dispensing much-deserved higher salaries and fringe benefits to employees without commensurate rate increases, I would be deeply discouraged.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Michigan mentioned the name of Mr. Farley. It might be well to point out that Mr. Farley is connected with the Coca-Cola Co. He is a businessman.

The product he sells which is famous all over America, sells for 5 cents, just as it did in 1932. That might answer also the suggestion that some gentleman on the floor made a few minutes ago to point to one single company that sold its services or its product for the same price as it did in 1932. I point to the world-famous American Coca-Cola which still sells for 5 cents.

Let us get down to what this is all about. We are asked to do something here for the Post Office Department which we are not asked to do for any other department of Government. The Department of Agriculture spends over $3 billion and we do not ask it to pay its own way. The Departments of Labor and Health, Education, and Welfare, spend $2,871 million and they render services to the people, also. We do not ask them to carry their own way. But when we get to the Post Office Department suddenly we become very desirous that the Post Office Department pay its own way. The Post Office Department pays 85 percent of its own way under the present management. It has a deficit of only around 15 or 16 percent.

The question before the House is, who shall pay this deficit of 15 or 16 percent? Should the people who incur the deficit, who are the second- and third-class users of mail, pay it? Shall all of the people pay it out of the general tax fund? Or shall we lay it on the backs of the 3-cent letter user and the 6-cent letter user? That is all there is to it.

If you want to raise the deficit of this one department of government and make it pay its way, you put it on the back of the 3-cent letter user and the 6-cent letter user. You do not let the people of the United States carry the deficit as it has in years gone by as a matter of national policy, but you say, "here is a good place to gouge the little fellow who is not organized and we will gouge him and we will use this as a revenue raiser."

The Post Office Department's own book for 1956 shows that first-class revenues were $1,013 million. The expenditures for the Department were $978 million. In other words, it made a profit of $35,700,000 on first-class 3-cent mail. Now not only do we want to make $35,700,000 but we want to add another $300 million on to the burden of the 3-cent letter user for the benefit of whom? I will tell you, I have it right here. I sent a letter in March to the Post Office Department and I asked them what the subsidy was to some of our big national publications. Here is the subsidy to Ladies Home Journal, Collier's magazine—now defunct—Life, Saturday Evening Post, and Reader's Digest, as the Post Office furnished to me:

Volume, revenues, and estimated handling costs of selected second-class publications based on one issue, for the year 1956

[In thousands]

Publication	1 issue					Estimated annual loss
	Weight (pounds)	Copies	Postage at present rates	Cost of handling	Excess of costs over postage	
Ladies' Home Journal	5,835	3,706	$128	$287	$159	$1,917
Collier's Magazine	1,909	3,070	48	169	121	3,146
Life	5,410	4,775	144	323	179	9,310
Saturday Evening Post	3,095	3,106	67	184	117	6,087
Reader's Digest	3,829	9,163	90	438	348	4,172

NOTE.—In all cases costs were based on average cost factors computed for a subgroup of publications applied to volume data for each publication, and not on individual traffic studies and cost factors attributable to each specific publication.

The Saturday Evening Post, $6,087,000. These are the Post Office Department figures, they are not mine.

The Reader's Digest, $472,000.

Those are the people that are incurring the deficit, and you want the little 3-cent letter user to carry this deficit.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Was the little 3-cent letter mail user being gouged in 1947 when he was paying 130 percent of the allocated cost?

Mr. HOLIFIELD. If the gentleman wants the classes of mail to pay their own way, yes, he was being gouged. Certainly, once they are making a profit off him, he is being gouged, particularly when you are using that profit to cover the deficit of the big newspapers like the Chicago Tribune, the New York Times and all other large metropolitan daily newspapers.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. MOSS. Is it not true that the rate set in 1932 which produced this excess of revenue over cost was set after action by the Committee on Ways and Means as a clear revenue-producing measure and not as a rate measure?

Mr. HOLIFIELD. Exactly. It was done by the Committee on Ways and Means and it was later affirmed by the Post Office and Civil Service Committee in 1947.

Mr. Chairman, at the proper time I shall offer an amendment.

Mr. CEDERBERG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to ask a question of the chairman of our committee.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Tennessee.

Mr. MURRAY. I hope we can pass the bill this afternoon. We may have to stay here a little longer, but I hope these speeches will be abbreviated and curtailed, so that we can get down to the consideration of the amendments.

Mr. CEDERBERG. May I ask our distinguished chairman if it is his understanding that the leadership on his side of the aisle supports this legislation at the present time?

Mr. MURRAY. I have taken it up with the Speaker and majority leader, and I think they are supporting it.

Mr. CEDERBERG. The majority leader advised me that if he were to be here today, and if the bill had been taken up Friday evening, as it had been originally planned, he intended to support this legislation, and he gave some very obvious reasons why he intended to support this legislation, although he had not done so in the past.

I am not going to take the full 5 minutes because I want to respect the request of the chairman of the committee that we get along with this bill.

You cannot raise third-class mail unless you raise first-class mail, as the distinguished gentleman from Pennsylvania pointed out, so if any of you are going to vote for an amendment to reduce the proposed 4-cent rate in the bill to 3 cents, then we have to reduce the third-class mail. There just cannot be any other way; otherwise it will cause tremendous chaos in the Department.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. HOLIFIELD. I want the House to know very fairly where I stand. I shall offer an amendment, if I am recognized, to strike out the increase in the 3-cent letter and the 6-cent letter mail rate. I will also support any amendment offered to strike out the raises in the other two.

Mr. CEDERBERG. In other words, the gentleman is not for anything.

Mr. HOLIFIELD. I am against the bill, and I want to say so honestly.

Mr. CEDERBERG. We appreciate the candor of the gentleman. He has always been very frank. The gentleman from California is strictly willing to go along with a billion-dollar deficit in the Post Office Department.

Mr. HOLIFIELD. I say that any deficit in a department of the Government that renders a service is a matter apart from the income of that department.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Indiana.

Mr. HALLECK. I wonder if the gentleman from California would go so far as to say that the Post Office Department ought to carry the mail for everybody at no charge. I do not see how you can escape that end position in view of what the gentleman has just said.

Mr. HOLIFIELD. The gentleman from California is not seeking to change the present situation. I am perfectly willing to go along with the present situation.

Mr. HALLECK. It is very obvious that the gentleman does not want to change the present situation, which is that the taxpayers have to make up, if this bill does not pass, a billion dollars in the postal deficit.

Mr. HOLIFIELD. Why should the first-class mail users have that great burden?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. TABER. Does what the gentleman from California said mean that he is in favor of keeping taxes up just as high as possible to maintain a deficit in other departments of the Government as well?

Mr. CEDERBERG. It is the policy of the liberal Democrats to have more deficits and continually more deficits all of the time.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. JOHANSEN. Is it not a fact that whether or not the gentleman from California wants the situation to remain the same as it is, or wants it changed, that it is changing constantly with the increasing costs?

Mr. CEDERBERG. Why, certainly. A deficit of $1 billion in the Post Office Department is absurd and it was so stated by former Postmasters General. It is unbelievable.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. PORTER. Does the gentleman then support further raises in second- and third-class rates so that they will pay 100 percent of their way?

Mr. CEDERBERG. Here is what I would do if I were going to amend this bill. I am aware of the temper of the House and therefore will not offer amendments. I think this bill should allow the 4-cent rate to go into effect. About a year from now, we should go into the 5-cent letter. Then the four 15-percent increases in second-class mail should be extended to five 15-percent increases. That would cover a period of 5 years. The third-class mail should be raised from 1½ cents to 2 cents the first year; to 2½ cents the second year, and 3 cents the third year. Then, you would have a sensible bill. Because it is a historical fact that once we do something about this rate, we are not going to touch it again until 10, 15, or 20 years from now and the deficit is going to mount and the poor individual taxpayer who some of the people think their hearts are bleeding for, is the fellow who is going to pick up the check.

Mr. PORTER. Is it then the gentleman's position the fact that the second-class mail only pays 31 percent and the third-class under the second increase pays 83 percent, that that is a satisfactory situation?

Mr. CEDERBERG. No. The situation is this and I am practical enough to know and that has been the history of the Department that second-class mail will never pay its way. We recognize the public service feature there, but the gentleman's position is completely inconsistent. He would put in an amendment to reduce it from what it is in the bill now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PORTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know the hour is late and I know the time of the year is late. I also know this House has come in for some criticism recently in Times magazine section about the way it legislates. I think I know this bill. I know because I sat in on almost every one of its 21 hearings. My attendance record is as good as any Member's. I know that the bill before you is unfair and imprudent. It is unfair because, as has been very well pointed out by the gentleman from California [Mr. HOLIFIELD] and the gentleman from California [Mr. MOSS] and others, it is unfair to the first-class mail users because it puts on them more expense than the cost of the service that they get. It is imprudent because it calls for increases in second-class and third-class mail rates that have no rationale. The facts have never been, in fact, presented to our committee. We have no evidence in our hearings as to what the result of these increases on second-class mail will be. We have no evidence with regard to what this great increase in third-class mail will be. Yet, many small businesses are involved. I know there are big businesses involved. I think our committee has a good deal of work to do to decide whether there are classes that can be made so that this burden will not sink a good many small businesses. But, we do not have that information. This bill should be defeated because it is unfair to the first-class mail users, and it is imprudent because it does not take into account the consequences of these increases on the second-class mail users and the third-class mail users. This bill should be defeated.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield.

Mr. SISK. Quite a lot of talk around here has been heard about who is bleeding for whom. I wonder if the gentleman would distinguish for me the difference between the bleeding taxpayer and the bleeding postal users. Is there an entirely different group of people involved or is it not a fact that what we are proposing here is actually an increase in the taxes on the American people?

Mr. PORTER. That is correct, and I think the taxpayers may be better organized than the first-class mail users.

Mr. SISK. I thank the gentleman.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield.

Mr. CEDERBERG. I am amazed at the gentleman's inconsistent position. He is complaining about second-class mail, yet in the committee he voted to cut the bill about 10 percent.

Mr. PORTER. I repeat what I said twice before. I believe that the proposed increases on the second-class mail are irresponsible. I do not know the consequences until we have made such a study. Until we have such information we should not make increases either in second- or third-class mail.

Mr. CEDERBERG. Are they any more irresponsible than the deficit in the second-class?

Mr. PORTER. The fact it does not pay its whole way? I do not like that. But the increase should not be a step in the dark.

Mr. CEDERBERG. How did you arrive at the 10 percent figure?

Mr. PORTER. I wanted to reduce the possible economic injury. I talked to many small magazine publishers. They said that the 5 percent in each of four stages would mean the difference between survival and going out of business. My motive was to make a stopgap measure so that we would save some of these small magazines while the committee did its duty to find the facts which were necessary for proper legislation.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PORTER] has expired.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any portion.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. CORBETT. Mr. Chairman, reserving the right to object, does the gentleman not feel, in view of the fact that there are 9 or 10 amendments pending, that it is impossible to proceed tonight?

Mr. MURRAY. I do not think so. I think we can dispose of them very rapidly.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The remainder of the bill is as follows:

TITLE I—POSTAL RATE INCREASES

Short title

SEC. 101. This title may be cited as the "Postal Rate Increase Act, 1957."

First-class mail

SEC. 102. (a) That part of the first section of the joint resolution of June 30, 1947 (61 Stat. 213; 39 U. S. C. 280), which precedes the proviso, is amended by striking out "3 cents" and inserting in lieu thereof "4 cents."

(b) Section 1 of the act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 280), as amended, is further amended—

(1) by striking out "2 cents" wherever appearing in subsection (a) and inserting in lieu thereof "3 cents"; and

(2) by striking out "2 cents" in subsection (b) and inserting in lieu thereof "3 cents."

Domestic airmail

SEC. 103. Section 201 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1261; 39 U. S. C. 463a) is amended—

(1) by striking out "6 cents" in the first sentence and inserting in lieu thereof "7 cents"; and

(2) by striking out "4 cents" in the second sentence and inserting in lieu thereof "5 cents."

Second-class mail

SEC. 104. (a) Section 2 (a) of the act of October 30, 1951 (65 Stat. 672; 39 U. S. C.

289a), is amended by inserting immediately before the colon which precedes the first proviso the following: ", and (4) such postage is further adjusted to the amounts set forth in the following table, on the dates specified:

	Effective July 1, 1957 (cents per pound, or fraction thereof)	Effective July 1, 1958 (cents per pound, or fraction thereof)	Effective July 1, 1959 (cents per pound, or fraction thereof)	Effective July 1, 1960 (cents per pound, or fraction thereof)
A publication having not more than 5 percent of its space devoted to advertisements, and that portion of other publications devoted to matter other than advertisements	2.2	2.5	2.8	3.1
Advertising portion of a publication having more than 5 percent of its space devoted to advertisements:				
1st and 2d zones	2.2	2.5	2.8	3.1
3rd zone	3.0	3.4	3.8	4.2
4th zone	4.5	5.1	5.7	6.2
5th zone	6.0	6.8	7.5	8.3
6th zone	7.5	8.4	9.4	10.4
7th zone	9.0	10.1	11.3	12.5
8th zone	10.5	11.8	13.2	14.6"

The adjustment in postage contained in the amendment made by this subsection shall not apply to any issue of a newspaper with respect to which issue the entire press run consists of 5,000 copies or less and the rate or rates of postage, as in effect immediately prior to the date of enactment of this act, for the mailing of any issue of any newspaper to which this sentence applies shall remain in effect until otherwise provided by Congress.

(b) Section 2 (c) of such act of October 30, 1951, is amended by striking out "one-eighth of 1 cent" and inserting in lieu thereof "one-fourth of 1 cent, except that (1) the postage on each individually addressed copy mailed by the organizations listed, and for the purposes prescribed in the second and third provisos of subsection (a) of this section, and each individually addressed copy of a publication of the second class addressed for delivery within the county and not entitled to the free-in-county mailing privilege, shall not be less than one-eighth of 1 cent, and (2) the per copy rates prescribed for publications covered by section 25 of the act of March 3, 1879, as amended (39 U. S. C. 286), are continued."

(c) Section 2 (d) of such act of October 30, 1951, is amended by striking out "1 cent" and inserting in lieu thereof "1½ cents."

Controlled circulation publications

SEC. 105. Section 203 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262; 39 U. S. C. 291b), is amended—

(1) by striking out "10 cents a pound or fraction thereof" and inserting in lieu thereof "12 cents a pound or fraction thereof regardless of the weight of the individual copies"; and

(2) by adding at the end thereof a new sentence reading "The rates provided in this section shall remain in effect until otherwise provided by Congress.".

Third-class mail

SEC. 106. Section 3 of the act of October 30, 1951 (65 Stat. 673; 39 U. S. C. 290a–1), is amended—

(1) in that part of such section which precedes the first proviso—

(A) by striking out "2 cents" wherever appearing therein and inserting in lieu thereof "3 cents";

(B) by striking out "1 cent" and inserting in lieu thereof "1½ cents"; and

(C) by striking out "1½ cents for each additional two ounces or fraction thereof" and inserting in lieu thereof "1 cent for each additional ounce or fraction thereof";

(2) in the first proviso contained in such section, by striking out "$10" and inserting in lieu thereof "$20";

(3) in the second proviso contained in such section—

(A) by striking out "14 cents" and inserting in lieu thereof "16 cents";

(B) by striking out "1 cent" wherever appearing therein and inserting in lieu thereof "2 cents"; and

(C) by striking out "10 cents" and inserting in lieu thereof "12 cents";

(4) by striking out the third proviso contained in such section and inserting in lieu thereof *"Provided further,* That the minimum charge per piece of 2 cents specified in the foregoing proviso shall be increased to 2½ cents on July 1, 1959:"; and

(5) in the fourth proviso contained in such section, by striking out "3 cents" and inserting in lieu thereof "5 cents."

Fourth-class mail

SEC. 107. Sections 204 (d) and (e) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262), as amended (39 U. S. C. 292a (d) and (e)), are amended to read as follows:

"(d) The following materials when in parcels not exceeding 70 pounds in weight may be sent at the postage rate of 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, and this rate shall continue until otherwise provided by the Congress: (1) books permanently bound for preservation consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters; (3) printed music whether in bound form or in sheet form; (4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answers, test scores, or identifying information recorded thereon in writing or by mark; and (5) manuscripts for books, periodical articles, and music.

"(e) (1) The following materials when in parcels not exceeding 70 pounds in weight when loaned or exchanged between (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members or readers or borrowers, shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection, and this rate shall continue until otherwise provided by the Congress: (i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form and bound volumes of periodicals; and (iv) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

"(2) The rate provided in paragraph (1) for books may apply to sixteen-millimeter films, filmstrips, transparencies for projection and slides, microfilms, sound recordings, and catalogs of such materials when sent in parcels not exceeding 70 pounds in weight to or from (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.

"(3) Public libraries, organizations, or associations, before being entitled to the rates specified in paragraphs (1) and (2) of this subsection, shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual."

Determination of class of post office and compensation of postmaster and certain employees

SEC. 108. On and after January 1, 1958, 80 percent of the gross postal receipts of all classes of post offices shall be counted for the purpose of determining the class of the post office or the compensation or allowances of postmasters or other employees whose compensation or allowances are based on the annual receipts of such offices. Nothing contained in this section shall operate to decrease the compensation or allowances in effect immediately prior to January 1, 1958, for postmasters and other employees in the postal field service on such date whose compensation or allowances are based on the annual receipts of such offices.

Repeals

SEC. 109. The last sentence of section 4 (a) of the Civil Service Retirement Act as contained in the Civil Service Retirement Act Amendments of 1956 (70 Stat. 747) is hereby repealed, and hereafter the amounts contributed by the Post Office Department to the civil service retirement and disability fund in compliance with such section 4 (a) of the Civil Service Retirement Act shall be considered as costs of providing postal service for the purpose of establishing postal rates.

Conditions precedent to withdrawal from general fund of Treasury

SEC. 110. That part of the paragraph under the heading "General Provisions" under the appropriations for the Post Office Department contained in chapter IV of the Supplemental Appropriation Act, 1951 (64 Stat. 1050; 31 U. S. C. 695), which precedes the proviso is amended by striking out "the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service" and inserting in lieu thereof "(1) that the revenues from fourth-class mail service will not exceed by more than 3 percent the costs thereof, or (2) that the costs of such fourth class mail service will not exceed by more than 3 percent the revenues therefrom."

Effective dates

SEC. 111. (a) The rates of postage prescribed by this title, except those prescribed in section 104 (a), shall become effective on July 1, 1957.

(b) The rates of postage prescribed by section 104 (a) of this title shall become effective as provided in such section 104 (a).

(c) The fee prescribed by section 106 (2) of this title shall become effective on January 1, 1958.

(d) Section 109 of this title shall become effective as of the effective date of the Civil Service Retirement Act Amendments of 1956.

TITLE II—POSTAL RATE POLICY

Short title

SEC. 201. This title may be cited as the "Postal Rate Policy Act."

Findings

SEC. 202. The Congress hereby finds that—

(1) the Postal Establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

(2) the Postal Establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry;

(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear also, from the continued expansion of the postal service and the authorization of certain services rendered or facilities provided at a calculated loss to the Government, that the postal establishment performs some functions in which the public interest outweighs the profit and loss factors which would prevail if the postal establishment were operated solely as a business enterprise;

(5) the postal establishment should be operated in a businesslike manner but clearly is not a commercial enterprise conducted for profit and it would be an unfair burden upon users of the mails to compel them to underwrite those expenses incurred by the postal establishment which are not related to the postal services they receive;

(6) Notwithstanding the need for all users of the mails to be informed with reasonable certainty of the postal rates and fees which will be imposed upon them, the Congress heretofore has not laid down a firm policy (except for fourth-class mail and certain special services authorized by law) with respect to the identification and evaluation of those services rendered by the postal establishment in whole or in part for the benefit of the general public and those services which inure in whole or in part to the benefit of certain users of the mails; and

(7) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of Congressional policy for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

Declaration of policy

SEC. 203. (a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

(b) It is hereby declared to be the policy of the Congress, as set forth in this title—

(1) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

(2) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports and recommendations, required to be made by the Postmaster General as provided by section 206 of this title, on the basis of the cost ascertainment system.

(c) The general principles, standards, and related requirements referred to in subsection (b) of this section are as follows:

(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States,

(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States,

(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees,

(D) the effect of postal services and the impact of postal rates and fees on users of the mails,

(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service,

(F) the value of mail,

(G) the value of time of delivery of mail, and

(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

(2) The acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of this title shall be administered on the following basis:

(A) the sum of such public service items should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally, and

(B) nothing contained in any provision of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to derogate in any way from the need and desirability thereof in the public interest.

(4) For the purpose of the determination and adjustment of the postal-rate structure in the manner provided by this title and by section 207 of the act of February 28, 1925, as amended (39 U. S. C., sec. 247), and section 12 of the act of October 30, 1951 (39 U. S. C., sec. 246f), the postal rates shall be adjusted from time to time so that the total amount of the adjusted revenues shall be approximately equivalent to the total amount of the expenses, both as determined in the manner provided by this title.

Authorization of appropriated funds

SEC. 204. There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount equal to the sum of the public service items referred to in section 203 (c) (3). Such appropriations shall be available to enable the Postmaster General to pay in to postal revenues at quarterly or other intervals such amounts as he shall determine to be necessary to reimburse the Post Office Department for such expenses and losses of revenue.

Application of cost ascertainment system

SEC. 205. (a) For the purposes of this title, revenues and expenses shall be determined and ascertained, and each allocation and apportionment with respect thereto shall be made, upon the basis of the cost acertainment system, to the extent not otherwise indicated in this title.

(b) Nothing in this title shall be construed to affect the cost ascertainment system or any authority, power, duty, or procedure of the Postmaster General or of the postal establishment generally, except to the extent necessary to carry out this title.

Reviews, studies, surveys, reports, and recommendations of Postmaster General

SEC. 206. (a) The Postmaster General is authorized and directed to initiate and conduct, through the facilities of the postal establishment, either on a continuing basis or from time to time, as he deems advisable, but not less often than every 2 years, a review of the postal-rate structure and a study and survey of the expenses incurred and the revenues received in connection with the several classes of mail, and the various classes and kinds of services and facilities provided by the postal establishment, in order to determine, on the basis of such review, study, and survey for each class and kind of service or facility provided by the postal establishment, the need for adjustment of postal rates and fees in the manner provided by this title.

(b) The Postmaster General shall submit to the Senate and the House of Representatives not later than April 15 of each alternate fiscal year, beginning with the fiscal year ending June 30, 1959, a report of the results of the review, study, and survey conducted pursuant to subsection (a) of this section. Such report shall include—

(1) information with respect to expenses and revenues which is pertinent to the allocation of expenses and the determination and adjustment of postal rates and fees in the manner provided by this title,

(2) such other information as is necessary to enable the Congress, or as may be required by the Congress or an appropriate committee thereof, to carry out the purposes of this title, and

(3) such recommendations as the Postmaster General deems appropriate.

Congressional action prerequisite to adjustments in postage rates and fees

SEC. 207. Except as otherwise provided by law, nothing in this title shall be construed to authorize any change, adjustment, or revision with respect to any postal rate or fee, except by further action of the Congress.

Definitions

SEC. 208. (a) For the purposes of this title, the term—

(1) "cost ascertainment system" means the cost ascertainment system (including the principles and standards thereof) utilized by the Post Office Department (39 U. S. C., sec. 826), for the ascertainment and allocation of expenses and revenues of the postal service, as in effect from time to time, to the extent consistent with this title;

(2) "revenues" and "costs", whether applied to the total postal operation or to the mail classes or services, shall have the same meaning as when used in the cost ascertainment report, and the terms "costs" and "expenses" shall be synonymous; and

(3) "adjusted revenues", whether applied to the total postal operations or to the mail classes and services, shall mean the revenues, increased by the sums authorized under section 204 to be appropriated to the Post Office Department for the public service items referred to in section 203 (c) (3).

(b) Whenever reference is made in this title, or in any other law or regulation in connection with this title, to any of the several classes of mail and services, such reference shall have the same meaning as when used in the cost ascertainment report, except that first-class mail shall include domestic air mail other than air parcel post.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 2, strike out lines 14 to 25, inclusive, and appropriately renumber the succeeding sections, and the references to such sections, contained in title I of the bill;

And on page 10, lines 3 and 4 and 14, strike out "the effective date of the rate of postage prescribed by section 102 (a)" and insert in lieu thereof "the effective date prescribed by section 110 (a)";

And on page 10, line 18, strike out "the effective date of the rate of postage prescribed by such section 102 (a)" and insert in lieu thereof "the effective date prescribed by such section 110 (a)."

Mr. HOLIFIELD. Mr. Chairman, the amendments strike out the first-class mail section and make adjustments on page 10, in lines 3, 4, and 14, and line 18, which would necessarily have to be made because they refer to section 102, in case section 102 is stricken.

I am not going to repeat much of what I said before, because I think the same people are here now who were here before.

I regret that the membership is not as large at this particular time as I would like to have it, because the issue is just this: I would like to have the attention of my friends on the right. Many of you voted for the wage increase, just as I did, and you are going to say, "Well, I voted for the wage increases and, therefore, I should vote for this rate increase." In my humble opinion, there is no connection between the two. If the wage increases were going to be granted and if they were tied together in a package, one made contingent upon the other, this might be so. But you are walking into a trap here. The President will veto the two wage bills, the post office pay bill and the classified pay bill. He will veto them. The leadership on the Republican side has told you this. You will vote for the rate increase, and he will let that go through into law, and you will not get your wage increases for the employees. It is not inflationary when you put on the backs of the 3-cent letter user another fifty or sixty million dollars.

That is not inflationary, that is not a deduction from their wages when they have to pay 4 cents for a letter in place of 3; oh, no, that is not inflationary; but if you give the postal employee, who might want to write a letter on his own, $450 million, spend over $970 million on some five-hundred-and-some odd-thousand employees in the Post Office Department and nine-hundred-and-some-odd-thousand in the classified service, give them a wage increase, that is inflationary. Inflation works both ways; it works in the rise of costs, and it works in the decrease in the purchasing power of the wage spender. So you are decreasing the value of the wage spender's money, and you are increasing the price of the product. And you are talking about inflation.

As to the question of where the taxpayer enters in, it has been described as the policy of this Government that certain concessions are to be made to mail users. I did not make that policy; it has been in force for years. When you take that policy away by increasing costs to your 3-cent-letter user who is already paying a profit, what do you do? You take the pressure off of these big people. I read to you before where Life Magazine gets a $9 million subsidy a year; the Saturday Evening Post, $6 million. You take the pressure off of them. Why? Because the cost is being borne by the little 3-cent-letter user. That is what you are doing when you vote for the increase.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Missouri. The gentleman from Missouri stated to the House that it was impossible to raise second and third-class rates realistically without also raising first-class rates. Is that true?

Mr. HOLIFIELD. The gentleman has a problem there, I will admit, how to raise second- and third-class rates. That is a problem that has to be taken care of very carefully because you have a lot of small-business men who are using second-, third-, and fourth-class mail, especially third-class mail. You have a lot of small-business men who are involved who cannot pay the increase. The big-business men can pay this increase on first-class mail because he writes it off as part of the expense of doing business; it is only a small cost to him, and there will be a lot of them who will write it off in the expense list. So some big-business men are for this, but they are for it for a reason. There is a real reason. I do not blame my friends over here for passing a bill like this.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. JOHANSEN. Mr. Chairman, I object.

Mr. MURRAY. Mr. Chairman, the issues raised in the amendment offered by the gentleman from California have been fully and thoroughly debated. If the gentleman's amendment is approved it will cut the very heart out of this bill; it would cut over $400 million of first-class revenues out of the bill. As I said in explaining the bill to the House, the increase on first-class mail is the very heart of this bill, and I appeal to you to vote down the amendment.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD]

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were ayes 58, noes 106.

So the amendment was rejected.

Mr. LESINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LESINSKI of Michigan: On page 2, line 15, strike out "(a)" and on page 2, strike out beginning with line 19 and all that follows down through the period at the end of line 25.

Mr. LESINSKI. Mr. Chairman, the purpose of this amendment is to delete the part of the bill that deals with drop letters and postal and post cards. As you will recall, in 1951 we increased postal cards from 1 to 2 cents. The increase in this bill would make them 3 cents.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Tennessee.

Mr. MURRAY. Has not the committee just voted down the amendment proposed by the gentleman?

Mr. LESINSKI. No.

Mr. MURRAY. The gentleman from California included post cards and drop letters, did he not?

Mr. LESINSKI. That is correct. This deals with small business, fraternal, civic organizations, and the like that use postcards as notices of meetings. The effect of my amendment will be a loss of $33,000,000. On the other hand, in all fairness to the American public, we increased postal cards in 1951 and we want to increase them again, a total of 200 percent. I hope that my amendment be adopted.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. LESINSKI].

Mr. Chairman, the committee just voted in substance on the amendment offered by the gentleman from Michigan when it disapproved the amendment offered by the gentleman from California [Mr. HOLIFIELD] who offered an amendment cutting out the increase on drop letters. The gentleman from Michigan offers the same amendment but leaves out the increase on first-class letters. The matter has been thoroughly debated. I hope the committee will vote this amendment down.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had the same amendment at the desk as has been offered by the gentleman from Michigan [Mr. LESINSKI]. I want to compliment him on his amendment and I emphasize it is quite different from the amendment offered by the gentleman from California [Mr. HOLIFIELD].

In the first place, it leaves almost intact the entire increase in first-class mail. It is limited to post cards. I think it is time to give a little consideration to the particular kind of people who use post cards in the United States. These are the people who usually cannot afford to write 4- 5- or 6-cent letters and it is necessary for them, therefore, to use the post cards in order to communicate.

If you will look over the figures, all that is being proposed is the elimination of $33 million out of a total of $527 million in increased revenues.

If you have any interest in the fact that 3,278,000,000 post cards were used in the United States last year, you will get some understanding of the tremendous importance to the vast majority of people who will be affected by this rate increase.

I sincerely hope that the amendment offered by the gentleman from Michigan will be supported. It does not in any way hurt the fundamental purposes of the bill which has been offered.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Kentucky.

Mr. PERKINS. I want to join with the gentleman from California in supporting the amendment offered by the gentleman from Michigan. Personally, I feel that somewhere in this bill there should be some semblance left that the Post Office Department is a service organization and that we should not deprive these people who use post cards of that opportunity in many instances by reason of increased rates.

Mr. ROOSEVELT. I thank the gentleman, and I certainly agree with him.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. CEDERBERG. This is an example of how difficult it is to write a rate bill on the floor. If this amendment goes through, you will have your third-class mail, after the second year, at 2½ cents and your post card at 2 cents, and a lot of them will not use the third-class rate. So, you will lose more than $30 million.

Mr. ROOSEVELT. I disagree with the gentleman. The most important thing to remember is the people who are using it, and you do not give any consideration to the human side of it, and I feel that is something that the Congress will certainly give some consideration to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. LESINSKI].

The question was taken; and on a division (demanded by Mr. LESINSKI) there were—ayes 56, noes 117.

So the amendment was rejected.

Mr. LESINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LESINSKI: On page 3, strike out the table immediately following line 15 and insert in lieu thereof the following:

[Cents per pound or fraction thereof]

	Effective July 1, 1957	Effective July 1, 1958	Effective July 1, 1959	Effective July 1, 1960
A publication having not more than 5 percent of its space devoted to advertisements and that portion of other publications devoted to matter other than advertisements	2.3	2.7	3.0	3.4
Advertising portion of a publication having more than 5 percent of its space devoted to advertisements:				
1st and 2d zones	2.3	2.7	3.0	3.4
3d zone	3.1	3.6	4.1	4.6
4th zone	4.6	5.4	6.1	6.8
5th zone	6.2	7.2	8.1	9.1
6th zone	7.7	9.0	10.2	11.4
7th zone	9.3	10.8	12.2	13.7
8th zone	10.8	12.5	14.2	15.9

Mr. LESINSKI. Mr. Chairman, to those on my left, you talk about increasing rates and raising the first class to 4 cents, but remember this: The deficit is in the second-class mail. What this does is to raise the rates from 15 percent in the bill now pending to 20 percent. The total additional income would only be about $10 million more.

Following this amendment, if it is adopted, I shall have an amendment to cut one-half of these rates for small publishers. The effect of it will be that of a press run the first 75,000 copies, will be cut one-half of the proposed rate that I have proposed in the amendment, meaning that they will only get a 10 percent increase. But remember also that many magazines have a million or more copies in a press run. Therefore, publications such as Reader's Digest, Look, and Life will be affected 20 percent with the exception of the first 75,000. The effect is the same as the income-tax law. Any corporation making up to $25,000 has a tax of 30 percent, but from there on it is 52 percent. The effect of it is to help small publications.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman.

Mr. CEDERBERG. The effect of the gentleman's amendment would be that on the 75,000 press run for Life magazine, which publishes 52 weeks a year, to give them a reduction on over 3,900,000 copies.

Mr. LESINSKI. That is correct, but the effect of it is that for magazines on the first 75,000 of the press run, they get an increase of 10 percent. From there on it is 20 percent.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. GROSS. It is my understanding that Life magazine, for instance, publishes in several plants or in 2 or 3 or 4 plants. Would this apply to the press run at each plant?

Mr. LESINSKI. No, it is one press run. It makes no difference in how many places it is printed.

Mr. COOLEY. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. COOLEY of North Carolina as a substitute for the amendment offered by Mr. LESINSKI of Michigan: On page 3 beginning on line 10 strike out that portion of section 104 to line 1 on page 4, and substitute the following:

"SEC. 104. Section 2 (a) of the act of October 30, 1951 (65 Stat. 672; 39 U. S. C., sec. 289), is amended by striking out the colon which precedes the first proviso and inserting a comma and the following: 'and (4) such postage shall be further increased by (a) an additional 10 percent based on the rates in force as of October 30, 1951, beginning on January 1, 1958, (b) by an additional 10 percent, based on the rates in force as of October 30, 1951, beginning on January 1, 1959, and (c) by an additional 10 percent, based on the rates in force as of October 30, 1951, beginning on January 1, 1960.'"

Mr. COOLEY. Mr. Chairman, in offering this amendment, I am speaking principally for that vital and indispensable segment of the American economy—our rural people. Originally, I planned to limit my amendment so that it would apply only to agriculture newspapers, and magazines, which have provided our American people with the finest farming techniques in the world. However, as I pondered the question of defining what constituted an agriculture newspaper or magazine, I suddenly realized that I would be guilty of a common mistake if I thought for a moment that our rural people were concerned with agricultural information only.

There have been many developments since the turn of the century which have served to unite the rural and urban peoples of this Nation. In the mail service, particularly, the advent of rural free delivery was based upon our belief that the people of this Nation should have equal mail service, and I believe the record will bear me out that this was included in postal activities as a service to be provided irrespective of cost. In addition, we have seen the development of improved highways, the advent of rural electrification, the introduction of the automobile, of radio, television, and a host of modern improvements and techniques which are equally available to the people who operate our great farm industry. I am confident that, as a result of this greater union of our people, the average farm family is just as concerned with national and international news and events as any other United States citizen.

With farm income down, I am sure our farmer must rely on the many fine magazines which provide him a great fund of knowledge on the do-it-yourself techniques. His wife and daughters must also have a craving to know the latest

homemaking ideas, as well as to follow the fashions of the day. Therefore, I sincerely feel that rural people have interests over and above those which are strictly applicable to farming itself. Vital information on many subjects carried in the Nation's press has made these people better and more enlightened American citizens.

Last year the Congress enacted a rural library bill providing $7½ million a year for a period of 5 years so that the rural areas of our country would have improved library facilities. This, I am sure, was a direct result of a demand by our rural people for cultural opportunities that have not been heretofore extended to them. This action parallels that of the Congress in 1879 when low second-class rates were established on newspapers and magazines for the purpose of educating and uniting our people. I believe the same need exists today to provide our rural people with the same educational and informational data that is so readily available to our urban population.

There are 25,000 newspapers and magazines with second-class entry and I am reliably informed that many of these are facing a struggle to stay in business. I believe it most unfortunate that several of our prominent periodicals have disappeared from the newsstands in the last year or so. I am not surprised at this when I note on page 670 of the House postal rate hearings that out of 1,243 tax returns on periodicals, 563, or approximately 50 percent, represented returns with no net income and whose total deficit amounted to in excess of $12 million.

The administration, in its original version of this bill, requested a total of 60 percent increase, in four parts: A 15-percent increase on July 1, 1957, and repeated on the same date each successive year up to and including 1960. At this late date, I do not believe this Congress would enact a measure increasing rates as of July 1, 1957. This smacks of ex post facto. My amendment would provide an increase of 30 percent in a series of three 10-percent increases spread equally commencing January 1, 1958, and I believe would provide a more equitable solution to the problem.

H. R. 5836, as amended, calls for an increase of greater magnitude—a 60 percent increase in the second-class rates. This increase is punitive: Second-class rates are now 30 percent above the 1951 rates, whereas the 3 cent first-class nonlocal letter rate has not been raised since 1932.

Publishers are not opposed to postal rates which are based on sound postal policy, but the second-class rates in H. R. 5836 bear no resemblance to sound policy—they are arbitrary and discriminatory.

Back in 1951 when we raised second- and third-class rates there was a serious objection to an increase in first-class rates because, as I recall, second-class rates were not raised sufficiently high enough and Members believed that the 30-percent increase in 1951 still placed an unfair burden on first-class mail. You will recall that the increase requested in 1951 on second class amounted to 60 percent. My amendment will now achieve a total of 60-percent increase since 1951 and this should lay the basis for a more equitable treatment of rate adjustments in other classes. I sincerely believe that low second-class rates must be maintained, but if we are to increase the rates on other classes of mail, then second-class rates should also face some upward adjustment. If my amendment is enacted into law, it will mean that the second-class category of mail will have been increased a total of 60 percent since 1951. The hearings record will show that this will work a hardship on many publishers, but the spread of time is granted to permit them to make whatever adjustments are necessary. Certainly, we cannot in good conscience so drastically revise our policy of long standing and expect the newspapers and magazines of this country to absorb an additional increase of 60 percent at this time. If we accept the administration proposal adding another 60 percent to second-class rates it will mean that our Nation's newspapers and periodicals will have been increased 108 percent since 1951. In view of the low profit margins on agricultural and many other publications, I believe that the administration's proposal is unreasonable and inconsistent with Congressional policy of long standing.

Members should bear in mind that a very few large publications, out of the 25,000, might well be able to absorb the increases proposed in H. R. 5836, but does this not tend to encourage monopoly? Does this not force the smaller publications to the wall? I believe that the American press, which is the greatest free press in the world, is strong only because we have many publications in existence. This number should expand rather than decrease, so as to continue as forceful as possible an enlightened public opinion, which is one of the main underpinnings of our Republic.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REES of Kansas. We have had a considerable amount of discussion today and complaint on the part of some people because the second-class rates in the bill were not high enough. Some of them say it ought to be more. As I understand, the gentleman wants to decrease the rates in this bill.

Mr. COOLEY. I am proposing to decrease the rates. The bill contains a 15-percent increase each year for a period of 4 years, making a total of 60 percent. I am proposing a 10-percent increase each year for 3 years, making a total of 30 percent. I do that because of what I have just said, that the impact on the small publishers will be terrific and it will force many of them out of existence.

Mr. REES of Kansas. The gentleman from California and the gentleman from Michigan made very persuasive statements in support of an increase in the rates we have in this bill.

Mr. COOLEY. Yes, but they also propose to make some provision for the very small publisher. I am trying to restrict this increase to these agricultural magazines. We know that they are rendering a service to the rural people of America that is not actually rendered by many of the large magazines which are now enjoying such a great subsidy under the present system.

Mr. REES of Kansas. But the gentleman's proposal does not take care of just agricultural magazines.

Mr. COOLEY. No; I agree with the gentleman that it is not limited to agricultural magazines. I did not limit it to agricultural magazines because of the difficulty of defining just what an agricultural magazine really is. Further, I should like to insist on this thought, at least: When this rural service was provided for the rural people of America it was known as rural free delivery, so our predecessors here in the Congress intended that this should be free service to the rural people of America. Now you are complaining because the rural mail service is not self-supporting. It never was intended that it should be self-supporting, and it has been admitted on the floor today that perhaps it never will be self-supporting.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. LESINSKI. The purpose of my amendment was to raise the rate from 15 to 20 percent. The gentleman wants to cut that back to 10 percent.

Mr. COOLEY. That is right. I propose to increase the rate 10 percent for each year for 3 years.

Mr. LESINSKI. If my amendment is adopted, I also have an amendment to cut back to half the increase for small publishers. This is the effect of my second amendment.

Mr. COOLEY. All of this clearly indicates to me that the committee did not have factual information available to it at the time these provisions were considered. That has been indicated by the speech of the gentleman from Oregon and the gentleman from Michigan and the gentleman from California. This is a good place to compromise. I do not have any ax to grind. I do not have any particular publication in mind. But I do know from the evidence that I have and the information that has been furnished to me that this is going to have a devastating effect on a lot of little rural publishers.

Mr. Chairman, I hope the substitute will be adopted.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment calls for a decrease in the anticipated revenues. We heard the publishers on the bill. This amendment would cut in half the increase we have asked for. I appeal to the committee to vote down the substitute and also the amendment offered by the gentleman from Michigan.

Mr. WITHROW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina because I think it is a just amendment. When you and I speak about magazines we have in mind, or at least most of the people have in mind, such magazines as Life, the Sat-

urday Evening Post, and Look. But there are thousands of other magazines. In fact, I believe there are more than 12,000 magazines published in the United States. An increase of 20 percent is presenting a distinct advantage to the large magazine publishers who by reason of their operations can avoid sending a portion of their publications through the mails, while on the other hand the small publishers do not have that advantage. The small publishers are not on the newsstands, but the large publishers are. In addition to that, it is a distinct advantage because the result of it all will be that a great many of these small publishers will go out of business. Certainly that will help the large publishers. I will give you a few examples of the advantages that the large publisher has. First of all, the Saturday Evening Post, Look, and Life are not in reality current publications. They ship their magazines by express or freight, perhaps, to places in the United States where they can take full advantage of the zone rates. The small publishers cannot do that. The large publishers can. That is why the small publishers should receive a little assistance. When you place the rate at 20 percent, you are putting a great many of them out of business. If you will recall, they took a 10-percent increase for 3 years. This would give them a 10-percent increase for 3 more years. It will be 6 years in all. I believe the small publishers throughout the United States should be given this opportunity to stay in business.

Mr. LESINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want the Committee to be sure that they know what they are doing here. First of all, the American public, as such, is opposed to an increase in the first-class rates because of the large subsidies they pay through taxes for second-class mail. I have tried to work out a fair compromise. The effect of my amendment is to increase it from 15 percent to 20 percent and then to offer another amendment to do the same thing as proposed by the gentleman from North Carolina. Small publishers will get a 10-percent increase. The first run of 75,000 would be 10 percent and from thereon in 20 percent. If you want the wrath of the American public on your heads, go ahead and vote for the amendment.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. GUBSER. In the event that the substitute is voted down and we vote on your original amendment, this amendment would only be for an increase in second-class rates?

Mr. LESINSKI. The gentleman is correct.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from North Carolina.

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 9, strike out lines 14 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 108. Eighty-two percent of the gross postal receipts of all classes of post offices accruing on or after the effective date of the rate of postage prescribed by section 102 (a) of this act shall be counted for the purpose of determining the classes of the respective post offices and the compensation and allowances of postmasters and other employees whose compensation or allowances are based on the annual gross receipts of such post offices. Nothing contained in this section shall operate to relegate a post office to a class or receipts category below the class or receipts category to which such post office may be assigned on the basis of gross postal receipts accruing during the last complete calendar year prior to the effective date of the rate of postage prescribed by section 102 (a) of this act or, in the case of a newly established post office, on the basis of gross postal receipts accruing during the last full quarter prior to the effective date of the rate of postage prescribed by such section 102 (a)."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 14, after the word "than", strike out the balance of line 14, line 15 and line 16, down to and including the word "centum" and insert: "1 percent the costs thereof and (2) that the costs of such fourth-class mail service will not exceed by more than 1 percent."

The committee amendment was agreed to.

Mr. MURRAY. Mr. Chairman, I move that all debate on this bill, and all amendments thereto, close in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

Mr. RHODES of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Pennsylvania. At the end of the 30 minutes will I have an opportunity to offer my amendment?

The CHAIRMAN. The gentleman will have an opportunity to offer his amendment, but there will be no debate on any amendment.

The Chair recognizes the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LESINSKI: Page 3, immediately after the table following line 15, insert the following: "The average rates of increase on the first 75,000 mailed copies of any issue of any such publication shall be 50 percent of the rates of increase in postage provided for in the table immediately preceding this sentence."

Mr. LESINSKI. Mr. Chairman, as I mentioned before, the publishers of small magazines who testified before our committee claimed that their cost has gone up between 7 and 10 percent annually. What this will do is to allow the small publishers, on the first 75,000 to cut their overall increase to 7½ percent. Therefore, there will be a loss to the Department estimated at about $2 million.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

This amendment was offered in the committee and voted down, was it not?

Mr. LESINSKI. It was voted down, but the point is this: When the administration dictated to the committee, the committee acquiesced to them. I shall not.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. COOLEY. What is the provision of the gentleman's amendment?

Mr. LESINSKI. The first 75,000 will be increased one-half.

Mr. COOLEY. One-half of that provided in the bill?

Mr. LESINSKI. Yes.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. WITHROW. This applies to all magazines?

Mr. LESINSKI. It applies to all magazines.

Mr. WITHROW. All magazines pay one-half the increase on the first 75,000?

Mr. LESINSKI. Yes.

Mr. WITHROW. So that it is not discriminatory?

Mr. LESINSKI. No, sir.

Mr. WITHROW. It is fair.

Mr. LESINSKI. Yes; may I say to my esteemed colleague from Wisconsin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. LESINSKI].

The question was taken; and on a division (demanded by Mr. LESINSKI) there were—ayes 40, noes 96.

So the amendment was rejected.

Mr. CORBETT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CORBETT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Pennsylvania is recognized on his preferential motion.

Mr. CORBETT. Mr. Chairman, I take this time because I have two very important but not complex amendments I wish to discuss.

We worked for weeks and months on this particular bill and now to find that debate is being cut off with no opportunity to consider important matters is, to my mind, very lamentable. Therefore, I just want to take a minute or two on each of these amendments.

One of these amendments is very basic, it deals with the policy portion of the bill wherein language has crept in which would make the policy determination that the Post Office is a business rather than a service. So in the policy statement on page 18, line 5, I shall offer an amendment which will say that the revenue of the Post Office should be more nearly equal to the expenditure in lieu of language that it be "approximately equivalent to". That sounds like a minor item, but it is the difference between recognizing the service features of the Post Office and trying to

make it strictly a business. That language will be identical with the language in the preamble of the bill, and I believe that the chairman and the ranking minority member have agreed that the amendment should be written into the bill.

The other item perhaps requires a little more attention. In the matter of third-class mail, this bill proposes to increase the minimum piece rate by half a cent on October 1, 1957, and another half cent on October 1, 1958, which will mean that we will have an increased rate on third-class mail in the matter of 4 years of 150 percent.

It is my feeling that there is great danger that this increase in third-class rates is going to hurt small business drastically and that it may seriously reduce the volume of third-class mail to the point where it could be driven out of the mails.

I am, therefore, proposing a simple amendment to the effect that the Postmaster General shall be given the power, given the right, that if he finds that the increase of third-class mail, the first half cent, is too severe he may suspend the second increase. It is a safety valve. If he does not feel that the increase is hurting, all right; but if he finds that it is hurting the small-business man who uses third-class mail because he cannot afford advertising in the metropolitan papers; the man engaged in selling direct by mail, he can simply suspend the imposition of the second increase. It is a safety-valve factor and I hope that when the matter is considered the Committee will see fit to adopt it.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. JOHANSEN. Is the same principle to be applied to second-class mail under the gentleman's proposal?

Mr. CORBETT. I should like to find a way in which it could be applied.

Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. JONES of Missouri. Under the gentleman's motion that the Committee rise and report the bill back to the House, would it not be possible for the committee to bring the bill back here tomorrow when we could give it a little more time?

Mr. CORBETT. I think the gentleman is so correct. As far as I understand, there is only 1 hour of business programed tomorrow. We have a lot of important things and I wish we could have a couple of hours on this tomorrow.

Mr. JONES of Missouri. Then withdraw your motion.

Mr. CORBETT. Will the gentleman vote for it?

Mr. JONES of Missouri. I will vote for it, sure.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Pennsylvania.

Mr. Chairman, it is appropriate that I oppose the motion offered by the gentleman from Pennsylvania because I want the opportunity to discuss an amendment which I will offer in reference to third-class mail. The gentleman wants to do something to save the junk mail business. My amendment would abolish it.

Mr. Chairman, the House can do something constructive in this bill by just abolishing the bulk mail privilege. If these people have anything to sell they can mail it for 3 or 4 cents or whatever the first-class rate is. There is nothing that we could do which would be more satisfactory to our constituents than to just abolish junk mail. We would save a lot of money for the Government and save a lot of post office time. We will be acting unjustly and unfairly to the mail users of the country if we raise the rate to 4 cents and still allow the mail boxes of our constituents to be cluttered with this junk mail. It is true that the junk mail is being increased slightly by this bill, but it is being increased only with the same differential that exists today. In other words, the junk mail will continue to come unless you do something about it. I intend to offer language to strike out the bulk mail, eliminate that mail privilege and then we will be doing something for our constituents.

Mr. GAVIN. Mr. Chairman, I make the point of order that the gentleman is not talking on the amendment that is before the House. Let him confine his remarks to the amendment.

Mr. SMITH of Mississippi. I am opposing the motion in order to have a chance to speak on an amendment.

Mr. Chairman, this amendment if adopted, gives us a chance to do something toward the abolition of a racket, a junk device that we are foisting on the American people. This so-called service concept of the mail was not designed to give these business firms an opportunity at our expense, at the taxpayers' expense, to come into the citizen's home without invitation. If they have a proposal let them pay for it at the regular full rate and I think they will do better businesswise and Uncle Sam will do better businesswise.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I hope that the gentleman's amendment will not be adopted.

Mr. SMITH of Mississippi. I do not yield for a speech. The gentleman is against every change offered. I appreciate his effort to establish himself in the good graces of the Postmaster General who is a powerful figure in his home State but he might give us a chance to get in full freedom on this matter here today.

Mr. CORBETT. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HALLECK. Mr. Chairman, I object.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CORBETT].

The motion was rejected.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO of New York: On page 3, lines 5 and 6, strike out lines 5 and 6 on page 3.

Mr. SANTANGELO. Mr. Chairman, I am going to take an air flight in my argument because of the shortage of time. But, this is a subject that has not been discussed throughout the debate. This amendment would keep the airmail at 6 cents rather than to increase it to 7 cents.

Presently the air mail is operating at a $25 million profit. The Postmaster General has adopted an experiment which permits him to send airmail from various cities on air cargo at the rate of 3 cents. He has this mail going from New York to Miami, or Miami to Chicago or from Seattle down to San Francisco, and he can operate at a profit by charging only 3 cents and he proposes to increase the rate on airmail from 6 to 7 cents and thereby obtain another $31 million. This experiment has gone on for a period of more than 3 years. It is time that we enacted a statute which would compel him to fix the rate at 6 cents, keep it at 6 cents, and not to raise it to 7 cents when the post office is making a $25 million profit in the operation of airmail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The question was taken; and on a division (demanded by Mr. SANTANGELO) there were—ayes 57, noes 129.

So the amendment was rejected.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent that the Clerk be authorized to correct the spelling of the word "apropriated" in line 9, page 18.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: On page 3, in the table immediately following line 15, strike out "July 1, 1957" and insert in lieu thereof "October 1, 1957" and on page 11, line 23, strike out "July 1, 1957" and insert in lieu thereof "October 1, 1957."

Mr. MURRAY. Mr. Chairman, since July 1 has gone by, it will be necessary to put in a new effective date for this increase, so we substitute October 1, 1957, for July 1, 1957.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 17, line 22, strike out the period at the end of line 22 and add a comma, followed by the word "except" and add a new subsection to read as follows:

"(C) The CONGRESSIONAL RECORD, or any part thereof, or speeches or reports contained therein, shall, under the frank of a Member of Congress, or Delegate, or Resident Commissioner from Puerto Rico, be carried in the mail free of postage under such regulations as the Postmaster General may pre-

scribe, only if directed to addresses within the State, Territory, or Commonwealth served by such Members, Delegates, or Resident Commissioner."

Mr. JONES of Missouri. Mr. Chairman, I took 3 minutes during general debate to discuss this subject. All this amendment does is to restrict the mailing of reprints from the CONGRESSIONAL RECORD under a Member's frank, to the State of residence of that Member of Congress. In other words, it would do away with the United States-wide mailing that I think Members on both sides of the aisle have engaged in. This amendment is not nearly as stringent as I would like to see it, but it does make a start. And if Members want to do something to help correct some of the abuses which have grown up, I think they will find this would be helpful.

Mr. GUBSER. Mr. Chairman, I offer a substitute to the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Amendment offered by Mr. GUBSER as a substitute for the amendment by Mr. JONES of Missouri: Page 17, line 22, change the period to a comma and insert "except that no Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States shall mail more than 500 identical pieces of any item of mail (not including responses to communications received by him, routine committee mail, or any other items which are mailed or distributed in the ordinary course of the business of his office), under his frank, to destinations outside the State or district which he represents. This limitation shall not apply to chairman of a standing, select, special, or joint committee of the Senate and/or House of Representatives provided a majority of the members of the committee shall authorize a mailing in excess of this limitation."

Mr. GUBSER. Mr. Chairman, the basic difference between my amendment and the amendment offered by the gentleman from Missouri [Mr. JONES] is that my amendment would allow each Member to mail up to 500 identical pieces of mail outside his own district. It would in no way restrict him in the answering of correspondence or routine committee work which might come from outside his own district.

It also makes an exception in the case of a committee chairman who wishes to advise the Nation of his committee's activities, providing a majority in that committee approve his action and the mailing. There are abuses in the use of the frank. The public frowns upon them. This is a means of expressing to the public that there shall be no future abuses.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr GUBSER] to the amendment offered by the gentleman from Missouri [Mr. JONES].

The substitute to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The amendment was rejected

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: On page 6, strike out lines 3 to 19, inclusive, and insert in lieu thereof the following: "(2) by striking out the first, second, and third provisos contained in such section; and."

And on page 6, line 20, strike out "(5)" and insert "(3)" in lieu thereof.

And on page 12, strike out lines 3 and 4 and insert in lieu thereof the following:

"(c) The amendment made by section 106 (2) of this title shall become effective on January 1, 1958."

Mr. SMITH of Mississippi. Mr. Chairman, this is the amendment to which I referred a while ago. It would abolish junk mail. Those categories of third-class mail, in other words, mail along that line, would have to be paid for if this bill becomes law at 4 cents a letter instead of 2 cents or 2.5 cents, or whatever would be the result under the bill.

I offer this sincerely in an effort to do away with what I think is a great abuse and to increase the revenue to the Government.

I call your attention to the fact that I am a supporter of the bill and have voted against all the amendments that would reduce the revenue involved in this legislation.

I hope the House today will act in full freedom on this amendment and vote to abolish this junk mail. This is the only opportunity you will ever get to do it. We are not likely to get this bill out of the Post Office Committee as a separate piece of legislation.

I hope you will join with me in voting to abolish junk mail.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this matter was considered by the committee and a majority of the committee is strongly opposed to abolishing third-class mail. We must keep first-, second-, third-, and fourth-class mail. We are giving third-class mail an opportunity to increase. Up to 2 years ago it was just 1 cent. Under this bill it is going up to 2.5 cents. I think it would be a serious mistake to abolish third-class mail and make it all first-class mail. It would be a tremendous burden on the Post Office Department.

I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. SMITH of Mississippi) there were ayes 91, noes 105.

Mr. SMITH of Mississippi. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SMITH of Mississippi and Mr. MURRAY.

The Committee again divided, and the tellers reported that there were—ayes 103, noes 143.

So the amendment was rejected.

Mr. FISHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISHER: On page 6, strike out lines 10 and 11, and insert in lieu thereof the following:

"(B) by striking out '1 cent' wherever appearing therein and inserting in lieu thereof '2½ cents';" and on page 6, strike out lines 15 to 19, inclusive, and insert in lieu thereof the following:

"(4) by striking out the third proviso contained in such section; and."

Mr. FISHER. Mr. Chairman, I am supporting this bill. I think it is a very fair bill and a very reasonable one.

Mr. Chairman, this is a very simple amendment. It proposes to increase the rate on so-called junk mail to 2½ cents per piece. The committee recommends that the rate be increased from 1½ cents to 2 cents on October 1, 1957, and to 2½ cents on October 1, 1959. All this amendment does is to make the 2½-cent rate effective on October 1, 1957.

The increase is needed now. Since 1951—and this could be taken back to 1934—the loss in third-class mail has increased more than the loss in second-class mail, contrary to popular belief. The loss in third-class has increased by $76 million since 1951 while the loss in second-class has increased by $52 million since 1951. The Post Office Department handled in excess of 14½ billion pieces of third-class mail in 1956 and it is increasing at the phenomenal rate of 750 million pieces a year. The Department reports that it is losing money on third-class mail at the rate of $207,305,000 per year under present rates. In view of the tremendous increase in the number of pieces of third-class mail handled each year, the increasing deficit, and other factors, it seems to me that the 2½-cent rate is more than justified at this time.

This class of mail consists primarily of advertising circulars, miscellaneous printed matter, and merchandise weighing 8 ounces or less. It does not seem right to me that commercial advertising matter should be carried in the mails with heavy expense to the general taxpayer. In 1926, when the cost-ascertainment program was inaugurated, third-class mail was paying 98 percent of its allocated cost. Currently it is paying only 56 percent. If the rate is increased to 2½ cents, third-class mail will be paying 83 percent, under present conditions. This does not take into consideration any anticipated postal employees pay raises nor the application of the carriers, such as railroads, for over $100 million for services.

Some people contend that large third-class losses are mainly due to the costs of handling matter mailed by exempt organizations which enjoy preferential rates of postage. This is not the case.

Of the excess of costs of about $207 million in third-class mail in 1956, approximately $25 million was the result of handling the mailing of nonprofit organizations. The balance, about $183 million, was directly incurred in handling regular third-class mail, mailed for profit. The facts are clear. It is largely the commercial advertisements of profit-motivated firms which are responsible for the losses in third-class mail.

Finally, I would like to make it clear that I am not criticizing direct-mail advertisers. I believe the Post Office Department should continue to make available a service which can carry any sales message to any home in the land. I am simply saying that direct-mail advertisers should pay more postage effective

October 1, 1957. It would seem to me that every fair-minded direct-mail advertiser understands the indispensable value of postal service to his operations. How then can there be valid objections to a fair postal increase to offset increases in the costs of the Department in handling the tons of advertising carried each year?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. FISHER].

The question was taken, and the Chair being in doubt the committee divided and there were—ayes 147, noes 74.

So the amendment was agreed to.

Mr. CORBETT. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORBETT: On page 18, line 5, strike out the words "approximately equivalent to" and insert in lieu thereof the words "more nearly equal to."

Mr. MURRAY. Mr. Chairman, as far as I am concerned I shall accept the amendment.

Mr. CORBETT. I thank the gentleman.

Mr. REES of Kansas. Mr. Chairman, we have no objection to the amendment.

Mr. CORBETT. Mr. Chairman, I am glad to see that commonsense has finally prevailed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CORBETT].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES, of Pennsylvania: On page 4, immediately following line 24, insert the following:

"(d) Section 2 of such act of October 30, 1951, is amended by adding at the end of such section the following new subsection:

"'(e) If, at any time during any Post Office Department fiscal year, beginning with the fiscal year ending June 30, 1958, the costs incurred by the Post Office Department (as ascertained under the cost ascertainment system of such Department) in connection with the mailings of any user at rates provided in subsections (a) and (d) of this section exceed by $100,000 the revenues received by such Department (as ascertained under such cost ascertainment system) in connection with such mailings of such user, the Postmaster General shall fix and determine, for the remainder of such fiscal year, the rates for such mailings of such user on a basis which will effect, as nearly as may be practicable, the equalization, during the remainder of such year, of the revenues received, and the costs incurred, by the Post Office Department in connection with such mailings of such user. From and after the beginning of the Post Office Department fiscal year immediately following the fiscal year in which rates for such mailings of such user are made effective by action of the Postmaster General under this subsection, the rates of such mailings of such user shall be as provided in subsections (a) and (d) of this section, subject to the application of this subsection. This subsection shall not apply to any organization, association, newspaper, periodical, or publication within the purview of the second or third proviso of subsection (a) of this section and publications mailed by others than publishers or authorized news agents.'"

Mr. RHODES of Pennsylvania. Mr. Chairman, all this amendment does is to place a limitation of $100,000 on the amount of subsidy to any user of second-class mail during 1 fiscal year.

It seems to me, Mr. Chairman, that when postal subsidies, to one publisher reaches approximately $10 million in a single year, it is time for Congress to take steps to stop this waste of taxpayers' dollars.

This is not a new approach to bring about a reduction in the postal deficit where losses are most heavy. This amendment was offered in a bill that I introduced in the 84th Congress, and which was again introduced this year.

Nor is the principle of limiting subsidies to second-class users unique. My colleagues will recall, just recently, that a $3,000 limit was placed on payments to individual farmers under the acreage reserve program in the Agriculture Department appropriations bill. Some big farm landlords and corporation farmers received as much as $200,000 a year in soil bank money for not planting crops.

The $3,000 soil-bank limitation was wisely voted by Congress to put a stop to these unwarranted handouts. Last year, by a vote of 78 to 11, the other body voted to limit price-support subsidies to any one farmer producer to $100,000 annually. This limitation was never finally enacted, but the proposal illustrates the thinking of many Members of the Congress in both bodies, and in both parties. It was an expression of the thought that we should slow down on excessive subsidy payments like these, whether it be in agriculture, the postal service, or any other area.

I feel, Mr. Chairman, that my amendment should have a strong appeal to all Members of the House. It should have the support of those who are opposed to Federal-aid programs, for there are many millions of dollars in Federal aid in this postal rate bill. It should appeal to House Members because it is an economy amendment. It has an appeal to those Members, who feel as I do, that a 4-cent first-class rate is not justifiable unless we take steps to limit these big postal subsidies.

I am not opposed to the proposed 4-cent rate because I feel it is excessive. Even at 5 cents, letter postage would still be a big bargain. If the Post Office Department were run by private interests, we know that it would cost many times this amount and the service would not be as good. I am opposed to the committee bill because it is discriminatory and because it places an unjust and disproportionate burden on those who are already paying more than their fair share of the costs of the postal service.

To increase postage rates as proposed in this bill would not help the average citizen. It would not be in the public interest. The real beneficiaries would be the big publishers whose unconscionable subsidies would be made more lasting and more secure. The publishers cannot make a good case against this amendment to limit Federal aid in postal subsidies. I say this because the big magazines have been the sharpest critics of Federal aid legislation. For example I have a copy of a reprint from the Reader's Digest, entitled "The Biggest Con Game in Politics." On page 2 of the pamphlet the story starts by saying that Federal aid to States and communities has become a source of staggering extravagance. Let me say to you, and to the Reader's Digest, that if aid to the States and to the people for schools, health, conservation, and research is a waste of the people's money, how in the name of commonsense can we justify Federal aid to Reader's Digest of approximately $5 million a year, and to other big publishers, some of whom receive even greater subsidies?

The Digest may claim that this article, written by former Governor Driscoll of New Jersey, does not necessarily represent the views of the Digest, yet it is quite evident that these planted stories are usually more effective in expressing the publisher's thoughts and interests than any editorial. After the article was published through the cooperation of the Digest, reprints were made to flood the country with this propaganda.

This attack on Federal aid said nothing about Federal aid in postal subsidies. Few individuals or corporations in this country get Federal aid benefits which are greater than postal subsidies. Members who come from farm districts should be interested in this amendment since second-class postal subsidies amount to much more than what has been paid to the Nation's farmers in price-support subsidies.

Opponents of my proposal will contend that it is unworkable. That argument is not valid. Once the amount of subsidy has been reached, as determined under the cost ascertainment system of the Post Office Department, the Postmaster General is directed to readjust the rates of the second-class mail user, so that the revenue from handling that user's publication equals, as nearly as practicable, the costs incurred to the Department in handling the mailings of such user. At the end of the fiscal year, the established second-class rates shall again apply to the user's mailings until such time as the limitation is exceeded during another fiscal year. It is workable, it is practical, if there is a will by the Congress to cut down on big postal subsidies.

My amendment would not disturb present exemptions on newspapers or periodicals such as religious, educational, and fraternal organizations which are now exempt.

The latest available estimates of subsidies paid to big magazines are contained in the following report showing revenue received and cost of handling, as prepared by the Division of Cost

Analysis, Bureau of Finance of the Post Office Department:

U. S. Post Office Department estimated annual revenues and costs of selected leading magazines

[In thousands of dollars]

Publication	Revenue [1]	Cost [2]	Difference (cost minus revenue)
Life	7,485	16,979	9,494
Saturday Evening Post	3,488	9,557	6,069
Look	1,534	5,016	3,482
Ladies' Home Journal	1,530	3,449	1,919
McCall's magazine	1,097	2,604	1,507
Reader's Digest	1,082	5,891	4,809
Good Housekeeping	881	2,175	1,294
Better Homes and Gardens	758	1,904	1,146
American Home magazine	623	1,753	1,130
National Geographic	486	1,821	1,335

[1] In general, the revenue estimates are based on data from administrative records covering the mailings of all issues of these publications for the month of March 1956, extended to annual revenues on the basis of the number of issues per year. For Life magazine, revenue estimates were based on mailings of the first 3 issues in March. Revenues and cost estimates for Better Homes and Gardens and Saturday Evening Post are based on issues for the month of November 1954, and for Reader's Digest these estimates are based on the November 1955 issue.

[2] A complete cost analysis of the publications listed in this table would require detailed studies at all points of entry and of the large number of delivery offices. Such analysis would of course be very expensive and time consuming; therefore, the estimates have been developed as outlined below.

Source: Division of Cost Analysis, Bureau of Finance, U. S. Post Office Department. The column showing the difference between cost and revenue was computed by the Legislative Reference Service.

Mr. Chairman, time does not permit me to give all the details but they will be included with my remarks under my privilege to extend.

These figures show that in March 1956 the second-class postal subsidy being paid to Life magazine was running at an annual rate of $9,494,000. Saturday Evening Post's subsidy, based on November 1954 circulation, was $6,069,000. Reader's Digest was receiving an annual subsidy of $4,809,000, based on November 1955 circulation. Look magazine's subsidy was running at an annual rate of $3,482,000 in March 1956. Six other large magazines received between one and two million dollars each.

Moreover, these estimates are conservative since most of the magazines have increased their circulation since this report was compiled. Still other large mail subscription magazines were not included in the study. The annual second-class subsidy paid to magazines and periodicals would be substantially reduced if my amendment is adopted.

The educational, news, and service values of magazines and periodicals of general interest has often been given as justifying the tremendous handouts. My amendment recognizes that magazines perform some general service to the public in this area, but limits the subsidy for this service to $100,000 a year.

Spokesmen for these groups always appear before the committee whenever a second-class mail increase is offered. They appeared before the committee in 1951 when the last rate increase was being considered to plead against increases because of their lack of financial means to absorb the increase without raising the price of their magazines, which they said would reduce circulation and cut into their meager profits. This has not happened. The bill which was eventually enacted in October 1951 (Public Law 233, 82d Cong.) increased second-class rates by 10 percent a year for each of 3 years, beginning April 1, 1952. It has now been more than 3 years since the last of these increases took effect.

Now, let us see what effects these rate increases had on magazine publishers during this period. I requested the Legislative Reference Service of the Library of Congress to furnish me available financial data of leading magazine publishing companies for the period 1952–56. The results of this study are extremely interesting and most pertinent to the objective of the subsidy-limiting amendment which I have offered.

During this period Time, Inc., publishers of Life, Time, Fortune, House and Home, Sports Illustrated, and which also has substantial interests in paper companies, radio, and television, increased its net profits after taxes from $7,750,000 in 1952 to $13,850,000 in 1956. The 1956 figure is before capital gain, after applicable taxes, of $15,113,733 received from the liquidation of investment in the Houston Oil Co. of Texas.

McFadden Publications, publishers of such magazines as True Story, Photoplay, True Romance, TV–Radio Mirror, and True Detective increased their profits after taxes from $281,000 in 1952 to $636,000 in 1956.

Curtis Publishing Co., publishers of Saturday Evening Post, Ladies Home Journal, Holiday, and other magazines, increased their profits after taxes from $4,404,000 in 1952 to $6,234,000 in 1956.

McGraw-Hill Publishing Co., publishers of Business Week and 27 other specialized business-trade magazines, more than doubled its net profits after taxes during this period, increasing from $3,273,000 in 1952 to $7,871,000 in 1956.

Meredith Publishing Co., publishers of Better Homes and Gardens, Successful Farming, and which also operates a number of radio and television stations through subsidiary corporations, increased its net profits after taxes from $2,938,000 in 1952 to $4,047,000 in 1956.

Financial data on many other leading magazine publishers is not available from public sources. These include Reader's Digest, with a circulation of more than 11 million copies monthly; Cowles Magazines, Inc., which publishes Look magazine with a circulation of more than 4 million; Confidential, Inc., publishers of Confidential with a bimonthly circulation of almost 3½ million, and who are now engaged in a court action. Mr. Chairman, many other magazines on this listing, prepared by the Legislative Reference Service, would seem to have little educational value. I will include the list in the RECORD so that my colleagues may judge for themselves the types of magazines being carried through the mails at taxpayers' expense and for which there is no financial data on their operations available:

Selected publishing companies which publish magazines with total circulation of over 1,000,000 (and not listed by Standard & Poor's or Moody's)

Company	Magazines	Circulations
American Home Magazine Corp	American Home	3,102,406
Martin Goodman, publisher	Complete women's group (Confession Stories, Filmland, Life Confessions, My Romance, Screen Stars, Secret Confessions, TV People, TV World, Time Secrets).	
	Complete men's group (For Men Only, Male, Men, Stag).	1,561,358
Confidential, Inc	Confidential, bimonthly	3,442,536
Dell Publishing Co	Dell Modern Group (Modern Romances, Modern Screen, Screen Stories).	2,594,783
	Dell Men's Group (Front Page Detective, Inside Detective).	638,978
Fawcett Publications, Inc	Fawcett Men's Group (Cavalier, Startling Detective, True Police Cases).	704,334
	Fawcett Women's Group (Motion Picture, True Confessions).	2,102,724
	True	2,116,969
Farm Journal, Inc	Farm Journal	3,623,554
Hearst Corp	Good Housekeeping	3,602,533
Cowles Magazines, Inc	Look, biweekly	4,189,004
Periodical House, Inc	Secrets Romance Group (Confidential Confessions, bimonthly; Daring Romances, bimonthly; Revealing Romances, monthly; Secrets, monthly).	1,250,820
Popular Publications, Inc	Argosy	1,384,730
Reader's Digest Association, Inc	Reader's Digest	11,024,410
Triangle Publications, Inc	TV Guide	3,975,241
U. S. News Publishing Corp	U. S. News & World Report	820,998
Weekly Publications, Inc	Newsweek, weekly	1,063,281

Source: Legislative Reference Service, Library of Congress.

A study of the second-class-mail subsidy reveals the strange fact that as a publisher becomes more successful, as his circulation, and presumedly his profits increase, his mailing operations cost to the Post Office Department also increases and the second-class-postal deficit grows larger.

The magazine publishing business today is booming. Advertising Age reports that national magazine advertising revenue hit a record high of $931,475,192 in 1956 as compared with $841,349,349 in 1955, an increase of 10.7 percent. Ninety-three general and farm magazines alone had $723,549,487 of the 1956 advertising revenues. In 1956, General Motors spent $25,685,637 on magazine advertising. General Electric spent $13,906,103 and Procter & Gamble $10,781,931 on magazine ads during 1956. Curtis Publishing Co. had advertising revenue of over $119 million during the past year.

Reader's Digest has announced a 10-percent advertising rate increase effective next January 1. A four-color page ad in Reader's Digest will cost $38,000, topping the previous record high of $37,975 for a single page ad which Life magazine will set with its September 9, 1957, issue. Coronet magazine, published by the Esquire Co. also raised its advertising rate, along with such magazines as Look, Newsweek, Sports Illustrated, and Ladies Home Journal. Time, Inc. is now building a new 47 story Time and Life Building, opposite Radio City Music Hall in New York City at a cost of $7 million. Business is booming in the advertising and publishing businesses, while their postal subsidies continue to rise.

Mr. Chairman, by adopting my amendment we can call a halt to the tremendous subsidies which go to big publishing interests. This amendment will not hurt smaller publishers, but will only require the handful of giant publishers to carry their fair share of the postal costs incurred by the Department in handling of their magazines. A much more strict limitation, proportionately, than is offered in this aemndment was written into the acreage-reserve program to be applied to farmers during the coming fiscal year.

The amendment recognizes that there are certain educational values of current magazines circulating through the mail. It merely places a subsidy limit of $100,000 on these values for any one second-class-mail user. It continues the exemptions for nonprofit groups. It curbs the abuses which now contribute heavily to the postal deficit.

Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RHODES].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 130, noes 133.

Mr. RHODES of Pennsylvania. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MURRAY and Mr. RHODES of Pennsylvania.

The Committee again divided, and the tellers reported that there were—ayes 171, noes 147.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am in artistic confusion. What should be the design on the 4-cent stamp? Should it carry the pirate's flag or should it carry the elephant with the Postmaster General riding astride?

Let us know exactly for what we are voting, and let us take the facts firsthand from the committee's own words. On page 3 of the committee's report, which is identified as Report No. 524, we are told that the first-class rate increase will bring in $314.7 million a year. The ranking minority member of the committee, the distinguished and highly respected gentleman from Kansas [Mr. REES], has told us in debate that first-class mail now is failing to pay its own way only by a slight margin. Others maintain that the post office's own figures show that first-class mail is making a good profit. But accepting the figures of Mr. REES and of others supporting this bill, the post office's loss on first-class mail is of almost negligible volume.

Now turn to page 14 of the committee's report, identified as Report No. 524. Here the committee tells us that second-class mail constitutes 12.2 percent of total prices of mail handled by the post office or 24.7 percent of the total in pound weight. Despite the fact that second-class mail is one-fourth of the total mail handled in pound weight, the committee report on page 14 frankly tells us that it pays into the post-office receipts only 2.7 percent of total revenue. That means, in plain language, that for 25 percent of use there is made a contribution of less than 3 percent to the cost.

But let us continue with the reading of the committee's own words on page 14 of its report, identified as Report No. 524. Please bear in mind that these are not my words or my figures. They are the committee's own words and figures, and you will find them on page 14 of the committee's own report, identified as Report No. 524.

Let me read the exact words:

> Since 1945 the costs of handling second-class mail have exceeded revenues from this mail by over $2.3 billion. * * * In 1956 the excess was $252,500,000. * * * The (second class) increases recommended by the committee will produce additional revenues of $33 million when all rate adjustments are in effect.

Summarized, what the committee is telling us in its report, identified as Report No. 524, is that as a contribution to an annual loss of $252.5 million in the handling of second-class mail the publishers responsible for the loss, and benefiting from it, will pay only $33 million, leaving $219.5 million to be borne by somebody else.

Now turn back to page 3 of the committee's report, identified as Report No. 524, for answer to the question: From whence is to come the money? Here we are told with honest candor that the money to pay the big publishers' bill, as well as to make up the deficits on third-class mail, some $315 million in all, is to be extracted from the users of a mail service that by actual figures maks a profit or, if you accept the reckoning by intangibles, comes mighty close to breaking even.

I have great respect for the committee and for its able, earnest, and sincere chairman, for whom I hold a warm affection, however, much at times we may have honest differences on issues, and philosophies. I appreciate the complexity of the problem of postal rates, and the hard work the members of the committee have given to the subject in the spirit of commendable devotion to duty.

But I am fearful that in their zeal to find a path from the wilderness of postal deficits they have fallen into the path of least resistance. It is the easy path, because the men and women, whose 3-cent stamps turned into 4-cent stamps to pay someone else's bills, are scattered in millions of homes our country over, and are lacking an organized voice to speak for them.

So, Mr. Chairman, I lapse again into artistic confusion, puzzled whether the design on the proposed 4-cent stamp should be that of an old-fashioned pirate or a Postmaster General, model 1958, astride a trumpeting elephant.

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PORTER: On page 7, lines 5 and 6, strike out "10 cents" and "5 cents" and insert in lieu thereof "8 cents" and "4 cents."
>
> On page 12, strike out line 8 and all that follows down through line 17 on page 21.

Mr. PORTER. Mr. Chairman, all the first amendment asks is that the 25-percent increase in the rate on books and educational films in section 107 in this bill go back to what it was. When we finish the increases on second-class mail in this bill, they will be paying 31 percent of their way. As the result of this 25-percent increase in the rate on books and educational film, they will be paying 75 percent of their way. This amendment is to put the bill back with no increase on these books, because it will fall largely on educational institutions and libraries. Therefore, this is part of the service the post office should give.

The other amendment is simply to strike title II, which purports to give the policy for this bill. I say it has some fine language in it, but it is very inadequate. Further, the first part of the bill does not pay any attention to it. The policy of this bill is to soak the first-class mail user and to take a big step in the dark. It is an improvident, ill-considered increase on first- and second-class mail. So the postal policy should be stricken, and the committee should write a policy section that can be defended as based on making the user pay for the cost of the service he is given and by class of mail, except as we decide in very specific terms a percentage of subsidy, if we decide any at all, should be given for second- and third-class mail.

The action of the committee approving a 25-percent increase in the rate on books and educational films in section 107 of the bill is not sound postal policy and is inconsistent with the earlier action of the committee on March 20, 1957 in reporting unanimously on H. R. 5206, a bill dealing with certain public services performed by the Post Office Department. H. R. 5206 establishes certain postal rates, including the book rate, as public service rates which should not be expected to cover fully allocated postal costs. No reason was presented in the hearings as to why this policy, approved by the action of the committee on H. R. 5206, should now be changed in this bill by increasing the book rate by 25 percent. Under the provisions of H. R. 5836 as approved by the committee, books and other educational and cultural materials sent under the book rate, would immediately be required to pay rates returning about 75 percent of fully allocated postal costs. This contrasts with the much more fav-

orable rate granted to second-class matter which, even with its advertising content, will be paying under this bill at the end of 4 years less than one-third of fully allocated costs. In view of the great educational and cultural value of the materials included in section 107 of the bill, and the fact that this increase will be born, in large part by educational institution and libraries which pay the postage charges on their purchases of these materials, this rate should not be higher than the second-class rate.

The extension of the book and library book rates to other educational materials for the first time in section 107 of the bill represents a desirable and long needed minor adjustment of certain postal classifications. On the other hand, no evidence was presented by the Department to support its estimate that the cost of these additions would amount to $5 million per year, thus offsetting the $5 million in additional revenue which will result from the 25-percent increase in the present rate. Nor did the Department attempt to refute testimony presented by reputable educational and library organizations in the hearings that the cost increase from the addition of these materials would amount to no more than $1 million per year.

The present postal rate bill is based on a statement of policy which does not spell out so-called public services and which provides that the cost-ascertainment system, with its uncertain conclusions, be used as a basis for ratemaking.

It seems to me that there is need for the Congress to establish a basis so that both the Post Office Department and the Congress would know what we are asking the users of the mail to pay. For example, do we ask the users to pay a $100 million estimated subsidy to the railroads? Are we asking the users to pay the losses on books and exempt publications which total over $60 million. Finally, are we going to ask the users to contribute a tremendous profit on first-class mail?

As was set forth in the minority views of the House committee report:

> It is the duty not only to the Congress but to the people, to mark out and define basic policy of public service; this obligation has not been met.

A few examples will serve to illustrate my contention. On page 113 of the cost-ascertainment report table 100–A shows the total second-class deficiency for 1956 to be $269 million, yet in this very same document, in table 100 we find the loss on second-class mail amounting to approximately $102 million. This is a variation of $167 million which, in my opinion, permits the Post Office Department great latitude in the matter of determining second-class costs.

When they state the lesser loss on second-class mail they, of course, increase the loss on first-class mail. True cost-ascertainment figures would show a profit of approximately $35 million on first-class mail, yet when the Post Office Department finishes juggling its figures on a premise not heretofore authorized by the Congress, they come up with a loss on first-class mail of over $346 million. I contend that with the proper policy guidance from the Congress, the Post Office Department can do just about anything it chooses with its cost-ascertainment figures.

In the $102 million shown as a loss on second-class mail there are still a number of public service factors, for which the Post Office Department itself is not requesting an increase. When you speak of $102 million loss on second-class mail, bear in mind that this loss still contains such items as $28 million loss on exempt publications; a loss of $11 million caused by the exemption of the first 5,000 circulation of weekly newspapers from rate increases; free-in-county, $7 million; and other items which would greatly reduce even the $102 million loss.

How does the present administration expect the Congress to come to grips with this problem without better guidelines than have heretofore been established? Do we abdicate Congressional control of ratemaking to the extent that a Postmaster General can have a free hand in determining what is best for the American people? I am confident that a great many years of hard and fruitless work could have been avoided if the Congress had established a firm basic policy upon which to evaluate rate proposals, and finally upon which to take intelligent action.

I have talked to a great many users of mail services who have told me that without a policy they are at a loss to know the size of the mortgage they are asked to pay off. I think we owe the people of the country a better deal than is contained in the present so-called policy provision under title II of this measure.

I want to direct the committee's attention that nine members of the House Post Office and Civil Service Committee affixed their names to minority views. There were three specific dissenting statements, each one of which laid emphasis on the need for an adequate postal policy as a basis for a proper rate bill. I, for one, believe that this measure should be recommitted to the House Post Office and Civil Service Committee for the purpose of asking this committee to develop an adequate postal policy which, in turn, would serve as the Department's basis for its proposition and the Congress' basis for its disposition.

There are a number of ways to advertise and sell goods: through newspapers, radio, television, billboards, and magazines. Such advertising has brought to the attention of the American people new products and new ideas. The American people respond to such advertising. As a result there are buyers for our vast industrial output. Whenever the buying public loses its incentive to acquire the things they produce, the economy will stagnate. The American Republic need never be ashamed of the vital part advertising plays in getting people to buy goods and services. We are a capitalistic Nation. It is not wrong to make a profit.

One important segment of the economy has been the object of concern—small business. As business failures mount among the ranks of smaller concerns, the feeling grows that mammoth corporations pick up the pieces and continue to expand. It is generally recognized that the American dream of everyone's right and ability to start from scratch will have been destroyed unless steps are taken to strengthen the economic position of hundreds of thousands of struggling small-business firms, such as pear growers and cheesemakers in my district.

Both major political parties have expressed their concern for the small-business man. Their platforms have always contained planks which assert their willingness to adopt measures to protect him in an era of corporate merger—big companies joining with bigger ones. In spite of this spreading cancer in the body politic, we have a tendency to fall back on pious platitudes when speaking of the little fellow. We do not take all the time we should to investigate his problems, to hear his complaints and to act on them. As a result we sometimes take actions—unconsciously and without malice, it is true—which dig but a little deeper his economic grave.

The postal-rate bill now before us is a case in point.

In opening these remarks I referred to various types of advertising. I did not list third-class mail—that category of mail which is so often referred to as "junk" or "nuisance" mail. It is a valuable form of advertising. Only one thing distinguishes it from all the others.

Where big business has the financial wherewithall to afford network radio and television shows, full-page ads in newspapers and magazines, such is not the case with the small-business mailer. In a word, third-class mail is the selling tool of the small-business man. Take it away from him and he is helpless to continue. His margin of profit generally is so tenuous that even a small increase in his selling costs can wipe it out completely.

We are sometimes politicians before we are statesmen. To a large extent our thinking and our actions are guided by what we read in the press and in our correspondence. Oftentimes it is politically expedient to go along with such opinion, even though we may suspect or know that a differing viewpoint has greater validity.

It behooves us, it seems to me, to take a great big look at this "junk" mail charge. Third-class mail is nothing new. It has existed since 1862. As a fill-in deferred service category of mail, it has provided revenues for the postal service in the same way that low-priced night telegrams enable Western Union to keep its expensive facilities utilized during slack periods.

Third-class mail has very few friends in the Congressional arena. My able colleague from Pittsburgh, BOB CORBETT, is about the only one who, year in and year out, has attempted to demonstrate the importance of this small man's selling tool in the American economy. If this small plea on behalf of the 225,000 third-class bulk mail permit holders gains but one recruit, my remarks will not have been wasted. You will find in the postal-rate bill a part of Mr. Summerfield's policy formula the condition that "consideration shall be given to the effect of

postal services and the impact of postal rates and fees on the users of the mails."

During the hearings on the bill I sought in vain for an answer to the question: Can the users of third-class mail continue in business if the Congress raises their rate 150 percent in the short span of 4 years?

No one came forward to answer this one. Mr. Summerfield guessed that everything would be all right. The Secretary of Commerce, Mr. Sinclair Weeks, had nothing to contribute on the subject. And the Small Business Administration was not heard from at all. Yet, I think Members will agree that 150 percent is quite a substantial hike, whether we are dealing with the water bill, taxes, the price of dog tags, or anything else.

Last year's bill did not provide for a 150-percent increase over the third-class rate previously in effect. In July 1952 the minimum piece rate was increased from 1 cent to 1½ cents. In the last Congress, Mr. Summerfield proposed a 2-cent rate for third class. He did not get any increases then, and he is raising his sights on third class to 2½ cents. He has provided no logical argument for such an increase.

Since we have no information to guide us regarding the ability of third-class users to withstand an increase of from $15 to $25 per thousand, it might be well for the House to consider for a moment what persons are affected and what their contribution to the economy is.

We have the testimony of witnesses who claim the following:

First. There are 225,000 bulk permit holders; that they are situated in every Congressional district in America.

Second. Third-class mail presently pays $250 million annually in postage.

Third. The value of goods and services sold through third-class advertising exceeds $15 billion annually—which is three times the value of oil produced each year in the United States.

Fourth. Four to five million people depend wholly or partially on such direct mail sales for their livelihood.

Fifth. As a result of the rate increase of July 1, 1952, third-class users are paying $95 million more in postage each year than they did prior to July 1, 1952.

Sixth. That the goods and services totaling $15 billion are produced in all of the 48 States.

Seventh. That 95 percent of the 225,000 bulk permit holders qualify as small business.

Eighth. That the term "junk mail" was coined by the newspapers which consider third class as a competitive advertising medium.

Ninth. That the embargo on third-class mail ordered by the Postmaster General last April, coupled with a complex and unworkable zoning requirement now under consideration, makes clear Mr. Summerfield's intention to greatly diminish the volume of third-class mail.

Shall we vote to make the increase on third-class mail 150 percent over what it was in 1952? I am frank to admit I am disturbed about the possible hardships which will flow from such a rate. I do not believe the volume of mail will remain at 15 billion pieces under the impact of a $25 per thousand rate. If that should be the case, Mr. Summerfield is not going to get the $128 million additional revenue he estimates from this category of mail. Some qualified observers suggest the volume will drop to 10 billion pieces. If so, does that mean sales of goods and services will also decline one-third, from $15 billion to $10 billion annually? Should that be the result it will be obvious to the most uninformed that unemployment will result, tax revenues will be reduced and the number of business failures will increase.

By voting for a 2½-cent rate on bulk third-class mail, there is a very good chance the Federal Government will lose as much as $2 billion in tax revenues.

As I said earlier, I do not know all the answers. If such a rate is enacted, let us all hope I am wrong. I would feel a little more confident if our able Postmaster General had presented to our committee some economic data on this subject. I will be the first to admit that his introduction of the ballpoint pen to the Nation's post offices was a stroke of genius but I am not inclined to credit him with more than blind, unyielding bullheadedness in the complex field of postal policy.

The late Senator Barkley often told a story on himself which might very aptly be applied to Mr. Summerfield. It concerned the town bum who had died leaving behind him a record of jailings for drunkenness, wife-beating, and general cussedness. At the funeral rites not even the minister could bring himself to say a kind word about the deceased. In attendance was the town barber who, as the coffin was being lowered into its grave, commented: "He might not have been much, but I will say one thing about Jim—he was an easy man to shave."

The bill should be defeated. It is imprudent and unfair.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope these two amendments will be voted down. They were submitted to our committee. The gentleman from Oregon well knows that the increase on books is very moderate from 8 cents to 10 cents per pound. Furthermore, the policy provisions of this bill were adopted overwhelmingly by a majority of our committee, and I ask that both amendments offered by the gentleman from Oregon be voted down.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oregon [Mr. PORTER].

The amendments were rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I want to use this 1 minute to explain that the amendment adopted a few minutes ago, which was referred by the gentleman from Pennsylvania [Mr. RHODES] is something you should think about. .In my judgment, it is utterly impossible of administration. We talk about the subsidy for magazines and newspapers. I have been for reducing the subsidy as much as we can. But, the way you subsidize is by favorable rates. Under this amendment, you fix a limit of $100,000. How in the world are you going to be able to figure out the $100,000 so-called subsidy for each magazine is almost an impossibility, in my opinion.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I think we have overlooked a fundamental thing here. We talk about trying to raise some money. This bill is going to raise very, very little money. All it is going to do is to bail out the Post Office Department. Most of the money involved here comes from business mail. Every letter and every post card of business mail is chargeable as a business expense and comes off the income tax. You are not going to raise $500 million here. You will be lucky if you raise $50 million from grandma's post card or from some lover's letter or from some mother's letter to her son. That is the only thing. You can laugh, but there is no way that you can add money to the public Treasury by adding to business expenses. All you do is that next year, you will be back here and you will be required to raise taxes, income taxes, if you please, by half a billion dollars. You are fooling yourselves and you are possibly now fooling the public, but you will not fool the public long. This bill does not raise money for the support of the Government except to a very small degree. It does bail out the Post Office Department at the expense of the general revenue and you are fooling yourselves when you think you are not.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO, of New York: On page 3, strike out line 9 and all that follows down through line 15, including the table following line 15, and insert in lieu thereof the following:

"SECOND-CLASS MAIL

"SEC. 104. (a) Section 2 (a) of the act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 289a), is amended by inserting immediately before the colon which precedes the first proviso a comma and the following: "and such total postage shall be further increased—

"'(A) by 10 percent on 150,000 copies or less of magazines, periodicals, and newspapers mailed in a calendar year,

"'(B) by 15 percent on more than 150,000 but not more than 300,000 copies mailed in a calendar year, and

"'(C) by 20 percent on all copies in excess of 300,000 mailed in a calendar year,

in four successive increments, effective on January 1, 1958, January 1, 1959, January 1, 1960, and January 1, 1961, respectively'."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HERLONG, 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. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, pursuant to House Reso-

lution 394, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Wisconsin. I am.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion.

The Clerk read as follows:

Mr. SMITH of Wisconsin moves to recommit the bill to the Committee on Post Office and Civil Service.

Mr. MURRAY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken and the Speaker announced that the noes appeared to have it.

Mr. LESINSKI. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. LESINSKI. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 256, nays 129, not voting 47, as follows:

[Roll No. 192]

YEAS—256

Abbitt	Brown, Ohio	Durham
Abernethy	Broyhill	Dwyer
Adair	Budge	Edmondson
Albert	Byrne, Ill.	Fallon
Alexander	Byrnes, Wis.	Fascell
Allen, Calif.	Canfield	Fenton
Allen, Ill.	Carrigg	Fisher
Andersen, H. Carl	Cederberg	Ford
Andrews	Chamberlain	Forrester
Arends	Cheif	Fountain
Ashley	Chenoweth	Frazier
Ashmore	Chiperfield	Frelinghuysen
Auchincloss	Church	Friedel
Avery	Clark	Fulton
Ayres	Clevenger	Gary
Bailey	Cole	Gathings
Baldwin	Colmer	Gavin
Bass, N. H.	Cooper	Gregory
Bass, Tenn.	Corbett	Griffin
Bates	Coudert	Gross
Baumhart	Cramer	Gubser
Becker	Cretella	Gwinn
Belcher	Cunningham, Iowa	Hagen
Bennett, Fla.	Cunningham, Nebr.	Hale
Bennett, Mich.	Curtin	Halleck
Bentley	Curtis, Mass.	Harden
Berry	Dague	Hardy
Betts	Davis, Tenn.	Harris
Boggs	Dawson, Utah	Harrison, Nebr.
Boland	Dellay	Harrison, Va.
Bolton	Dennison	Harvey
Bonner	Derounian	Haskell
Bosch	Devereux	Hays, Ark.
Bow	Dies	Hébert
Boykin	Dixon	Henderson
Bray	Dooley	Herlong
Brooks, La.	Dorn, N. Y.	Heselton
Broomfield		Hill
		Hoeven
Hoffman	Miller, Md.	Seely-Brown
Holland	Miller, Nebr.	Sheehan
Holmes	Miller, N. Y.	Sikes
Holt	Mills	Simpson, Ill.
Horan	Minshall	Simpson, Pa.
Hosmer	Moore	Smith, Calif.
Hyde	Morano	Smith, Kans.
Ikard	Morris	Smith, Miss.
Jackson	Mumma	Spence
James	Murray	Springer
Jarman	Neal	Stauffer
Jenkins	Nicholson	Steed
Jennings	Nimtz	Taber
Jensen	Norrell	Talle
Johansen	O'Hara, Minn.	Teague, Calif.
Jonas	O'Konski	Teague, Tex.
Jones, Ala.	Osmers	Tewes
Jones, Mo.	Ostertag	Thomas
Judd	Passman	Thompson, La.
Kean	Patman	Thomson, Wyo.
Kearns	Patterson	Thornberry
Keating	Pelly	Tollefson
Keeney	Pilcher	Trimble
Kilday	Pillion	Tuck
Kilgore	Poff	Udall
Kitchin	Prouty	Utt
Knox	Radwan	Van Pelt
Laird	Ray	Van Zandt
Landrum	Reece, Tenn.	Vorys
Lankford	Reed	Vursell
Latham	Rees, Kans.	Wainwright
LeCompte	Rhodes, Ariz.	Walter
Lennon	Rhodes, Pa.	Weaver
Lipscomb	Riehlman	Westland
McCulloch	Riley	Wharton
McDonough	Rivers	Whitten
McIntire	Robeson, Va.	Widnall
McIntosh	Rogers, Fla.	Wigglesworth
McVey	Rogers, Mass.	Williams, Miss.
Mack, Ill.	Sadlak	Willis
Mack, Wash.	St. George	Wilson, Calif.
Mahon	Saylor	Winstead
Martin	Schenck	Withrow
Matthews	Schwengel	Wolverton
May	Scott, N. C.	Young
Meader	Scott, Pa.	Younger
Merrow	Scrivner	
Michel	Scudder	

NAYS—129

Addonizio	Fogarty	O'Brien, N. Y.
Anderson, Mont.	Forand	O'Hara, Ill.
Aspinall	Garmatz	O'Neill
Baring	Granahan	Perkins
Barrett	Grant	Pfost
Beckworth	Gray	Philbin
Blitch	Green, Oreg.	Poage
Bolling	Green, Pa.	Polk
Boyle	Griffiths	Porter
Breeding	Haley	Price
Brooks, Tex.	Healey	Rabaut
Brown, Ga.	Hemphill	Rains
Brown, Mo.	Holifield	Reuss
Burdick	Huddleston	Roberts
Burleson	Hull	Rodino
Bush	Johnson	Rogers, Colo.
Byrd	Karsten	Rogers, Tex.
Byrne, Pa.	Kee	Rooney
Cannon	Kelley, Pa.	Roosevelt
Carnahan	Kelly, N. Y.	Rutherford
Celler	Keogh	Santangelo
Christopher	King	Saund
Chudoff	Kirwan	Selden
Coad	Kluczynski	Sheppard
Coffin	Knutson	Shuford
Cooley	Lane	Sieminski
Davis, Ga.	Lanham	Sisk
Delaney	Lesinski	Smith, Wis.
Denton	McCarthy	Staggers
Diggs	McFall	Sullivan
Dingell	McGovern	Teller
Dollinger	McMillan	Thompson, N. J.
Donohue	Machrowicz	Thompson, Tex.
Dorn, S. C.	Madden	Ullman
Dowdy	Magnuson	Vanik
Doyle	Marshall	Watts
Elliott	Metcalf	Whitener
Engle	Miller, Calif.	Wier
Farbstein	Montoya	Wright
Feighan	Moss	Yates
Fino	Moulder	Zablocki
Flood	Multer	Zelenko
Flynt	Natcher	
	O'Brien, Ill.	

NOT VOTING—47

Alger	Curtis, Mo.	Holtzman
Andresen, August H.	Dawson, Ill.	Kearney
Anfuso	Dempsey	Kilburn
Baker	Eberharter	Krueger
Barden	Evins	Long
Beamer	George	Loser
Blatnik	Gordon	McConnell
Brownson	Hays, Ohio	McCormack
Buckley	Hess	McGregor
Collier	Hiestand	Macdonald
	Hillings	Mailliard
Mason	Preston	Smith, Va.
Morgan	Robsion, Ky.	Taylor
Morrison	Scherer	Vinson
Norblad	Shelley	Williams, N. Y.
Powell	Siler	Wilson, Ind.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Buckley against.

Mr. Smith of Virginia for, with Mr. Holtzman against.

Mr. Blatnik for, with Mr. Morrison against.

Mr. Morgan for, with Mr. Hays of Ohio against.

Mr. Norblad for, with Mr. Powell against.

Mr. Taylor for, with Mr. Dawson of Illinois against.

Mr. Hess for, with Mr. Gordon against.

Mr. McGregor for, with Mr. Dempsey against.

Mr. Hiestand for, with Mr. Kearney against.

Mr. Collier for, with Mr. Macdonald against.

Mr. Scherer for, with Mr. Anfuso against.

Until further notice:

Mr. Shelley with Mr. August H. Andresen.

Mr. Vinson with Mr. Siler.

Mr. Long with Mr. Baker.

Mr. Loser with Mr. Beamer.

Mr. Preston with Mr. Robsion of Kentucky.

Mr. Evins with Mr. Brownson.

Mr. Barden with Mr. Wilson of Indiana.

Mr. BUSH changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

INTERNATIONAL ATOMIC ENERGY AGENCY

Mr. PRICE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8992) to provide for the appointment of representatives of the United States in the organs of the International Atomic Energy Agency, and to make other provisions with respect to the participation of the United States in that Agency, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DURHAM, PRICE, KILDAY, COLE, and VAN ZANDT.

DROUGHT RELIEF IN EASTERN MASSACHUSETTS

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 two letters.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in spite of our having had some rain in Massachusetts the drought is very bad there. I am including two letters, one from the assistant commissioner of agriculture in Massachusetts, and another from two gentlemen in Littleton Common, Mass., describing the difficult conditions in Massachusetts due to this drought. They are as follows:

THE COMMONWEALTH
OF MASSACHUSETTS,
DEPARTMENT OF AGRICULTURE,
Boston, August 9, 1957.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN ROGERS: As you perhaps realize we in the Department of Agriculture are very much disappointed in the reaction of Washington in not declaring Massachusetts or sections of Massachusetts a disaster area. I realize that this may be by comparison with the Southwest areas that have been declared disaster areas, but I think it is only fitting to point out that the type of agriculture carried on here in New England is quite different from the agriculture procedures carried on throughout the Southwest.

Our crop areas are much more concentrated and our types of crops are suited to a different type of soil and are based on a higher rate of precipitation so that when a drought does occur in New England, it is much more disastrous to the overall agricultural picture, more particularly dairying. In this instance if we have to stop feeding our dairy cattle for one or two feedings, their production immediately drops and in most instances does not return to normal.

I am enclosing an overall picture, as near as we can possibly determine at the present time, of the situation throughout the drought affected areas along with some suggestions of needs of the farmers to meet the situation.

As you undoubtedly know, we have done everything in our power within the State to alleviate the drought by hiring the Howell Associates to make rain. We feel this has been of some assistance but it has not by any means completely eliminated the drought situation.

I know you appreciate our problem and I thank you for your continued efforts in our behalf.

Sincerely,

CHARLES F. SHELNUT,
Assistant Commissioner.

PICTURE OF DROUGHT AREAS IN MASSACHUSETTS; THESE ARE ESTIMATES BUT WE FEEL THEY ARE QUITE CONSERVATIVE

As of July 27, 1957 (8 a. m.), we are 11 inches short of average rainfall according to Essex County Agricultural School records which indicate about 2 inches of rain since April 1, 1957, with average normal rainfall being 13 inches for the months of April through July which is 15 percent of normal.

An estimate of the current condition of hay first cutting 75 percent of normal; second cutting 2 percent of normal; pasture none; silage corn 50–75 percent; green feed 5–10 percent; new seedings 20 percent including spring and fall of 1956.

Milk 85 percent of normal production.

Unirrigated vegetable crops 15 percent. Irrigated 75 percent to 80 percent.

Farm ponds have less than 10 percent of normal water supply.

Apple crop early, 50 percent; late, 75 percent.

No peach crop due to low winter temperature in January.

Young fruit trees, 50 percent.

Nursery stock unirrigated 10–20 percent. New growth mostly lost.

Estimate of supply as percent of normal: Hay 40 percent; pasture 0 percent; green feed 10 percent (including corn silage).

Condition of livestock, poultry not adversely affected to date except burned-out ranges; young stock in pastures losing weight unless fed roughage; milk production off 15 percent.

Other information: Hay supply next fall will be 25 percent of normal if present condition continues; silage and green feed will be 0 percent of normal. Dairy farmers have been feeding hay and grass silage for the past month due to condition of pastures.

If drought continues, fruit crop will be 50 percent or less with much unsalable fruit. If drought continues, there will be a complete loss of unirrigated vegetables including potatoes, squash, root crops, cabbage, etc.

Irrigation and livestock water ponds are nearly empty. More towns are limiting use of water for irrigation, and a serious loss of crops now irrigated will result if additional water supply is not forthcoming.

OUR SUGGESTIONS ARE FOR NEEDS OF OUR FARMERS

The effects of drought conditions in the State, as well as 1957, are evidenced in the complete loss of many spring and fall seedings made in 1956, as well as those in the spring of 1957; therefore, the committee requests as much assistance as possible on reseeding.

As much assistance as possible in the construction of new and enlargement of old farm ponds for water conservation.

The need for all available assistance on purchase of hay and feed. (Reduced freight rates on hay most important. We are working toward this with the railroads in Massachusetts.)

That short-term, low-interest-rate loans be made available for farmers needing emergency assistance.

GREEN MEADOW FARM,
LITTLETON COMMON, MASS.,
August 8, 1957.

Hon. EDITH N. ROGERS,
United States House of Representatives, House Office Building, Washington, D. C.

DEAR REPRESENTATIVE ROGERS: We are very disappointed to learn from the newspapers that the Secretary of Agriculture refuses to name eastern Massachusetts as a disaster area in spite of the recordbreaking drought we have suffered this year.

Although the drought as compared with droughts in the semiarid sections of the West may not appear to the Secretary as severe or of as long duration, the impact on agriculture may be just as disastrous. We feel that the following facts may not be fully understood and evaluated in making the decision.

1. Our agriculture is of an intensive nature and is not adjusted to drought conditions because of relative infrequency of occurrence.

2. Our costs per acre are several times higher than in many areas so that total or partial failure of even a few acres is very damaging.

3. Our soils are mostly very shallow and rocky therefore there is much less retention of winter rainfall than most other sections.

4. Because of the localized nature of the drought we must compete in the markets with other not very distant areas which have not suffered this handicap.

5. It would seem most desirable to have agriculture in a vigorous, healthy condition in this heavily populated area. Especially in case of a possible national emergency, we might well be of great value to the urban population. A poverty-stricken, demoralized agriculture would be in no position to assist in an emergency.

We hope you will make every effort to have the Secretary reconsider his decision and consider all the factors enumerated.

Sincerely yours,

JAMES and ROBERT STUART.

THE NAVY—AN ESSENTIAL IN OUR DEFENSE PLANNING

Mr. HUDDLESTON. 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 Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, since the earliest days of recorded history, ships have filled an important role in world civilization. The United States has recognized this fact from its very beginning. Down through the years, the United States Navy has left its mark in history. John Paul Jones' defiant "I have not yet begun to fight," became the rallying cry of the American Revolution. The dying words of Capt. James Lawrence: "Don't give up the ship," spurred our young country to victory in the War of 1812. In nearly every war there have been other famous battle cries, too, like "Remember the *Maine*." Every American can well be proud of his Navy.

The United States Constitution gives Congress the power to provide and maintain a Navy. From a meager beginning 170 years ago, our Navy has grown into the largest fleet in the world. The Navy is important to us, Mr. Speaker, in fighting our wars and also in maintaining our peace.

In these troubled times, control of the oceans is more important than ever before. The seas are the avenues of trade for the Free World and essential to these countries' very existence. The seas are also the avenues of aggression for enemy nations, who would desire nothing better than to control these vital water lanes. This is evidenced by the present buildup of submarine fleets in the Iron Curtain countries, principally Russia. If it is to endure, the Free World must retain control of the seaways, for this is a cardinal principle of geopolitics. The Free World depends on sea transportation and the ship lanes must be kept open.

America relies on its Army to protect the mainland and its Air Force to maintain faithful vigil in the air but only the Navy can control the seas. The Navy is not more important or less important than either of the other armed services. This triumvirate of military power is necessary to give us effective diversification of our defenses. The Navy's role in our national security is downright essential to America's strategic defense. There can be no denying that our security demands that we control the oceans, which can be done only with an adequate Navy.

In recent months, there have been a number of unwarranted attacks upon the Navy. These criticisms are based on the unjustified contention that modern weapons have destroyed the Navy's purpose and usefulness. This is completely untrue.

Thermonuclear weapons have not left our Navy defenseless. Neither have these weapons eliminated the need for the Navy. Except for its delay in discarding heavy battleships, the Navy is not obsolete and it is certainly not outmoded by the times, nor is it unnecessary by any stretch of the imagination.

Like other elements of America's armed might, the Navy is in a process of change. Already, its fleets are streamlining for the atomic age. By continually modernizing its designs and equipment, the Navy can never become obsolete. The present-day Navy is built around the powerful aircraft carrier, which both improves the fleet's defense capabilities and boosts its striking power. The mighty carrier, with its banks of guided missiles, faster-than-sound attack planes and superhuman electronic equipment, has replaced the heavy battleship. Offensively as well as defensively, the Navy is vastly superior today than it was 10 years ago.

In addition, the Navy is converting to atomic power. Of all military forces, it best lends itself to the full utilization of the power of the atom. Within a few years, the entire fleet will be atomic-powered, thus assuring greater mobility and less difficulties of supply.

In times of peace, the Navy is our best insurance against war in any part of the world. Our ships at sea today form a potent force for peace. Because our ships are a self-contained fighting force instantly ready, the Navy serves to neutralize world tensions—as it did a few months ago in sailing to the eastern Mediterranean when Jordan's independence was threatened.

In instances of limited war, our ships constitute a tremendous stabilizing force. As the Navy can throw its full weight almost anywhere in the world, it is an impressive deterrent against full-scale war. With the Navy, we are able to fight battles far away from our shores without waiting for them to spread to our own land. Our ships are ever patroling the possible routes of attack. When and if it comes, the Navy may be expected to give us an early warning if the attack is over the sea.

In case of all-out war, our Navy is far from being as defenseless as some would have you believe, Mr. Speaker. Our carriers, equipped with the best defenses known, are no sitting ducks. The fleet's vulnerability is, at most, questionable in an atomic attack. If an attacking plane or submarine can penetrate the maze of fleet defenses, its H-bomb may get only one ship at the most. This is because the Navy in fighting an atomic war would have its ships staggered over an extremely wide area. The convoy huddle of World War II is a thing of the past.

From missiles as well as H-bombs, the Navy is comparatively safe. At times, our fleets might be within the range of enemy ballistic missiles. However, such missiles must be aimed on firing, like artillery shells. Because ships are constantly moving while at sea, they cannot be fixed targets for long-range ballistic missiles. Homing missiles, which must be fired at closer range, can be lured astray by various devices and effective defenses.

In short, the Navy is well able to take care of itself.

In the words of Adm. Arleigh A. Burke, Chief of Naval Operations, the Navy may possibly become "a decoy for the mainland" if war comes. He readily admits that an H-bomb can sink a carrier, if the enemy throws its force against the fleet instead of the mainland. "And so the bomb that destroys the carrier spares Chicago. And the 'misses' aimed at the carrier don't destroy the suburbs of Chicago. And the Soviet planes that fall, don't fall on Milwaukee—they fall into the sea."

The H-bomb which fails to hit its target ship falls harmlessly into the ocean, where its radioactive fallout is wasted. Not so over the mainland, where it is entirely possible that a bomb may miss a military installation but hit a thickly settled area killing many thousands. If the enemy ever attacks our fleet with atomic weapons, instead of dropping them on the mainland, the Navy will be everyone's hero.

In all-out war, our naval strength will also be needed to keep open the sealanes of supply, concentrating on enemy submarines. Certainly modern warfare has not eliminated the need for merchant vessels plying between the nations of the Free World. As long as our enemies would destroy this vital trade, there is paramount need for the United States Navy.

The Navy's seapower is a necessary force to back up the Army on the ground and the Air Force in the air. Their roles in war, as in peace, are intermeshed but yet strategically distinct. A balance of our military power is fundamental to our defense. A strong Navy which can control the seas is more important than ever before in order to give us this balanced military defensive and offensive force. The Navy's importance is in the very critical role which it serves in our pattern of defense.

THE DANGER OF INFLATION

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, the Members of this body ought to make a special effort to slow down or stop the present inflationary spiral before we adjourn. Most of the Members here realize that inflation is the most dangerous enemy facing this Government on the domestic front.

In the past few years, we have seen it destroy the economy of several European countries. It can and will destroy the economy of this Nation if the Congress fails to come to grips with this problem.

Mr. Speaker, it is time now, in this session, for the Members of both bodies to speak up with such emphasis and clarity that the labor leaders and the business leaders of the Nation will realize that, even late as it is, the Congress has the courage to say, "we have had enough of it."

In fact, Mr. Speaker, since 1939 the purchasing power of the dollar has been driven down to 50 cents, which has caused the cost of living to rise over 100 percent. We Members have a responsibility that should be discharged in the interest of 10½ million people who under social security are drawing from $30 to $108 a month, or an average of $64 a month. We must realize that this pitifully small sum of $64 a month now buys only $32 a month in groceries and other necessities.

Then, Mr. Speaker, there are 5 million people drawing from $30 to $80 a month in public assistance from the welfare departments, in cooperation with the States. This small amount since 1939 has been gradually cut until today in real purchasing power it is only from $15 to $40 a month.

Then, there are 250,000 people drawing annuities from the social security retirement fund, which have met the same fate.

Mr. Speaker, may I also point out that every Congressman who has retired, or will retire, if the purchasing power of the dollar is even held at 50 cents must take the same loss because of inflation, which has already done much damage to the economy of this country. If the Congress does not act, those who retire later may be the further victims of a 30-cent dollar in purchasing power rather than the present 50-cent dollar.

Mr. Speaker, both bodies have wasted much time through delay, and in giving attention to other problems that amount to nothing in comparison with the danger of inflation. Yet, other than making considerable reductions in the budget request for the coming year, nothing substantial has been done to stop the upward spiral in the cost of living.

There is one thing that can be done in cooperation with the President, that should be done before adjournment. This body, in my judgment, should pass a concurrent resolution, joining our efforts with those of the President who has called upon the labor leaders of the Nation to cooperate with him in deferring further wage raises unless they conform to increased productivity of the individual, or where there are demonstrable injustices existing in particular areas.

Mr. Speaker, the President also called upon the business leaders of the country to cooperate with him in holding down prices. Three times in his press conferences the President has shown his concern, and asked for the patriotic cooperation of the business interests, the labor leaders and the public to help stop this dangerous inflationary spiral.

I believe the American people will patriotically and voluntarily help stop this inflation when they understand its

great danger, if they know a mass movement to curb inflation is being led by the President, the Congress, influential labor leaders and the business interests. I have confidence that in a movement of this kind the responsible leaders of labor and business, in the interest of the members of their organizations, would want to stop the increase in the cost of living, and would accept and carry out the suggestions of the President to stop wage increases, unless within the range of very exceptional cases.

Mr. Speaker, such voluntary action on the part of both business and labor and the Congress would stop the deflation of the purchasing power of the dollar, and thereby help all of the people in every walk of life, and hurt no one.

Mr. Speaker, some days ago I introduced House Concurrent Resolution 222, which I desire to have included in the RECORD at the conclusion of my remarks. I sincerely hope that the leaders on both sides will get together and pass some kind of a resolution along the line I suggest which will bring the unanimous voice of the executive department and the legislative body into a persuasive and forceful demand for the cooperation I have pointed out in my remarks.

Mr. Speaker, if we can have the cooperation of all, we can stop this inflation, reduce the cost of living and prevent the further lowering of the purchasing power of the dollar. It is an effort that should be made before adjournment because inflation must be stopped.

I believe with the leadership I have suggested that hundreds of business organizations and hundreds of labor union locals throughout the country will enthusiastically join in an effort to lower the cost of living. Such a movement will have the endorsement of every housewife, every wage earner, every farmer in the country. It is a challenge worthy of the attention and efforts of this body, and the American people.

Mr. Speaker, this is a challenge that can be successfully met to the great good of the Nation—if we do not hesitate in helping to furnish the proper leadership.

If we do not make this effort, inflation will have made such gains between now and January 1958 that the President and the Congress may be compelled to enact price- and wage-control legislation, which all of us hope to avoid. However, we must stop inflation even if we have to take drastic action.

House Concurrent Resolution 222

Whereas next to the need to maintain peace, there is nothing more vital to the national welfare than the maintenance of a sound economy; and

Whereas Members of Congress in both bodies know how dangerous and destructive inflation can be, having seen its deadly effect on the economy of other nations in the recent past, and know it can, and unless checked, will, destroy our present prosperity and economy by further reducing the purchasing power of the dollar; and

Whereas since the years 1939 and 1940, inflation has reduced the purchasing power of the dollar to about 50 cents and increased the cost of living over 100 percent; and

Whereas in 1956 there was an alarming inflationary increase of 2.9 percent and a continuing increase each month of this year to a total of 1.4 percent through May; and

Whereas the Members of Congress in both bodies; realizing the great danger of inflation, have made a most courageous and effective effort by reducing the budget and eliminating as far as possible the inflationary effects of unnecessary Government spending; and

Whereas President Eisenhower has called attention to the danger of inflation three times this year in his press conferences and has urged the labor leaders and the business leaders of the country to stabilize and help prevent further inflationary effects of wage and price increases: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress joins with the President in a united appeal to all leading labor officials, to the National Association of Manufacturers, to the national chamber of commerce, to the State chambers of commerce, and to all of the businessmen of the Nation, to cooperate in a voluntary and patriotic effort to stabilize wages and prices, and to stop inflation and the constant rise in the cost of living.

It is the firm conviction of the Members of Congress that such a united movement, led by the President and the Congress, with the business interests and the labor leaders of the Nation furnishing enthusiastic cooperation and leadership, can voluntarily stop further inflation and turn the cost of living on a downward trend which will benefit every citizen of the Nation, and protect and increase the purchasing power of the dollar.

The Members of Congress are aware that everyone deplores wage and price controls, but unless the Government can have the cooperation of the business leaders, the labor leaders, and the citizens generally in a voluntary effort to stop increasing inflation and protect the purchasing power of the dollar, the Government may be compelled to impose such controls.

QUALIFYING FEDERAL JUDGES: WHAT ROLE FOR THE AMERICAN BAR ASSOCIATION?

Mr. UDALL. 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 Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, during the recent convention of the American Bar Association in New York City the following news story appeared in the New York Times:

David F. Maxwell of Philadelphia, president of the association, said the organization was pleased with present arrangements whereby prospective appointments to the Federal judiciary are submitted to it for approval.

"There has not been a single appointment since August 1956, over our objection," he said. He also reported that the association's adverse reports had blocked some appointments.

"We are concerned mostly to insure that judges of all courts have the essential qualifications," he explained. "Our objective is to remove the judges of both Federal and State courts from politics and assure appointment of experienced and qualified men to all the courts."

He said the Attorney General submits to a special committee of the association the names of all persons being considered for judicial appointments. The committee investigates and reports.

Mr. Speaker, as one member of the American Bar Association I found some of the implications in this report disquieting. Moreover, I was somewhat surprised that such a plan would be instituted without a full-dress debate within the association. And it aroused my concern that the association would undertake the commission proposed by the chief legal officer of the country without first arriving at a membership consensus concerning the appropriate premises and guidelines involved in such a screening system.

I entertained these thoughts out of concern for the welfare and prestige of the ABA. Our organization has rendered invaluable service in recent years in improving the administration of justice, in fighting against the law's delays, and in attempting to provide legal service for all citizens irrespective of ability to pay. It is for these reasons that I felt there should be deliberateness in any move by the association to undertake the delicate task of qualifying jurists.

If the association can clearly define its role and agree on standards and procedures which will have wide acceptance, one might anticipate that it will make a vital contribution to the process of selecting secondary Federal court judges. The ABA could indeed provide a salutary counterweight to the political influence which at times is the dominant factor in the selection of these judicial officers.

However, because of the unique character of our Supreme Court, I have wondered whether any clearance procedure should be interposed other than that provided by the Constitution itself. When due regard is given to the careful screening provided by the Senate under its constitutional mandate—as contrasted with the less thoroughgoing scrutiny given by that body to lesser judicial appointments—one might well be apprehensive lest the ABA itself become involved in politics, that is, in disputes with the United States Senate. Certainly one of the most regrettable chapters in the history of the ABA was the attempt by some of its leaders to block Senate confirmation of Justice Brandeis in 1916.

What I am attempting to express is my belief that it would be the better part of wisdom to debate basic policy issues within the organization before fixed patterns are set. Certainly such a new function should not be assumed by the ABA without a searching discussion which might reveal the pitfalls and obviate future controversy.

The stage could be set for such a debate by the publication of the commission tendered by the Attorney General and all subsequent correspondence. These communications should then serve as the anvil on which basic policies could be hammered out. A second step might be a listing of the names of the members of this powerful special committee, and information concerning the manner of their selection.

It is plain, I think, that there might be a wide divergence of opinion within the association on many of the questions raised by the Attorney General's proposal. To indicate some of the outlines of the problem let me list some of the

questions which must be in the minds of many ABA members:

First. With regard to Supreme Court appointees, what are the essential qualifications?

Second. What criteria is the special committee using to determine when a prospective nominee is experienced or qualified?

Third. Have objective standards been set up, or is the determination made largely on the basis of subjective opinions held by members of the committee?

Fourth. What present or past members of the Supreme Court would not be approved under the procedures presently followed by the special committee?

Fifth. Should such a screening system be interposed at the Supreme Court level?

Sixth. To what extent does prior judicial service weigh in the scales? Does such service weigh more or less than, say, possession of a capacious, cultivated mind?

Seventh. What type of investigation should the committee conduct?

Eighth. Should the ABA committee have merely a consultative function? Or should it assume broader powers, including a clearance veto?

Ninth. And, finally, what action should the ABA take in the event an adverse report by its committee is ignored by a President?

These are a few of the questions which might well be raised by those interested in this problem.

Although avoidance of another Brandeis case is a worthwhile objective, there is an even stronger argument for caution. I refer to the fact that, unlike the integrated bars of many States, the American Bar Association is still a minority voice in the legal profession. Although 37 percent of our lawyers now belong to the ABA, it cannot presume to speak for the bar at large.

I submit that this circumstance alone should dictate a policy of self-restraint in dealing with broad questions which affect all of our people.

It is my hope that the leaders of the American Bar Association will adopt such a spirit in approaching this challenging new responsibility.

CITIZENS TAX RELIEF

Mr. OSMERS. 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 Jersey?

There was no objection.

Mr. OSMERS. Mr. Speaker, I recently introduced a measure, H. R. 8430, which I have titled the "Citizens Omnibus Tax Relief Bill." It is my sincere belief that the American taxpayer must be given a break in order to reduce the oppressive burden of income taxation that he must now bear.

Some have suggested that the personal exemption ought to be raised. However, it is my feeling that before there can be any general reduction in such a manner there must be relief that will best reflect the actual out-of-pocket expenditures of the individual that in most cases are necessities of everyday living.

It has been the policy of the Congress in the past to provide deductions for items which must be characterized as "necessaries"; we need only look to the provisions concerning deductions for medical expenses over 3 percent, deduction for child care in certain situations, and deductions for travel expenses while at work, to demonstrate this point.

The citizens omnibus tax-relief bill is designed to bring equality in the treatment of these "necessaries" by allowing deductions, exclusions, credits, and exemptions as I will outline.

MEDICAL AND DRUG EXPENSES

Section 5 of the bill, relating to deductions for medical and drug expenses, will amend the 1954 code to allow a deduction—when the taxpayer itemizes his return—for all medical expenses over the 3-percent ordinary expense, without the limitations now imposed. Thus, all drug expenses, instead of only drug expenses over 1 percent of adjusted gross income, will be allowed toward the deduction; also, there will be no limitation on the amount actually spent by the taxpayer for his medical expense. Under the present law, there is a general maximum of $2,500 for each exemption.

The present law is not a true and fair test of the necessary expense a taxpayer may incur. The proposed bill will certainly heal the inherent inequity now existing by allowing a more realistic treatment of medical expenses.

DEDUCTION FOR WORKING MOTHERS

Section 6 of the bill provides for long-needed relief to working mothers. Under the present code, such a taxpayer is entitled to a deduction of up to $600 for expenses incurred for child care. I am sure that all my fellow members will agree with me when I say that this is not a realistic attitude toward a very serious problem. Where the family situation requires the mother to work and necessitates the hiring of help to take care of the children, we must realize that such expense will be greater than the deduction now allows. To provide a fairer treatment for persons so situated, section 6 of the citizens omnibus tax-relief bill will provide a deduction of up to 50 percent of the adjusted gross income not to exceed $2,500. In my opinion, this is genuinely more realistic than the present law. For example, a working mother who otherwise qualifies, earning $80 a week, would be entitled to a reduction of $40 per week to pay the expenses of child care. Now, this latter figure is not too much to pay for adequate child supervision in this day and age, and we must take cognizance of this situation by giving this added relief.

ADDITIONAL EXEMPTION FOR DEPENDENTS OVER 65, BLIND, OR PHYSICALLY HANDICAPPED

Section 4 of the bill will finally remedy a situation which has been a great cause of consternation to the public as well as to myself. The code now provides that there shall be one exemption for any dependent as that term is defined, no matter what the physical condition of that dependent. Under my bill any dependent who is blind, physically handicapped, or over 65, will give an additional exemption to the taxpayer. This is only fair in that the same dependent would himself be entitled to two exemptions upon filing a return. The question is whether it is any easier to support such persons than it is for them to support themselves? The answer is "No." Why then should this additional exemption be taken away from such a taxpayer due to the fortuitous circumstance of having someone to support them. The citizens omnibus tax-relief bill would remedy this inequity.

TRANSPORTATION TO AND FROM WORK

Additional provisions of the bill will give needed relief in varied areas of the law. In our modern society, with the abnormal development of suburban communities, it has become a virtual necessity for a growing portion of our population to commute great distances to reach their places of employment. This is not a problem of convenience because it is evident that most of the people moving to the suburban areas just cannot find suitable living accommodations nearer the centers of business. Transportation to and from work, then, becomes a necessary and in most cases burdensome expense.

The proposed legislation would provide a deduction for actual expense, not to exceed $500 in 1 year. This would not include, for example, depreciation on a vehicle used in such commuting. I strongly feel the citizens of our country deserve this consideration.

EDUCATIONAL EXPENSES

Also included in this bill is a provision for deduction for educational expenses to a maximum amount of $900. Because of the ever-rising cost of college tuition and fees, it has become increasingly difficult for many persons to attend higher institutions of learning. This directly affects our national welfare as our Nation has always maintained its leading position in world affairs by reason of our vastly superior educational standards. By allowing a deduction from adjusted gross income for tuition and fees at institutions of higher learning we can directly benefit our country and many of our citizens.

INTEREST ON SAVINGS ACCOUNTS—PARTIAL DEDUCTION FOR INSURANCE AND HOSPITALIZATION PREMIUMS—DEPRECIATION OF TAXPAYER'S PRINCIPAL RESIDENCE

Other sections of the bill would permit an exclusion from gross income of up to $50 for interest received on savings accounts; a deduction of up to $200 paid as premiums on life or hospitalization insurance; and for the depreciation of property owned and occupied by the taxpayer as a principal residence on the theory that this is in general a business investment for the average citizen.

Taken as a whole, the Citizens Omnibus Tax Relief bill is legislation which will at long last give needed relief to our taxpayers while at the same time minimizing the possibility of an inflationary rise due to the buoyant effect of newfound resources. I urge the Ways and Means Committee to hold hearings on this bill and similar measures as soon as practicable.

ALIEN PROPERTY PROBLEM

Mr. REECE of Tennessee. 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 Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, last week President Eisenhower issued a statement promising a fair and final solution to the conflict over disposition of seized enemy property. Contrary to many prior statements since 1945, this declaration unequivocally proclaims our adherence to the historic American policy of maintaining the sanctity of private property even in wartime. The administration in attempting to resolve the many legal and practical issues proposes to send legislation to Congress at the beginning of the next session.

Furthermore, the administration contemplates early sale of the vested property now worth almost $600 million. Approximately $541 million worth represents seized German assets and the remainder is composed of seized Japanese assets.

Regardless of the final solution, any action taken by the United States Government will have international ramifications. Continued American possession of these assets has been a sorepoint in our relations with both Germany and Japan. There is every reason to believe that the administration would like to see a solution as pleasing as possible to the German and Japanese Governments. In fact, it has been suggested that in deference to closer German-American ties, a large portion of the property should be returned to German owners as an act of grace.

Apart from considerations of foreign policy, the administration recognizes its obligation to pay in full all legitimate American war claims. Despite its avowal of the principle of "sanctity of property", no solution would be proposed which did not justly satisfy aggrieved American claimants.

Commendable as the administration's new position may be, there are apparent several inconsistencies. First, the administration recognizes the prerogatives of Congress in arriving at a legal and workable solution. Both this and the former administrations have recognized that this problem cannot be resolved by unilateral action of the executive branch. Hence, the President proposes to submit new legislation to Congress in January. But on the other hand, the latest administration declarations strongly suggest that all the assets will be sold in the most expeditious manner. Such action could well occur during the Congressional adjournment. Granted, the assets from the sale will not be distributed before Congress has the opportunity to speak, but suppose Congressional intent should take the form of return of property in kind? There are many possible avenues of approach to compensating the rightful owners of the property. Congress might designate one class of owners to receive restitution in moneys and another in kind. Congress might decide that liquidation of all assets would be unnecessary to satisfy outstanding American claims and thus unfair to the owners who may look to their asset investment for future benefit. Regardless of what form Congressional intent will take, it would likely be frustrated if the administration sells the property before Congress can act. If Congress is to exercise its full duties and rights in this regard, the administration should postpone any and all action, including sale of the assets, until Congress reconvenes.

In this connection, it should be noted that there is now pending on the Senate calendar, S. 1639, introduced by Senators DIRKSEN and OLIN JOHNSTON, which would prevent the Attorney General from selling any vested property until Congress has considered all alien property legislation, pending or proposed. Also, Representative OREN HARRIS has introduced a similar bill in the House on which the Interstate and Foreign Commerce Committee will commence hearings August 8, 1957.

The second major inconsistency in administration approach to the problem goes to the heart of any proposed solution. In the same breath, the administration proclaims the sanctity of private property, but asserts that return of same to rightful owners is an act of grace in the best interests of our international relations. It is obvious that these premises are conflicting and that widely divergent solutions might result depending on which premise is relied upon. Congress should undoubtedly have the opportunity to declare the policy of the United States underlying any eventual solution. Since Congress has the right to predicate the solution on one or the other, or neither premise, the administration should withhold all action until it is aware of Congressional policy directing the manner of disposition of property.

TINKERING WITH THE CAPITOL'S EAST FRONT

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 40 minutes.

Mr. REUSS. Mr. Speaker, Charles Lamb tells the story of the boy Bobo who lived in China many years ago, before the art of cooking meat had been discovered. Bobo's father left him alone in the house one day, together with a litter of pigs. Bobo foolishly played with matches, a fire started, the house burned down, and the pigs perished.

Bobo and his father, when he returned, found the scorched piglets delicious to the taste. The discovery that burning down the house produced roast pig spread like wildfire throughout China. Fires soon lit up the entire countryside, and pigs were in short supply, not to mention houses.

Some time later reports Lamb:

> A sage arose who made discovery that the flesh of swine might be cooked without necessity of consuming a whole house. * * * By such slow degrees do the most useful and seemingly the most obvious arts make their way among mankind.

PLACING THE COMMISSION IN A STRAITJACKET

I do not wish to press the parallel too closely, Mr. Speaker, but it strikes me that Congress is about to provide for feeding itself by the somewhat excessive process of tearing down its historic house. This body has recently taken constructive steps to provide adequate restaurants in the Capitol for itself and the public. In the process, however, we are apparently bent on a needless project to alter and mar the front face of the Capitol. Furthermore, we have placed in a straitjacket the officials responsible for carrying out the alterations of the Capitol, by limiting them to a single plan—a plan which not only was put forward reluctantly by consulting architects in 1904, but whose rejection was urged by its own creators. That is what we have struck ourselves with today.

Let us examine how this has come about:

The Legislative Appropriation Act of 1956—Public Law 242, 84th Congress, approved August 5, 1955—authorized:

> The Architect of the Capitol * * * under the direction of a Commission for Extension of the United States Capitol, to be composed of the President of the Senate, the Speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol, to provide for the extension, reconstruction, and replacement of the central portion of the United States Capitol in substantial accordance with scheme B of the architectural plan submitted by a joint commission of Congress and reported to Congress on March 3, 1905 (H. Doc. No. 385, 58th Cong.), but with such modifications and additions, including provisions for restaurant facilities, and such other facilities in the Capitol Grounds, together with utilities, equipment approaches, and other appurtenant or necessary items, as may be approved by said Commission, and for such purposes there is hereby appropriated $5 million.

MOST EXPENSIVE IN HISTORY

In 1956, an additional $12 million was appropriated for the Capitol extension project. Total costs are estimated as high as $42 million. According to the Architectural Forum, the space created by this project would cost $200 a square foot—four times as much as the most expensive working space ever built heretofore.

Yet no public hearings were held on this important bill in either House or Senate. No floor debate took place in either body when the project was approved in 1955. No separate authorization for the appropriation exists.

As will be seen, Public Law 242 puts the Commission for Extension of the United States Capitol into a tight corset—it must proceed in substantial accordance with scheme B. I shall speak more in detail of scheme B later. For the moment, it is enough to note that scheme B requires that the east facade of the central block of the Capitol be torn down and extended 32 feet, 6 inches to the east.

WHAT THE PERIODICALS SAY

Life magazine calls this—June 11, 1956, page 40—"a project which will ruin the beauty of a national shrine."

The Architectural Forum—July 1957—says:

This scheme B extension of the east front is what is solidly opposed by the majority of architects and by the great weight of historical and architectural criticism: on the grounds of beauty, symbolism, and utility.

A St. Louis Post-Dispatch editorial—August 1, 1956—says:

NO PUSH TO THE EAST

One enactment of the 84th Congress is a venture in lily gilding, and an expensive one. Congress added $12 million to the $5 millions voted last year to move the facade of the National Capitol 40 feet to the east and to make some other alterations.

Congressmen have had their own private ideas of how to improve the famous building for years. Now they expect to get a few more hearing rooms and a lunch room and corridor by toying with the Capitol's east facade—the historic setting for the inauguration of President.

Here the legislators are matching their esthetic judgment against that of the American Institute of Architects.

Moving the facade to a line even with the 2 Capitol wings would eliminate the forecourt and, as 1 eminent architect says, would make the dome less dominant. Congress also ignored the sound advice of Joseph Hudnut, retired professor of architecture and dean of the School of Design at Harvard University, who said: "History has harmonized a thousand imperfections in the Capitol. We would do well, I think, to leave this building in the hands of that ingenious architect. Besides, we should then spare our descendents the trouble of improving our improvements."

It is still possible that the architectural advisory committee for Capitol improvements might recommend against changing the east facade. A better defense of the Capitol could come from aroused citizens. Public opinion would cause Congressmen to think twice before any scaffolding marred the historic front designed by Latrobe and Bulfinch.

A New York Herald Tribune editorial—June 18, 1956—says:

LEAVE THE CAPITOL ALONE

In spite of this up-and-down history, the completed building as it now stands on Capitol Hill, has caught the imagination and holds the warm regard of the American people. It is doubtless fortunate that it had during its evolution the services of such exceptional architects as Thornton, Latrobe, and Bulfinch, whose work is especially well exemplified in the facade which it is now proposed to alter. In any event, the building carries impressive artistic credentials in its present form—the American Institute of Architects, for example, has come to its defense in formal resolutions at a number of past conventions—and cannot be summarily condemned on esthetic grounds.

The practical argument for the alterations, to the effect that Congress needs more space, seems equally ill advised. If more space is needed, it can be had in another location; in fact, the current House appropriation includes $10 million as a start on a new $64 million House office building.

All in all, the east-front alteration project looks like a waste of money. It should be abandoned.

HARM WORKED BY SCHEME B

If the scheme B proposal goes through, it will destroy these things:

First. The priceless east facade of the Capitol. This is the one masterpiece of early Federal architecture which bears the touch of Thornton, Latrobe, and Bulfinch, and the approval of Washington and Jefferson. It is original, historic, familiar, beloved, beautiful.

To tear down the facade, then build a replica 32 feet or 40 feet to the east, is senseless. Who wants a reproduction when he can have the real thing? The Williamsburg restoration is magnificent, but we would give much more to have the original.

Second. The distinctive three-part composition of the Capitol. As it stands today, the projection of the House and Senate wings eastward of the old central block gives a feeling of solidity to the whole structure.

Third. The internal court, traditional scene of inaugurations since Madison's day. If the east face of the central block were extended, the Capitol would then present a practically solid front, making it much more difficult than at present for one approaching from the north or south to see the whole east side at one time.

Fourth. The present unity between the dome and the facade. As it is now, the columns and windows of the dome cascade down to the columns of the facade, and thus to the earth; conversely, the dome seems to rise in steady progression from the earth. If the facade is moved to the east, the dome will then be just like any other dome—one coming out of the roof of the building, instead of the unique part of the whole building which it now is. The present effect of the dome, fully visible to one standing in the internal court, will be lost.

THE SPACE ARGUMENT

Why in the world, then, have we compelled the Commission for Extension of the United States Capitol to wear this hair shirt of scheme B? The various arguments for scheme B tend to vanish into thin air upon examination:

First. "Scheme B provides necessary space." Moving the east facade 32 feet 6 inches east is surely not the only way that space can be found for Congressional activities. Through the years, many activities that once took place in the Capitol have been decentralized to other buildings, including the Library of Congress, the various House and Senate office buildings, including the two now under construction, and the Supreme Court. Surely, the House needs new dining room space. Equally surely, a space could be found for this elsewhere in the Capitol Building, possibly by using the present west terrace, without sanctioning all the defects that scheme B involves.

SANDSTONE OR MARBLE?

Second. "The Aquia sandstone of the central block is deteriorating." This sandstone is painted the same color as the cast-iron dome, and has weathered so as to harmonize unobtrusively with the marble of the House and Senate wings. Sandstone structures, such as the State House at Nashville, Tenn., New York City Hall, and the White House itself, have been repaired. There is no reason why sandstone in the center block, if defective, cannot likewise be repaired or replaced. It is thought that marble is preferable, let the sandstone be replaced with marble, although this might provide an unpleasant contrast with the cast-iron dome, which must be painted. Replacing the sandstone with marble certainly does not involve any extension to the eastward, as envisaged in scheme B.

SEEING THINGS THAT ARE NOT THERE

Third. "Scheme B is necessary to correct an architectural defect." This defect is really no defect at all. Ordinarily, domed buildings have a broad base on all sides of the dome. The Capitol has such a base on its north, west, and south sides. The reason for the narrow base of roof on the east—the fact that the dome seems to rise directly from the columns of the east facade—is a happy accident.

The building which is now the center block originally had a light wooden dome. It was supported by the present stone ring. To have replaced the wooden dome with a marble dome would have required tearing out the entire existing stone ring and erecting deep foundations—difficult because of the spongy character of the ground on Capitol Hill. Therefore, the architect, Thomas U. Walter, used a cast-iron dome, because it did not require new foundations or an extension of the structure to the east.

A marble dome would have required an eastward extension for adequate support. But since the dome is of cast iron, not marble, extending the support to the east is structurally unnecessary and irrelevant. All concede that the present central block, with its cast-iron dome, is structurally sound. Indeed, none of the proposed extensions of the east facade would in any way enhance the soundness of a structure already sound.

A MOST FORTUNATE "DEFECT"

Where then is this "defect"? It is in the mind of a few pedantic souls whose eye is offended by the failure of the east wing to project far out from the dome. Here, for example, is the testimony of a consulting architect to a House committee on this very subject in 1935:

One of the few questions of taste that may be reduced to a definite rule is that the supports of a structure, to satisfy the eye, should not only be adequate from the standpoint of safety and stability, but should be so obviously adequate that there remains in the mind of the spectator no uncertainty or misgiving concerning it. To satisfy this principle it is not sufficient that there should be concealed somewhere within the fabric a system of hidden piers, ribs, beams, and cantilevers which by computation may be proved to be of sufficient strength to sustain the building, so long as, to the eye of the observer, it is evident that if the dome were of masonry, as it appears to be, and if it actually rested on the portico as it appears to rest upon it, the columns of the portico would be crushed beneath the load.

Obviously, the brain is telling the eye that the dome ought to be of marble and looks like marble and that, if it were marble, an eastward extension would be necessary. A few architectural brains are saying in this case:

"Let's build out a fake foundation to support the marble dome that isn't there but ought to be."

MAKE THIS SIMPLE TEST

Well, I am happy with the cast iron dome and the east facade just as they are. I urge my colleagues to take a good

look at the east side of the Capitol themselves.

More importantly, I suggest that you do what I have been doing for some time: Take your visitors from your Congressional District to the east court. Let them look at the Capitol, without coaching. Then ask them if they think there is anything wrong. Is it lopsided? Does it seem about to collapse? Is the overall impression offensive or inspiring?

I have asked dozens of Congressmen and hundreds of visitors from my Congressional district whether there is the slightest disproportion, lack of symmetry, imbalance, or appearance of inadequate structure in the east facade. Uniformly, I have been told that what they see in the dome, the facade, and the entire view as it now stands delights the eye.

Moreover, the people do not want their Capitol changed. They do not want it tampered with. They recognize it as historic building, a familiar friend, an inspiring symbol of America. They like it the way it is.

ARCHITECT THOMAS U. WALTER

Fourth. The original Architect, Thomas U. Walter, viewed the building as incomplete. Walter, Architect of the Capitol from 1851 to 1865, designed the present dome in 1859. In 1863 he drew a plan, never executed, to extend the central block 55 feet to the east, flush with the north and south wings. In his report of November 1, 1863, Walter said:

> The eastern portico of the old building will certainly be taken down at no very distant day, and the front be extended eastward at least to the front line of the wings, so as to complete the architectural group.

In 1874 he drew still another plan to build the central part out still further to the east. Like any great architect, Walter never ceased during his life to want to improve his building. He probably envisaged, quite correctly, that the Nation's Capitol, like the Nation, would also be ripe for growth. That he drew later plans, however, does not mean that we must give up our power to judge whether these later plans were in fact as fine as the building he actually built. Indeed, if the purpose of Public Law 242 is to honor Architect Walter's plan, it fails to do so; his plan called for a 55-foot extension; Public Law 242 for the scheme B or 32-foot 6-inch extension.

SCHEMES A AND B WERE OPTIONAL

Fifth. Scheme B has previously been approved by Houses of Congress. In the hearings before the Legislative Appropriations Subcommittee of the House Committee on Appropriations on June 6, 1955, the language which has since become Public Law 242 was before the Committee. The justification for scheme B was as follows—hearings page 52:

EXTENSION OF THE CAPITOL, $5 MILLION

> It is a project that has twice been approved in bills passed by the Senate—once in 1935 and again in 1937.

This language clearly implies that the scheme B plan had been twice endorsed by the Senate.

In fact, the bill passed by the Senate on April 9, 1935 provided that—

> The central portion of the Capitol shall be extended, reconstructed and replaced in substantial accordance with either scheme A or B of the architectural plan submitted by the Joint Commission of Congress and reported to Congress on March 3, 1905 (H. Doc. 385, 58th Cong., 3d sess.), with such modifications as the Commission (for the extension and completion of the United States Capitol) may determine (CONGRESSIONAL RECORD, 74th Cong., 1st sess., p. 5319).

SENATOR CONNALLY'S EXPLANATION

It should be noted that the bill passed by the Senate gave the Commission and its Architect the option of using either scheme A or scheme B.

Again in 1937, the bill passed by the Senate, S. 1170, provided in identical terms for either scheme A or scheme B. Senator Connally in explaining his bill on the floor said—CONGRESSIONAL RECORD, 75th Congress, First session, pages 2625–2626:

> Mr. President, there are two plans possible under this measure. One is plan A, which would bring forward the central section 12 feet and 10 inches, and the other is plan B, which would bring it forward 32 feet 6 inches. The determination as between 2 plans is left, under the bill, to the Commission, but still the Senate and the House are not precluded when the appropriation comes forward, of course, from rejecting either 1 of the plans as they may see fit. The reason for the bill having an optional plan is that the overwhelming mass of architectural testimony before the committee was to the effect that, while the majority of architects favored the remodeling, there were some aspects as between the 2 plans which ought to have very careful and very detailed study by the Commission before a plan was adopted.

House Resolution 218, 84th Congress, passed in February 1955, provided that:

> In order to increase and improve the restaurant facilities in the Capitol building for Members and employees of Congress, the Committee on House Administration recommends that the Architect of the Capitol be authorized to take necessary steps to extend and complete the east central front of the Capitol as recommended in S. 1170, 75th Congress, passed by the Senate on March 23, 1937, and in accordance with a chart prepared by the Architect of the Capitol and submitted to the House Committee on Appropriations in the 83d Congress.

The chart referred to is found on page 151 of the hearings before the Legislative-Judiciary Subcommittee of the House Committee on Appropriations, 83d Congress, 2d session. It would move the east facade of the Capitol 40 feet forward, as contrasted with the 12 feet 10 inches of scheme A and the 32 feet 6 inches of scheme B.

From all this, it can be seen in what a casual way scheme B got into Public Law 242. It now becomes pertinent to ask about the derivation of scheme A and scheme B.

CARRERE & HASTINGS STUDY

The House on February 11, 1903, passed a bill authorizing the expenditure of $2,500,000 toward the extension and completion of the Capitol Building in accordance with the original plans therefor of the late Thomas U. Walter—the 55-foot extension. The measure was not passed by the Senate. Thereafter, Congress passed the Sundry Civil Appropriations Act of April 28, 1904, which set up a Joint Commission to inquire and report to Congress at its next session plans in detail for estimates of cost for the extension and completion of the Capitol Building, in accordance with the original plans therefor of the late Thomas P. Walter, with such modifications thereof as they may deem advantageous or necessary.

It should be noted that the Congressional mandate to the Joint Commission was to come up with a proposal or proposals for carrying out Walter's idea of extending the east facade. The Joint Commission appointed the firm of Carrere & Hastings of New York as consulting architects. Carrere & Hastings' report to the Commission, dated December 27, 1904, is included in House Document No. 385, 58th Congress, 3d session. Carrere & Hastings' report makes clear several things. First, Carrere & Hastings were reluctant to recommend any change at all. However, since their mandate required some adherence to Walter's plans—which they felt he may have been pressured into adopting—they recommended scheme A, moving the east front a mere 12 feet 10 inches.

Secondly, while compelled by their mandate to come up with a scheme B moving the east front to provide more interior space, they expressed the "hope, nevertheless, that this alternative plan, scheme B, will not be favorably considered."

THE 1904 REPORT

A substantial section of the report of Carrere & Hastings is worth reading in full:

> Gentlemen, we feel deeply the responsibility imposed upon us in reporting to your Commission in regard to any changes to be made in the Capitol Building of the United States, a building so interesting from the artistic as well as from the historic point of view, and which, though it may have some architectural faults, is, nevertheless, one of the most monumental and beautiful edifices in this country. We find ourselves, therefore, hesitating whether we should advise the reproduction of the east front of the building in marble to harmonize with the rest of the Capitol, preserving the design practically as it exists today, or whether we should recommend enlarging the building in accordance with Mr. Walter's plans of 1865.
>
> In his report as Architect of the Capitol extension, dated November 1, 1864, he states:
>
> "Now that the new dome and the wings of the Capitol are approaching completion, it must be apparent to everyone that the extension of the center building on the east to the line of the new wings becomes an architectural necessity. I have therefore prepared plans for thus completing the work in harmony with what has already been done, and will place them in the Capitol for future reference.
>
> "I do not suppose, nor would I recommend, that any action be taken by Congress in reference to such an improvement until the war is ended and the financial condition of the country becomes settled and prosperous; but inasmuch as it is my purpose to retire from these works as soon as the dome is finished, I deem it incumbent upon me to leave upon record my views as to their final completion."
>
> When we read this report accompanying his plans of 1865 we were impressed with

the feeling that Mr. Walter had been influenced, perhaps under pressure from Congress, by the desire to obtain increased accommodations within the building, and that he would have recommended a somewhat different treatment if he had had under consideration only the strictly architectural necessities of the design. We feel very sure that it would be better to reproduce the present design in marble, as nearly as possible, as it now stands than to carry out Mr. Walter's plans of 1865 in their entirety.

It seems remarkable, when considering the history of this building, that so beautiful and harmonious a design should have resulted from the successive additions made to the original building, the result of which is certainly a monument to the skill of Mr. Walter. Whatever faults there may be in the design are distinctly the outcome of the limitations which were imposed upon the architect in adapting the new conditions to the building as it then existed. The dome had to be designed in proportion to the enlarged building, and yet Mr. Walter found himself compelled to place this larger dome upon the masonry foundations and walls of the smaller dome. Owing to the fact that the foundations were built on most unfavorable soil, he very naturally hesitated to add upon these walls any unnecessary masonry weight or to disturb in any way the existing masonry where it would be used and adapted to the new conditions. He felt very strongly, however, as we do, the defect that on the east front the dome does not appear to be supported; in fact it overhangs the wall of the building and seems to rest partly upon the portico. He was right in wishing to have this defect corrected and, also, in wishing to add another column on either side of the central motif on the east front of the building, thus increasing the width of the pediment and making the central motif with its pediment predominate over the two wings with their pediments. While we feel, therefore, that the direct elevation of the east front of the Capitol recommended by Mr. Walter should be carried out in every respect, we are at the same time certain that could Mr. Walter have given more time and further study to this great problem, unhampered by practical limitations, he would have been finally persuaded not to project the central building with its pediment any farther east than absolutely necessary to give the dome the apparent support which it now lacks.

In our judgment, one of the most impressive views of the Capitol is obtained when one sees the entire east front and the dome together, which is only possible while standing fairly close to the building and to the east of either the Senate or House wing. Now, if the central building were brought too far forward it would mask the dome and destroy this very picturesque and yet imposing view of the Capitol; and there would be no point from where the entire height of the dome could be seen in its relation to the rest of the building, which is now possible on the east front.

We also believe that if this central building were carried far forward toward the east, the architectural effect of the entire east front would be injured, even when considered without regard to the dome. In a monumental scheme of this character, three parts or architectural motifs are much simpler, and a broader and better composition, than five parts. The extreme projection of this central building would completely destroy the present composition of three units, with its breadth and simplicity, and would not only produce a division with five members—the center, the two wings, and the intervening spaces—but would make these members practically equal in size and architectural value. That such a composition already existing on the west front is, nevertheless, rather imposing is to be ascribed to the fact that the Capitol is always so greatly foreshortened by the perspective, due to the fall of the land on the west—a result which could not be expected on the east from where the foreground is level and the building can be seen in close proximity.

Another important reason for not making this great projection is that it would destroy the courtlike effect of the east front where the two wings project beyond the simple and broad central building, one of the most picturesque and pleasing features of the Capitol wherever seen on the east, but especially when standing fairly close to the building and looking up at the dome.

Lastly, it would seem most unfortunate not to be able, when looking diagonally toward this facade as one approaches from the north or from the south, to see the full length of the building as at present. The extreme projection of the central building would produce this result, for it would practically mask that part of the building beyond it, so that when approaching the Capitol from the south one would see the House wing and the central projection, while the Senate would be hidden from view by the projection of the central building. The same would be true with regard to the House wing when approaching the building from the north. We are, therefore, strongly of the opinion that if Mr. Walter had been entirely unhampered by practical considerations, and if he had written his report after the completion of the Dome and the two wings, he would have reached the same conclusion.

In view of these considerations, and after very careful study, we respectfully submit plan, scheme A, as being, in our opinion, the most conservative and in every way the best solution of the architectural problems involved in correcting the defects of this facade, which Mr. Walter called attention in his report of 1865.

Realizing, as already stated, that the composition of this facade, and especially the relation of wall surfaces to each other, should be changed as little as possible, we have moved the entire front of the center portion forward, only so far as necessary to bring the main wall of the building, at the center, under the extreme projection of the Dome, and give the Dome the apparent support which it should have. At the same time, we have added one column on each side of the main pediment, broadening the pediment accordingly, so that it will dominate the two pediments of the Senate and House wings, which Mr. Walter, so strongly felt should be done.

In this scheme no consideration has been given to increased space within the building, and the problem has been solved strictly according to the architectural necessities of the case; nevertheless, the moving of the wall easterly 12 feet 10 inches gives, on the main floor to the east of Statuary Hall, a series of alcoves which can be used to advantage for the additional storage of documents; and, to the east of the Supreme Court, a similar series of alcoves, back of the present screen, for retiring or robing rooms for the judges. Similar alcoves would also be obtained, in both cases, on the floor above, which could be reached from the central portion of the building and used for various purposes. These changes would in no way affect any of the internal arrangements or even the decorations on the main floor.

In the basement this additional projection has added to the size of the adjacent rooms, enlarging and improving them, especially in the case of the law library under the Supreme Court.

In the central section of the building 2 spacious rooms are obtained on either side of the main entrance, with windows opening on to the portico, giving 12 additional rooms for committee or other purposes, those on the first and second floors being well lighted and all very accessible.

We strongly recommend that whatever alterations are decided upon should be substantially in harmony with this plan, scheme A, and that in no event should the central portion of the building be made to project any farther eastward than shown thereon.

We have prepared an alternative plan, scheme B, partly to illustrate our contention that the building should not be projected further eastward than absolutely necessary to give an apparent support to the dome, and at the same time to show what, in our judgment, is the least objectionable manner, if the architectural beauty and simplicity of the east front are to be preserved, of obtaining additional space within the building while retaining to the greatest possible extent the present character of the east front.

In scheme B of the central portion has been projected 32 feet 6 inches easterly from the walls of the Supreme Court and Statuary Hall, adding to the building 14 spacious and well-lighted rooms on each floor, 7 on each side of the main entrance. These rooms are approached by a corridor of ample width connecting with both the Senate and House wings, the Rotunda, and other important circulations of the building. This corridor, besides giving the Senators and Congressmen direct access to their respective committee rooms, also provides a new communication from one end of the Capitol to the other, which would be both private and convenient.

In order to obtain this through corridor and at the same time avoid the deep-recessed courts which would then exist between the Senate wing and the central building on the one side of the House wing and the central building on the other, we have indicated on the plan, scheme B, entirely new sections. Each of these new sections connecting the central building with the Senate and the House wings, would contain 4 additional large rooms on each floor, opening into a court, supplying light from the east to the present passages connecting the main building with the Senate and the House wings. The colonnade now existing at this point is moved forward to form the easterly facade of the new connecting section.

By reference to the plan it will be seen that, under this scheme, 18 large, well-lighted rooms are obtained on the main floor, and a similar number on the gallery floor, available for committee rooms or other purposes. Eighteen corresponding rooms are obtained on the ground floor, some of which can be used for committee rooms and others for the services of the building.

From the practical point of view, this plan commends itself to us very highly, as it provides ample and well-lighted additional space without disturbing the present internal arrangements of the building or its decorations. It establishes, besides, a new and important circulation between the two wings, serving the different new committee rooms. It produces a more interesting and satisfactory facade than could be obtained under the recommendation made by Mr. Walter in his report of 1865. It would be simpler and more dignified, and would preserve the breadth and monumental character of the easterly facade; but it would be much less interesting and picturesque. It would be such a great change from the present facade, so familiar to our people and which they have learned to love and venerate, that we make this suggestion merely to meet the condition which has been imposed upon us by your Commission of reporting a scheme with added space. We hope nevertheless, that this alternative plan, scheme B, will not be favorably considered.

REJECTED SCHEME B NOW RESURRECTED

The Joint Commission adopted the recommendation of Carrere & Hastings, recommending that Congress adopt scheme A, not scheme B.

The net result of all this is that scheme B, rejected by Carrere & Hastings and by the Joint Commission, and gathering dust for more than half a century, has suddenly been resurrected by House Resolution 218, 84th Congress, which was concerned with adding to the House restaurant facilities, and then became imbedded in the law as a result of Public Law 242.

THE ARCHITECTURAL CONSULTANTS

Since the passage of Public Law 242, the Commission for Extension of the United States Capitol selected Arthur Brown, architect of San Francisco; John F. Harbeson, architect of Philadelphia; and Henry R. Shepley, architect of Boston, as a consulting and advisory group to assist the Architect of the Capitol in determining the proper architectural treatment of the east front of the Capitol and the necessary changes to be made on the interior of the building. The Commission also selected Roscoe DeWitt and Fred L. Hardison, of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, of New York City; and Jesse M. Shelton and Alan G. Stanford, of Robert & Co. Associates, of Atlanta, Ga., as associate architects and engineers for the extension of the Capitol and other improvement. Preliminary planning by these consulting and associate architects is now in progress.

According to the July 1957 Architectural Forum:

> There are certain strong reasons to believe that solutions have been reached by this committee, which would not only leave the east front alone but be functionally easier to plan and build, cleaner and less costly in obtaining the purposes of Congress * * * [but] the architectural consultants * * * are not at liberty to do this. They are like doctors compelled to make a prescribed prescription. They are allowed to advise only how to work out solutions which provide moving out the east front. It is the law.

THE AIA'S RESOLUTION

The American Institute of Architects, of which more than 11,000 of the Nation's 15,000 practicing architects are members, in annual convention in 1939, 1949, 1955, 1956, and again this year, voted overwhelmingly against tampering with the Capitol's east front. The resolution adopted by the American Institute of Architects at its June 1955 convention in Minneapolis, Minn., reads as follows:

> Whereas the Congress of the United States is currently considering a bill for the enlargement of the central section of the National Capitol in order to obtain additional committee rooms and a new dining room; and
>
> Whereas the proposed rebuilding will involve destruction of the original form and materials of the historic and original east facade of the central block as designed and erected by William Thornton, Benjamin Henry Latrobe, and Charles Bulfinch, three of America's most gifted and famed architects; and
>
> Whereas the proposed rebuilding would destroy the authenticity and integrity of the Nation's best known historic monument, which has become the tangible symbol of national growth and struggle from early Republic to leader of the free world; and
>
> Whereas the provision of additional service facilities by such means constitutes an irresistible precedent for other denaturing alterations in the future: Therefore be it
>
> *Resolved*, That the American Institute of Architects, in convention assembled, register with the Congress its strongest opposition to the alterations of the external form of the National Capitol and urge the Congress to preserve intact the authenticity and integrity of the Capitol as the Nation's greatest historic monument; and be it further
>
> *Resolved*, That the American Institute of Architects offer its services to the Congress through a committee of distinguished and unbiased architects who would advise as to how to obtain more space without sacrificing these priceless historic values.

Mr. Speaker, I believe that Congress erred in imbedding into Public Law 242 the provision that the Commission for Extension of the United States Capitol is bound to use scheme B to the exclusion of scheme A or some other proposal, including one that would not disturb the east front.

STRIKING OUT SCHEME B

I have today introduced a bill to strike out from Public Law 242 the words "in substantial accord with scheme B of the architectural plan submitted by the Joint Commission of Congress and reported to Congress on March 3, 1905—House Document 385, 58th Congress—but with such modifications and additions." This simple amendment, if passed, would enable the Commission for Extension of the United States Capitol to come up with the best proposal for the Capitol, not compel it to come up with the worst—which is what the creators of scheme B, Carrere and Hastings, thought of it. Under my amendment, the advisory and consulting architects would be enabled to give the Commission their honest advice, uninhibited by any terms of reference restricting them to scheme B. Moreover, the American Institute of Architects would, if the Commission wished, "offer its services to the Congress through a committee of distinguished and unbiased architects who would advise as to how to obtain more space without sacrificing these priceless historic values," as suggested in its June 1955 resolution.

Mr. Speaker, the Chinese in Lamb's story finally found that it was not necessary to destroy the house in order to have something good to eat. I am entirely confident that a timely amendment to Public Law 242 will enable Congress to provide attractive eating facilities without marring the Nation's house in the process. Not a stone of the east facade has yet been disturbed. It is not too late to have a clear look at what we are doing before we do it.

ATOMIC ENERGY COMMISSION AUTHORIZATION LEGISLATION

The SPEAKER pro tempore (Mr. FASCELL). Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 15 minutes.

Mr. PRICE. Mr. Speaker, I believe that some of the press coverage of last week's debate in this Chamber on the AEC authorization bill has tended to give the erroneous impression that the major issue involved in the debate was the so-called public versus private power controversy. Press statements such as "public versus private power neared a showdown" and articles describing the discussions as a "renewal of the old public versus private power fight" have focused attention on the strawman of public power which apparently has been set up to becloud the real issues at stake.

I think that in the development of atomic power, which is becoming increasingly important to our economy as time goes on, there is ample room for differences of opinion, particularly as to the way in which our development program is conducted. This is as it should be, and I am all for vigorous discussion of the major questions arising in connection with that program.

But when the discussions get bogged down in extraneous issues which are totally unrelated to the actual subject under discussion, I think it is time for us to set the record straight.

Let us set to rest once and for all this bogyman of public versus private power in the atomic energy field. The program is still at a research and development stage. The first reactors will be uneconomic and will produce only intermittent power. So there will be no commercial power to sell.

Let us, therefore, face up to these very real technical and financial problems besetting our atomic power program and attempt to work out means of overcoming them. This is the real task at hand and the one to which the joint committee's authorization bill was directed.

It will be abundantly clear to those who take the trouble to read the authorization bill and committee report that no attempt is being made to put the Government in the atomic power business. Only one of the three new projects added by the committee in its bill was for a power reactor at all, and even there provision was made to insure that while it was in use, any power it produced would be used in connection with the operation of Government facilities. After it outlived its usefulness for research and development purposes, the prototype reactor would be dismantled.

In a similar vein, it will be seen by those who read the committee bill and report, that no attempt is being made to favor any one group over another group in the cooperative demonstration-power program. Far from it, the bill attempts to untangle the mess in which the AEC finds itself with regard to negotiations with cooperative groups under the so-called Second Round of the Power Demonstration Program.

I suggest that those who feel these arrangements with the cooperatives are public power run wild refer their complaints to the AEC, who initiated the program and carried these negotiations in the first place. For, make no mistake, this was and is AEC's program. If there was a public-power issue it is still there, since these AEC projects are still in the authorization bill as passed by the House.

I am hopeful that when the authorization bill is discussed in the other body, the press and public alike will demand to know what the real issues are with regard to our atomic power program. I hope they will not be distracted from the really important questions involved by any superficial clamor over the red herring of public versus private power.

It is important to the national interest that we proceed rapidly with atomic power development both here and abroad. Let us not get bogged down in extraneous issues at this critical point in our development program.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LOSER (at the request of Mr. COOPER) for today and tomorrow on account of death in the family.

To Mr. GEORGE (at the request of Mr. MARTIN) indefinitely on account of illness in family.

To Mr. SMITH of Virginia (at the request of Mr. GARY) for Tuesday, August 13, 1957, on account of important 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. PRICE, for 15 minutes, on today.

Mr. DAVIS of Georgia, for 45 minutes, on Thursday.

Mrs. ROGERS of Massachusetts, for 5 minutes, tomorrow.

Mr. HESELTON (at the request of Mr. DIXON), for 30 minutes tomorrow and to vacate his special order for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER.

Mr. IKARD.

Mrs. BOLTON and to include extraneous matter.

Mr. MILLER of Nebraska and to include a telegram.

Mr. VURSELL and to include extraneous matter.

Mr. ALGER.

Mr. FULTON.

Mr. SIMPSON of Illinois and to include a statement.

Mr. GRIFFIN and to include extraneous matter.

Mr. PHILBIN.

Mr. MOULDER and to include a questionnaire.

Mr. JUDD (at the request of Mr. DIXON).

Mr. VAN ZANDT (at the request of Mr. DIXON) and to include extraneous matter.

Mr. MOSS (at the request of Mr. ALBERT) to revise and extend remarks made by him in Committee of the Whole and to include extraneous matter including a table of statistics.

Mr. DINGELL (at the request of Mr. ALBERT) in two instances and to include extraneous matter.

Mr. TELLER (at the request of Mr. ALBERT) in one instance and to include extraneous matter.

Mr. KING (at the request of Mr. ALBERT) in one instance and to include extraneous matter.

Mr. HARRISON of Virginia (at the request of Mr. ALBERT) in one instance and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 527. An act for the relief of Achille Aquino Fu' Giovanni; to the Committee on the Judiciary.

S. 807. An act for the relief of Jackson School Township, Ind.; to the Committee on the Judiciary.

S. 821. An act to amend the Civil Service Retirement Act with respect to annuities of Panama Canal ship pilots; to the Committee on Post Office and Civil Service.

S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1086. An act granting the consent and approval of Congress to a Bear River compact, and for related purposes; to the Committee on Interior and Insular Affairs.

S. 1110. An act for the relief of Sono Hoshi; to the Committee on the Judiciary.

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1284. An act for the relief of Josef Salamon; to the Committee on the Judiciary.

S. 1456. An act for the relief of Refugio Guerrero-Monje; to the Committee on the Judiciary.

S. 1467. An act for the relief of Itsumi Kasahara; to the Committee on the Judiciary.

S. 1649. An act for the relief of Irene Moskovits; to the Committee on the Judiciary.

S. 1660. An act for the relief of Karin Tittel Taylor; to the Committee on the Judiciary.

S. 1867. An act for the relief of Hiroko Miyazaki; to the Committee on the Judiciary.

S. 1869. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

S. 1903. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, relating to travel expenses of civilian officers and employees assigned to duty posts outside the continental United States; to the Committee on Government Operations.

S. 1929. An act for the relief of Stephen James Meier; to the Committee on the Judiciary.

S. 1930. An act for the relief of Todd Gene Biedermann; to the Committee on the Judiciary.

S. 1931. An act for the relief of Jon Frederick Cordes; to the Committee on the Judiciary.

S. 1993. An act for the relief of Inge Gertraud Pursel; to the Committee on the Judiciary.

S. 1996. An act to approve the contract negotiated with the Casper-Alcova Irrigation District, to authorize its execution, to provide that the excess-land provisions of the Federal reclamation laws shall not apply to the lands of the Kendrick project, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2018. An act for the relief of Erika Haberl Sain; to the Committee on the Judiciary.

S. 2040. An act for the relief of Ramon Notario Boytell; to the Committee on the Judiciary.

S. 2111. An act for the relief of Yuko Shiba; to the Committee on the Judiciary.

S. 2431. An act granting the consent of Congress to the Klamath River Basin compact between the States of California and Oregon, and for related purposes; to the Committee on Interior and Insular Affairs.

S. 2498. An act for the relief of Matthew M. Epstein; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1473. An act for the relief of Richardson Corp.;

H. R. 1861. An act for the relief of George W. Arnold;

H. R. 2264. An act for the relief of Donald F. Thompson;

H. R. 2674. An act for the relief of Morris B. Wallach;

H. R. 2740. An act for the relief of Mrs. Harriett Sakayo Hamamoto Dewa;

H. R. 2928. An act for the relief of Harry and Sadie Woonteiler;

H. R. 2937. An act for the relief of Clarence L. Harris;

H. R. 2985. An act for the relief of Alton B. York;

H. R. 3473. An act to authorize and direct the Secretary of the Interior to sell certain public lands in the State of California;

H. R. 3723. An act for the relief of Maj. Gen. Julius Klein;

H. R. 4520. An act to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska;

H. R. 4830. An act to authorize revision of the tribal roll of the Eastern Band of Cherokee Indians, North Carolina, and for other purposes;

H. R. 5492. An act to amend the act of August 31, 1954 (68 Stat. 1044), to extend the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws, and for other purposes;

H. R. 5679. An act to authorize amendment of the irrigation repayment contract of December 28, 1950, between the United States and the Mirage Flats Irrigation District, Nebraska;

H. R. 6517. An act to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes;

H. R. 6527. An act for the relief of Horace Collier;

H. R. 7540. An act to amend Public Law 815, 81st Congress, relating to school construction in federally affected areas, to make its provisions applicable to Wake Island;

H. R. 8643. An act to authorize the construction of certain works of improvement in the Niagara River for power, and for other purposes;

H. J. Res. 275. Joint resolution transferring to the Commonwealth of Puerto Rico

certain archives and records in possession of the National Archives; and

H. J. Res. 426. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1958, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 6517. To provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes;

H. R. 7540. To amend Public Law 815, 81st Congress, relating to school construction in federally affected areas, to make its provisions applicable to Wake Island; and

H. J. Res. 275. Transferring to the Commonwealth of Puerto Rico certain archives and records in possession of the National Archives.

ADJOURNMENT

Mr. WILLIAMS of Mississippi. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 14 minutes p. m.), the House adjourned until tomorrow, Wednesday, August 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:

1122. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a watershed work plan for the Caney Creek watershed, Arkansas, pursuant to section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 667), as amended by the act of August 7, 1956 (70 Stat. 1088), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1123. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a watershed work plan for the Sandy Creek watershed, Oklahoma, pursuant to section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 667), as amended by the act of August 7, 1956 (70 Stat. 1088), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

1124. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a watershed work plan for the Lacamas Creek tributaries watershed, Washington, pursuant to section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 667; Public Law 566, 83d Cong.) and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1125. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a watershed work plan for the Sulphur Creek watershed, Texas, pursuant to section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 667), as amended by the act of August 7, 1956 (70 Stat. 1088), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

1126. A letter from the Acting Secretary of Agriculture, transmitting a report relative to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease for the period January 1 to June 30, 1957, pursuant to section 3 of Public Law 8, 80th Congress; to the Committee on Agriculture.

1127. A letter from the Acting Attorney General transmitting a report on a survey of the administration of the Defense Production Act as it affects the production and distribution of nickel, pursuant to section 708 (e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

1128. A letter from the Administrator, General Services Administration transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for training of employees"; to the Committee on Government Operations.

1129. A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation entitled "A bill to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the Government of the Virgin Islands"; to the Committee on Interior and Insular Affairs.

1130. A letter from the Deputy Postmaster General transmitting a draft of proposed legislation entitled "A bill to further amend the first sentence of the act of January 20, 1888 (25 Stat. 1), as amended, by repealing the restrictive provisions relating to the form of publishers' bills, receipts, and orders for subscriptions enclosed in publications mailed at second-class rates of postage, and for other purposes"; to the Committee on Post Office and Civil Service.

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:

[*Omitted from the Record of August 9, 1957*]

Mr. CANNON: Committee of conference. H. R. 8090. A bill making appropriations for civil functions administered by the Department of the Army and certain agencies of the Department of the Interior, for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 1049). Ordered to be printed.

[*Submitted August 13, 1957*]

Mr. BARDEN: Committee on Education and Labor. H. R. 8679. A bill to provide a 1-year extension of the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress; with amendment (Rept. No. 1050). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTOYA: Committee on the Judiciary. H. R. 7636. A bill to provide for the conveyance to the State of Florida of a certain tract of land in such State owned by the United States; with amendment (Rept. No. 1051). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS of Mississippi: Committee on Interstate and Foreign Commerce. H. R. 9023. A bill to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; with amendment (Rept. No. 1052). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCKLEY: Committee on Public Works. S. 497. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; with amendment (Rept. No. 1122). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARDY: Committee on Armed Services. H. R. 1140. A bill to amend Public Law 314, 78th Congress, to provide that retired reservists may waive receipt of a portion of their retired pay; with amendment (Rept. No. 1123). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 4266. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; without amendment (Rept. No. 1124). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 5809. A bill to provide for a U. S. S. *Arizona* Memorial at Pearl Harbor, T. H.; with amendment (Rept. No. 1125). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 8290. A bill to authorize the erection of a national monument symbolizing the ideals of democracy in the fulfillment of the act of August 31, 1954 (68 Stat. 1029), "An act to create a National Monument Commission, and for other purposes"; with amendment (Rept. No. 1126). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 8933. A bill to amend the Tariff Act of 1930 to place handmade and machine handmade paper on the free list; without amendment (Rept. No. 1127). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 9035. A bill to amend the Internal Revenue Code of 1954 with respect to the basis of stock acquired by the exercise of restricted stock options after the death of the employee; without amendment (Rept. No. 1128). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 2824. A bill to provide for the distribution of the land and assets of certain Indian rancherias and reservations in California, and for other purposes; with amendment (Rept. No. 1129). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 8465. A bill granting the consent of Congress to the Klamath River Basin compact between the States of California and Oregon, and for related purposes; without amendment (Rept. No. 1130). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 9049. A bill to amend section 503 of the Internal Revenue Code of 1954 with respect to certain loans made by employee trusts; without amendment (Rept. No. 1131). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 556. An act to provide for the conveyance of certain real property of the United States situated in Clark County, Nev., to the State of Nevada for the use of the Nevada State Board of Fish and Game Commissioners; without amendment (Rept. No. 1133). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE 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. LANE: Committee on the Judiciary. S. 493. An act for the relief of Irene Montoya; with amendment (Rept. No. 1053). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. S. 524. An act for the relief of Robert F. Gross; without amendment (Rept. No. 1054). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1392. A bill for the relief of Karl L. Larson; with amendment (Rept. No. 1055). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 1495. A bill for the relief of Alfred Hanzal; with amendment (Rept. No. 1056). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1638. A bill for the relief of Lt. Percy Hamilton Hebert; without amendment (Rept. No. 1057). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 1692. A bill for the relief of Mrs. Margot M. Draughon; without amendment (Rept. No. 1058). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 1829. A bill for the relief of the estate of Mrs. Frank C. Gregg; with amendment (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3567. A bill for the relief of John R. Cook; with amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 4543. A bill for the relief of Arthur J. Dettmers, Jr.; with amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5163. A bill for the relief of Forest H. Byroade; without amendment (Rept. No. 1062). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6069. A bill for the relief of Col. Jack C. Jeffrey; with amendment (Rept. No. 1063). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 6824. A bill for the relief of the family of Joseph A. Morgan; with amendment (Rept. No. 1064). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7200. A bill for the relief of the estate of Isa Hajime; without amendment (Rept. No. 1065). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7591. A bill for the relief of Anton N. Nyerges; without amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8618. A bill for the relief of Henry M. Lednicky; with amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 5222. A bill for the relief of Gladys Arbutus Joel; without amendment (Rept. No. 1068). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8374. A bill for the relief of Virginia Ray Potts; without amendment (Rept. No. 1069). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 437. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 1070). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 336. An act for the relief of Angela Ferrini; without amendment (Rept. No. 1071). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 397. An act for the relief of Willem Woeras; without amendment (Rept. No. 1072). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 398. An act for the relief of Benjamin Wachtfogel; without amendment (Rept. No. 1073). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 441. An act for the relief of Jose Ramirez-Moreno; without amendment (Rept. No. 1074). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 463. An act for the relief of Pedro Ampo; without amendment (Rept. No. 1075). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 465. An act for the relief of Maria Concetta Di Turi; without amendment (Rept. No. 1076). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 485. An act for the relief of Luigi Lino Turel; without amendment (Rept. No. 1077). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 499. An act for the relief of Daniela Renata Patricia Zei; without amendment (Rept. No. 1078). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 562. An act for the relief of Hideko Takiguchi Pulaski; without amendment (Rept. No. 1079). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 567. An act for the relief of Vida Djenich; without amendment (Rept. No. 1080). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 660. An act for the relief of Ursula Rosa Pazdro; without amendment (Rept. No. 1081). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 662. An act for the relief of Howard I. Buchbinder; without amendment (Rept. No. 1082). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 796. An act for the relief of Zacharoula Papoulia Matsa; without amendment (Rept. No. 1083). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 976. An act for the relief of Charles A. Sidawi; without amendment (Rept. No. 1084). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1035. An act for the relief of Alice Eirl Schaer (Mi On Lee); without amendment (Rept. No. 1085). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1049. An act for the relief of Mrs. Ahsapet Gamityan; with amendment (Rept. No. 1086). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1050. An act for the relief of Hrygory (Harry) Mydlak; without amendment (Rept. No. 1087). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1153. An act for the relief of Zdenka Sneler; without amendment (Rept. No. 1088). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1167. An act for the relief of John Nicholas Christodoulias; without amendment (Rept. No. 1089). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1175. An act for the relief of Helene Cordery Hall; without amendment (Rept. No. 1090). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1241. An act for the relief of Edward Martin Hinsberger; without amendment (Rept. No. 1091). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1271. An act for the relief of Daniel Alcide Charlebois; with an amendment (Rept. No. 1092). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1290. An act for the relief of Lee-Ana Roberts; without amendment (Rept. No. 1093). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1293. An act for the relief of Eithaniahu (Eton) Yellin; without amendment (Rept. No. 1094). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1306. An act for the relief of Pao-Wei Yung; without amendment (Rept. No. 1095). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1307. An act for the relief of Toribia Basterrechea (Arrola); without amendment (Rept. No. 1096). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1308. An act for the relief of Carmen Jeanne Launois Johnson; without amendment (Rept. No. 1097). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1335. An act for the relief of Sandra Ann Scott; without amendment (Rept. No. 1098). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1370. An act for the relief of Wanda Wawrzyczek; without amendment (Rept. No. 1099). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1387. An act for the relief of Rebecca Jean Lundy (Helen Choy); without amendment (Rept. No. 1100). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1414. An act for the relief of Wolfgang Jochim Herman Schmiedchen; without amendment (Rept. No. 1101). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1421. An act for the relief of Ansis Luiz Darzins; without amendment (Rept. No. 1102). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1496. An act for the relief of Nicoleta P. Pantelakis; without amendment (Rept. No. 1103). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1685. An act for the relief of Sic Cun Chau (Tse) and Hing Man Chau; without amendment (Rept. No. 1104). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1736. An act for the relief of Rosa Sigl; without amendment (Rept. No. 1105). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1767. An act for the relief of Eileen Shelia Dhanda; without amendment (Rept. No. 1106). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1783. An act for the relief of Randolph Stephan Walker; without amendment (Rept. No. 1107). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1804. An act for the relief of Marjeta Winkle Brown; without amendment (Rept. No. 1108). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1815. An act for the relief of Nicholas Dilles; without amendment (Rept. No. 1109). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1817. An act for the relief of John Panagiotou; without amendment (Rept. No. 1110). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1838. An act for the relief of Charles Douglas; without amendment (Rept. No. 1111). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1848. An act for the relief of Michelle Patricia Hill (Patricia Adachi); without amendment (Rept. No. 1112). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1896. An act for the relief of Maria West; without amendment (Rept. No. 1113). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1902. An act for the relief of Belia Rodriguez Ternoir; without amendment (Rept. No. 1114). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1910. An act for the relief of Salvatore Salerno; without amendment (Rept. No. 1115). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1972. An act for the relief of Letizia Maria Arini; with amendment (Rept. No. 1116). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2003. An act for the relief of Jozice Matana Koulis and Davorko Matana Koulis; without amendment (Rept. No. 1117). Referred to the Committee of the Whole House.

Mr WALTER: Committee on the Judiciary. S. 2095. An act for the relief of Vaclav Uhlik, Marta Uhlik, Vaclav Uhlik, Junior, and Eva Uhlik; without amendment (Rept. No. 1118). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2165. An act for the relief of Gertrud Mezger; without amendment (Rept. No. 1119). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 40. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; with an amendment (Rept. No. 1120). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1633. A bill for the relief of Jane Froman and Gypsy Markoff; with amendment (Rept. No. 1121). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 435. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 1132). Referred to the Committee of the Whole House.

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. 9229. A bill to amend the Tariff Act of 1930 to transfer natural gas from the free list to the dutiable list; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 9230. A bill to provide for the conveyance of a pumping station and related facilities of the Intracoastal Waterway system at Algiers, La., to the Jefferson-Plaquemines Drainage District, La.; to the Committee on Public Works.

By Mr. BROYHILL:

H. R. 9231. A bill to protect the east vista and to preserve the wooded area on the north and west side of the Custis-Lee Mansion grounds as an appropriate environment in the immediate vicinity of the mansion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BURNS of Hawaii:

H. R. 9232. A bill to amend section 73 (1) of the Hawaiian Organic Act to authorize the Commission of Public Lands to amend existing land patents in hardship cases by removing the restrictions contained therein which have run for 10 or more years; to the Committee on Interior and Insular Affairs.

By Mr. CANNON:

H. R. 9233. A bill to prohibit Government agencies to acquire or use the National Grange headquarters site without specific Congressional approval; to the Committee on Public Works.

By Mr. FOGARTY:

H. R. 9234. A bill to amend title II of the Social Security Act to reduce from 65 to 60 the age at which old-age and other monthly insurance benefits may become payable thereunder; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 9235. A bill to prevent the unauthorized censorship by broadcasting, television, telephone, telegraph, and all similar companies, or networks, of songs, tunes, words, lyrics, and other material and things; and providing certain procedure to be followed in such cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE:

H. R. 9236. A bill to credit certain teachers in the District of Columbia for services performed by them between September 1944, and July 1, 1955; to the Committee on the District of Columbia.

By Mr. KING:

H. R. 9237. A bill to regulate the importation of tuna; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 9238. A bill to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905; to the Committee on Public Works.

By Mr. SAUND (by request):

H. R. 9239. A bill to provide for the construction of an irrigation distribution system and drainage works for restricted Indian lands within the Coachella Valley County Water District in Riverside County, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCOTT of North Carolina:

H. R. 9240. A bill to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Illinois:

H. R. 9241. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for the first $3,600 of salary earned by a teacher in any year; to the Committee on Ways and Means.

By Mr. UTT:

H. R. 9242. A bill to amend the Veterans' Benefits Act of 1957 to permit permanent plan United States Government life (converted) insurance policies and national service life insurance policies to be assigned as collateral for certain loans; to the Committee on Veterans' Affairs.

H. R. 9243. A bill to regulate the importation of tuna; to the Committee on Ways and Means.

By Mr. WILSON of California:

H. R. 9244. A bill to regulate the importation of tuna; to the Committee on Ways and Means.

By Mr. WRIGHT:

H. R. 9245. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. DIXON:

H. R. 9246. A bill to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 9247. A bill to provide assistance to the States in certain surveying and planning with respect to college facilities; to the Committee on Education and Labor.

By Mr. GRAY:

H. R. 9248. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead, zinc, and fluorspar; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 9249. A bill to amend section 1231 of the Internal Revenue Code of 1954 relating to property used in the trade or business and involuntary conversions; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 9250. A bill to prevent the loss of pay and allowances by certain officers designated for the performance of duties of great importance and responsibility; to the Committee on Armed Services.

H. R. 9251. A bill to amend title 10, United States Code, to provide authority to drop certain persons from the rolls of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. BECKWORTH:

H. R. 9252. A bill to amend title II of the Social Security Act to provide monthly insurance benefits for the unmarried dependent sister of an individual who dies leaving no other survivors eligible for benefits under such title; to the Committee on Ways and Means.

By Mr. GRIFFIN:

H. R. 9253. A bill to prohibit Government agencies to acquire or use the National Grange headquarters site without specific Congressional approval; to the Committee on Public Works.

By Mr. WIDNALL:

H. R. 9254. A bill to amend section 46, title 18, United States Code, with respect to transportation of water hyacinths and seeds; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 9255. A bill to amend section 218 (f) of the Social Security Act with respect to the effective date of certain State agreements or modifications thereof; to the Committee on Ways and Means.

By Mr DIXON:

H. Res. 396. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 9256. A bill for the relief of the Park National Bank; to the Committee on the Judiciary.

By Mr. BONNER:

H. R. 9257. A bill to provide for the conveyance of certain lands of the United States to the Hatteras Girls Club, Inc., of Hatteras, N. C.; to the Committee on Government Operations.

By Mr. BURNS of Hawaii:

H. R. 9258. A bill for the relief of Mrs. Minnie Perreira; to the Committee on the Judiciary.

By Mr. CARNAHAN:

H. R. 9259. A bill for the relief of Lee Young Kil; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 9260. A bill for the relief of Aram Fayda and his wife, Elena Fayda; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 9261. A bill for the relief of Maggiorina Furlan; to the Committee on the Judiciary.

By Mr. CUNNINGHAM of Iowa:

H. R. 9262. A bill for the relief of A. A. Alexander; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 9263. A bill for the relief of the Smith Canning Co.; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 9264. A bill for the relief of George Kubota; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 9265. A bill for the relief of Sarina L. DeTrabout, Luna D. L. Trabout, Ester Trabout; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 9266. A bill for the relief of Sirvart Cark; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 9267. A bill for the relief of Mrs. Doudy Bakalian; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 9268. A bill for the relief of Linda Diane Hunt (Chun Sun Nam); to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 9269. A bill for the relief of Stephen Volpe; to the Committee on the Judiciary.

By Mr. RHODES of Pennsylvania:

H. R. 9270. A bill for the relief of Katina Soteriou Roumeliotis; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 9271. A bill to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society; to the Committee on the District of Columbia.

By Mr. TELLER:

H. R. 9272. A bill for the relief of Eliezer Elhanan Schalit, born Eliezer Schreibman, also known as Ely Schalit; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 9273. A bill for the relief of Fahridin Nushi; 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:

327. By Mr. HAYS of Arkansas: Petition of Pope County Peach Growers Cooperative Association, expressing approval of H. R. 8362 introduced by Congressman TRIMBLE which proposes an amendment to the present laws regulating the making of agricultural loans by the Farmers' Home Administration; to the Committee on Agriculture.

328. By the SPEAKER: Petition of Mrs. Grace E. McCracken and others, Steubenville, Ohio, requesting veto of the civil-rights bill; to the Committee on the Judiciary.

329. Also, petition of Eric E. Glass, San Antonio, Tex., requesting a thorough Congressional investigation of the activities of Judge Albert L. Watson, of the United States District Court for the Middle District of Pennsylvania, and more specifically concerning his direct and indirect activities with the criminal trial of Adolphus Hohensee, No. 12529; to the Committee on the Judiciary.

330. Also, petition of Charles F. Jordan, secretary-treasurer, International Brotherhood of Operative Potters, East Liverpool, Ohio, relative to condemning severely the administration of our trade and tariff laws under State Department domination; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Aviation Corporation of America

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. DINGELL. Mr. Speaker, 1,200 workers employed by the Aviation Corporation of America—Avco—at its New Idea division plant have been on strike more than 16 weeks. It has meant great sacrifice for the workers and for their union. But the union is as solid today as it was when the strike began.

The union has continued because the workers involved are fully convinced of the justice of their demands. The New Idea division has always brought a substantial profit to Avco and there is no doubt that the company can afford to meet the wage standards generally prevailing in the steel industry.

Avco is listed by Fortune magazine as the 121st largest manufacturing company in America. It had sales of $350 million in 1956. Its assets total $181 million. Yet, this firm pays a substandard wage at its struck plant at Coldwater, Ohio—a wage more than 50 cents an hour below that paid by other organized companies in the industry.

This is the basis for the strike and the reason it has gained solid support from the workers at Coldwater—this, and the medieval policy of Avco. Despite the fact that a pension plan generally is recognized as a standard working condition by America's large industrial companies, there is none at Avco's Coldwater plant and the company refuses to grant one. Although the idea of supplemental unemployment benefits has been accepted by major steel-fabricating companies, this idea is too advanced for Avco.

A decisive part of big industry has recognized the justice of cost-of-living clauses guarding the buying power of their employees. This has not been the case at Avco, which even today offers what is at best only an inferior clause making a mockery of the whole idea of worker protection against inflation.

The union shop had existed at Avco for years, but now, in retaliation against the strikers, the company is seeking to destroy all union security at its New Idea plant. Avco wants a long-term contract. The union is agreeable to a 3-year contract to insure stability for all. The company offers a package increase over that period worth only slightly more than half the gains accepted by other major fabricating firms as fair and reasonable.

In a telegram sent to Mr. H. W. Lacey, industrial relations director for Avco at the struck Coldwater plant a week before he died, Red Davis informed the company that when "Avco manufacturing decides to agree to a fair wage structure, a seniority provision in the contract that actually gives Avco employees protection against your sharpshooting tactics, and grievance procedures that we have always had at New Idea, and that protects the incentive employee, then you can have a new contract in a matter of hours."

These facts involve a matter of economic and social justice for these citizens of Ohio, and the Nation, but they also involve an important matter of public policy.

Avco manufacturing retains its advantageous position in American industry today largely because of Government contracts. Despite the strike and the company's refusal to pay wages equal to those of its competitors, Avco has been guaranteed a profitable operation by the taxpayers, millions of whom are union members.

During the current negotiations at Coldwater, Avco management there informed United Steelworker negotiators that its workers have no need for the prevailing industry wage or pensions because they are, after all, little more than country bumpkins who will only spend the money foolishly. Yet this company which views American citizens with contempt has had no hesitancy in accepting the defense business of those same citizens.

On July 2, the New York Times announced that Avco had been awarded a $111 million contract for the development of a nose cone for the Air Force's hydrogen bomb carrying ballistic missile. The Wall Street Journal's account of this transaction pointed out that it was the largest peacetime Government contract awarded to this company and that it is in

addition to more than $8 million of previous research and facilities contracts.

An enlightened social policy is as much a part of the defense of our free America as the H-bomb and possibly more so. It will do us little good to defend ourselves with H-bomb development if, in the process, we permit the destruction of free collective bargaining by antiunion employers emboldened and supported by Government subsidy coming in the form of negotiated defense contracts.

It is time for the agencies that let out our defense contracts to recognize that an enlightened labor policy by employers should be as much a requirement as efficient engineering. Certainly employers who persist in paying substandard wages or in maintaining poor working conditions in any part of their operation have no right to Government contracts on the same terms as fair employers. Certainly, Government money should not be used to subsidize employers seeking to impose substandard contracts upon workers, as in the case of Avco.

Government policy in this whole area will benefit if this situation is carefully examined. It may well be that the provisions of the Bacon-Davis law are being disregarded by permitting Government contracts to be given to employers paying less than the prevailing wage to their employees.

Questionnaire to 11th District of Missouri

EXTENSION OF REMARKS

OF

HON. MORGAN M. MOULDER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. MOULDER. Mr. Speaker, several weeks ago, I submitted a questionnaire to the rural, star route, post-office boxholders and to all persons listed in the telephone directories in all cities and towns of the 11th Congressional District of Missouri. I am pleased to report that 14,414 people have answered the questionnaire to date. I appreciate the fine response to the questionnaire and I am gratified to say that the people of the 11th District of Missouri are intensely interested in their Government and are willing to take the time to participate in it by expressing their opinions and advice to their Representative in the Congress.

The following is the questionnaire and the results, first in the actual figures and second in percentages:

1. Would you rather balance the budget and reduce the national debt than cut taxes? Yes, 9,565 (67.2 percent); no, 3,518 (24.7 percent); no opinion, 1,160 (8.1 percent).

2. Do you favor Federal aid for school construction? Yes, 7,584 (53.4 percent); no, 5,771 (40.7 percent); no opinion, 843 (5.9 percent).

3. Do you favor extending the Federal minimum wage and overtime hour laws—$1 an hour minimum—to retail stores and service establishments? Yes, 7,595 (53.4 percent); no, 5,093 (35.8 percent); no opinion, 1,541 (10.8 percent).

4. In the operation of the Post Office Department there is presently an annual deficit of approximately $464 million. Do you favor an increase in all classes of postal rates to: (a) Make the Post Office Department self-supporting? Yes, 7,418 (52.8 percent); no, 3,555 (25.3 percent); no opinion, 3,085 (21.9 percent). (b) Make a substantial reduction in the deficit? Yes, 5,633 (39.9 percent); no, 1,937 (13.8 percent); no opinion, 6,517 (46.3 percent).

5. If it requires a social-security tax increase, should the social-security retirement age for men be lowered to 62 (as now provided for women)? Yes, 6,945 (45.2 percent); no, 6,420 (45.4 percent); no opinion, 768 (5.4 percent).

6. Do you favor an increase of old-age assistance benefits? Yes, 8,549 (60.4 percent); no, 4,232 (29.9 percent); no opinion, 1,369 (9.7 percent).

7. Last year we adopted the farm soil-bank plan (costing $1.2 billion annually) to pay farmers for taking certain farmlands out of production to reduce farm product surpluses. (a) Do you favor this program? Yes, 3,371 (24 percent); no, 8,656 (61.6 percent); no opinion, 2,015 (14.4 percent).

(b) Do you favor the Eisenhower administration of this program? Yes, 3,045 (21.1 percent); no, 7,586 (52.6 percent); no opinion, 3,783 (26.3 percent).

8. Do you favor Federal regulation of labor union welfare funds? Yes, 9,767 (68.2 percent); no, 2,546 (17.8 percent); no opinion, 2,001 (14 percent).

9. Do you favor right-to-work laws which provide that a worker does not have to join a union to hold a job? Yes, 10,600 (75.1 percent); no, 2,954 (20.9 percent); no opinion, 564 (4 percent).

10. The President's annual budget asks for $4.4 billion for foreign military and economic aid ($2.6 billion for military aid and $1.8 billion for economic aid) for and during the next fiscal year. Do you favor this? Yes, 4,215 (30.9 percent); no, 7,133 (52.4 percent); no opinion, 2,278 (16.7 percent).

11. Do you approve President Eisenhower's general foreign policy? Yes, 4,951 (36.6 percent); no, 6,353 (47 percent); no opinion, 2,219 (16.4 percent).

12. Do you favor admitting more immigrants, including refugees from Communist-dominated countries, as permanent residents? Yes, 2,548 (18 percent); no, 10,094 (71.4 percent); no opinion, 1,504 (10.6 percent).

13. Do you favor the admission of Alaska and Hawaii as States? Yes, 10,861 (79.6 percent); no, 1,370 (10.1 percent); no opinion, 1,406 (10.3 percent).

A Bill To Allow School Teachers an Income Tax Exemption on the First $3,000 of Their Salary

EXTENSION OF REMARKS

OF

HON. SID SIMPSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. SIMPSON of Illinois. Mr. Speaker, I have today introduced a bill which would allow all accredited schoolteachers an income-tax exemption on the first $3,000 of their salary. It seems to me teachers and instructors, because of low salaries, are harder to obtain than classrooms.

This exemption, which is equivalent to a salary increase, can well be the contribution of Federal aid to education, and without any Federal control. It would relieve local taxing bodies of any tax increase in order to obtain teachers at higher salaries. Some States have a minimum teacher's salary, which in Illinois is $3,200.

The estimated number of teachers in the United States for 1956–57 is as follows: Elementary schools, 751,490; high schools, 426,560; college instructors, 1955, 298,910; almost 1½ million.

In introducing this bill this late in the session, I am hopeful the Ways and Means Committee will consider some such proposal when that committee holds hearings this fall on next year's tax bill.

There is a precedent for this kind of legislation in the additional exemption for all over 65.

Taxes, Trujillo, Jr., and Training for Tyranny

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. PORTER. Mr. Speaker, Members particularly concerned with the prudent spending of the taxpayers' money in the interest of national defense may be interested in the following correspondence between myself and the Defense Department:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 25, 1957.

Hon. WILBER M. BRUCKER,
Secretary of the Army,
Washington, D. C.

DEAR MR. SECRETARY: An item appearing in a New Orleans newspaper on July 19, 1957, reports that Rafael L. Trujillo, Jr., the son of the Dominican dictator, left New Orleans on that day to attend the Army's Command and General Staff School at Fort Leavenworth, Kans.

I should like to know if this information is true, and if it is, the explanation for General Trujillo's admission there.

Furthermore, I should greatly appreciate having a list of those individuals from Cuba, Nicaragua, Venezuela, and the Dominican Republic who are in the same class with General Trujillo, and a list of such nationals who have been in previous classes within the last 5 years.

I must say that I find it hard to rationalize making this wonderful training available to men who will use it to oppress their own peoples and who will never be able to contribute anything substantial to American defense. Your comments on this aspect are invited.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., August 13, 1957.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This letter is in further reply to your inquiry concerning the attendance of Gen. Rafael L. Trujillo, Jr., and other foreign nationals at the Command and

General Staff College, Fort Leavenworth, Kans.

General Trujillo, who assumed the rank of colonel while at school, and Lt. Col. Fernado A. Sanchez, members of the armed forces, Dominican Republic, are students at the Command and General Staff College. Enrolled in the same class are two students from Venezuela, Lt. Col. Benjamin Maldonado and Maj. Carlos Oscar Mendez Cardenas. Cuba and Nicaragua do not have students enrolled in the present class.

Under the Mutual Security Act of 1954, as amended, the Dominican Republic is eligible to receive military assistance. The Dominican Republic requested and was allocated two spaces at the Command and General Staff College.

The following students from Cuba, Dominican Republic, Nicaragua, and Venezuela have attended the Command and General Staff College during the past 5 years:

Cuba: Maj. Benjamin Camino y Gomendia, 1955.

Dominican Republic: No students have attended prior to fiscal year 1958.

Nicaragua: No students have attended to date.

Venezuela: Lt. Col. Jose V. Zambrano, 1952; Lt. Comdr. Carlos Bacalao-Lora, 1952; Maj. Raul Antonio Groce-Roa, 1955; Maj. Lulio Salgado Ayala, 1955.

The Department of the Army provides training at United States Army service schools only to those countries which have been declared eligible for such training under Presidential directives, the Mutual Security Act of 1954, as amended, and Department of Defense policy directives.

Your interest in this matter is appreciated.

Sincerely,

J. E. BASTION, JR.,
Brigadier General, GS., Deputy Chief of Legislative Liaison.

Jewish War Veterans Question Constitutionality of Discriminatory Dhahran Airbase Agreement

EXTENSION OF REMARKS
OF
HON. LUDWIG TELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 13, 1957

Mr. TELLER. Mr. Speaker, we fight for vindication of a profound American tradition when our efforts are directed to combating all forms of discrimination, whether based on religion, color, creed, or belief. This American tradition is not only an internal source of strength but a beacon of hope for all the world, and substantially accounts for our international prestige.

The present administration has sullied this glorious tradition in recently confirming an agreement with Saudi Arabia by which soldiers of the Jewish faith are excluded from the airbase at Dhahran. As usual, the Jewish people are not alone in this disgraceful episode of discrimination. Chaplains representing all faiths are obliged to perform their religious services surreptitiously. Insignia and other identification of the clergy of all faiths may not be worn or displayed at the Dhahran Airbase.

The Jewish War Veterans of the United States adopted a resolution in May 1957 in which the Dhahran Airbase agreement was condemned as an unwholesome departure from American instincts and traditions, and the constitutionality of this oil-motivated agreement was questioned.

On Tuesday, September 17, 1957, Constitution Day, the New York State Jewish War Veterans will hold a conference at the Wall Street Synagogue from 6 p. m. to 8:30 p. m. at which Department Commander Hyman Bravin will preside. The main purpose of the conference will be given over to questioning the constitutionality of the Dhahran Airbase agreement. The discussion will be led by one of our most active figures in Jewish, fraternal, civic, and political affairs, Jacob Padawer, department judge advocate of the Jewish War Veterans of the United States. Mr. Padawer, a noted lawyer, will dissect the constitutional infirmities of the Dhahran Airbase agreement, and he will also expose its violation of basic American principles and traditions.

The September 17 meeting of the Jewish war veterans at the Wall Street Synagogue has large current significance, and Mr. Padawer's presentation will be of great public interest, because its celebration of Constitution Day will be accompanied by warnings that we must practice what we preach if our ideals are to be respected at home and abroad.

M. Sgt. Thomas F. Bell

EXTENSION OF REMARKS
OF
HON. FRANK IKARD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 13, 1957

Mr. IKARD. Mr. Speaker, recently I had the privilege of visiting in my office with a very distinguished constituent of mine, M. Sgt. Thomas F. Bell, from Vernon, Tex. Sergeant Bell entered the military service in 1942 as an infantryman and transferred to the Air Force in 1943. He was with the 15th Air Force in Italy during the early part of 1944 as a flight engineer and gunner in the 781st Bomber Squadron and flew 56 combat missions in B-24 heavy bombers. His missions included bombings over Ploesti, Munich, and Frankfurt, and during one of his missions he was wounded over Bologna, Italy. Since the war he has served as line chief in B-26, test engineer at Frederick Air Force Base, Okla., and later sent to Sheppard Air Force Base as a liaison sergeant for the Air Force Reserve and returned to flying status when he was transferred to Walker Air Force Base, N. Mex., where he also served as a flight engineer on B-29 and B-50 aircraft.

Sergeant Bell was in Korea with the 27th Fighter Bomber Wing and served for 9 months as a line chief on F-84 thunder jets. In 1951, Sergeant Bell returned to the United States and took his discharge from the Air Force. He returned to Vernon, Tex., as a civilian and served as chief of police in Vernon from 1952 to 1955 when he decided to go back into the Air Force. He was voluntarily recalled to active duty in 1955 and became a line chief for F-86 Sabrejets while stationed at Perrin Air Force Base, Tex. He went overseas to Naha Air Force Base, Okinawa, and served as line chief in the 16th Fighter Interceptor Squadron.

The occasion of Sergeant Bell's visit to Washington was for the purpose of attending the golden anniversary of the United States Air Force as the representative of the Pacific Air Force. He was chosen for this honor in competition with other Pacific Air Force noncommissioned airmen and was 1 of 21 outstanding noncommissioned airmen selected for this honor. Sergeant Bell is married and has three sons. He is presently serving with the Air Force in Okinawa.

I consider it a privilege to call attention to the splendid record of Sergeant Bell, and to publicly commend him for his distinguished service to his country, both in time of war and in time of peace.

Save Grange Headquarters

EXTENSION OF REMARKS
OF
HON. ROBERT P. GRIFFIN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 13, 1957

Mr. GRIFFIN. Mr. Speaker, I have introduced a bill to prohibit any Government agency from acquiring or using the National Grange Headquarters site here in Washington without specific Congressional approval.

The bill is a companion to a number of bills introduced in the House and to S. 2696, introduced in the Senate by Senator POTTER. The bill would require the Administrator of the General Services Administration to withdraw the declaration, heretofore filed in United States district court, taking title to the Grange Building and lot, and would require him to take such other action as may be necessary to restore title to the National Grange of the Patrons of Husbandry.

Title was taken by the Government to the entire block known as Jackson Square, in which the Grange lot is situated, with the notable exception of the Decatur House which surrounds on the west and north the relatively small rectangle—50 by 70 feet—occupied by the 7-story Grange Building.

I have tried to view this matter objectively. Based upon information which has come to my attention, I believe Grange Master Herschel D. Newsom has justification for saying that because of its juxtaposition with Decatur House, destruction of the Grange Headquarters Building is not necessary in order to permit erection of the planned Federal Office Building.

Furthermore, present plans for the proposed new office building to be erected in Jackson Square indicate that the new building will not occupy any of the land now owned by the Grange. It appears that the Grange site will only

serve as lawn area for the new building. In light of the important economy drive now in force, I do not think taxpayers would approve an expenditure of $150 to $200 a square foot to provide for grass and flowers.

Certainly the National Grange property, purchased in 1941 with funds raised through the activities of more than 7,000 local Grange organizations, should not be sacrificed merely to provide lawn space.

I believe that the Members of Congress should keep in mind also that the Grange Building, in addition to its own national offices, houses the National Council of Farmer Cooperatives, the American Institute of Cooperation, National Agricultural Research, Inc., Farm Roads Foundation, and Washington offices for more than 30 farm publications.

Certainly, this building is now serving very important and worthwhile public purposes which are in the interest of agriculture, the American farmer, and the Nation generally. I therefore urge my colleagues to give all possible support to proposed legislation which would save the National Grange Headquarters Building from destruction.

Washington Report, August 10, 1957

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Washington Report of August 10, 1957, my weekly newsletter to constituents:

The supplemental appropriation bill, 1958, was passed with many misgivings. Why—only weeks after a new fiscal year starts, for which period every Government agency appropriation had been previously passed—should more money be needed? Eleven departments received additional funds. Also, with logic known only to the Appropriations Committee's leadership, the $1.5 billion military construction expenses were included instead of comprising the usual separate bill.

Of the State Department appropriation of $6 million the greatest furor came over $3.5 million to Israel for club premises, ceramics kiln, and studio building equipment, one-floor addition to a museum's art gallery, completion of a cultural center, a revolving scholarship fund, financing of a postgraduate college building, completion of hostel construction, choir assembly support, construction of a museum, library, music conservatory, concert hall, and Boy Scout camp development, financing archaeological expeditions, construction and equipment of a nursery, summer camp for underprivileged children, a YMCA building, and many others. Some may question if all these are even the function of a local charity like the Community Chest, much less the role of one government providing for another. Many of these projects we do not permit our Federal Government to provide for our own people. So who's looking after our taxpayers' money and for economy and "cut the budget"? Only 82 of us voted to trim out some of the questionable projects.

No other Texan joined me to eliminate $10 million from the $13.5 million additional appropriation to the TVA for more socialized power production, and we lost 158 to 244. Here's an excellent example of the mutual back-scratching—anyone having a Federal project in the works feels it necessary to vote for the other fellow's project. The alleged Southern States righters voted for this greatest boondoggle of all time. It just isn't right for all taxpayers to foot the bill for the favored few to get Government-subsidized cheaper electricity. This in addition to the violence done to the Constitution and States' rights by this big Federal bureaucratic empire of lakes, dams, powerplants, and numerous Government business enterprises like fertilizer manufacture, etc.

Civil rights, now watered down to a Federal right-to-vote law, poses an interesting question and violation of States rights. What happens now to individual States' varied voting standards, property ownership, residence, and the like? Decentralized voting by States has been one of the greatest protections against complete Federal domination.

The Atomic Energy Commission appropriation bill to appropriate $259 million passed overwhelmingly, but only after a spirited debate over the issue of whether Government (public) or private enterprise should build atomic reactors to develop electric power. Happily, the private enterprise amendments won out by a close vote of 211 to 188 and 213 to 185. It was almost a party line vote—Democrats for Government development, Republicans for private. Only 3 and 4 Texans joined me in these votes to reduce Government participation in this program.

The Federal employees' salary bill averaged an 11 percent increase. In view of the 5 percent cost-of-living rise since the last pay boost, the 11 percent seemed high to me, considering also that retirement benefits have been increased by 25 percent in the last year. I voted to increase the pay 7½ percent because I believe a pay increase is warranted at this time. Of course, it's easy to spend the taxpayers' money. In fact, to some there's a little reason to oppose Government spending at any time, particularly when votes back home are at stake. This pay increase becomes particularly objectionable in view of the already huge Government expenditures. First, we must cut out some Government spending before we hastily spend more; otherwise, we must increase taxes or increase the national debt by borrowing and thus, through inflation, further reduce everyone's buying power. This bill increases the Federal payroll $532 million per year. It passed 329 to 58.

This newsletter will be the last regular weekly—with possibly a summary just at or after adjournment. Remember, you have two Senators to inform how you feel. Congress' adjournment is still most uncertain and most political.

What Do Minneapolis People Think on Major Issues?

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. JUDD. Mr. Speaker, in recent years I have annually prepared and sent to each resident of my Congressional district whose name was listed in the telephone directory, a questionnaire dealing with some of the major controversial issues facing Congress and the Nation. The response to this year's questionnaire, totaling almost 9,000 replies, has been most gratifying and informative.

It was my plan to report a compilation of the replies earlier in the present session. In fact, May 1 was established as a cutoff date and complete tabulations were made. But when hundreds of additional replies continued to come in, it seemed advisable to retabulate. This has considerably delayed the public report, but the trends in the thinking of the people of my district were quite plain by last April.

At least a third of those replying took the trouble to add constructive comments. Many said that on certain questions a straight "yes" or "no" answer was not fully descriptive of their view. I recognize fully that on a complicated issue it is not possible to phrase a short question in such a way that a "yes" or "no" answer will express exactly what one believes. But even so, the person's reaction of approval or disapproval "in general," tells me a lot and is very useful.

This is the same problem a Congressman has to resolve when he votes on a complicated bill. How often I wish I could vote, say, 70 percent for and 30 percent against a bill. But I can vote only "yes" or "no" as if it were all good or all bad. The decision has to be made on whether I think the good features are sufficiently good to justify accepting the bad along with them.

Highly significant is the consistency with which residents of the Fifth Minnesota District, regardless of party affiliation, are in fairly close agreement on most issues. This is particularly true with respect to foreign policy questions, but carries over to a surprisingly high degree on most major domestic issues. For example, a large majority of the members of both parties as well as of independents believe that postal rates should be increased to pay more of the costs of operating the postal service, and that Government aid to farmers should not be increased.

Considering the recent magazine articles and radio and TV programs emphasizing waste or failure in our foreign aid programs, it is important to note overwhelming support in all groups for the basic objectives of our mutual security programs to assist friendly nations in the struggle against world communism. The rank and file are properly concerned about the trees, but they do not lose sight of the forest.

The replies show clearly that the two uppermost concerns of our people today are our national security and our economic stability. They recognize that the menace of world communism is the No. 1 issue of the 20th century. National defense—the threat from without—ranks first in concern. Communism in Government—the threat from within—ranks second. The economic stability of our Nation is next, as shown by the fact that reducing taxes, reducing

the Federal budget, and reducing the national debt rank third, fourth, and fifth.

The replies make plain the desire of the people for greater economy in governmental expenditures. And, I might add, this desire has brought results. I have received much less mail this year urging new spending than in any of my 15 years in the Congress.

Yet, by no means do people desire to abolish or curtail established assistance programs, such as social security. They show, however, a growing awareness of the costs of these programs and ask that a real justification be made before we further extend or expand them.

What the people want now, the replies demonstrate, is a thorough reappraisal of our social security system in terms of today's conditions. Many failed to realize, when social security was begun in the depression years, that it was not designed primarily to provide for employed persons the income necessary to an adequate living standard in their later years, but rather to get older persons out of the labor market and thereby spread the number of jobs. To accomplish that end the original law provided that a retired person would lose his benefits if he earned more than $14.99 a month. But now there is no such need to save jobs for younger people. The economy needs the skills of all, including the elderly. There is no need to penalize them for the good American virtue of industry. They are happier as well as better off if they can work a few years longer.

Furthermore, they need the additional income because they find that they cannot live on the retirement benefits they receive. Many had been led to believe that social security would take care of their retirement needs and they did not save as formerly or make other provision for their old age. Their payments into the fund were never adequate to provide annuities of the size they need—especially now when continued inflation has reduced so drastically the purchasing power of those annuities. Much clear thinking and numerous adjustments are necessary in this area if the confidence of our people is to be retained.

Distinctly evident in the replies is the tendency of rank-and-file people to have less confidence than some officials have in their ability to make any lasting and beneficial arrangements with the leaders of Communist nations—be they Russian, Chinese, or Titoists. The people can tell the difference between right and wrong; they put principle ahead of expediency. They know that the Communist form and philosophy of government is incompatible with human freedom and with our own way of life; therefore they are not too optimistic about negotiations with leaders of Communist governments. They put more trust in sticking to our principles than in deals with oppressors. My own conviction is that history will prove the people more realistic in their appraisal than many supposed experts have been.

It is interesting to note the overwhelming and bipartisan support for increased postal rates to pay the cost of the postal service, and yet the great difficulty in getting the Congress to pass this type of legislation.

Civil rights is of greater concern to the people of the Fifth Minnesota District this year than it was in last year's questionnaire, as would be expected in view of recent public discussion of this issue in Congress, and in the news.

Low farm prices are of less concern than they were last year. Probably this is accounted for by the leveling off in farm price decline, and in many instances, substantial increases in farm prices under present long-range farm programs.

May I also say that I am personally very grateful for the appreciative remarks a good many added about my work as their representative in the Congress. Naturally I like to hear that, but I also value and welcome the criticisms expressed by some. Wherever there is dissatisfaction it is helpful to know it, so that my views or actions, if in error, can be corrected; or if the criticism results from misunderstanding of my position, it can be better explained.

Mr. Speaker, these are but a few of the observations and reflections suggested by the response to my questionnaire this year. The replies indicate careful consideration and thought. They deserve equally careful and serious study.

The survey follows:

OPINION SURVEY—FIFTH CONGRESSIONAL DISTRICT, MINNEAPOLIS, MINN., 1957

Do you consider yourself:

	Number of replies	Percent of total
Democrat-Farmer-Labor	737	8
Republican	4,956	57
Independent	3,015	35
Total returned	8,708	100

FOREIGN POLICY

1. In general, do you approve the way the Eisenhower administration is handling our foreign relations?

	Yes	No	No opinion
In Europe?			
All	75.5	16.9	7.6
Democrat-Farmer-Labor	47.4	42.9	9.7
Republican	86.3	8.5	5.2
Independent	68.0	24.6	7.4
In the Middle East?			
All	63.3	28.1	8.6
Democrat-Farmer-Labor	29.0	60.8	10.2
Republican	74.9	17.2	7.9
Independent	52.7	38.1	9.2
In the Far East?			
All	68.8	21.9	9.3
Democrat-Farmer-Labor	38.5	49.7	11.8
Republican	79.3	12.6	8.1
Independent	58.9	30.6	10.5

2. In general, do you favor continued United States assistance to other countries in the Free World's struggle against Communist aggression and subversion?

	Yes	No	No opinion
All	79.5	13.8	6.7
Democrat-Farmer-Labor	75.9	17.2	6.9
Republican	82.0	11.7	6.3
Independent	76.2	16.4	7.4

3. Do you favor such assistance to:

	Yes	No	No opinion
Egypt?			
All	30.7	55.7	13.6
Democrat-Farmer-Labor	30.4	58.3	11.3
Republican	31.4	54.2	14.4
Independent	29.7	57.5	12.8
Israel?			
All	50.6	36.4	13.0
Democrat-Farmer-Labor	56.2	34.3	9.5
Republican	50.3	35.9	13.8
Independent	49.9	37.5	12.6
Poland?			
All	52.1	34.8	13.1
Democrat-Farmer-Labor	54.3	34.6	11.1
Republican	53.2	33.4	13.4
Independent	49.2	37.2	13.6
Yugoslavia?			
All	43.0	42.1	14.9
Democrat-Farmer-Labor	46.5	40.9	12.6
Republican	43.6	41.1	15.3
Independent	41.1	44.2	14.7

4. Do you favor changing our laws to permit barter of farm surpluses to Communist nations?

	Yes	No	No opinion
All	42.1	49.5	8.4
Democrat-Farmer-Labor	39.3	52.9	7.8
Republican	40.3	50.9	8.8
Independent	45.7	46.3	8.0

5. Do you think Congress should authorize admission of a greater number of refugees from Communist-dominated countries?

	Yes	No	No opinion
All	30.8	62.7	6.5
Democrat-Farmer-Labor	29.1	66.4	4.5
Republican	30.9	62.4	6.7
Independent	31.1	62.1	6.8

DOMESTIC POLICY

6. Do you favor Federal financial aid for construction of public schools:

(a) If the amount of aid to a State is determined only by the number of school-age children in that State?

	Yes	No	No opinion
All	29.9	56.6	13.5
Democrat-Farmer-Labor	45.0	40.3	14.7
Republican	26.1	60.7	13.2
Independent	32.7	53.7	13.6

(b) If the amount of aid takes into consideration also a State's resources and the effort it is making with those resources? (A "no" answer to both (a) and (b) will indicate you are opposed to Federal aid.)

	Yes	No	No opinion
All	59.6	31.9	8.5
Democrat-Farmer-Labor	73.7	17.1	9.2
Republican	56.4	35.9	7.7
Independent	61.3	29.2	9.5

7. If you approve Federal aid for public school construction, do you favor inclusion of a provision barring aid to States that maintain segregated school systems?

	Yes	No	No opinion
All	37.0	40.0	23.0
Democrat-Farmer-Labor	47.1	44.8	8.1
Republican	33.5	39.7	26.8
Independent	40.4	39.3	20.3

8. Welfare programs such as social security, old-age assistance, unemployment

and disability compensation, etc., have been expanded substantially during recent years, with corresponding increase in costs. Do you favor further expansion of these programs?

	Yes	No	No opinion
All	55.2	38.9	5.9
Democrat-Farmer-Labor	84.0	13.0	3.0
Republican	47.1	46.9	6.0
Independent	61.5	32.1	6.4

9. In general, do you believe the Congress should provide greater financial assistance to farmers than they are now receiving?

	Yes	No	No opinion
All	15.1	78.5	6.4
Democrat-Farmer-Labor	39.3	53.7	7.0
Republican	9.8	84.5	5.7
Independent	17.9	74.6	7.5

10. Do you think Congress should increase postal rates to reduce the estimated Post Office deficit of $650 million instead of paying the annual deficit by taxes as at present?

	Yes	No	No opinion
All	75.4	19.9	4.7
Democrat-Farmer-Labor	72.9	23.7	3.4
Republican	75.5	19.9	4.6
Independent	75.7	19.2	5.1

11. Do you think Congress should repeal the provision under which some States have banned compulsory union membership clauses in labor-management contracts?

	Yes	No	No opinion
All	21.7	68.1	10.2
Democrat-Farmer-Labor	50.5	38.4	11.1
Republican	14.7	75.7	9.6
Independent	26.1	62.7	11.2

12. Do you think Congress should pass legislation requiring Federal registration and regulation of labor union pension and welfare funds?

	Yes	No	No opinion
All	85.3	9.3	5.4
Democrat-Farmer-Labor	77.7	16.7	5.6
Republican	88.1	7.1	4.8
Independent	82.2	11.5	6.3

13. Do you think Congress should increase substantially the limitation of $1,200 which a person receiving social security benefits can earn without losing those benefits, even though such increase would require larger payroll deductions for social security?

	Yes	No	No opinion
All	56.4	35.8	7.8
Democrat-Farmer-Labor	65.7	27.8	6.5
Republican	55.3	37.2	7.5
Independent	56.0	35.5	8.5

14. Do you favor continued development of Wold-Chamberlain Field as the major airport for commercial flying in the Twin City area?

	Yes	No	No opinion
All	78.9	15.4	5.7
Democrat-Farmer-Labor	78.4	17.8	3.8
Republican	80.3	14.1	5.6
Independent	76.8	17.0	6.2

15. Please number (1, 2, 3, 4, 5) in order of their importance the five domestic issues which cause you greatest concern today:

	All	Democrat-Farmer-Labor	Republican	Independent
National defense	16,683	1,243	9,767	5,673
Communist influence in United States	12,256	850	7,739	3,667
Reducing taxes	11,834	840	7,178	3,816
Reducing the Federal budget	11,778	444	7,815	3,519
Reducing the national debt	10,199	463	6,717	3,019
Civil rights	8,314	945	4,065	3,304
Corruption in Government	8,041	729	4,234	3,078
Federal bureaucracy	7,900	207	5,253	2,440
Cost of medical care	7,824	828	3,783	3,214
Provision for elderly people	7,294	801	3,774	2,719
School construction	7,188	935	3,421	2,832
Labor-management relations	7,043	416	4,459	2,168
Slum clearance	3,627	493	1,573	1,561
Low farm prices	3,561	545	1,757	1,259

NOTE.—Above ratings arrived at by figuring 5 points for issues numbered 1, 4 points for issues numbered 2, 3 points for those numbered 3, 2 points for those numbered 4, and 1 point for those numbered 5.

Col. John R. Donovan, Jr., a Tragic Loss

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. PHILBIN. Mr. Speaker, many people in Massachusetts and throughout the country were greatly saddened recently to learn of the untimely passing of Col. John L. Donovan, Jr., United States Air Force, retired, who for some years had resided at Quincy, Mass. He was a close friend, and I am deeply grieved by his demise.

Colonel Donovan had a distinguished, inspiring career. A graduate of Harvard College, where he stood out for his brilliant scholarship and his athletic prowess as an outstanding football star, John Donovan was a man of many parts and many interests.

At the time of his death, he was a high and very capable official of the General Services Administration at Boston, and previously served with the Veterans Administration in that city. His government service was conspicuous for great ability, efficiency and devotion to duty. Yet it was only one facet of the busy life of this most striking personality, who moved in many spheres of life.

The interests of John Donovan covered the widest range. He was active in a host of societies and organizations. To each, he brought unbounded enthusiasm, commanding mental powers and tireless energy.

John Donovan was a natural leader who inspired the confidence and trust of the people. He was brilliant in his conceptions, and once he decided upon a course of action he vigorously pursued it until it was successfully completed. He was a born organizer and his activities covered unceasing efforts and contributions in religious, patriotic, charitable, civic, military, and political programs.

He was intensely interested in the problems of youth and from early in life took effective leadership in the guidance, assistance, and counseling of innumerable young people. He worked wholeheartedly under the Commonwealth of Massachusetts in activities to better and improve the lot of the disabled, the handicapped, and less fortunate brothers.

Devoutly religious, he rendered unselfish service and furnished superb direction to a number of laudable, organized groups of his own religious faith—a faith which he embraced with unfaltering love, devotion, and loyalty throughout his life.

Prior to his association with the Government, he was prominently identified with political affairs in the city of Boston and the State of Massachusetts, and his advice, counsel, and help were eagerly sought by many candidates, who rose to high public stations. I can recall and acknowledge from a very grateful heart the magnanimous support and effective assistance which he rendered to me early in my political career and which was so helpful in enabling me to advance in the public service.

John Donovan was a dedicated and zealous patriot. When World War II came, he immediately rallied to the great cause of country and served with rare distinction in our great Air Force. At the time our American forces invaded France, Colonel Donovan was assigned with our expeditionary units and had the great honor of raising the American flag above the towers of the city hall at Paris.

One of Colonel Donovan's most brilliant accomplishments was his work in organizing and leading the Air Force Reserve unit at Boston following the war up to the time he became physically disabled not long ago.

I had the privilege at one time of visiting with and addressing this very remarkable unit. I was profoundly impressed by its personnel and esprit de corps. I came away convinced that it was the finest Reserve unit I had ever seen. Its roster read like a list of Who's Who in the business and professional life of New England. This was one of Colonel Donovan's greatest prides and greatest achievements. He was heartbroken when his physical condition required him to withdraw from its activities, because it was so dear to his heart. And well it may have been. I doubt there is another Reserve unit like it in the country. It is a monument largely to the vision, ability, and hard work of John Donovan.

Colonel Donovan has passed to his heavenly reward at the very crest of his powers. He leaves a rich legacy of devoted service to his country and his fellow man. He will long be remembered for his amiable personality and his constructive achievements, high character, and purpose.

Loving husband and brother, warmhearted, generous and devoted friend, public benefactor in many fields, loyal servant of his country in war and peace,

Colonel Donovan leaves a deep void in the lives of many that can never be filled. His memory will long remain green to bring inspiration, hope and faith for those who strive for a better nation.

I join in mourning the loss of a dear, admired friend and an able, generous counselor, and extend to his bereaved family, his gracious wife, who did so much to encourage, help and sustain him, and his loyal sisters who were ever a source of encouragement and assistance, most heartfelt sympathy. May they be comforted by the Almighty to bear their irreparable loss with true Christian reconciliation.

And may he find peace and rest in his eternal reward.

When the Next Satellite Revolts

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, August 13, 1957

Mr. KEFAUVER. Mr. President, many of us have been sorely concerned by what happened in Hungary, and our consciences have been disturbed. The Special Committee of the United Nations, composed of representatives of five nations, in a unanimous report has detailed the ruthless manner in which the revolt was crushed by the Soviet Union, and a legal government, popularly supported by the people of Hungary, was deposed. I think that the peoples of the Free World should be now discussing and adopting policies to deal with such future revolts. There is little we can do to repair what has happened in the past. We can prepare for the future. I ask unanimous consent to print an article which I wrote on this subject and which appeared in Western World for August 1957.

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

WHEN THE NEXT SOVIET SATELLITE REVOLTS

(By Hon. ESTES KEFAUVER, of Tennessee)

(EDITOR'S NOTE.—Senator KEFAUVER served in the House of Representatives from 1939 until 1949, when he was elected to the Senate where he has served since that time. He is a member of the Judiciary and Armed Services Committees. He was the Democratic candidate for Vice President last year.)

There is an ominous silence over Eastern Europe. How long will the calm last?

In Hungary, Soviet repression continues and the trials of the rebels seem about to begin.

Red Poland is balancing on a tightrope. Gomulka, whose antipathy to Moscow has been greatly exaggerated, has relaxed the tension somewhat by loosening the peoples' shackles. He can hardly retighten the screws without provoking a popular revolt that would bring a worse repression. Yet, allowing his restless Poles full freedom (sure to include secession from the Kremlin) would have the same tragic result. How long can his act continue?

Another satellite outbreak anywhere seems almost sure to ignite a rebellion among the East Germans of the so-called People's Democratic Republic.

Already exiled Hungarian leaders are predicting a new revolt in the near future. It could hardly be otherwise. For the Hungarian revolt revealed unmistakably what the West should never have doubted—namely, that the East European peoples reject all forms of communism, national or Soviet, and will settle for nothing less than real freedom. Certainly not all of Mao Tse-tung's promises of a "hundred flowers blooming, a hundred schools of thought contending," will placate the dissatisfied if the condition is that all must be red.

Since the political barometer points to storm, elementary statesmanship would seem to require the governments of the free countries to face this possibility, and singly and collectively decide what, under such circumstances, they are prepared to do when the tempest breaks. Doing nothing could be excused in the case of Hungary on the grounds of surprise. For Westerners to stand idly by and once more wring their hands while brave men (and women and 12-year-olds) die in a cause we claim is ours, would discredit the West entirely. Henceforth no uncommitted people would be tempted to rely upon us for anything.

How, some will ask, can we be sure of anything behind the Iron Curtain? Would we not risk going off half-cocked, and plunging the world through ignorance into the world's worst war?

Let's look at Hungary.

Within the past few months that country has disgorged 190,000 refugees. And we have heard the sounds of that historic uprising, from the wild shouts of a short-lived triumph to the shrieks of terror that died out in a thin radio cry for help.

Now, to eliminate the last uncertainty, a United Nations report indicting the Soviets before the world and its fellow nations in the strongest denunciatory language gives the complete story.

On January 10, 1957, almost 3 months after the initial October revolt began in Hungary, the General Assembly of the United Nations appointed a Special Committee on the Problem of Hungary, composed of Mongi Slim, of Tunisia; Alsing Andersen, of Denmark; K. C. O. Shann, of Australia; R. S. S. Gunewardene, of Ceylon; and Enrique Rodriguez, of Fabregat, of Uruguay.

The Assembly asked the committee to carry out a full and objective investigation af all aspects of Soviet intervention in Hungary by armed force and by other means, and of the effects of such intervention in Hungary by armed force and by other means, and of the effects of such intervention on the political development of Hungary.

In its report, the committee stated that in carrying out the mandate, it studied "a rich documentation supplied by governments and obtained from other sources, while it closely questioned more than a hundred witnesses, representing every stratum of Hungarian society, whose testimony filled 2,000 pages in the verbatim record."

The committee also pointed out that the General Assembly had asked that the investigation be pursued in Hungary also, but the attitude of the Hungarian Government did not allow the committee to carry out this part of its mandate.

The five United Nations delegates saw fit to delete the more gruesome details of Soviet cruelty and barbarism. Yet the report is shocking enough in its blow-by-blow account of the heroic but fruitless uprising of an entire people and its subsequent bloody and illegal repression by the Russians. Even in its unexpurgated edition, free peoples wince to remember how they looked on passively while this was going on, and the United Nations—so prompt and brave in its reaction to Suez—did nothing but vote a series of academic resolutions, which Soviet Russia systematically and insolently flouted.

The essence of the committee's conclusions are:

1. The entire population, excluding only the political police, and including women and 12-year-olds, participated in the revolt.

2. The rebels established a legal government popularly supported by the people of Hungary.

3. Russia intervened, and removed this popular government formed by a spontaneous national movement, and neither aided nor abetted from the outside.

4. The government put into power by the Soviet did not at the time, and does not now, have the support of the people of Hungary.

5. The situation in Hungary today is as bad or even worse than at the time of the revolt. The people have no personal freedom and are completely under the yoke of the Soviet communistic dictatorship.

A CONGRESSIONAL VIEW

A previous special report on the subject of Hungary by the House of Representatives' Committee on Foreign Affairs gave the world additional background information about what happens when a satellite nation defies Soviet Russia.

Here is a summary of some of its observations and impressions:

The catastrophic Hungarian revolution of October 23 caught the Free World totally unprepared, and subsequent events clearly show the Soviet Union is determined to go to any and all lengths to maintain its empire of enslaved peoples by the most brutal forms of armed subjugation and repression, when permitted to do so. Its policy toward the satellite nations is one of ruthless colonialism and overlordship of both human and natural resources without parallel in modern history. Because of this knowledge now broadcast without equivocation or doubt to the world, it might be difficult if not impossible to prevent Free World volunteers from moving in to counter Soviet aggression should another satellite nation revolt.

A third detailed report made by the International Commission of Jurists in The Hague in April of this year has this to say in summary:

Soviet intervention in Hungary clearly constituted aggression, if it took place without Hungarian permission, according to the Soviet definition of the word aggression, the relevant part of which (art. I) reads as follows:

"In an international conflict that state shall be declared the attacker which first commits one of the following acts: Invasion by its armed forces, even without a declaration of war, of the territory of another state; bombardment by its land, sea, or air forces of the territory of another state or the carrying out of a deliberate attack on the ships or aircraft of the latter; the landing or leading of its land, sea, or air forces inside the boundaries of another state without the permission, particularly as regards the length of their stay or the extent of the area in which they may stay."

Permission to station Soviet troops in Hungary is given by the Warsaw Pact of May 14, 1955, provided it is "by agreement among the states, in accordance with the requirements of their (the signatories of the Warsaw Pact) mutual defense."

So the world now has proof positive and authentic background information on how the Soviets acted when a satellite nation revolts. It also has the dismal evidence of how the rest of the world behaved in the face of such action as a direct result of lack of foresight in planning a policy of action in the wake of such a revolution.

The revolt of Hungary may have been a dangerous crisis wherein extreme prudence can be understood if not approved.

But it was nonetheless what the House of Representatives subcommittee called "the lost opportunity of our generation." For

the United States administration, which had for years emphasized the need for the "liberation of East Europe," to fall back on "reliance on moral pressures" was a retreat that verged on a surrender. But neither the American nor his European colleague showed any stomach for positive action.

Nor did the United Nations.

In fact, the double failure of the North Atlantic Treaty Organization and the United Nations to give positive help to the Hungarians was one of two things. Either it was the acknowledgment of Russia's right to dominate the Warsaw Pact area (a revival of the 1944–45 American alibi that the U. S. S. R. could properly claim "friendly neighbors"), or it was a confession that Western devotion to freedom is a punier thing than Western fear of being involved in another major war.

Give the Western peoples credit. They wanted to help. I have never seen my own fellow Americans or Members of the United States Congress so universally disturbed by any world crisis as they were by the Hungarian revolt. I trust in this world of the stiff upper lip that it would not be melodramatic to say I heard women weep and saw usually cheerful men walk around with a stunned solemnity in those days immediately following the Hungarian revolt. I have never seen shame and horror so universally written on the faces of my countrymen.

And I heard them ask over and over * * * what can we do?

The thing is, they didn't know what to do. Many were ready to spring into action as volunteers along with the Hungarians.

And the United States administration, preoccupied with the events around Suez, gave no lead. For 4 days, October 23 to 27, it did nothing. Then, having summoned the United Nations, it limited itself to strictly verbal condemnation of Soviet aggression. To all of which the Kremlin paid not the slightest attention. Indeed, to underline their contempt for world opinion, Russian leaders suddenly threatened to obliterate Paris and London with guided missiles.

President Eisenhower later announced that Americans cannot have one law for their friends and another for their enemies. Indeed, it would have been enough if he had treated our enemies, the Red Russians, with the same severity he showed toward our much-provoked friends—France, Britain, and Israel. Instead, some suspect the administration of whistling in the dark. While talking bravely, it was actually preoccupied with preventing the revolt from spreading from Hungary to other captive peoples. This might have made liberation a fact, but it would not have contributed to that relaxation of tensions with communism which the President had steadfastly pursued. And it would have made a caricature of the previous American policy of urging the captive peoples to settle for some form of national communism, rather than demanding the same amount of freedom as Americans consider their own birthright.

Ninety percent of the Americans would, in my judgment, have been prepared to follow wherever the administration led. But the Hungarian crisis came at a peculiarly awkward moment. With a national election less than 2 weeks off, the people were absorbed in domestic politics. They were also understandably confused by the simultaneous Suez affair. And finally, one must admit, they shared the administration's fear of provoking the U. S. S. R. into starting a major war. These reasons were obvious at the time, and contributed to the general atmosphere of impotence.

Yet, looking back, I am convinced the main cause of the West's paralysis was quite simple—lack of a united plan of action by the NATO powers.

For years these countries had simply ignored paragraph 2 of the NATO treaty urging amplification into economic and political fields. Yet the recent recommendations for strengthening NATO by the Three Wise Men were almost insignificant.

KEFAUVER'S RESOLUTION

As far back as 1949, I introduced a resolution requesting the American President * * * "to invite the other democracies which sponsored the North Atlantic Treaty to name delegates, including members of their principal political parties, to meet in a convention with similarly appointed delegates from the United States and from other democracies as the convention may invite, to explore and report to what extent their peoples might further unite within the framework of the United Nations, and agree to form, federally or otherwise, a defense, economic and political union."

This my colleagues never allowed to get out of committee, but it has been discussed in various sessions of Congress and, at one time or another, has had the support of about 40 percent of the Senators and House Members.

Without going nearly so far, the NATO governments could easily have amplified and deepened their understanding. On the basis thereof, they could have made appropriate plans for dealing with crises of almost any type, in any part of the world.

Instead, nothing.

Or rather * * * nothing but the Hungarian debacle, with its frustration and subsequent dangers. For, in my opinion, the dangers of not intervening on behalf of freedom may in the long run outstrip the danger of intervention.

Now in my judgment, the time has come to end the period of Western equivocation and find out just how far the American and other governments are willing and able to agree upon a policy for action both now and when the next satellite revolts. Here is what I propose:

First, immediate measures.

The tragedy of the Hungarian revolution, and what it has meant in the crushing of human beings and their love of liberty, should be kept alive continually before the people of the world. Its horror should remain a constant reminder of what is behind the facade of the Soviet Union. It should not be forgotten in the confusion of various statements from various representatives of the United States Government and the governments of other nations.

The three reports to which we have already referred, especially the UN report, should be circulated as widely as possible. These reports should be continually and persistently referred to for the next 5 years in the United Nations.

When the United Nations General Assembly reconvenes, it should demand that the Soviet Union explain why it should not be expelled if it continues to violate the resolutions of that body.

The Kadar government, by virtue of the United Nations own report, does not represent the Hungarian people, and should therefore be immediately expelled from the world organization.

STOP EXECUTIONS

The U. N. should take immediate steps to stop the execution of 2,000 Hungarian patriots who have been sentenced to death. A resolution unanimously passed by a conference of lawyers organized by the International Commission of Jurists at The Hague, March 2, 1957, reports as follows:

"This conference * * * is of the opinion that the laws and decrees of the authorities in Hungary violate human rights in failing to provide the minimum safeguards of justice in criminal trials which are recognized by civilized nations, particularly for offenses punishable with death, in that they fail to provide in every case for an impartial tribunal; define offenses in vague terms open to abuse in interpretation; give the accused no proper notice of the charge preferred; do not allow adequate time and facilities for the accused to prepare his defense, to call witnesses, and to instruct counsel on his behalf; do not always provide an effective right of appeal or effective procedure for clemency.

"Deplores the secrecy in which almost all the criminal trials in Hungary have been conducted since November 4, 1956, and regrets the refusal of the authorities in Hungary to allow impartial legal observers to trials which are of concern to lawyers of all nations."

The United Nations should immediately create a permanent military force ready for action in all future cases of naked aggression.

And what should NATO do?

First, at their next meeting, the NATO parliamentarians should urge their respective governments to negotiate immediately a common plan of concerted action when the next satellite country revolts. We—for I am one of them—should set up a watchdog committee to see that our several governments get busy immediately and do not stall for fear of provoking the U. S. S. R. For unless there is such a common policy, a repetition of the Hungarian debacle is inevitable—with even worse consequences. Action by some, inaction by other NATO governments, will not do. Nothing could be worse than, say, positive action by Britain and France, inaction by the United States and West Germany—or the other way around. Once NATO as NATO has accepted such a common policy, it should broadcast it to the world, thus letting everybody know that the U. S. S. R. cannot expect to commit rape a second time with impunity.

A 6-POINT PROGRAM

Now my suggestion for the planks of such a policy.

To begin with, monetary and physical help for the refugees of the last time is mere salve on a deep wound. The gaping sore of peoples condemned to slavery is a festering wound and its healing must include disinfection and, if necessary, surgery.

1. The NATO countries should seek to have the U. N. Assembly instruct the Secretary General in advance to issue in the Assembly's name to an aggressor country whose troops cross an established frontier an immediate warning to desist.

2. The Secretary General, in case of noncompliance within 24 hours, and without further authorization, should send into the attacked countries U. N. civilian observers with their own transport, regardless of any protests by the aggressor.

3. The NATO countries should immediately summon the U. N. Assembly and when it convenes, consider the opportunity of sending a previously constituted U. N. military force—if any—to assist the country attacked.

4. At the same time, the NATO countries should ask the Assembly to recommend that the members take complete economic and political sanctions against the aggressor, including an embargo on all shipments and future trade and the breaking of diplomatic relations. In case the Assembly refuses, the NATO countries should undertake these sanctions independently.

5. The NATO countries should publicly reserve the right as nations to come to the accumulative defense of any sovereign people that invites assistance against attack.

6. The NATO countries should move quickly to grant diplomatic recognition to any government that manages to achieve the start of a success in an armed uprising against Communist tyranny. They should not wait—as in the case of Hungary—and then merely refuse to recognize somebody's stooge.

Such measures would be legal insofar as they would be either in defense of the U. N. Charter or justified by other international laws. They would not, under these, be acts

of war. However, they might cause a war if the Kremlin decided it would prefer its own total destruction to any relinquishment of territories or victim peoples.

The East European satellites are of value to the Kremlin in two ways: as cows to be milked for the benefit of the U. S. S. R. and as a glacis lying before the Soviet fortress (militarily and ideologically). They are of little value as a source of military contingents since the peoples would leap at the first opportunity to desert. In case of war, satellite manpower would doubtless be shanghaied into Soviet factories or put to guard remote stretches of railroad track in central Asia.

Short of an attack upon them, it is extremely unlikely that the Kremlin benficiaries of a spoils regime will risk their own position and the total destruction of world communism rather than lose control over rebellious peoples whom it cannot hope to keep forever unless the West disintegrates or surrenders. But against the risk of war, the West must weight the risk of any further nonintervention in defense of its principles. For these are the most precious capital on earth.

Rejection of the Ainsworth and Farwell Irrigation Districts

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. MILLER of Nebraska. Mr. Speaker, it is a great personal disappointment not only to me but to the folks living in the Ainsworth and Farwell areas of Nebraska to learn that the conference committee on the public works appropriations bill failed to include funds to get two worthy reclamation projects under way—the Ainsworth Irrigation District and the Farwell Irrigation District.

These projects, fully approved by the Department of Interior and Bureau of the Budget, were stricken from the bill by the House committee. They were put back into the bill by a Senate committee and approved on the floor of the Senate. The conference committee then struck them out.

These are sound projects. They are feasible projects. They are needed projects. They would be a great investment in the future of America.

There seemed to be only two reasons advanced against their inclusion in the bill:

First. That the Bureau of Reclamation failed to make an adequate presentation of the merits of the projects;

Second. That the Nebraska Legislature had passed resolution No. 10 in which Congress was asked not to pass new grants-in-aid programs.

Mr. Speaker, the resoltuion had rather wide publicity. It was placed in the CONGRESSIONAL RECORD. Comments extended across the country relative to the action of the legislature. Some newspapers carried big headlines, Nebraska Wants No More Federal Aid. That was not the meaning of the resolution at all.

Now as to the first complaint, I want to point out that I agree the hearings showed a very poor presentation of the case by the Department of the Interior. Some of this testimony was vacillating, not at all positive. However, I would further point out the projects do have legislative approval. They do have full approval of the Department of the Interior. The projects do have the approval of the administration and were budgeted when funds were requested. In all fairness, funds for these sound projects should have had the immediate approval of Congress.

Now as to the resolution which seemed to dampen the ardor of some of my colleagues in regard to Federal money for Nebraska, it is quite true the Nebraska Legislature passed a resolution against new grants-in-aid programs and asked that such existing projects be reexamined. Here is the potent paragraph in the resolution:

> Now, therefore, be it
>
> *Resolved by the members of the Nebraska Legislature in 68th session assembled,* That the Federal Government refrain from enacting new grant-aid programs and reexamine all such existing programs and end or reduce their costs wherever possible.

The resolution in no way referred to irrigation projects such as Ainsworth and Farwell. These are not grants-in-aid programs. They fall within an entirely different category. They follow the pattern of the wise men of vision who founded reclamation more than a half century ago.

It would seem that the resolution provided a rather flimsy excuse for removing from the appropriations bill projects that have met all legislative and Bureau of the Budget demands.

The people of the Ainsworth and Farwell areas had formed legal irrigation districts. They had signed repayment contracts. They had met all the demands of the law in their efforts to get water to their parched land.

It is a little difficult for me to understand why a single resolution by the legislature should be the governing factor in rejecting funds for projects which will repay their cost, a resolution in no way related to these projects, a resolution with which the people involved in these projects had nothing to do.

Of course, Nebraska, like other States, participates in a great many grant-aid programs. Some of these require matching by the State. Others are outright grants. I believe the record will show that Nebraska last year participated in 65 various types of Federal-aid programs. The total amount allotted to Nebraska last year was $56,237,891. Some of these programs are fine ones. Some should probably be curtailed. Others were available in which Nebraska did not take part. But I emphasize again such programs are totally unrelated to irrigation.

Now, Mr. Speaker, it is not always easy to find the full facts when conferees meet behind closed doors. However, I am told that when this appropriations bill was considered, tempers were rather high and it would seem that emotion dulled the senses of good, honest, reasonable men sitting in that conference. Perhaps this long and very fatiguing session of Congress had its effect in shortening the conference to such an extent that full consideration could not possibly have been given to individual projects.

It must have been so or these men could not have avoided coming to the conclusion that the Ainsworth and Farwell projects do have merit. If they had given only casual attention to the language of the resolution against new welfare programs, that resolution could not possibly have carried enough weight to be the determining factor against the development of good, sound, feasible irrigation projects which are of vital importance to the people of the State of Nebraska.

The Ainsworth and Farwell projects are two of the best in the entire Missouri River Basin. They would pay back, over a period of years, most of the moneys invested in them. The projects carry only about 4 percent of nonreimbursable funds for flood control and fish and wildlife benefits.

The Ainsworth Irrigation District is designed to bring water to 34,000 acres of land. The Farwell Irrigation District is designed for 52,500 acres which in conjunction with the Sargent Irrigation District, now under construction, would irrigate a total of 68,700 acres. These projects would bring the glow of agricultural prosperity to areas which have been stricken with drought year after year. They would bring new hope, new ambition, new wealth to the fine people who populate the two areas.

Mr. Speaker, we are now considering a conference report. It is not possible to offer an amendment to make it concur with the bill passed by the Senate which included the two Nebraska projects. Were it possible, I would want to take that course, but the rules seem to prohibit that procedure.

I can only hope, Mr. Speaker, that when these two projects come before the committee next year for consideration that a better presentation can be made by the Bureau of Reclamation and that Congress will have placed the Nebraska resolution in its proper perspective. These projects will stand the closest scrutiny of the Appropriations or any other committee. Such scrutiny is invited. The projects will stand up.

Mr. Speaker, in a few days we will be passing a bill for foreign-aid appropriations. At this time I cannot help pointing out that in that foreign-aid bill there is probably 30 times as much money for projects all over the world as is needed for the two projects in Nebraska.

Remember, too, that money is gone forever. It will not be paid back as would be the case with Ainsworth and Farwell.

I was disturbed and dismayed a few months ago when I had a report compiled for me showing the expenditures of our money for reclamation, irrigation, flood control, and power projects overseas.

I found that in a period of about 8 years, ending last December 31, our cost for such projects was $355.8 million for 197 projects in 46 countries. That is a lot of money to be spending all around the world at the very same time our good people at home are standing helplessly by while a burning sun in a rainless sky destroys their crops.

Mr. Speaker, I consider the Ainsworth and Farwell Irrigation Districts an investment in the great resources of a great America. The projects are sound. The people have met all the legislative and budget demands.

In a spirit of commonsense, the people should not be prevented from bringing together the two great resources that are needed to raise food for your table and mine—water and land.

Attached is a telegram which came from the directors of the Farwell Irrigation District:

GRAND ISLAND, NEBR., *August 13, 1957.*

Hon. A. L. MILLER,
Washington, D. C.:

Understand public works appropriation bill will come up today or tomorrow for a vote in the House of Representatives. Our people are extremely disappointed that conference committee saw fit to leave out an appropriation for the Farwell unit. Surely, the determination of our people to have irrigation development, as evidenced by the formation of a reclamation district, an irrigation district, and the signing of repayment contracts, should not now be frustrated by a single resolution of our State legislature, over which they have no direct control. It is a black day for us to have had years of hard work be held for naught by actions of others who are in no way connected with us. Our people have the utmost confidence in your leadership, and, frankly, we firmly believe we are entitled to have you exert every act at your command to have this irrigation development now, not in the future. We have fulfilled every demand made on us by all Government agencies including Congress itself. The matter now rests with you and your colleagues. To be sure we feel justified, and are hopeful of your efforts on our behalf.

Peter I. Badura, President; George R. Semler, Vice President; Rudolph Manasil; Martin Sack; Ray Lewandowski; Harold Grint; Marvin Price; Alvin Chriastensen; Arnold Krogh; Steve Smith; Anders Nielsen; C. S. Lukasiewicz; C. P. Shaughnessy, Attorney; the Loup Basin Reclamation District, and the Farwell Irrigation District.

Address by United States Senator Edward Martin of Pennsylvania, at the 38th Annual Encampment of the Department of Pennsylvania Veterans of Foreign Wars of the United States Held at Harrisburg, Pa., July 10–14, 1957

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. VAN ZANDT. Mr. Speaker, at the 38th Annual Encampment of the Department of Pennsylvania Veterans of Foreign Wars of the United States held at Harrisburg, Pa., July 10–14, there were several outstanding addresses delivered by prominent officials of the Federal Government in keeping with the theme of the encampment, Defense Means Freedom.

On July 12, 1957, the following address was delivered by United States Senator EDWARD MARTIN of Pennsylvania:

ADDRESS OF UNITED STATES SENATOR EDWARD MARTIN OF PENNSYLVANIA, AT THE 38TH ANNUAL ENCAMPMENT OF THE DEPARTMENT OF PENNSYLVANIA, VETERANS OF FOREIGN WARS, AT HARRISBURG, PA., JULY 12, 1957

It is a great honor for an old soldier to be invited to address this outstanding organization of real Americans.

Your patriotism has been tested on foreign battlefields. You know what it means to face the enemies of our Nation in the hellfire of war. Sustained by loyalty and devotion to American ideals you have been willing to sacrifice everything that this Nation, under God, may live in honor, peace, and freedom.

The welfare of our country is always uppermost in the hearts and minds of the veteran. For that reason I want to discuss frankly with you some of the dangers confronting our Nation.

But first, let us look back with pride at the background of the United States. Let us review the magnificent achievements which in less than 200 years have converted a savage wilderness into the world's greatest stronghold of industrial and agricultural production. Let us be thankful that we have advanced to the highest cultural and spiritual levels ever attained by any similar area in the whole world.

The history of America is a glorious story. It tells of toil, sacrifice, and heroism. It tells of victory produced by a people whose hearts and minds were aflame with the spirit of liberty and independence.

It tells of those courageous patriots who met in Philadelphia more than 180 years ago, and pledged their lives, their fortunes, and their sacred honor to establish a new Nation. For the first time in all the world, government recognized the Divine origin of man's inalienable right to "life, liberty, and the pursuit of happiness."

For the first time a government was based upon the sound principle that governments derive their just powers from the consent of the governed.

The story of America is the story of George Washington, Benjamin Franklin, Thomas Jefferson, Abraham Lincoln, and all the dedicated statesmen of each generation.

It is the story of the heroes who offered their lives for independence at Lexington, Bunker Hill, Valley Forge, and Yorktown. It is the story of Gettysburg, New Orleans, the fields of Mexico, and Admiral Dewey at Manila. It is the story of Chateau Thierry, the Argonne, the Normandy Beaches, Iwo Jima, and the frozen hills of Korea.

There is no story so glorious in all world history. It should be told and retold, over and over again, in our schools and colleges from the pulpits and lecture platforms, in meetings of fraternal and patriotic organizations, in labor meetings, political rallies and every other place where Americans assemble.

Therefore, it is most appropriate, in a meeting such as this, to consider the situation confronting the United States.

The course of history has placed upon the American people the responsibility for peace and progress in the world. The United States stands as the one strong barrier against the Communist conspiracy to dominate and enslave the entire world.

We must not allow ourselves to be lulled into a false sense of security by the mask of friendliness now worn by the masters of the Kremlin.

Recently there was broadcast into millions of American homes an example of Communist propaganda more flagrant than anything ever before attempted.

It was a brazen attempt to convince American listeners that Soviet Russia has no evil designs against the free nations of the world. We were told that the Russian dictators seek only friendship and peaceful coexistence.

Yes, my fellow Americans, the Communist boss talked of peace but real Americans were not fooled. The record denies their words.

The civilized world will long remember the ruthless slaughter of men, women and children by Communist tanks and machine guns in crushing the Hungarian revolt of 1956.

Yet those guilty of this monstrous crime—those responsible for the wholesale execution of Hungarian freedom fighters—ask us to believe that this time they are sincere when they talk of peace. The record shows that the Communists have sabotaged every effort for peace and will continue to do so.

Their fundamental objectives have not changed. They have not abandoned their unholy ambition to destroy all human freedom.

Those of you who heard that broadcast will recall the prediction that the grandchildren of Americans living today will live under a socialistic system.

That was a grim warning that must not be ignored. It calls upon us to be constantly alert to the dangers of Communist influence here at home. We must fight disloyalty with every legal weapon at our command, and if our laws are not strong enough they should be made stronger.

You are all familiar with the decision of the United States Supreme Court made about a year ago, which held that the Federal Government has exclusive jurisdiction in the field of sedition and subversion.

This decision struck down laws enacted in 42 States and Territories under which those guilty of subversion could be prosecuted and punished by the State.

I believe that each State should have the right to combat sedition within its borders. I believe each should have the right to punish not only those who seek forcible overthrow of the State but also those who would overthrow the Nation by force.

More recently several other decisions of the Supreme Court have greatly weakened the Federal Government's legal drive against Communists and subversives.

I have no criticism of the Court. We are a nation of law and under our system no individual is denied equal justice. But I repeat if existing law is not adequate to deal effectively with disloyalty it is the duty and responsibility of Congress to enact legislation strong enough to do the job. I can assure you that Congress is taking steps in that direction.

Now I would like to direct your attention to some other dangers that threaten America.

First, inflation. Since 1939, the purchasing power of the dollar has dropped to less than 50 cents.

One of the most difficult functions of a free government is to maintain a stable currency. At the same time it is one of the most important objectives of government. Inflation has the power to crush any economy upon which it fastens its grip and thus it can destroy a nation. In fact, more great nations have been destroyed by inflation than by invading armies or destructive bombs. A nation destroyed by a military force can rebuild itself, if the people have the spirit and the will to work, but a nation where incentive of the individual is destroyed has very little chance of recovery.

Inflation damages all with fixed incomes and inflicts severe hardship on millions of our people. The person who lives on a pension, social security, or interest on savings cannot escape the evils of inflation. There are now in the United States more than 16½ million on social security, corporation, and Government retirement, veterans' pensions, veterans' survivors benefits and military re-

tirement pay. Many are widows and orphans. Continued inflation is a threat to the many millions of savers in the United States, the owners of bonds, owners of life insurance policies and savings accounts.

Second, big government and government doing things that we should do for ourselves. More than 7 million now work for the three levels of government, at an annual payroll of $40 billion.

The vast expansion in the size and cost of government at all levels is leading us away from the ideals of the Founding Fathers. The people are constantly demanding more and more services and many believe that projects paid for with Federal funds do not cost them anything.

The cost of State and local government has been increasing more rapidly than the Federal Government. The tendency toward more and more expensive government by taxes and borrowing must be stopped or we will drift into creeping socialism.

It has been proposed that consideration be given to a new division of the functions of government and a new allocation of taxes to perform those functions. President Eisenhower in a speech delivered to the governors' conference at Williamsburg, Va., on June 24, called upon the governors to join in an effort to return certain responsibilities to the States.

Several years ago I suggested that national defense, foreign affairs, rivers and harbors and banking and currency be Federal functions with income taxes, import duties and liquor and tobacco taxes to furnish the Federal revenues. The States would build the roads, provide higher education, administer penal and correctional institutions and conservation with estate taxes, sales taxes and the gasoline tax to furnish them the money. Local government would provide police power, sanitation, courts and public schools and have as its tax source real estate, admissions, mercantile and wage taxes. This is just a brief outline but I am sure that such a plan would mean a big saving for the taxpayers.

Third, too much private and public debt. Never before in the history of the world have any people owed so much as we owe today. It should be a matter of deep concern to every one of us that the American people now owe a total of more than $800 billion in gross private and public debt. This is an average of about $4,700 for every man, woman, and child in the Nation, or about $18,800 for the average American family of four persons.

Net corporate debt went up from $92½ billion in 1946 to $208 billion at the end of 1956.

People have been buying out of tomorrow's paycheck. At the end of 1945 individuals owed less than $6 billion which in 1956 had increased to $42 billion.

Net State and local government debt has increased from $13½ billion in 1945 to $42.7 billion at the end of 1956 and has greatly increased since that time.

Fourth, moral decay among the people. Great armies and great navies will not maintain a nation's strength where the moral courage and patriotic fervor of its people are permitted to decay. Every student of history knows that great nations of the past have gone down to destruction when the moral fiber of the people was undermined by greed and corruption.

Fifth, too little interest in government. Unfortunately, there are too many misguided Americans who do not understand and do not appreciate the real meaning of America.

They do not seem to realize that our system of free government places upon each citizen an equal share of responsibility for our security and our progress.

Good citizenship is the basis of patriotism. That is why I am constantly urging every individual to take a more active, intelligent and patriotic part in government.

I bring these dangers to the attention of this great organization of veterans because your patriotic service entitles you to leadership in civic responsibility.

We pray that America may never turn away from its historic mission—to defend liberty, to oppose oppression, to stand against injustice and to support the aspiration of all men of good will for a world of peace and freedom.

We hope and pray for the day when all nations will lay down their arms and live in brotherhood under God.

But until that happy day dawns we must be prepared to defend the God-given freedom that we hold sacred.

Eternal vigilance is still the price of liberty.

Address by Hon. Hubert H. Humphrey, of Minnesota, to the National Board of Directors of CARE

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, August 13, 1957

Mr. WILEY. Mr. President, on July 25 I spoke on the Senate floor regarding a splendid address which had been delivered by our colleague, the senior Senator from Minnesota [Mr. HUMPHREY], on the occasion of the annual meeting of the board of directors of CARE—Cooperative for American Remittances to Everywhere.

I felt that this address was of the type which should be given the widest possible circulation.

It came from the heart of our friend, the Senator from Minnesota; and it went straight to the hearts of his audience.

I ask unanimous consent that the address be printed in the RECORD.

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

REMARKS OF THE HONORABLE HUBERT H. HUMPHREY, UNITED STATES SENATOR FROM MINNESOTA, BEFORE THE ANNUAL LUNCHEON MEETING OF THE NATIONAL BOARD OF DIRECTORS OF CARE (COOPERATIVE FOR AMERICAN REMITTANCES TO EVERYWHERE), JULY 24, 1957, HOTEL STATLER, WASHINGTON, D. C.

Ladies and gentlemen, I shall take the opportunity in a moment or two to comment on some of the information that you communicated to this audience. But in the meantime, I would like to pay my respects to my two distinguished senior colleagues who are here—Senator GREEN, who has given us such dedicated leadership in the field of foreign policy; and Senator WILEY, who likewise has given us the same devoted leadership in the field of international relations.

I want to say if I meet many more Republicans like Senator WILEY and Mr. Williams, I may have some of my partisan enthusiasm slightly diluted momentarily. [Laughter.]

I couldn't help but note, when the Secretary was commenting upon my expressions, at least alleged expressions, relating to foreign policy, and about my being a vigorous opponent of going it alone, that he then stated he found this to be strangely similar to good, old-fashioned Republican doctrine. Well, it may have such a strange similarity, but it's this modern Republican doctrine, you see, that has me worried. [Laughter.]

Now, having made my comments on political matters in jest and in good spirit, let me be more serious with you.

We are under a little duress of time today. There is a debate going on in the Senate, and I should like to participate in it before the day is through. Therefore, I shall try to eliminate extraneous material and get right down to cases.

UNIVERSAL PRINCIPLES IN OUR FOREIGN POLICY

I am here to address a group of men and women who, to my mind, have performed a great and important patriotic service, not only for the United States of America, but for the cause of human decency and freedom all over the world. I always like to identify the overall objectives of American foreign policy beyond the confines of the territorial limits of the United States. After all, there are some universal principles which should motivate and guide us. Our foreign policy demonstrates its strength when it has a relationship to those universal principles of democratic faith; it demonstrates its weakness when it deviates from those principles of democratic faith.

Now, what is the motivating principle behind a democracy? It is service to the individual. And I say that every person who is elected to office, or holds office by appointment, in a free country under democratic institutions, should remind himself every hour of the day that his primary responsibility, duty, and purpose is to serve and not to be served. This is the Christian ethic, too. "He who would be first, let him be last." "I come to minister, not to be ministered unto."

There is much that can be said from the perspective of all religions concerning service.

THE FEATURE THAT DISTINGUISHES AMERICA—VOLUNTARY ACTION

I believe that our foreign policy has real importance and genuine constructive effect when we search for, find, and use the key to what we call the American way of life.

What is it that really typifies our country? Not wealth; other countries have been rich, even though we surely have great wealth compared with other nations today. Not power; other countries have had power and have used it, and sometimes used it to their destruction. It is not size, because we are not the biggest country even today.

So what is it that has exemplified and characterized what one calls an American? We Americans are not a unique breed of the human species. It is impossible to define an American from the point of view of anthropology or physiology. We are a conglomerate. So, what is it that identifies us?

It is a sense of generosity, of compassion, of kindliness, of tolerance, of understanding, exemplified not only in our public institutions but in our voluntary organizations.

No country on the face of the earth has the number of voluntary organizations that we have in the United States—voluntary organizations that are so generously supported and that have such a wide scale of activities.

In France, for example—the France which cherishes her individualism, the France of liberté, égalité and fraternité—one finds a dearth of voluntarism in terms of community activity. The French people rely on the state; they rely on the government for their social welfare programs; they rely on official institutions, without voluntary help or cooperation.

THE MEANING OF SOVIET TOTALITARIANISM

We are engaged today, fellow Americans, in a struggle with a totalitarian force. It is unfortunate that the American people are not being educated as to what is meant by totalitarianism. All too often they assume it is a political party in control of a country; they assume it is just another political force at work. It is not; it is more than that. It is a political force, a military force, an economic force, a social force, a human force—put in one package, mobilized, directed and

energized for the purpose of the leadership of a state.

Now, our Government is only part of America. Therefore, when the Government of the United States joins the issue with the Soviet Union, a totalitarian state, we have, so to speak, one arm strapped behind our back and one leg cut off. The Government of the United States alone cannot successfully compete with a totalitarian power. But the Government of the United States plus the voluntary organizations, plus every social and political institution that we have in America, cannot only compete but can win.

I say most respectfully to my friends who are in public service, the task of American Government today in the field of foreign policy is this: How do we, on the basis of individual participation and voluntary action, mobilize, energize, and utilize the great forces of freedom which are available in the American community? If we cannot find a way to mobilize those forces, we may well lose our struggle. By its nature, a democracy is a limited instrumentality of social organization. Therefore, when a free government is compelled to compete against the combined forces of a totalitarian state, where the literature, the music, the playgrounds, the household, the factory, the books—where everything is a part of a total state policy—a democratic government is in a weak competitive position.

CARE REPRESENTS TOTAL HUMAN MOBILIZATION

You can understand, therefore, that CARE, representative of 26 great voluntary organizations, is a fundamental adjunct to, and part of, the total mobilization of human resources so urgently needed in this country for the fulfillment of objectives of American foreign policy and the strengthening of the spirit of democracy.

This is why I am here today. I have been a teacher in school; I always mention that because I may need a job again. [Laughter.] From observation it is clear that many of our educators and leaders have done a poor job of teaching democracy, and a worse job explaining to the American people what is involved in totalitarianism. They have some idea that it is socialism; then they argue as to whether that is good or bad. They have some idea that it is atheism. Well, it is that, plus a kind of distorted socialism, plus all kinds of other things that represent power and brutality and organization and strict discipline. Until we American understand what we are really up against, we are going to be constantly fighting an uphill battle, utilizing fewer of our resources than we should for the objectives that we seek to attain.

VOLUNTARY AGENCIES MUST TEAM WITH GOVERNMENT

This situation leads me to say this: We can achieve more good in terms of human welfare, in terms of human betterment, in terms of emancipation of people from their fears, from disease, illiteracy, ignorance, frustration—by voluntary groups working in the field of social welfare and voluntary groups working with other peoples in other lands, than we can through government.

Now, both are needed, don't misunderstand me. This isn't either/or, this is "and." It includes both. It means a role to be served by government and a companion, supplemental, coordinate role to be served by the voluntary agency. But at all times the voluntary agency should be truly so. It must not be dominated by government. We must keep that liberalization, that emancipation from the rigidity of official governmental policy, which comes with voluntary organization. This means that we must have trust.

If State Department officials were here today, I would say, "Don't be suspicious of our voluntary agencies; if they don't do everything that you believe ought to be done in the field of American policy, it's possible that you are wrong, not they." The odds are that the voluntary groups may be right. What is more, one of the great attributes of a democracy is the right of people to make mistakes and admit them. The trouble with Government is it hesitates or dislikes to admit mistakes, thus decreasing the democratic appeal of our actions and decisions.

One of the privileges of a great free people is the right to start something, then decide to shift gears, to go some place else, and admit it.

FATE OF WORLD AT STAKE

So, my friends, there is a great role for organizations such as CARE to play. You are not engaged in something now that is just doing good; you are engaged, as you and I know, in a life-and-death struggle.

This is a one-game world series. I don't know how many innings it is going to go, but you do not have 4 chances out of 7 in this one. This isn't the New York Yankees versus the Milwaukee Braves—nor is this the Chicago White Sox versus the Brooklyn Dodgers. This is a one-game world series against forces of evil, of imperialism, of totalitarianism—and we either win or lose. How long it goes on only we can tell, by what we do each day. This is where CARE is important.

OPENING OUR HEARTS TO OTHERS' NEEDS

What does CARE, then, represent?

It represents self-help. This is good.

What else does it represent?

It represents compassion and charity by living application. There is something noble in being charitable. I have always said that between the platforms of Santa Claus and Scrooge, I will stick with jolly Santa. Any time anyone wants to run on that platform, they can count me in. I have no desire to be the richest man in the cemetery. I desire to use the good things that the good Lord gave me. I have never made a fetish to see how many dollars can be saved; I prefer to find out how many can be well invested, and for what purpose. Many people have saved and saved only to destroy themselves and their famlies; countries have done exactly the same thing.

I grew up at a time when this country closed its doors to immigrants, when it closed its mind to new ideas, closed its heart to the crying suffering of other people. Finally we ended up closing our factories, our businesses, and our banks, and almost destroying the whole temple of American democracy. I remember because that was the impressionable period of my life. From 1920 to 1933 I listened attentively to those who were then the spokesmen of American ideals, and their sense of idealism was only to save, to amass money, to guard it, to protect it—don't let anybody touch it, don't let anybody use it, and don't be too good to anybody. [Laughter.] In the process, they were among the first to suffer and the first to be destroyed.

I remember when bankers were jumping out of hotel windows faster than pheasants were depleted in our South Dakota cornfields. [Laughter.] I am not saying this to be unkind; I am saying it because it is true. I am the happiest man in the world to have since lived in a time when the Government of the United States has been criticized for being overgenerous, rather than for being a tightwad.

I am happy to have lived in a time when the American people have been asked again and again through the Community Chest, through the CARE program, through the Crusade for Freedom, through all the many programs sponsored by generous-minded citizens, to contribute and contribute and contribute. And interestingly enough, my good friends, look and see what has happened. The record reveals that as contributions to voluntary agencies grow larger, the economic index indicates the prosperity of the country is that much better. Study it sometime, and see if I am not right.

You will find that when people show a spirit of generosity, of openness, of kindliness, for some peculiar reason the country itself is in a better economic, political, and social state of health.

That is why I feel the way I do about politics, and that is why I feel the way I do about these great programs.

PRAISE OF "CARE" FROM FOREIGN OFFICIALS

Now, what is CARE doing as I witnessed it? I saw CARE in operation, and I want to be specific now. In Italy, for example, I was told that our surplus food, much of it administered through CARE, had done more than anything else to defeat the forces of communism. I was told this by our present Ambassador there, by our economic minister there, and by the former Ambassador to Italy, Mrs. Luce. I have been told by three prominent officials that our food program did more to defeat communism in Italy than the Government of the United States had been able to accomplish through any of its other agencies of aid. I happen to think the forces of religion helped immeasurably too, but if you put those two together, that is what did it. Not our military assistance, not one bit. We need that, just as sometimes we may need to remove our appendix. It isn't something planned nor longed for; yet it sometimes is necessary. But constructive aid is preferable.

I was told in Greece, for example, that without our food program and particularly without our CARE program, Greece would be fighting for her life, despite all the military assistance we poured in, despite the hundreds of millions of dollars in grants we gave to Greece. I was told by the Prime Minister, the Foreign Minister, and the present American Ambassador to Greece, that our food program was the difference between success and failure in Greece.

FOOD SURPLUS—A GREAT ASSET

I have gone home to Minnesota to tell a few of our farm people about this, because too often they have been criticized for producing food. I want to say to my friends of the metropolitan press, farmers have been abused daily because they produce an abundance of food. Any country or government that doesn't know what to do with food is intellectually sterile and hopelessly lost.

Can you imagine what Bulganin and Khrushchev would be doing if they had the surpluses of food and fiber that we have? Can you imagine what those "Gold Dust Twins of Disaster and Despair" would be doing? They would be tying to the Soviet one country after another economically. Yet we go around crying about our food surplus as if it was the worst thing that ever happened to a free country.

Finally, in the last year and a half to two years, it has begun to penetrate the American mind—and I am not complaining only about public officials, I am talking about the whole American mind—it has become increasingly evident to Americans that possibly food may have something to do with acceptance of America abroad. Possibly food might be the vehicle through which we can bring about agreement on other policies.

Fellow Americans, if it were not for the American food provided India, that country would be fast on her way to a Communist society at this hour. American food is doing more to keep India a part of the Free World than all the arms of the United States. Without food, India today would be hopelessly lost to the Free World. I thank God for the CARE program and the work that it is doing. Thank God for the village help program. Thank God for the Ford Foundation program. Thanks for all of these wonderful things that are being done.

Let us bear in mind also that had it not been for the wheat provided Pakistan, that

Government could never have lasted. It is about time Americans were told these things. It isn't tanks or planes that keep Pakistan alive; not at all. In a crucial hour when Pakistan was in dire trouble politically, it was food that saved the day.

CARE'S AID NEEDED IN EGYPT

Our influence in Egypt for a period of time was made possible through CARE. CARE made it possible for Egyptian children to go to school, and the number of schoolchildren in Egypt today is directly related, my friends, to the number of CARE feedings that take place in schools in Egypt. Now, I am not one of those people who have been deluded by Colonel Nasser. I was suspect of him in the beginning, and I have less faith in him now. Nassers will come and go, but the 30 million Egyptians—and there will be 35 million in another 10 years—will be there just like the Nile River.

The question before you, fellow Americans, is what do you want these millions of Egyptians to think about the United States?

These Egyptian people are a force in the world. One of the most powerful forces in the world, as Chester Bowles said not long ago, is people. People, not H-bombs, because, fellow Americans, we don't dare to use and H-bomb and we know it. We know that the official policy of our Government is not to use these terrible weapons of destruction unless we are forced against the wall as a last effort for survival.

In the meantime, what happens when the forces of political attrition nibble away one country after another? What do we do? Did you ever figure that out?

Let me say there is no political policy we can design today which will appeal to Egypt because of the attitude of her leaders. But there is a social policy that can be designed which will appeal to the people back in the villages. There they will know that the food which comes into the mouths of their children is food from America. A message of goodwill is brought every hour of the day. That cannot be destroyed in Egypt any more than it could be destroyed in Poland, where people at the Posnan Fair said, "Thank God for America." That is our reservoir of goodwill. I submit, the Poles didn't say, "Thank God for America" because we were going to put a stockpile of atom weapons in the North Atlantic Treaty Organization. I may think this is necessary, but I don't go around talking about it.

It is mighty nice to have some of the comforts of living, and people remember us best for the little things we do. It is like politics. Very seldom at home does a constituent get after me because of a vote I made in a major decision; he becomes distressed because his letters were not answered, or he was perhaps ignored at the county fair, or he just was not noticed on some occasion or another. That is what destroys his faith. These seem little things, but they really are not little; they have everything to do with ones' attitude toward people.

I have known many an intellectual who is brilliant in terms of liberal idealism and yet doesn't like people and demonstrates it occasionally. When one doesn't like people and has no faith in them, then our actions usually reveal it, because it can't be covered up. It will come out sometime, and that's the day when a fellow gets into trouble; that's the beginning of difficulties which may well be destructive.

Now we Americans like people and we like them all over the world. We have a vehicle in CARE to demonstrate this neighborly feeling, not by word but by precept. I hope that our Government will reinstitute a feeding program; I say here as I have said before, we should continue to feed the people of Egypt as we do those in other parts of the world.

I hope our Government will recognize what was said before today, about the sale of our surplus commodities under title I. Such sales are still needed, but donations under title III also have a unique role to play, and maybe a better role than title I sales.

I have heard people say, "What are we going to do with all this foreign currency received from food sales?" If you worry about the foreign currency being piled up, don't. It works; I used some of it on a recent trip myself. It bought things; I ate well with it; had no trouble at all. I know some Americans are lazy, and won't look around to see how they can use foreign currency. I say that respectfully. If any of us is really worrying about having too much foreign currency, why don't we divert more food into these great country-feeding programs? We not only deliver the food but receive in return a kindly attitude. We deliver a package with the spirit of America in it; the warm smile, the helpful hand. Maybe a little piece of literature can be added; but, most important of all, it shows we are interested, that we care.

You know, many people are lonesome. Most people want somebody to care for them. This is why a program such as CARE is so symbolic. It not only provides the material thing that is needed; it provides personal interest with it.

MY EXPERIENCE WITH A GREEK FAMILY

I saw this in Greece. There is a picture over on that table showing me taking a package to a family in Greece. I didn't know them; nobody else knew them. It wasn't a preselected family; the name was pulled right out of the file. There was no "fix."

We went down to a neighborhood in the suburbs of Athens. I was told that this was one of the heavy Communist districts. It so happened that a lady in Minneapolis had sent the money for that package, and I was asked to deliver it—a CARE package for a family, four children, husband and wife, and, I believe, the grandmother.

When I came into that house with the CARE representative, I will never forget the look on the faces of that family. First of all, there was the gentleman who had lost a leg in the civil war. He told me his total wage income was 60 cents a day. Their two little rooms were clean, and in them lived some clean-hearted people. I have been in houses—I won't call them homes—that were physically immaculate, but the people involved were slovenly of spirit. Here I found two little rooms clean, reasonably livable, and filled with warmth and human spirit.

When I presented this little package of food to the head of that household, he wept, not in shame but in gratitude. It was tough to take. I asked, "Who is this little lady behind me?" He said, "That's grandma." She came up and I talked with her. I told her about the fine Greek people in Minneapolis, St. Paul, and Duluth. I visited with her so I could gain my composure, really. All she could do was smile; she was so grateful.

This man told me if it wasn't for the American food package they received about once every 7 or 8 weeks, he didn't know how they would be able to live.

LET'S NOT WASTE FOOD

When I think of what I have read in American newspapers about waste of food, I say every American ought to be ashamed that such waste occurs. Any American who is willing to permit even as much as one bushel of our wheat to be wasted is committing a sin. Whenever I hear an official of Government talk about how much it costs to store this grain I say, "Why don't you give it away, then it won't cost so much." It doesn't cost too much to store it right inside the stomachs of hungry people.

It often costs more when we don't act. If we are interested only in saving money, shall we take our children out of school? Of course, it will be costly because they are going to remain ignorant. If we are interested only in saving money, shall we refrain from seeing the doctor? We may not live long, but we will save money.

I repeat, there is not a single thing that will not cost money. The amount that we spend on the total food program is insignificant compared to the total foreign policy and defense expenditures of our Government. It's significant, I think, how much we are given free in service from CARE, for example, and other voluntary organizations, and what an impact this makes upon people. This is the best spent money that we will ever spend.

Have you ever figured out how long we would have gotten along in Yugoslavia without food? Our military assistance for Yugoslavia may cause trouble. I am not sure; I have to rely on the President's judgment. I didn't vote in the Senate to give Tito arms because I think he's a great fellow; I don't. But I have been told by our Government that this is the way we operate our foreign policy, so I reconciled my doubts.

But I talked to a man from Yugoslavia last week. He came here to visit his brother who lives at Harrisburg, Pa. His brother had been in Yugoslavia several years ago. I went with his brother to the Yugoslavian Ambassador; I heard what his brother said to the Ambassador about Yugoslavia—the number of people that were in jail. I asked the man from Yugoslavia, "What is it that Americans have done, that you people in Yugoslavia know the most about and like the most?" I just asked him that without any briefing, he didn't know what I was after at all. And do you know what he said? "CARE. CARE. That's the greatest thing," he said, "that's America."

POWDERED MILK HELPS MORE THAN NEWS OF URANIUM

I found out in Greece, for example, that what they called CARE was America. Little fellows, the little ones that you see in the pictures over there, called CARE America. Was I ever proud when I found our American butter and dried milk in Greece. We have taken a lot of razzing from some people about producing too much milk. Well, I found that a pound of powdered milk will do us more good in some countries than a pound of uranium. People are afraid of uranium, and the fear of people can destroy the world. They love a glass of powdered milk, milk we and our children won't drink anyway because we want whole milk. But other people are eager for a pound of powdered milk. In Spain, where the National Catholic Welfare was administering the food relief program, I watched them mixing this powdered milk in little washing machines.

When I saw these children lined up and their mothers with liter jars, and when I heard what they had to say, I had two feelings: First, I was proud to be an American; second, I was ashamed that we Americans had sold millions of pounds of that powdered milk to feed our hogs. I ask any person in this room: Do you think you have a right to feed pigs wholesome, nutritious, powdered milk when you are unwilling to give it to hungry children in other countries? It might be well to ask the agencies of Government whether we are going to have very much powdered milk for feeding these countries in the days to come.

We have dairy farmers in my State who are having to sell their dairy herds that they worked 25 years to build. There is no market for their goods. Can you imagine that? We are closing down part of America's agricultural plant at the very time that we warn that we are in a life and death struggle; at the very time we insist we have to have more missiles, more this, and more that. I have a suspicion that that man Khrushchev wasn't kidding when he appeared on TV not long ago, when he said that it will be only a short

time before the Soviet Union will produce more products, both dairy products and cereal grains. And then he said, "Watch out"; they know what to do with it.

I saw what happened in Cairo, when we refused to sell wheat to the Egyptians. I saw the Soviet wheat they obtained instead, and I learned that in Port Said little Russian flags went up on refugees' tents. I believe our food ought to be used to help people.

In Israel the Prime Minister told me of the desperate need for food. What are we going to do to feed these people? Fortunately the Government of the United States gave them half of their requisition, but only half. There was a statement made here that a national policy is needed so CARE can plan its program further in advance. You cannot afford to set up missions and utilize your energies unless there is something with which to work. Public Law 480 ought to be extended, not 1 year, but a minimum of 3 years. I have asked every reasonable American with whom I have discussed this, "Do you think the surplus agricultural problem will be over in 1 year?" To a man they agreed it will not. Then I ask our Government why it wants only a 1-year extension of our surplus disposal legislation? How is it the administration can ask for 3 years for a loan fund to loan our money, yet shy away from planning more than a year ahead on use of food? How can our Government insist that food is not a vital part of our foreign policy?

Of course it is—and I hope that you will get behind the proposal for an extension of our present programs to more than 1 year; a part of that year is already gone.

May I add one other thing. I believe the gentlemen of the Congress should insist that our Government handle ocean freight negotiations so that CARE and other voluntary organizations should not be forced to argue like diplomats with the government of a recipient country on the details of the payment of ocean freight. We have experienced people in every one of our Embassies. They have the time to negotiate these matters that relate to ocean freight costs so our voluntary workers will not be involved in such activity.

I want to commend you for your plan to have two American CARE officials in each country. I believe that number is about right. The more of the native population that you can use, with some good American guidance, the better off we will be. This will prevent Formosa incidents.

Where our people have been ministering to health needs, to food and nutritional needs, to educational needs, where we confine ourselves to such services, we are not confronted with rioters who tear down our flag or mobs who tear up our files, beat up our representatives and attempt to banish us from their country.

FOREIGN COMMENDATIONS OF PUBLIC LAW 480

From my brief examination I can say that wherever CARE has gone or wherever our other great voluntary agencies have been at work, I have found a reservoir of good will that is far beyond and above the mistakes we make in policy. I have had heads of government say to me, "You Americans can clear up an abysmal and abominable situation; if you will just help us with food we will forgive you almost anything."

I found many Prime Ministers and their ministers of commerce and agriculture who knew all about our Public Law 480, the so-called surplus disposal law, officially called the Agricultural Trade Development Act. I found that these public officials of other countries knew more about our Public Law 480 than people living right here in the United States. They knew more about it than people in our Embassies. I went into office after office in Italy, Spain, Greece, Israel, and Lebanon. The officials I talked to had all the hearings and legislative debates laid out before them, and knew more about Public Law 480 than most Members of the Congressional Committees on Agriculture who considered and approved the bill. When I compared the knowledge and information of these officials with the knowledge of our Embassy officers it was apparent that these boys are graduates and ours are just in kindergarten. They knew; to them it was the difference between life and death.

In Spain, for example, I had the minister of commerce tell me that never again as long as there was a Spain would his people ever be on such a low diet as they were before American food came. No government, dictatorial or otherwise could stand long under such conditions.

FOOD AS VITAL AS ARMS TO NATO

I heard the top military commander of our southern NATO forces, Admiral Briscoe, tell me that our food program is as vital to the success of NATO in southern Europe as are military supplies. He told me how little food supplies we had available in southern Europe, and that it might be nothing short of a military debacle if there were any hostilities. Yet we have food stored all over the United States. While Napoleon didn't know about rocket warfare and things of that kind, he did know enough about armies to say an army traveled on its stomach. He apparently didn't know about NATO. Recently, I had the opportunity to present these comments to the President.

THE LARGER SIGNIFICANCE OF CARE

Well, I could go on and on. This is my crusade. I want you to know that. I am more interested in this subject right now than almost anything that has ever touched my life. I believe that in this food program, going beyond what you do in CARE alone, there is an opportunity for the redesigning of a foreign policy with great potentialities. In the sale of our food we provide economic means for other countries. We momentarily ease the tension and the suffering. We develop new markets and habits. We carry with it a message of American generosity, kindliness, and democracy, particularly when you tie in donations through voluntary agencies. We build new contacts. We touch the lives of many people and we reach the man in the street, so-called little people whose minds are still open, those whose spirits have yet to be fully roused.

So it is on that basis that I commend you. I appeal to the advertising council for help. While no one has asked me to do this I appeal to them to put this program at the top of the list. I know there are many important programs; there always are. There is nothing more important, however, than a realization of the great human suffering in the world and a program to alleviate human wants and needs. Toynbee called this "a revolution of rising expectations." He said people today just expect more, and no longer can the oldtimers of the Victorian Age say they are not going to get more because they are. People refuse to die quietly, my friends; they just won't cooperate. They just refuse to lie down and play dead, just because someone says "Don't make any noise. We haven't time to help you."

LET US ACT WITH BOLDNESS

People all over the world today are demanding a place in the sun, are asking for recognition, and, unhappily, some of these people believe the only way they can gain status is through the totalitarian method. Regrettably in a free country governments are timid. Most of the time, unless under duress and emergency, they lack courage. Where is there no timidity? In the people. Most Members of Congress are more timid than the people. There are some of us that aren't timid; I guess I qualify on occasion. But timidity is a characteristic of free government; courage and zeal to meet any emergency is a characteristic of a voluntary agency. We must have that or I am afraid we might lose that one game world series I spoke about.

Congratulations to you all; to CARE, its officers, its contributors, its host of friends.

Thank you very much. It was a privilege to be here.

(Standing ovation.)

Jerome K. Kuykendall

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. DINGELL. Mr. Speaker, the appointment of Chairman Jerome K. Kuykendall to the Federal Power Commission is before the United States Senate for confirmation.

Chairman Kuykendall during his tenure of office as Chairman of the Federal Power Commission did absolutely nothing to protect the consumers' interest and devoted his entire time and effort to serving the vested interest that he was charged with regulating. He is unfit for any office, especially that which he seeks.

A number of very important charges were leveled at him during a hearing before the Senate committee which heard his case. These cases were included among others, and I will only summarize briefly:

First. The fact that he has traveled around the country at the expense of the oil and gas companies which he was charged with regulating.

Second. That he made misleading representations to Congress in 1954 when he declared that the now defunct Dixon-Yates power contract was fair and reasonable to the Government, and suppressed criticism of the contract by the Federal Power Commission's Bureau of Law.

Third. That he is consistently, constantly, and unfailingly giving the gas companies precisely what they want in rate cases. Indeed, unless the claims of the gas companies were vigorously contested by the consuming interests he probably gave the gas companies whatever they wanted. In the recent matter of the Olin Transmission Corp., Mr. Kuykendall said, "Olin was a bit lucky here because I don't think their case was contested like it could have been."

Imagine entrusting the consumers' interest to a man of this sort, who thinks so little of the consumer that he makes an award to a gas company merely because the matter of consumer interest is not pressed vigorously enough.

Fourth. That he has permitted electric and natural-gas companies to use fast tax writeoff certificates as tax-free dividends to enrich supposedly regulated utilities and to gouge consumers.

Fifth. That he admitted in the House Committee on Interstate and Foreign Commerce that he called secret meetings of representatives of the gas industry to draft the present natural-gas bill, and that he actively participated in that

endeavor, plainly aimed not at protection of consumers but rather at enrichment of the large natural-gas producers.

At this time, Mr. Speaker, I insert into the RECORD a copy of a letter sent by me and four of my colleagues, the Honorable THADDEUS M. MACHROWICZ, the Honorable JOHN E. MOSS, the Honorable B. F. SISK, and the Honorable CLEMENT J. ZABLOCKI, detailing a still further reason why his appointment should not be confirmed, the opinion in the Catco case matter.

Mr. Speaker, I hope very sincerely that the Senate of the United States will not permit this tool of the vested interests to pass upon the consumers' problem and that his nomination will be denied confirmation by a resounding vote.

JULY 18, 1957.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Interstate and Foreign Commerce Committee, Senate Office Building, Washington, D. C.

DEAR MR. CHAIRMAN: Since several of the undersigned appeared to testify against the confirmation of Chairman Jerome K. Kuykendall of the Federal Power Commission, certain matters have come to our attention which we feel should be considered in connection with his confirmation. It is our feeling that these matters furnish additional grounds for withholding confirmation of Mr. Kuykendall to the Federal Power Commission for another 5-year term. It is our hope that you will include this letter in the record of the hearings.

Our opposition to Mr. Kuykendall's nomination is based on his disregard of, and lack of sympathy for, the obligations, duties, and responsibilities placed upon the Federal Power Commission by the Congress of the United States in committing to that Commission the preservation of the public interest in the development of the Nation's resources and the protection of consumers of electric energy and natural gas against exploitation at the hands of the electric and gas companies under the Federal Power Commission jurisdiction and control.

Mr. Kuykendall's disregard of, and lack of sympathy for, his obligations, duties, and responsibilities as a member of the Federal Power Commission is self-confessed. Testifying before the House of Representatives Committee on Interstate and Foreign Commerce during hearings on H. R. 6790, a bill to amend the Natural Gas Act to deprive consumers of natural gas of effective protection against exorbitant gas rates, which bill Mr. Kuykendall enthusiastically endorses, Mr. Kuykendall was questioned about the Commission's recent decision in the Olin Gas Transmission Co. rate case. In that case the Commission granted Olin an increase in rates based in substantial part on an allowance of the field value of its own produced gas which exceeded Olin's actual cost of gas production by 100 percent. In excusing the windfall granted Olin and the very favorable disposition of other issues in favor of Olin, Mr. Kuykendall offered the incredible explanation that "Olin was a little bit lucky here because I doubt that their case was conducted like it could have been" by Olin's customers. If it had been contested more vigorously, he testified, "we might not have had substantial evidence to support a finding that this was warranted."

This is shocking testimony from a public official. Candid, to be sure, but nonetheless shocking and revealing. It reveals a callous disregard for his responsibilities which renders him totally unfit for the position to which he aspires and a fundamental failure to understand the Commission's proper function and the reason for its existence. Obviously, the Commission's responsibility to protect the consumers against excessive rates imposed upon the Commission by the Federal Power and Natural Gas Acts does not vary with the degree of opposition that may prevail in a given case from the customers of the pipeline company and cannot be made to depend upon it. The Commission's obligation exists and persists in every proceeding, at every stage, in the same degree, regardless of the degree of participation of the customers. The Commission, which includes its expert staff of technicians and lawyers, owes its existence to the fact that consumers are unable to protect themselves adequately against the utilities that are well able to take care of themselves, having the resources and the wherewithal to retain experts to present the utilities' point of view. How can consumer interests be entrusted to him.

One might conclude from Mr. Kuykendall's testimony with reference to the Olin case that he welcomes and encourages intervention of customers. But this is not the fact, for under his leadership the Commission's attitude toward intervention has been much less liberal and in the courts the Commission has opposed review of its orders at the instance of consumer-intervenors on technical grounds more than it ever did prior to his leadership of the Commission.

There was a time when the Commission rarely objected to review of its orders on technical grounds. Rather, it welcomed review. Today, however, the reverse is the case and the major reversals suffered by the Commission in the courts when consumer interests have managed to overcome the technical obstacles and secured review of Commission orders explains the Commission's greater preoccupation in recent years with efforts to block court review by consumer interests.

There was also a time when review of Commission rate orders in the courts found the Commission and consumer interests defending the Commission's rate orders against attack by the regulated utilities. Today, however, review in the courts finds the Commission and the regulated utility standing shoulder to shoulder against the consumer interests which have had to invoke the aid of the courts to secure fulfillment of the Commission's responsibilities.

The Commission's dereliction of its responsibilities under Mr. Kuykendall's leadership has become so grave that it has produced the remarkable spectacle of a regulated utility protesting the Commission's failure to protect the consumers against exploitation and calling upon the court to "act as a guardian of the public interest." In a brief filed with the United States Court of Appeals for the District of Columbia Circuit, Mississippi River Fuel Corp. declared:

"In sum if the prices paid by a pipeline company to nonaffiliated producers are to be accepted as sufficient in themselves to form the basis for future decisions in determining the fair field, market, or commodity value of pipeline-produced gas for ratemaking purposes, the consuming public—represented here by Mississippi—is being deprived of even the minimum protection to which it is entitled under any criteria of ratemaking. An affirmance of the Commission's order and examiner's decision will put a stamp of approval upon a method affording a pipeline company self-regulation of the price of gas produced by it or an affiliate. The correction of this patent error is of crucial important if an effective system of regulation is to be maintained."

* * * * *

"In this, it need only be pointed out that the Commission has a positive duty in this respect, a duty entrusted to it by the Congress under the Natural Gas Act. That duty is to protect the consumer interests against exploitation at the hands of private natural gas companies, or to protect consumers from excessive rates. That duty is not discharged by inaction of the type which counsel for the Commission endeavors to explain in his brief.

"This is not the first time, even in recent years, that this court has been called upon to act as guardian of the public interest when this and other regulatory commissions have been derelict in their duties in carrying out Congressional mandates."

* * * * *

"Apparently, unless the Commission's functions are to fall into a condition of regulatory desuetude, this vigilance on the part of this court must continue. No better example of such a necessity can be found than in this case."

On July 8, 1957, the court of appeals vacated the Commission's order and remanded the case to the Commission for the performance of its duties. *Mississippi River Fuel Corp. v. Federal Power Commission.*

Mr. Kuykendall's leadership produced the recent unconditional surrender of the consumers to the mercy of the producers in the Catco certificate proceedings involving applications by four producers from which the proceeding derives its short name (Continental Oil Co., the Atlantic Refining Co., Tidewater Oil Co., and the Cities Service Production Co.) to sell a large block of gas from their leases off the coast of Louisiana to Tennessee Gas Transmission Co. at an initial price of 22.4 cents per thousand cubic feet until November 1, 1962, which thereafter would escalate by 2 cents per thousand cubic feet every 4 years until the contracts for sale expired.

First, by order issued April 22, 1957, the Commission said:

"* * * The record shows that the 22.4-cent price is higher than Tennessee Gas is paying under any other contract. It is this price, with the provision for escalation, to which the interveners have made vigorous objections in exceptions to the presiding examiner's decision, which would grant a certificate without a rate condition attached to it. They contend that if the rate were allowed to stand it would establish a higher price plateau in a new area to the detriment of consumers.

"The record contains insufficient evidence or testimony, however, on which to base a finding that the public convenience and necessity requires the sale of these volumes of gas at the particular rate level here proposed. The importance of this issue in certificating this sale cannot easily be overemphasized. This is the largest reserve ever committed to one sale. This is the first sale from the newly developed offshore fields from which large proportions of future gas supplies will be taken. This is the highest price level at which the sale of gas to Tennessee Gas has been proposed.

"These factors make it abundantly evident that, in the public interest, this crucial sale should not be permanently certificated unless the rate level has been shown to be in the public interest. (See Cities Service Gas Co., Signal Oil & Gas Co., opinion No. 288, Nos. G-2569, G-2570 November 28, 1955, affirmed as *Signal Oil and Gas Co. v. F. P. C.* 238 F. 2d 771 (C. A. 3), certiorari denied 353 U. S. 923.)"

* * * * *

"The contracts between Catco and Tennessee Gas provide November 1, 1957, as the date for commencing service, and in order to comply with the leases and the Louisiana Shelflands Act, production should commence by 1958. To meet this schedule Tennessee Gas must build its underwater pipelines before the onset of the season of bad weather. In view of this total situation we are disposed at this time to grant temporary certificates to Catco for the sale of gas and to Tennessee Gas as requested by it for its proposed 107 miles of connecting pipelines. At the same time, we shall remand the Catco proceedings to the presiding examiner to determine at what rates the public

convenience and necessity requires these sales to be made if permanent certificates are to be granted to these companies upon final disposition of their applications."

This disposition of the case did not, however, satisfy the appetite of the producers. They threatened to cancel their contract for the sale of the gas unless the Commission issued a permanent certificate for the sale at the initial price of 22.4 cents per thousand cubic feet.

The Commission then yielded to the demand for a permanent certificate in its order issued May 20, 1957, but insisted that protection of the interests of consumers required that the producers agree to an initial price of 18 cents per thousand cubic feet, "the highest price presently being paid by Tennessee Gas for the purchase of any gas produced in the Southwest area." As a further concession to the producers, however, the Commission agreed in advance to permit the producers to file for an increase in that rate, even to the 22.4 cents per thousand cubic foot price, and to suspend the proposal for only 1 day although the Natural Gas Act provides for the suspension of a rate increase proposal for a period of 5 months in order to maintain the status quo while the Commission has some opportunity to investigate the reasonableness of the proposal.

This concession, of course, literally reduced to lip service the Commission's avowal of concern for the protection of the consumer interests. But even this was not enough for the producers. They demanded a permanent certificate with no strings attached. By order issued June 24, 1957 the Commission, therefore, abjectly surrendered its public responsibility and issued a permanent certificate at the initial price of 22.4 cents per thousand cubic feet, although it had previously loudly proclaimed, and the fact remained, that the evidence could not support a finding to support the issuance of a certificate on this basis.

This was too much for Commissioner Connole, who dissented. Protesting the abandonment of public responsibility he said:

"The record is plain that the controlling reason the parties refuse to submit their contracts to regulatory review in the manner found to be necesssary in the public interest is their preference for a proceeding in which the burden would be on the Commission to establish that the rate was more than reasonable. They flatly refuse to submit to one in which the parties would be required to show only that the rate was required by the public convenience and necessity. No citation of authority or reference to regulatory theory is needed to demonstrate that the burden of showing the public convenience and necessity requires a proposed service at a particular price level is on the party seeking to take advantage of the proposed service and not on the tribunal before which the case is to be made. Under the unique conditions found here, the critical importance of that decision is indisputable."

* * * * *

"The decision of the majority is justifiable only by the evil consequences of the loss of these reserves to the particular pipeline which is a party to the contracts. Such evils would, in the opinion of the majority, exceed the gain to follow from the proof that the public convenience and necessity does not require the sale of this gas at proposed rates.

"In my opinion, the consequences of abandoning our position will be more serious than their effect on this particular sale. Whether by design or accident, the issues in this proceeding now transcend the close limits of the original hearing. At stake is the question whether the Commission should hold a position which it has determined is in the long run public interest, or whether it should abandon it when confronted with allegations that short run injury to one segment of the industry and consumers might result. Where the issue is reduced to this simple statement, the answer is clear."

* * * * *

"As concerned as I am for Tennessee's customers, I am more concerned for the whole body of consumers on all transmission pipelines for whose protection we are responsible. And as deserving of preservation as I believe those particular orders to be, I believe the principle that Federal regulatory orders should not be changed by threats of abandoning public responsibility is even more important.

"On balance, and in view of the expansion of the issues beyond those originally contemplated by this docket, I believe it more important to the public interest to preserve the Commission's authority to make lawful and necessary orders than it is to preserve these contracts as written. The right to maintain valid orders against allegations of urgency, the importance to the consumer of the Signal Oil doctrine, and the right of all consumers for protection against unreasonable initial rates outweigh the potential damage to the consumers of Tennessee Gas Transmission which might flow from maintaining the position I urge here.

"While dissenting may appear to serve no useful purpose, the damage to consumer and to the public interest, to the regulatory process, and to the future of the interstate natural gas business as it is given me to discern it, would be such under the majority decision that, inevitable as that decision may appear to be, I am left no choice but to protest it by filing a dissenting vote."

It is true, of course, that Mr. Kuykendall's name does not appear on the final order issued Monday, June 24, 1957, since on that date he was no longer a member of the Commission, his term having expired the evening of June 21, 1957, the preceding Friday. He did, however, participate in the oral argument on June 12, 1957, and was in attendance at each of the series of Commission meetings from then through the meeting which took place on Friday, June 21, 1957, at 3 p. m., with the exception of the 10 a. m. meeting on June 19. The only other meeting at which he was not present during which the Commission could possibly have considered this Catco decision was on June 24, at which time the Commission made the formal vote on this last surrender to the big oil companies. It is interesting to note that on that date, June 24, the Commission met at 9:30 a. m. and at 11:30 a. m. the final form of the very lengthy order was not only completed but was approved and was mimeographed for distribution to the press and public. A long dissenting opinion by Commissioner Connole was also drafted, filed and reproduced. On the basis of these facts it appears reasonable that discussions of the Catco matter must have been held during this interim period in which Chairman Kuykendall was not only present according to the Commission's minutes, but most probably participated actively. It is also fair to infer that he must have played a part not only in the consideration by the Commission of the necessary preliminary drafts but in the acceptance of the Commission of the final form of this last giveaway of his term, which was so much in keeping with the tenor of his leadership in the previous two decisions of the Federal Power Commission on this same Catco matter, and in other similar giveaways such as Hells Canyon, Dixon-Yates, and the Olin case.

One may also fairly wonder, in the circumstances, why no order was forthcoming while he was still a member of the Commission. We respectfully suggest that the pendency of the hearings on his confirmation may have had something to do with it.

At any rate, Mr. Kuykendall should be compelled to justify his actions in these specific cases which have arisen since the date of the formal hearing on his confirmation, and which so flagrantly constitute a complete, abject and dismal surrender of the consumer interest and the Commission's responsibility to the very people who are to be regulated by the Federal Power Commission.

These are but a few of the horrible examples. There are others. The record of Mr. Kuykendall's administration of the affairs of the Federal Power Commission during his term which has recently expired, in our opinion, shows his unfitness for continued service as a member of the Commission and we, therefore, urge that the committee disapprove his nomination.

Very sincerely,

JOHN D. DINGELL,
15th District of Michigan.
THADDEUS M. MACHROWICZ,
1st District of Michigan.
JOHN E. MOSS,
3d District of California.
B. F. SISK,
12th District of California.
CLEMENT J. ZABLOCKI,
4th District of Wisconsin.

Drought Damage in Texas

EXTENSION OF REMARKS

OF

HON. RALPH W. YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, August 13, 1957

Mr. YARBOROUGH. Mr. President, at the hearing yesterday before the Subcommittee on Agriculture of the Senate Committee on Appropriations, on a supplemental appropriation for rehabilitation of soil damaged by disaster, the chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN] pointed out that tree rings in the Southwest showed that the recent drought in the Southwest was the worst in the last 600 years.

I ask unanimous consent that my remarks before the subcommittee on soil damage in Texas caused by drought and floods be printed in the RECORD.

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

STATEMENT OF SENATOR RALPH YARBOROUGH BEFORE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON AUGUST 12, 1957

Chairman HAYDEN and members of the committee, Texas, in the last few years, has undergone two such opposite disasters as to be unique in memory.

The Texas farmer's plight might be compared to the man dying of thirst on a desert: The man, who has somehow managed to keep up his courage, has crawled across the hot sands and he finally sights a body of water. At the moment of his jubilation, a gigantic flood wave sweeps him down the channel to destruction.

The first disaster suffered by the Texas farmer was the worst drought in Texas history. This was a slow torture to the farmer. For 7 years, he would search the skies in hope of some cloud, even a small one. He watched his water tanks dry up and he knew he had no water for his cattle. He was forced to sell at any price. He watched his grass dry up. He planted his crops over and over. Each time the crops merely with-

ered in the parched, cracked land or failed to come up at all.

In a report prepared for President Eisenhower during his inspection of the drought areas last January, Dr. Tyrus R. Timm, head of the department of agricultural economics and sociology at Texas A. and M. College, said this was the worst drought in Texas history in terms of financial losses, necessary human adjustments, and deterioration of physical resources.

The United States Department of Agriculture classified 94 percent of the Texas counties (244 of the 254) as disaster counties. Large areas of the State did not have a single year of normal rainfall from 1950 to 1957. Many farmers on the high and rolling plains and Edwards Plateau prepared their land and planted seed 3 consecutive years without harvesting a crop. Many ranchmen in the same areas fed supplemental rations to their breeding herds almost the year round since 1951.

The carrying capacity of most of the rangeland was seriously depleted.

All 20 major rainfall-reporting stations in Texas during this period showed 20 to 77 percent below normal rainfall.

A study conducted on the Edwards Plateau of the files of 45 members of the Texas Production Credit Association showed that between the fall of 1950 and the spring of 1954 ranchmen lost 38 percent of their net worth.

Literally thousands of Texas farms and ranch people were forced to the wall. In Mills County, for example, 1,000 of the 6,000 farm people left agriculture. From 1951 to 1952, the movement from farms of 80,000 persons annually was considered normal. During 1953–54 Texans left their farms at an annual rate of 160,000.

By 1955 wind erosion and the heartbreak of economic collapse that goes with it, was only one of the consequences of the drought. When the crops failed for the second and third consecutive years, all protective stubble disappeared. Nothing was left to hold the loose, dry soil in place on these cultivated fields. The fields were ready to blow and did blow away.

The cattleman, the sheep raiser, the cotton and wheat farmer—in short, every person connected with agriculture—lost tremendous amounts of money.

And since agriculture is the backbone of the Texas economy, every person in Texas suffered.

Perhaps no one can estimate with any accuracy the untold amount of damage done by the drought. Responsible officials have said it was in the billions.

In late spring and early summer rain began to fall in Texas. At first the rain was greeted with prayers of thanks.

Unfortunately, the farmer's problem had just started.

Whereas the drought was slow torture, the floods which inundated great portions of Texas were sudden disaster.

In a period of 70 days, the total flood damage to crops, seeds, and labor was estimated by John C. White, Texas agricultural commissioner, as $34,536,728. Permanent land and property damages from spring floods were approximately $50 million.

We think it is interesting to note the fact that officials say the flood damage in Texas would have been $106.3 million greater had it not been for a number of flood-control projects recently completed. The total cost of these projects was $121 million. In other words, these projects almost paid for themselves in this 1 year.

One of the tragic results of the floods is this fact: despite the fantastic amount of water that fell, the rainfall was of the wrong kind for breaking the drought.

On July 30 of this year, Mr. Timm reports that economic drought scars are not erased by these floods. Furthermore, the lack of rain and near-100 degree temperatures have accelerated the drought problem during the last 2 weeks. The situation could become very serious if rains fail to fall rather generally during August.

However, since the law under which this hearing is being held authorizes appropriations only for permanent damage to land, and does not cover crop loss or cattle loss or loss of buildings, I will now limit my statement to land damage.

Texas has had two separate areas of agricultural land qualifying for assistance under the supplemental appropriations act. One area qualifies under the wind erosion provisions and the other qualifies under the flood provision. It should be pointed out that the wind erosion damage was centered in the areas of the Edwards Plateau and the Rolling Plains of west Texas while the flood damage was sustained in north, central, and south Texas. For this reason there is no overlap in the acreage affected by the two types of disasters.

The Texas Department of Agriculture informs me that there are 1,971,849 acres of Texas land meeting the requirements of the act because of recent disastrous floods. At an anticipated assistance level of $6 an acre this program would require appropriations of $11,831,094.

In addition, the 7-year drought created a wind erosion conservation problem on 3 million acres of crop land and 300,000 acres of pastureland. This would require $19,800,000 in appropriations for this wind erosion damage. This figure includes only the land damaged by erosion. It does not include the many millions of additional acres which have been severely damaged by the drought but which have not started to blow as yet. The State of Texas has 141 million acres of agricultural land and a great percentage of this acreage has sustained drought damage.

The total appropriations urgently needed to cover the types of damages clearly covered by the law to save the erosion and flooded land areas of Texas amounts to $31,631,094.

Tuna Import Regulation

EXTENSION OF REMARKS

OF

HON. CECIL R. KING

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. KING. Mr. Speaker, I have referred from time to time over the past several years to the increasingly difficult problems arising from the twin desires of increasing trade with Japan and keeping our tuna fishing industry not only alive but in a thriving, prosperous and growing condition.

I find it necessary to report that neither of these desires is being fully met under the present law and its administration. Once again the price of albacore to our fishermen has dropped, this time to a level lower than any time prior to World War II. The distress felt in the albacore fleet is keen and current. This is reflected in the number of vessels engaged in the albacore tuna fishery which this year has reached hardly a third the number which were engaged in that fishery so short a time as 6 years ago.

The purse seine fleet which makes the town of San Pedro and the port of Los Angeles a primary fishing port of the Nation has recently had the price for its bluefin tuna catches reduced by another $20 per ton from an already unprofitably low level. It was notified this past week by one of the major tuna canners that no yellowfin and skipjack tuna would be accepted by it for the indefinite future. The cumulative economic effect of these past 8 difficult years on that fleet is indicated by the fact that no new tuna purse seiner has been built in that length of time and whereas 125 purse seiners were engaged in the tuna fishery as short a time as 6 years ago, only 51 were so engaged this year.

The bait boat fleet which makes San Diego a primary fishing port of the Nation, normally provides 70 percent of the total annual domestic landings of tuna in the Nation, and provides a major part of the raw material for the great tuna canning industry of Terminal Island, has been affected even more seriously by the events of these last several years and even days. The fleet has decreased from 214 vessels to 153 in the past 6 years. Only nine new vessels have been constructed in that length of time, and the fleet now averages 12 years of age. At the present time 40 vessels containing 8,000 tons of frozen tuna in their holds are lying in San Diego Bay. For 2 months the vessels of this fleet have had to wait 20 to 30 days before they could unload their catches, and it is now apparent that these delays will stretch out to 40 to 60 days as the summer progresses. Prices are down a quarter from what they were even 3 years ago and it is evident that the present critical situation in the market will drive these already unprofitably low prices down yet further.

These adverse reactions from the steadily increasing flow of tuna imports, primarily from Japan, have been aggravated substantially by the general inflation which has been taking place in our domestic economy and which has had the effect of steadily increasing the cost per ton of production by our domestic fishermen and boat owners.

While the distress in all branches of our domestic tuna fishing industry has been increasingly painful and sharp it should not be thought that this has resulted in absolute peace and prosperity in the Japanese tuna fishing industry. The contrary has been the case.

Certainly one of the objectives of our country's foreign trade policy as it affects our ally Japan, is to increase her dollar earnings in this country. While the volume of tuna imported from Japan has continued to increase steadily, the actual dollar earnings by Japan from its tuna exports to the United States has trended downward steadily for these past 3 years. Obviously this part of our trade policy is not working well.

This has been reflected by major adverse movements in different branches of the Japanese tuna industry. In 1955, the Japanese canners were forced to dump a considerable amount of canned tuna on the world market at less than their cost of production. In 1956 the Japanese frozen tuna exporters were forced to dump about 14,000 tons of frozen albacore on this market at about $100 per ton less than their cost of production. This action produced such distress in the Japanese industry that the

Japanese Government has been brought to making basic changes in its legislation governing the tuna export trade.

This year the price received by the Japanese albacore fishermen has been a little less than half what it was the year before and the distress which has been felt in turn by the Japanese tuna canner, and then by the Japanese frozen tuna exporter, has now been transmitted to the Japanese fisherman.

It must not be thought that the two governments have avoided cognizance of these problems. The Japanese Government has from time to time over these several years established check prices and voluntary quotas over the various tuna commodities in its export trade in an effort to mitigate or eliminate the gyrations of price and volume which afflict this trade. These steps have been unavailing. The political forces arising from the various branches of the Japanese tuna industry and the economic forces arising from the interaction of the several tuna commodities upon each other's markets in this highly competitive trade have been too great to give these programs of the Japanese Government sufficient permanence or strength to meet the problems.

In 1955 the crisis was so bad in the United States tuna fishing industry that the White House established a task force composed of the Departments of State, Commerce, Interior, Labor, Treasury, and Defense to examine into the problem and make recommendations for its alleviation. The study was completed and a number of recommendations short of import controls were made.

The domestic tuna industry actively followed up each of these recommendations during the remainder of that year and during early 1956. All of the recommendations were found to lead into blind alleys and one of the reasons for this was found to be a lack of authority and direction within the executive to implement the recommendations. As a direct outgrowth of this discovery a number of us who are particularly interested in the welfare of the domestic fisheries introduced legislation designed to establish a policy for the domestic fisheries and to provide an agency in the executive competent to implement the policy. As a result the Fish and Wildlife Act of 1956 was enacted into law and the carrying out of these functions in the executive have been undergoing the reorganization prescribed by that law for the past year.

Beneficial results have already begun to flow from this new legislation to several branches of the domestic fishing industry and it would appear that it will turn out to be a milestone in the Nation's handling of its commercial fishing problems. But that law has not prevented a continued sharp deterioration in the tuna trade for the reason that the troubles of the tuna trade arise from basic anomalies in the treatment of tuna commodities under the tariff act and under the Reciprocal Trade Agreement Act.

Having seen all other recourses exhausted over these past several years to bring our tuna fishing industry to a healthy condition and to regularize our tuna trade with Japan in a manner beneficial to both nations I have drafted and introduced legislation that will strike at the heart of the matter by amending the Tariff Act of 1930 and by directing the President to take certain actions under the authority given to him by the Reciprocal Trade Agreement Act.

What the bill will do may be described as follows:

First. Section 2 (a) provides that the importation of all tuna in whatever form—canned, frozen, discs, loins, or whatever—shall be limited to 200 million pounds per year when converted to a round weight basis, or 35 percent of the average of the apparent annual consumption of tuna in the United States, whichever may be the larger quantity.

The actual situation for the past 2 years, and it appears likely for this year too, has been that the total amount of tuna imported into the United States when converted to a round weight basis, has varied between 200 million and 207 million pounds per year. The apparent annual consumption of tuna in the United States last year, when converted to a round weight basis, was between 620 million to 640 million pounds. Accordingly 200 million pounds of imports would be about 30 percent to 31 percent of the apparent annual consumption of tuna. However, the consumption of canned tuna in the United States has been increasing steadily and when an average is struck over the past 5 years 200 million pounds will be found to be about 35 percent of the apparent annual consumption during that period.

Thus this bill does not intend to reduce the imports of tuna from Japan or from other countries as to actual volume. It accepts the status quo with respect to volume.

Nor does this bill attempt to restrict the share of the domestic tuna market that is now enjoyed by the foreign producers. Since the market for canned tuna has consistently increased over the past 20 years at a rapid rate, and is predicted by competent authorities likely to continue to so increase for the indefinite future, the effect of this bill will be to permit the foreign producers of tuna to continue to send in approximately the same volume of tuna that they now do, and as the market in this country increases the actual volume which the foreign producers can send in will increase so long as it does not exceed 35 percent of the total market.

What this section of the bill does do to aid our domestic fishing industry is to guarantee to it 65 percent of this market and permit it to plan for a stable future. In view of the wide spreading penetration of Japanese tuna fishing vessels under the sponsorship of the Japanese Government into the eastern Pacific, the Caribbean, the Atlantic, as well as throughout the tropical and subtropical Pacific and Indian oceans, this absolute safeguard is required by our industry.

Second. Section 2 (b) defines terms used in the act.

Third. Because of the numerous tuna commodities that enter world trade, and their varied treatment under our trade law and in trade agreements, it is necessary to deal with them in two groups—those commodities that are not cooked or canned and those commodities which are so prepared and preserved.

Section 3 (a) of this bill deals with the former category. Principally affected is frozen tuna in the round but also affected are frozen tuna which have, in the parlance of the trade, been gilled and gutted, and also fish which have been filleted and frozen but not advanced so far in their manufacture as to be cooked. This section provides three levels of treatment for this class of tuna commodities:

a. Up to a limit of 50 million pounds per year, or 5 percent of apparent annual consumption whichever is the larger, these commodities will be in a duty-free status.

The reasons for this provision are various. In the first instance there is a small quantity of tuna produced by several Latin American neighbor countries for the United States market. The quantities are not large either severally or together and the cost of production is such that these imports on a duty-free basis do not create disturbances in this market. The practical effect of this provision will be to provide for the growth of these small fishing industries in our neighboring countries or at least to place no impediment upon that growth.

In the second instance there are small tuna canneries on the east, west and gulf coasts of the United States too far distant from the center of domestic tuna production to be able to rely upon it for their raw material and which rely wholly upon imported frozen tuna. The net effect of their operations do not materially disturb the domestic market. The practical effect of this provision will be to assure them a continuance of their foreign source of supply or at least not interfere with it.

In the third instance the product of the domestic albacore fishery has not been sufficient in the last few years, because of the distressed economic condition of the industry, to provide all of the raw material required by the United States market for this sort of canned tuna. This provision, taken together with the provision instructing the Secretary of the Treasury to provide individual quotas for the different species of tuna on a historic basis within this duty-free quota, will protect our albacore fishermen from sudden surges of cheap albacore into their market, while protecting our small canner's source of raw material and providing an adequate volume of this sort of tuna for the market.

b. Up to a limit of 140 million pounds per year, including the 50 million pounds of duty-free frozen albacore provided for above, or 15 percent of the average apparent annual consumption of tuna in the United States whichever is the larger, frozen tuna shall bear a duty of 3 cents per pound.

This is approximately the amount of frozen tuna which has been imported in each of the past 2 years and is anticipated this year. Since this rate of duty will not be prohibitive the present volume of frozen tuna being imported will not be lessened. However, the provision

of this duty will protect the price received by our domestic tuna fishermen and raise it somewhat above its presently depressed low level. This is the only way in which the domestic tuna fishery can be headed in the direction of becoming the vigorous growing industry it once was.

c. Any frozen tuna above 140 million pounds per year, or 15 percent of apparent annual consumption, whichever is the larger, will bear a duty of 6 cents per pound. This rate of duty is intended to be prohibitive and in the generality of years will be so. Only when there is an abnormal glut of tuna abroad will it be not prohibitive.

The intent of this provision is to throw the other 60 million pounds of tuna provided for under section 2 of the bill into the cooked or canned form of imports. Since this is approximately the level and proportion of these forms that have been imported in recent years the effect of this provision will, like other provisions of the bill, be to stabilize the market, protect the status quo situation and provide for the rational growth of the market, the domestic industry and the import trade alike.

Fourth. At the present time there are four tuna commodities imported in the cooked or canned form. Three of these are products that have arisen not from the natural demand of the market but have been developed to take advantage of loopholes in the tariff law. Three of the four commodities bear different duties and are involved in different trade agreements.

Tuna canned in oil bears a duty of 35 percent ad valorem under the trade agreement with Japan.

Cooked frozen loin tuna and tuna discs bear a duty of 1 cent per pound under the General Agreement on Tariff and Trade by reason of coming within a basket category in the tariff act.

Tuna canned other than in oil bears a duty of 12½ percent ad valorem under the trade agreement with Japan.

The confused situation of the tariff treatments of this class of tuna commodities, and the generation of these three artificial tuna commodities, by the tariff act itself, has been one of the most important factors in keeping the United States tuna market continually disturbed and in inducing a distressed condition in the domestic tuna fisheries.

The function of section 3 (b) of the present bill is to establish a definite uniform tariff base for all cooked and canned tuna commodities at the duty rate now paid on the primary commodity in this category, tuna canned in oil, which is 35-percent ad valorem. While this section will not alter the tariff rate on the principal tuna commodity in the United States market it will contribute in a major manner to stabilizing the canned tuna market in the United States protecting the earning power of tuna imports, and providing for the prosperity of the domestic tuna industry.

Fifth. Section 4 (a) provides for the entry into effect of various provisions of the bill.

Sixth. Section 4 (b) provides that no duty imposed by these amendments shall be collected in violation of any international obligation of the United States and directs the President to renegotiate any international obligations necessary to carry out the purposes of the act.

Mr. Speaker, our domestic tuna fishermen are in a critical stage of distress. This is harmful to the economy of these west coast port cities. The effect of this is to create disturbance in our friendly relations with our good ally, Japan. The earning power of Japanese tuna exports to this country is declining, and the trade in tuna is an important part of Japan's dollar-earning capacity. The tuna industry in Japan is not much less disturbed by these factors than is our own domestic industry. I am hopeful that the bill which I have introduced will go a long way toward mending the basic causes of these difficulties. I am mindful that there can be no positive action on this bill until we reconvene in 1958. In the intervening months, however, the appropriate executive agencies can provide the necessary technical studies upon which appropriate changes in the proposed bill might be based. I am informed that the Bureau of Commercial Fisheries of the Department of the Interior is already well advanced on such studies and that the United States Tariff Commission is about to engage in bringing up to date its studies on this complex subject.

I have also been mindful that there are different views in the different branches of the domestic industry as to how these matters may best be handled. I am hopeful that those several interests may be able to use this bill as a basis for composing any differences that may so exist among themselves during the months of the summer recess.

If these several lines of actions can be advanced by the executive agencies and the industries, Mr. Speaker, I should hope that the Congress would be in a position to enact legislation of this nature next year that would be at once beneficial to our domestic economy, our foreign trade, and improved understanding in our foreign relations.

Dispelling the Economic Fog

EXTENSION OF REMARKS

OF

HON. CHARLES W. VURSELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. VURSELL. Mr. Speaker, it is estimated for the year 1957 that the total value and production of goods and services of the United States will reach an alltime high, of about $450 billion.

Since this great expansion of business, increased wealth and prosperity has made it possible to employ 67 million people at the highest wages on record, it would seem that the millions of men and women throughout the Nation who invest their capital in business enterprises, and the leaders of business as well, ought to be shown greater apprecation by the people generally, and by the Members of Congress, than has been shown in the last few years.

Mr. Speaker, I make this statement because groups and organizations have developed in our country which, through false publicity and propaganda, constantly try to deceive the people and prejudice them against business leaders—both large and small.

Those most active in making such accusations of exorbitant profits made by business are largely followers of the ADA political group, and in addition most of the so-called liberals and the Socialist-fringe crowd. They, and their organized groups, constantly quote the volume of gross profits made by corporations, but they never tell the public about the small net profit remaining with which to pay the stockholders and to continue the business that furnishes the employment—in fact the intent of this repeated propaganda and misstatements is to deceive the great bulk of the American people.

Mr. Speaker, may I illustrate my point by referring to the recent rise in the price of steel? The price of steel went up on August 3, 1956, when the United States Steel Corp., after holding out 34 days against a strike—at the loss of millions of dollars—finally had to agree to a 3-year labor contract, which would give their employees about 21 cents an hour wage increase each year. When August of this year came, steel had to raise its prices because of this 21 cents an hour increase in the cost of labor.

An investigation has recently been conducted in the other body by the Antitrust and Monopoly Subcommittee, which has had the United States Steel officials before it, trying to determine why it was necessary to raise steel prices.

It seems obvious that any corporation, or an individual businessman, who had been forced to sign a contract to raise the wages of his employees 21 cents an hour each year, for 3 years, would most likely be compelled to raise the price of the product sold in order to remain in business.

Now, Mr. Speaker, to give some real facts: The records show that from 1940 through 1956, United States Steel's employment cost per employee-hour went up 250 percent while the materials they had to buy, all their taxes and other costs rose 315 percent. United States Steel's cost per employee-hour rose 284 percent over this period of time.

In contrast, United States Steel held down the price of finished steel mill products, according to the Bureau of Labor Statistics, to an increase of only 138 percent. The difference between the total cost and the increase in price was absorbed by United States Steel over the years through greater efficiency and operation, and at the expense of billions of dollars in modernization and improvement of its facilities, and partly, too, by lower profits.

Mr. Speaker, it might surprise you to learn that United States Steel Corp., emerging from the depression in 1940, made a profit of 9½ cents on each dollar of sales; that last year their profit on dollar sales was 8 2/10 cents.

In 1956, United States Steel had left for reimbursement in the business 4 2/10

cents of the sales dollar, and paid out 4 cents of each sales dollar in dividends.

Mr. Speaker, now the same propaganda has been put out about the enormous profits made by the International Harvester Corp., John Deere, and other concerns manufacturing farm implements.

Let me illustrate by quoting from International Harvester's annual report to stockholders in 1956:

Each dollar gross receipts of a total of $1,270,275,000 was distributed as follows:

For cost of materials, supplies, and other expenses, 56 8/10 cents.

For wages, salaries, social-security taxes, and employee plans, 35½ cents.

For taxes, Federal, State, local (excludes social security), 3 8/10 cents.

Dividends to shareholders, 2 6/10 cents.

Retained for use in the business, 1 3/10 cents.

Mr. Speaker, you will note that the dividends going to the shareholders who furnish the investment to keep this great production going, with hundreds of thousands of people employed, only received 2 6/10 cents out of each dollar of receipts and, in addition to that, stockholders must pay Federal income taxes on dividends received.

You will further note that the company was able to hold out only 1 3/10 cents, which they retained for use in the business for the coming year.

Mr. Speaker, about the same ratio applies to Allis-Chalmers, John Deere, and other manufacturers of farm equipment.

Now, the so-called liberals, leftwingers, and Socialist fringe, among the people and in the Congress, make the same charges about the exorbitant profits of General Motors.

Mr. Speaker, they never tell the people that all of the large corporations are taxed about 52 percent of their net earnings. They don't reveal that General Motors on a $10,910,000,000 gross business netted last year only 7¾ cents profit on each gross dollar of sale. They do not tell that 5¼ cents was paid out of these net profits to their over one-half million stockholders in dividends, who finance the corporation and make possible employment for over one-half million people.

Mr. Speaker, they do not tell the public that the General Motors Corp. out of that gross dollar of sales retained for facilities and working capital only 2½ cents of every sales dollar.

Now, Mr. Speaker, I am not speaking for business by reason of the fact that I own stock in these corporations; in fact I must confess I own no stock in any of them. I am making these statements because the private-enterprise system has helped to make this the most powerful Nation in the world, supplying the finest equipment in every line in the world, and furnishing employment for 67 million people who have the highest standard of living and the highest wages of any people in the world.

Mr. Speaker, in my humble way I am trying to shed the light of truth and justice on the businessmen of the Nation in the hope of giving such facts as will penetrate, and maybe partially dispel the fog of misrepresentation and the false statements that are directed against the business interests of our country.

Looking Back and Looking Ahead at Jamestown

EXTENSION OF REMARKS

OF

HON. BURR P. HARRISON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. HARRISON of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of a significant address delivered by our colleague, the Honorable WATKINS M. ABBITT, on the occasion of the Appomattox Area Day, at Jamestown, Va., August 5, 1957.

The address follows:

It s a great privilege and high honor for me to be here today to participate in the celebration of the 350th anniversary of the establishment of the first permanent English settlement in America.

I am sure that many of us fail to realize or to appreciate the significance of that occasion. It is hard for us to visualize what it has meant to the development of the Anglo-Saxon civilization. Here were planted the first seeds of the greatest Republic ever to exist in the world. They could have hardly begun under a greater disadvantage. At that time, there was considerable rivalry for the settlement of the New World. Spain and Portugal had been allotted this New World territory by Pope Alexander VI in 1493, with the western coast of North America going to Spain. Spain subsequently protected her claim by establishing settlements in Florida. She had also attempted to establish colonies in Virginia but it was a complete failure.

It was in this historical context that the British began to establish rival colonies of their own in North America. The British, being mostly Protestants, considered it important that Protestantism, preferably the Protestantism of the church of England, should gain a foothold in America. Historians also agree that economic motives were important in the settling of Jamestown. I think we can agree today that the determination to establish an English colony in the New World sprang from religious and economic motives.

In the early 1600's there were hard times in England. Many people were out of work. There were many young sons of nobility who had no title, had no trade, and were without means of livelihood. There were also many people of substantial means who desired to establish in the New World a colony with which the mother country could trade, where its young people could go to find opportunity as well as to spread the Christian religion.

It was under this atmosphere that private individuals banded together in 1606 and secured from King James a charter authorizing the company known as the Virginia Company of London to establish colonies in North America in the area lying between the present locations of Philadelphia and Wilmington, N. C. Finances of the enterprise were entirely the responsibility of the investors and not the Government.

While the colony was at the outset under strong royal control, the original impetus and the responsibility of its success came from private enterprise. In other words, the establishment of the colony was not being undertaken by the Government but rather it was being carried on by those great individuals in England who had dreams of a great future for the mother country by establishing in the New World Colonies which would permit the expansion of trade and religion on the part of England.

I am sure that they had no idea of the great future in store for civilization as a result of their efforts at colonization. Their motives, however, were inspired by patriotism, piety, and profit.

We are all familiar in a general way with the details of the settlement of Jamestown, the hardships, the perils, and the disappointments encountered by the settlers. We are familiar also with the fact that gradually those settlers who were able to survive overcame and conquered the hardships and slowly expanded the colony, with the help of new arrivals, into a permanent, self-sustaining territory. A new trail was being blazed and there was no past experience to point the way.

Little did these first settlers and their immediate successors realize the trail that they were actually blazing.

Here in this colony was nurtured and born the spark of liberty and freedom. The first trial by jury in America was held at Jamestown soon after the first settlers landed. The accused was Capt. John Smith who had been put under arrest on a charge of attempted mutiny before the colonists had landed. Smith's enemies among the Jamestown authorities had planned to return him to England, at the time of his accusation, for trial but Smith demanded his rights under the Magna Carta and demanded a trial by his peers. On June 20, 1607, the trial was held and the jury acquitted Smith. We see that from its very inception, the colonists were determined to protect the freedoms and privileges of the individuals so far as they could under the existing circumstances.

The settlers of Jamestown naturally brought with them their own British traditional notions of government and law. In addition, they were far removed from the seat of government and it made them yearn for self-government, liberty of action and recognition of the dignity of the individual. We are familiar with the fact that here in this little colony at Jamestown was established in 1619 the first representative legislative body in the Western World and the first General Assembly of Virginia consisting of the governor, the council and the house of burgesses. From then on until the Colonies were freed from England at the close of the Revolutionary War there was a constant struggle between the Colonies on one side and the Crown on the other. The Colonies struggling to secure freedom and the Crown to compel obedience to its will including taxation without representation. We will not attempt to go into the great struggle for freedom and the hardships overcome by the Colonies in establishing this great Nation of ours. Suffice it to say, our forebears came here and carved out of the wilderness a great Nation. They had to fight every step of the way. There was a constant uphill battle against tyranny, oppression and the desire on the part of the mother country to extract part of its livelihood from its Colonies. Our great Nation has come a long way since 1607. Since those brave, courageous and hardy settlers set foot on this sacred spot, much has been done to achieve freedom and liberty for the people of the great Nation.

First, our freedom was obtained from England. It was done at the cost of great sacrifices in life and material wealth. Patriots fought, bled and died that men might be free, that individual liberty could be had in this country. We had the Declaration of Independence given us as the pole star to guide this little country in its fight for freedom.

Following that, great statesmen and scholars of that time produced the Constitution of the United States, the greatest document ever conceived by man. It guaranteed to the people their liberties and freedoms. It guaranteed to the States their sovereignty. All of this flows from that little

seed planted in this hallowed spot by those settlers 350 years ago. Our Nation, from then until now, has grown into the mightiest Nation on earth. We have the greatest civilization ever known to mankind. We live in a land of plenty.

The National Government under the Constitution started out to be the servant of the people. It was so created and it was never intended that the people would be the servant and vassal of the Government.

It is time now that we pause, take stock, and ascertain in which direction we are now headed and try to determine where we will land if we continue our present course.

In the past few years, the Government has grown so fast and become so large that the people are in grave danger of losing control over it. We have created a huge Frankenstein monster whose power, if allowed to continue to grow, will gobble up its creators. Our people have been so busy accumulating material wealth and trying to get advantages from the Government that they have failed to realize how big our Government has become and how dangerously close we are to losing the birthright and heritage that has been ours for generations. We are raising up a generation who is being taught to look to the Government for their needs, desires, and wants rather than to rely upon their own individual ingenuity and self-help.

Our people must realize that there is no such thing as Federal handouts. The Federal Government cannot give us anything until they have first extracted it from the people. The people never give up their liberty but under some delusion. Many of our people have been deluded into believing that the Federal Government can solve all of their problems without cost to the taxpayers and can carry their burdens and obligations on its shoulders without cost. Nothing is further from the truth but so many people believe in this philosophy that our Government has gone a long way toward a centralized, all-powerful dictatorship. This trend must be stopped in the foreseeable future if we are to retain our republican form of government and preserve the rights and freedoms of our people.

We fail to realize this country was founded on private enterprise. It has become great because of individual initiative, determination and hard work on the part of citizens who have not in the past depended upon the Government to look after their wants, needs and desires. We have remained free because the people were willing to do for themselves, to work hard to get ahead, and had a determination to remain free.

There are some in this country today, and their number is not small, who are determined to nationalize, federalize, and socialize this country of ours from one end to the other. They desire to make of this great Nation a socialistic, welfare state. The time is at hand when the people of America must choose up sides. They must make a determination as to which course we shall pursue. This is an opportune occasion for the people to rededicate themselves to the cause of liberty, freedom and the concept of Government held by the Founding Fathers of this great Nation. Many of our people do not begin to comprehend or realize that a great battle is raging throughout the Nation today. Insidious forces are at work endeavoring to weaken, to break down, to change our form of government, and to wreck our way of life as we know it. They desire to concentrate all authority in the National Government. They are making an all-out effort to put the purse strings of the Nation directly under the control of the Federal bureaucracy.

Our people and the Nation as a whole fail to see the significance or importance of this conflict. They do not believe that a conspiracy is afoot against the rights and privileges of our people and the sovereignty of our States. What we are fighting today is not just a recent movement or a small operation. It has been building up for years and years. It has behind it some of the most wicked forces presently inhabiting this earth. The battle has become of such momentous importance, the stakes so high, and the outcome so vital, that I shudder to think what will happen to our people if we lose the conflict. Make no mistake, our very way of life is at stake.

The creeping socialistic invasion of State and local power by the Federal Government must be stopped before it turns this Nation into an all out socialistic welfare state. The hour is already late and unless our people awaken and realize the seriousness of the situation, we will soon see our way of life taken from us and the liberties and freedoms that were wrought out for us by our forebears devoured by the octopus-like Federal Government that we have allowed to be established.

In the very recent past, we have seen the judicial arm of the Federal Government attempt to strike down the customs, habits, mores, and traditions of our people by usurpation of authority that they never had, authority that was specifically retained by our Founding Fathers for the people themselves and the individual sovereign States.

That was just one of many such incidents when the judicial branch of the Federal Government has, by usurpation of power and authority, attempted to amend by judicial decree the Constitution and by judicial fiat write into legislation the personal, political philosophy of the individual members of the Court. This same Court is gradually taking over the legislative and executive functions of the Government.

It is interesting to note that only last week the members of the American Bar Association held their annual meeting in England. While there, the members of the bar association, including members of the Federal judicary, dedicated a memorial to the Magna Carta, that great instrument which 2,000 English patriots wrested from arrogant, truculent King John in the year 1215. This instrument has been hailed by many historians as the first statement and source of many human freedoms in English civilization. It was the first solid achievement in the struggle for liberty in the English speaking countries.

I pray that the judicial branch of the Federal Government will stop digging the grave and erecting a tombstone over the liberties and freedoms of the individuals and the sovereignty of our States. I say to you in all candor that this is being done step by step and will be carried through unless the citizens of this great Nation arise to the occasion, fight off this octopus-like arm of the Federal Government and demand a return to the concepts of constitutional government where the dignity of the individual is recognized, the sovereignty of our States preserved, and the private-enterprise system continued.

It is indeed discouraging to observe that the spirit of self-reliance so dominant among our early leaders is becoming more difficult to find today. It is alarming to note that principle is being sacrificed too often for the sake of political expediency. The lure of a welfare state has caused many to surrender their liberties. Many of our people forget the duties and obligations they owe as citizens of this great country of ours. It is so easy to look for security rather than to stand upon principle.

Apparently, there are those in the Congress and executive branch of the Government who have joined hands with the judicial branch in an effort to take from our people the liberties and freedoms guaranteed them under the Constitution.

I have reference to the so-called civil rights legislation now pending before the United States Senate. This legislation is the most obnoxious, evil, liberty destroying proposal that has been before the Congress in our time. It strikes at the very heart of the liberties and freedoms of our people and the sovereignty of our States. It is an attempt to strike down with one stroke of the legislative pen the theory of our very form of government itself.

This legislation is intended to deprive the people of this great country of many fundamental rights that our forefathers guaranteed to them by the ratification of the Constitution.

The legislation, as passed by the House of Representatives, strikes down the right of trial by jury. It does away with the sovereignty of our States. It takes from our individuals their right to be tried in the local courts. It sets up a small Gestapo under the direction of an Assistant Attorney General who will be the political hatchetman of the administration in power. It allows our people to be dragged from the four corners of our country and brought before an agent of the Federal Government without a formal charge being placed against them and without knowing who instigated the investigation. If enacted into law, it will be the beginning of the end of our very way of life and of democracy itself in this great country of ours.

This legislation is intended to establish law by injunction. It permits the Attorney General to make of the local Federal judge the administrator, the prosecutor and the executor of the functions of the States and localities, particularly the operation of the schools, transportation system and other public recreation activities.

These are but some of the evils of this legislation. The most shocking part of it all, however, was the part played by a large segment of the press and other news media in keeping from the people the true facts about the so-called civil rights legislation. Large segments of the press, radio and television commentators failed and refused to give the public information and news dealing with the civil rights legislation.

Now the iron curtain of the news media has finally been broken down and the northern press is carrying the true facts about this iniquitous legislation. As a result of the long debates, the people at last are becoming aware of the evils that are contained in this legislation. I have hopes that when the people awaken to the dangers confronting them they will rise up and demand that this legislation be killed.

I realize what a dreary picture for the future of our Nation has been painted in what I have had to say but I say to you, in my opinion, it has been a true picture. America is at the crossroads. Our people are on trial today. It is for them to say whether or not we will measure up to the principles and heritage that that little band of settlers and their predecessors wrought out for us. The only hope is for a rededication on the part of the American people to the concepts and precepts of fundamental constitutional government. There must be a determination on the part of our people to keep this country on a solid foundation of private enterprise, and individual freedom.

I have great faith in the American people. I believe that when they become aware of the consequences facing us they will measure up to the high standards set by those who have gone on before and will clean up the temple and steer our ship of state back on its right course.

We must preserve liberty and freedom in this country. We must see that State sovereignty is respected and maintained. We must instill in the younger generation that the least governed are the best governed and that there is no such thing as something for nothing. This we must do and shall do or else we will have lost what this great Republic has gained in the years gone by.

Address of United States Senator Edward Martin, of Pennsylvania, at the Annual Convention of the American Legion, Department of Pennsylvania, at Harrisburg, Pa., August 10, 1957

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mr. FULTON. Mr. Speaker, Senator EDWARD MARTIN on Saturday morning, August 10, 1957, delivered an address before the American Legion convention in Harrisburg, Pa., which I believe to be an important statement on the economic health of the United States. Senator MARTIN speaks of the sound policies that are necessary for the healthy, vigorous growth of our country in order that our national prosperity will continue and grow.

Both as a longtime friend as well as a Pennsylvania colleague of Senator MARTIN, it is a pleasure to insert this tribute to the ability and sincerity of our senior Senator from Pennsylvania.

ADDRESS OF UNITED STATES SENATOR EDWARD MARTIN, OF PENNSYLVANIA, AT THE ANNUAL CONVENTION OF THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA, AT HARRISBURG, PA., AUGUST 10, 1957

Your many invitations to speak at your annual conventions help the morale of an old soldier more than these humble words of mine can express.

I sincerely appreciate the honor of addressing you, because the Legion has done so much to advance patriotic Americanism and to build the material, spiritual, and cultural strength of the United States. You have fought bravely and intelligently for all things American. You have battled courageously against all things un-American.

Over the years I have talked to you on many subjects. Today, I would like to bring to your attention the financial situation of our Government and its relation to the welfare of our people. This may not arouse much enthusiasm, but basically it is one of the most important problems confronting our country.

Before taking up what some may consider a dry financial discussion, let us look back with pride at the background of the United States.

The history of America is a glorious story. It tells of toil, sacrifice, and heroism. It tells of victory produced by a people whose hearts and minds were aflame with the spirit of liberty and independence.

It tells of those courageous patriots who met in Philadelphia more than 180 years ago, and pledged their lives, their fortunes, and their sacred honor, to establish a new nation. For the first time in all the world, government recognized the divine origin of man's inalienable right to life, liberty, and the pursuit of happiness.

For the first time a government was based upon the sound principle that governments derive their just powers from the consent of the governed.

Upon that foundation, in less than 200 years, a savage wilderness has been transformed into the most powerful nation of the earth, with the highest spiritual and cultural level ever attained by any similar area in the world.

We surpass every other nation in industrial and agricultural production but regardless of our great national wealth we are confronted by grave problems.

Our most serious internal danger is the depreciation of the purchasing power of the dollar.

Yes, my fellow Americans, I want to impress upon you that inflation is the No. 1 danger to our country. If allowed to continue it can destroy our system of government. Recent world events have demonstrated beyond all doubt that inflation is a direct threat to freedom.

It has the power to crush any economy upon which it fastens its grip. The record of history proves that more great nations have been overthrown by inflation than by invading armies.

I have every respect for the economist who can discuss inflation from the technical standpoint and can support his conclusions with charts and statistics. His expert knowledge has great value but you don't have to be an expert to know that no matter how fat your pay envelope may be, the thing that really counts is how much you can buy with your dollars.

Let me give you the figures on how much the dollar has depreciated in value.

In 1939 the dollar was worth a little more than 100 cents in purchasing power. Inflationary pressure during World War II forced the value of the dollar down to 78 cents. The decline continued during the postwar years and at the beginning of 1953 the dollar represented only 52 cents in purchasing power. For a time it appeared that the value of the dollar had been stabilized at that point and for the next 3 years remained practically unchanged. However, in 1956 the downward trend was resumed and the value of the dollar sank gradually month after month, going down from 51.5 cents in June 1956 to 49.8 in April of this year.

This is an alarming situation. If the downward trend is not checked the healthy, vigorous growth of our country cannot be maintained and our prosperity will become a thing of the past.

When the dollar loses its purchasing power, it damages all with fixed incomes. The person who lives on a pension, social security, or interest on savings cannot escape the evils of inflation. There are now in the United States more than 16½ million on social security, corporations, and Government retirement, veterans pensions, veterans survivors benefits, and military retirement pay.

Values built over a lifetime, or even over generations, are reduced or wiped out by inflation. Those damaged by inflation include the more than 125 million savers in the United States, the shareholders in corporations, owners of life insurance policies and savings accounts. Men and women paying into social security make up another great list of savers whose benefits are reduced by inflation.

I turn now to some of the causes of the inflationary pressures that have been building up over the years.

First, I would point to big government as one of the primary causes. This includes excessive Government spending, deficit financing, a staggering burden of debt, printing press money and unsound fiscal policies. There has been so much expansion of government that more than 7 million are now employed at the three levels, Federal, State, and local. They are not producers and the total payroll puts into circulation nearly $40 billion dollars a year.

Second, increased labor costs with a corresponding rise in the cost of production. When higher wages bring an increase in productivity there is no danger. But this has not been the case here in the United States in recent years. Inflation results when production does not keep pace with rising wages.

Third, too much use of borrowed money in the expansion of business and purchases by government, corporations, and individuals, particularly money borrowed from banks.

An official Department of Commerce report issued on May 27, shows that the American people, at the end of last year, owed a total of more than $800 billion in gross private and public debt. This is an average of about $4,700 for every man, woman, and child in the Nation.

Net State and local government debt has increased from $13½ billion in 1945 to $42.7 billion at the end of 1956.

Net corporate debt went up from $93½ billion in 1946 to $208 billion at the end of 1956.

People have been buying out of tomorrow's pay checks. At the end of 1945 they owed less than $6 billion. In 1956 this figure had increased to $42 billion.

Fourth, experience has shown that there is no limit to human desire for goods and services, but there is a limit to the means by which these desires can be satisfied.

We must remember that even though we are the richest Nation on earth there is a limit to our resources. Therefore, when government attempts to carry out competitive political promises, many of them made by demagogs, and undertakes to supply the wants of groups and individuals, the cost is likely to exceed available revenues. In that event, government resorts to deficit financing. Increased debt and more inflationary pressure are the natural consequence.

How can inflation be curbed?

It can be done by drastic governmental controls over wages and prices. Americans do not want such governmental controls. We want a free economy, because the great strength of our Nation is our system of free competitive enterprise. If it collapses our entire structure will fall.

Living standards here in the United States are the highest in the world because American productivity has been advanced to the highest level in the world. Production is the golden key to prosperity. We cannot have great industrial production if we have restrictive legislation or controls enforced by administrative directives.

It can be done by voluntary restraints on the part of the people, by reducing individual spending and by building up savings accounts and other forms of savings. But that method has never been effective.

It can be done by tough credit restraints and higher interest rates to make borrowing more difficult. This is not very palatable as far as the American people are concerned but it is one of the best ways of curbing inflation.

It can be done by raising taxes so high that it would control a boom. We will not accept that plan. Taxes are too high now. Tax cuts are not inflationary, if accompanied by reductions in Government expenditures.

Many feel that the objective of full employment is inflationary. It has been suggested that wage and price increases, when more than one State is concerned, should be subject to national approval.

Politicians want to avoid brutal methods like high interest rates, curbing appropriations, and increasing taxes. Such actions are always unpopular. Too often the politician takes the easy way, without regard for the dangers that lie ahead.

The curbing of inflation is a job for all of us because in the United States, we the people are the Government.

The Federal Reserve Board by restricting the expansion of credit has done much to check inflation. This restrictive action has been accompanied by rising interest rates and many now contend this is one of the reasons for the high cost of government. However, the curbing of inflation in defense spending alone has saved us an amount greater than the increased cost of interest to

the Federal Government. The stand of the Federal Reserve Board has been criticized but it has rendered a great service to the Nation.

Why has government become so expensive?

One reason is that Federal and State Governments are financing a great variety of activities that formerly were the responsibility of local government and depended upon the self-reliance and initiative of the people in their home communities.

As an example let me cite the big increase in so-called grants-in-aid from Washington to the States. In the early twenties $100 million a year in Federal funds were paid in grants to the States. This has now increased to $4 billion.

Here is another fact. One American out of five—men, women, and children—gets a check at regular intervals from Uncle Sam.

Another illustration of the increase in the cost of government is that the Federal Government proposes to spend $14 billion a year for welfare projects compared with $4 billion 10 years ago.

While we must all work for a sound and solvent America, we must not forget the dangers of Red propaganda. We have found that large quantities of Communist propaganda has been received by embassies and other so-called diplomatic representatives of the Soviet and that this material has been distributed throughout the United States.

Recently there was broadcast into millions of American homes an example of Communist propaganda more flagrant than anything ever before attempted.

It was a brazen attempt to convince American listeners that Soviet Russia has no evil designs against the free nations of the world. We were told that the Russian dictators seek only friendship and peaceful coexistence.

Yes, my fellow Americans, the Communist boss talked peace but real Americans were not fooled. The record denies their words.

Their fundamental objectives have not changed. They have not abandoned their unholy ambition to destroy all human freedom.

Those of you who heard that broadcast will recall the prediction that the grandchildren of Americans living today will live under a socialistic system.

That was a grim warning. It must not be ignored. It calls upon us to be constantly alert to the dangers of Communist influence here at home. We must fight disloyalty with every weapon at our command, and if our laws are not strong enough, they should be made stronger.

We can have a strong and prosperous America if we work for four important objectives:

1. Labor must be gainfully employed at wage scales adequate to maintain the American standard of living.

2. The farmer must have a profitable market for his product.

3. The investor in industry must have a fair return on his investment.

4. The dollar must be stabilized.

In every age in America we have looked forward. We have looked forward with a mixture of courage and doubt. Each one of us has fought his own battle. Many of us have lost. Some have won. The great majority have had both defeats and victories. But, in every generation, courage in the United States has prevailed.

Personally, I feel that America today has the same courage that caused our forefathers to move ahead. They did not have it easy. We will not have it easy. We must always fight for the stability of our currency; for the improvement of living conditions; for our up-building, morally and spiritually.

The early settlers in the New World, facing the hardship of a vast and unknown wilderness, had one thing in common—an ardent faith in God.

Let us emulate their example.

As militant, God-fearing believers in American ideals, let us fill our more than 300,000 churches, cathedrals, synagogues, and temples in the United States, 165 of them built before 1776.

Let us wage a war for complete loyalty by all living in the United States to the principles for which a million Americans died on battlefields within our borders and in foreign lands.

Let us live by the motto "In God We Trust"; and if that trust is deep enough, America will survive every attack.

Let's Save the Old War-State-Navy Building

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 13, 1957

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks I include herewith a letter of protest I have written to Mr. Robert V. Fleming, Chairman of the Presidential Advisory Commission on Office Space, in the matter of the Commission's recommendation that the War-State-Navy Building be razed. My letter and the material referred to in the letter follows:

AUGUST 9, 1957.

Mr. ROBERT V. FLEMING,
Chairman, President's Advisory Commission on Presidential Office Space, General Services Administration Building, Washington, D. C.

MY DEAR MR. FLEMING: It is with much regret that I read the recommendations of the Presidential Advisory Commission on Office Space to tear down the old War-State-Navy Building and erect upon the site a modern, functional building.

Frankly, I cannot understand the lack of appreciation of traditional value that this exemplifies. There are very few buildings left of this architectural design, which represents a very definite period in the building of America. Some call it the Grant era, others remind us that it really has a French second empire style. Comparable buildings are considered to be the Luxembourg Palace, the Louvre in Paris, and in our own country, Philadelphia's City Hall.

Passing it the other evening I was struck with a sense of its beauty that I had not before appreciated. Why in the world should we want to destroy everything that sings our history, to reduce ourselves to a monotonous modernity, I cannot understand.

The $6 million it would cost to destroy the building might certainly be well used for cleaning it and altering the interior to a more useful arrangement of the rooms.

I protest, as strongly as it is possible for one person to do, what I consider ruthless destruction of one of the most perfect examples of French Renaissance architecture in the United States. Tied in as it is with our history, how can we give consideration to its destruction.

Attached is a collection of quotations from published material regarding the building which, while not organized in article form, do describe the building's beauty, utility, and architectural significance.

Hoping that the Commission may find it possible to reconsider their recommendations on this matter, and with all good wishes, I am,

Sincerely yours,

FRANCES P. BOLTON.

QUOTATIONS FROM PUBLISHED MATERIAL REGARDING THE PRESERVATION OF THE STATE-WAR-NAVY BUILDING

A. B. Mullett's $12 million design was described as "an almost perfect specimen of architecture * * * the interior has been constructed in a very magnificent and yet entirely substantial manner." As the Federal Government grew, the War and Navy Departments moved to buildings of their own, the State Department remained here until after World War II.

American mansard was considered the perfect style to express the dignity of Government at every level. The United States Post Office, the State university, the county courthouse, the city hall, and the township hall—all were crowned with mansard roofs and often had towers with mansards of their own. For some years A. B. Mullett, supervising architect of the United States Treasury Department, held a virtual monopoly on the design of major Federal buildings; he preferred the French Renaissance manner with row upon row of pillars and columns. The mansard roof itself took many shapes, its slope could be straight, or concave, or convex, or both combined in an S-curve. The dormer windows might be rectangular or pointed and gabled or round-like portholes. Some large roofs even featured a double row of dormers, one above the other.

The massive 5-story building, containing 566 rooms leading off 2 miles of corridors, stands at 17th and Pennsylvania Avenue, as a tomb or a monument to an architectural phase—depending on the architect one talks to.

Admirers laud the structure, fathered by Treasury Architect A. B. Mullett, as a worthy remembrance of times past. The opulent structure, French second empire in style, is a reflection of American interest in 17th century French architecture.

The columns, pilasters, pavilions, pediments, and rusticated basement are harmoniously assembled into a careful piece of architectural design. Comparable buildings are the Luxembourg Palace and Louvre in Paris and the Philadelphia City Hall.

The porch block constitutes a central pavilion that is articulated; that is, it gives an indication of what's inside. The porches are emphasized by superimposed orders of columns, with the first three stories being Doric style and the fourth, Ionic. The porches narrow as they ascend.

Each vertical strip of windows, from ground floor to top, reflects the subtlety of design that avoids dullness. Over each window in the strip is a different pediment or eyebrow—curved, segmental, triangular, and so forth.

The paired pilasters or flat strips at the corners give the feeling of strength to the building. They are a variation from free-standing columns.

Each facade has receding and projecting planes to break up the surface and avoid monotony. The high rusticated (in grooves) basement, for example, offers a variation.

Some way must be found to make the present old War-State-Navy Building more useful. It would be a discredit to our foresight to replace this important architectural example with a new building which would be contemporary for another few years.

Many people also question the appropriatness of the classic marble buildings on Constitution Avenue, with their own share of cluttering columns, but none considers demolishing any of these.

Why then tear down one of the really interesting buildings in the city, to replace it with something that will sink into its surroundings better?

Contrast contributes much to the character of Washington, and buildings such as the old

State and the Smithsonian serve to throw the White House and the Mall into sharper relief.

Let us have a sense of tradition, and even of humor. Let us keep Washington from becoming a monotony of modern efficiency. Save this wonderful period piece.

This building is classed by Henry Russell Hitchcock, of the Architectural Historians Society, as one of the two most important 19th century structures standing in the Federal City. The other is the Treasury Building.

Three most interesting and beautiful buildings in Washington stand side by side: State-War-Navy, White House, and Treasury. All the more interesting and beautiful because each is different.

All that the fine old State-War-Navy Building needs is a good scrubbing to restore it to its original classic beauty.

This beautiful building of French Renaissance, which so long housed our State, War, and Navy Departments, would be the pride of any other capital city in the world. The mere mention of its destruction is enough to make our great statesmen, generals, and admirals, who occupied it, cry out from the grave in protest.

At the recent convention here of the American Institute of Architects, many of its most distinguished members, including Ralph T. Walker, of New York, who received the institute's "special centennial medal," strongly opposed the contemplated destruction of what is, perhaps, the finest building of its type in the United States, and a landmark in Washington since it was completed in 1888.

It is a striking commentary upon today's inflationary market that it would cost nearly as much to tear this building down in 1957 as it cost to build it in 1875–88, the price then being $10,038,482.42.

While taste has changed since its erection when it was considered the finest building in Washington, it is still just as impressive in design and scale as it was then, and its granite steps and columns and details are unblemished by 80 years of weather. With its superposed orders and mansard roofs and towers, it is a monumental example of Second French Empire architecture, simplified to suit the hard stone.

Its ample, ornate corridors and curved, cantilevered staircases are impressive. Its offices are spacious with high ceilings and decorative cornices and window embrasures. All appears in perfect repair.

A PLACE FOR PRESIDENTS TO WORK—COST: $32 MILLION

A plan is afoot to change and enlarge the White House.

The goal is to give the President enough office space, for the first time in more than 100 years.

Ike backs this plan. But there's opposition, too. A Washington landmark would have to go.

It is going to cost at least $32.8 million to give future Presidents the space they need to house their staffs.

That simple figure offers an idea of the size to which the job of being President has grown. It is a figure arrived at by a special Commission—including Members of Congress—that just completed a study of the White House.

This amount, the Commission says, would provide offices outside the White House big enough to meet needs for Presidential offices for at least the next 50 years. The new construction, the Commission adds, can be done in a way to preserve and enhance the traditional appearance of the President's home.

Details of the Commission's plan were first reported in the March 8 issue of U. S. News & World Report.

Today, President Eisenhower's staff of about 1,500 people is jammed into cramped offices in the east and west wings of the White House, and in the 70-year-old State, War, and Navy Building, across the street from the west wing.

Arrangements are "outmoded, overcrowded, inefficient," according to the study Commission's report.

STANDING ROOM ONLY

The President's staff secretary shares one room with four other people. The appointments secretary's office is too small to hold enough chairs for visitors; some must stand while they wait. Mr. Eisenhower's press secretary has a news ticker in a washroom. Desks and files and stacks of documents are scattered through corridors, the basement, the attic.

It's a situation that has been getting worse and worse since 1800 when the White House was first occupied. All early improvements, the Commission notes, were made "without any consideration" of the President's office needs.

When original offices on the first floor became too crowded, some activities were moved up to the second floor. Cabinet meetings also were transferred to the second floor, close to the President's study. As years passed, secretaries, officials, and visitors who had to see the President increased—and privacy of the President's living quarters declined.

By 1902, the situation was so bad that President Theodore Roosevelt, unable to get support for a plan to create permanent office space, built a temporary office west of the Executive Mansion.

Now, 55 years later, the temporary office is known as the west wing. It was completely rebuilt in 1934, by President Franklin D. Roosevelt. An east wing also gobbled up for offices, was added in 1942.

In 1946, President Harry S. Truman tried to enlarge the west wing to relieve congestion, but Congress impounded the money after protests mounted.

Mr. Truman then took over the State, War, and Navy Building, renaming it the Executive Office Building. Some thought that that solved the space problem, yet in 10 years it has become more acute than ever.

In the Study Commission's view, for 157 years the problem of giving the President office space has always been dodged, never faced. Only makeshift improvements have been made. Meanwhile, elsewhere in the Government, great office buildings such as the Pentagon were being put up for all the other departments and agencies—which take orders from the President.

A permanent cure? Heart of the Commission's plan is to tear down the old State, War, and Navy Building and replace it with a modern structure three or four stories high and in keeping in size and character with the White House.

In the White House itself, the west wing offices would be torn out and replaced with spacious living quarters for visiting dignitaries. The east wing would be made over to include an entrance for large social functions; an art gallery and museum. But outward appearance of the White House would be little changed.

The opposition. Proposed destruction of Old State has created opposition to the Commission's plan. To some, the venerable building is an architectural monstrosity. To others, however, including the powerful Speaker of the House, SAM RAYBURN, Democrat, of Texas, it is a historical edifice worth preserving.

The man who lives with the White House space problem, President Eisenhower, is sentimental about Old State, too—but, for the comfort and efficiency of future Presidents, he is backing any solution that will get more office room and preserve the White House as a home for Presidents and a shrine for all Americans.

SENATE

WEDNESDAY, AUGUST 14, 1957

The Senate met, in executive session, at 11 o'clock a. m.

The Rev. William W. Pendleton, priest in charge of St. John's Episcopal Church, Centreville, Va., and Christ Episcopal Church, Chantilly, Va., offered the following prayer:

Most gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for their Senate, now assembled: That Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the good of Thy church, the safety, honor, and welfare of Thy people, that all things may be so ordered and settled by their endeavors, upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety, may be established among us for all generations. These and all other necessaries, for them, for us, and Thy whole church, we humbly beg in the name and mediation of Jesus Christ, our Lord. And now may the grace of God Almighty, the Father, Son, and Holy Ghost, be amongst you and remain with you always. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, August 13, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, on yesterday, by error, I requested that the Armed Services Committee be permitted to sit during the session of the Senate today. I was in error; I thought today would be Thursday. I now renew the request, and ask that the Armed Services Committee be permitted to sit on Thursday, during the session of the Senate.

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

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

The Committee on the Judiciary, until 12 o'clock meridian.

The Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare.